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# Corporate Governance in Libya: A Systematic Review and Comparative Analysis with UK Standards

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**ABSTRACT**

**Purpose:** This study aims to evaluate current corporate governance (CG) practices in Libya, identify gaps in the literature, and compare these practices with UK CG standards, with a special emphasis on enhancing the role of the board of directors and its committees within the Libyan banking sector.

**Design/Methodology/Approach:** Using a systematic literature review approach, this research comprehensively assesses existing CG literature in Libya to identify gaps and suggest avenues for future research. Additionally, this study conducts a comparative analysis of CG practices in two different jurisdictions: Libya and the UK. This approach facilitates a critical reassessment of the Libyan CG code and proposes strategic modifications to enhance board functionalities and governance practices in the country.

**Findings:** The review emphasizes the urgent need for in-depth CG research in Libya, noting the strong impact of UK academic models on Libyan governance studies. The comparative analysis points out serious weaknesses in the governance of Libya's banking sector, highlighting the necessity for focused research and extensive reforms. It calls for notable improvements in board functions, addressing governmental interference, and resolving legal deficiencies. Furthermore, the study urges the Central Bank of Libya to adopt and enforce stricter governance standards, which are crucial for improving governance quality.

**Originality/Value:** This study distinctively uses a systematic literature review to identify gaps and set a research agenda in the CG of the banking sector in emerging economies, with a focus on Libya's unique political, cultural, social, and legal contexts. It also conducts a comparative analysis of CG practices between Libya and the UK, revealing the strengths and weaknesses of Libya's framework. The research identifies critical areas for improvement, aiming to enhance governance practices and inform stakeholders—including government officials, regulators, shareholders, and board members—about necessary reforms to strengthen the CG landscape.

**Keywords:** Corporate Governance Code, Libya's Banking Sector, Systematic Literature Review, Comparative Analysis, United Kingdom.

## 1. INTRODUCTION

The literature on corporate governance (CG) has profoundly evolved since Berle and Means's (1932) seminal exploration of the separation of ownership and control, which underscored fundamental concerns within corporate structures (Muniandy and Hillier, 2014). The financial crises and scandals from the 1980s to the 1990s significantly magnified global scholarly focus on CG, as initially catalyzed by the Cadbury Committee's (1992) report. This report not only highlighted the financial implications of CG but also set off a stream of research that sought to deepen the understanding of CG (Huse, 2007; Prentice and Holland, 1993; Daily and Dalton, 1994). This extensive inquiry led to the progressive elaboration of the CG framework, enriched by numerous subsequent studies (Hart, 1995; Shleifer and Vishny, 1997; Cohen et al., 2002), and was complemented by the development of CG guidelines by regulatory organizations globally, especially following the early 2000s corporate collapses (Fichtner, 2010; Gaylard et al., 2014).

CG's definitions have varied, reflecting different emphases on political, cultural, economic, and social dimensions alongside governance goals. The Cadbury Committee (1992