



**WORLD BANK STUDY:
Filing Requirements for Non-listed Companies with Limited Liability
-Companies Survey-**

Study Overview

The Financial Management unit of the World Bank is conducting a study on the public availability of general-purpose, annual financial statements of non-listed firms in a number of countries. The study will analyze (1) the arguments both for and against mandatory disclosure of such financial statements; and (2) the different rules and enforcement mechanisms that are used in those countries that mandate non-listed firms to make their financial statements publicly available.

In order to have a full understanding of the implications of a mandatory publication requirement, we need to receive input from the private sector. As such, we would very much appreciate if your company could assist the World Bank by filling out the attached survey. Your feedback is very important to us, as it will provide us with a better understanding of the effectiveness and usefulness of current regulations, as well as a sense of the quality of publicly available financial statements.

If you have any questions about the survey or would like clarification of any of the questions, please contact:

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Contact Information

Please provide the following information about yourself and your institution. The information provided in this survey is confidential. It will be used only for World Bank research purposes and will not be divulged to third parties.

Full name: Mr. / Ms. / Dr. _____
Title: _____
E-mail: _____
Telephone: _____
Fax: _____
Name of Company: _____
Name of Country: _____

Company Background

- 1) Please place an "X" in the box next to the category which best describes your company?

<input type="checkbox"/>	Bank or other credit institution
<input type="checkbox"/>	Insurance Company
<input type="checkbox"/>	Listed Company (company with debt or equity listed or traded on a regulated market)
<input type="checkbox"/>	Non-listed privately held company with <u>limited</u> liability (ex. non-listed joint-stock company or limited liability company)
<input type="checkbox"/>	Non-listed privately held company with unlimited liability (ex. sole proprietorship or general partnership)

- 2) Please indicate the economic sector(s) that best corresponds to your company's type of business:

<input type="checkbox"/>	Agriculture, Forestry & Fishing
<input type="checkbox"/>	Mining
<input type="checkbox"/>	Manufacturing
<input type="checkbox"/>	Construction
<input type="checkbox"/>	Transport & Utilities
<input type="checkbox"/>	Distributive Trades (Retail, Wholesale, and Motor Vehicle Sales)
<input type="checkbox"/>	Finance, Insurance & Real Estate
<input type="checkbox"/>	Other Services Industries
<input type="checkbox"/>	Government Owned Company
<input type="checkbox"/>	Other

- 3) Currently, about how many people does your company employ?

- a. Number of Full Time Employees (≥ 40 working hours per week)_____.
- b. Number of Part Time Employees (< 40 working hours per week)_____.

- 4) What was your company's annual revenue for last year (2004) in local currency?_____.

- 5) Please indicate the size of your company below. Categorize your company according to your country's legal/regulatory definitions for large, medium and small companies.

<input type="checkbox"/>	Large
<input type="checkbox"/>	Medium
<input type="checkbox"/>	Small

- 6) Please describe the approximate composition of your company's shareholders by filling in below the % of shares held by each category of shareholder below. (If a category of shareholders holds no shares, please mark "0" for that category.

Managers	%
Employees	%
Owners	%
General Public	%
Institutional Investors	%

- 7) Under current regulations (as of May 1, 2006) is your company required to publicly disclose financial statements?

☐ Yes
☐ No

- 8) Under current regulations (as of May 1, 2006) are your company's publicly disclosed financial statements required to be independently/externally audited?

☐ Yes
☐ No

- 9) If your company is not required to publicly disclose financial statements, do you voluntarily disclose this information to users?

☐ Yes – *Continue to Question #10*
☐ No – *Please Skip to Question #12*
☐ Not Applicable – *Please Skip to Question #12*

- 10) Please indicate the user groups to which you voluntarily disclose financial statement information:

☐ General Public
☐ Banks and Other Creditors
☐ Supplier
☐ Other

- 11) Are these voluntarily disclosed financial statements independently/externally audited?

☐ Yes
☐ No

For questions 12-44, please indicate your level of agreement with the following statements where 1=Strongly Disagree and 5=Strongly Agree. Please select "6=Not Applicable" if you do not know or the question does not apply to you. Please respond to the questions from the point of view and experiences of your company.

Audit

1. Strongly	2. Disagree	3. Neither	4. Agree	5. Strongly	6. Not
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	Disagree		Agree NOR Disagree		Agree	Applicable
12) Audited financial statements are more <u>reliable</u> than <u>unaudited</u> financial statements.						
13) I feel comfortable using publicly filed <u>unaudited</u> financial information in <u>business decisions</u> .						
14) I feel comfortable using <u>audited</u> financial information in <u>business decisions</u> .						
15) Requiring financial statements to be audited <u>greatly improves</u> the <u>quality</u> of financial information.						
16) The cost of externally audited financial statements is very high.						
17) Accounting standards in my country are <u>poor/weak</u> .						

Competition

	1. Strongly Disagree	2. Disagree	3. Neither Agree NOR Disagree	4. Agree	5. Strongly Agree	6. Not Applicable
18) Even when not required to do so, my company's <u>competitors</u> voluntarily make their financial statements <u>publicly available</u> .						
19) My <u>competitors</u> are <u>required</u> to make their financial statements publicly available.						
20) I feel I am at a <u>disadvantage</u> as my competitors <u>do not</u> have to make their financial statements <u>publicly available</u> .						
21) Required financial disclosure would result in a <u>loss of privileged/proprietary information</u> to my company and aid my competitors						

22) My company uses the publicly available financial statements of our <u>competitors</u> .						
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Perceptions of Disclosure

	1. Strongly Disagree	2. Disagree	3. Neither Agree NOR Disagree	4. Agree	5. Strongly Agree	6. Not Applicable
23) Requiring public disclosure of financial statements would be <u>too costly</u> for my company						
24) Public disclosure of financial statements creates <u>greater information</u> and helps my company make better <u>business decisions</u> .						
25) My company uses the publicly available financial statements of <u>private/nonlisted</u> firms						
26) My company uses the publicly available financial statements of <u>public/listed</u> firms						
27) My company uses the publicly available financial statements in selecting <u>suppliers</u>						
28) My company uses the publicly available financial statements in <u>conceding</u> credit.						
29) My company uses publicly available financial statements to <u>explore new business opportunities</u> .						
30) Publicly disclosing financial information improves <u>management accountability</u> and <u>stewardship</u> in my company.						

	1. Strongly Disagree	2. Disagree	3. Neither Agree NOR Disagree	4. Agree	5. Strongly Agree	6. Not Applicable
31) If financial statements are not publicly available my company <u>feels comfortable</u> requesting financial information from suppliers, clients and other third parties.						
32) If financial statements are not publicly available my company would <u>rather obtain</u> financial information from rating agencies and credit insurance companies <u>than ask third parties</u> directly for this information.						
33) If my company were not required to publicly disclose financial information <u>we would not</u> disclose financial information.						
34) Publicly filed financial statements are <u>useful</u> in assessing the financial condition of a company.						
35) Obtaining another company's publicly disclosed financial statements is <u>expensive</u> .						
36) Obtaining another company's publicly disclosed financial statements is <u>difficult</u> .						
37) Penalties for <u>non-compliance</u> with filing requirements are too <u>expensive</u> .						
38) I am less willing to invest in nonlisted firms in a <u>country</u> where they are <u>not required</u> to publicly disclose financial information.						
39) I am unable to file my company's financial statements <u>electronically</u> (through the internet), but						

	1. Strongly Disagree	2. Disagree	3. Neither Agree NOR Disagree	4. Agree	5. Strongly Agree	6. Not Applicable
would use that option if it were available.						
40) I am able to file my company's financial statements <u>electronically</u> (through the internet).						
41) Publicly disclosed financial statements do not provide enough <u>relevant information</u> on other companies.						
42) Financial statement disclosure increases the <u>standardization and comparability</u> of financial statements						
43) Publicly disclosed financial statements do not provide <u>timely</u> information						
44) Publicly disclosed financial statements are an <u>important</u> source of information for my <u>employees</u> .						

If you have additional comments, please provide them below.

(Comments)

Thank you for your time. Please send your completed survey to

ahirata@worldbank.org, and copied to fmresearch@worldbank.org.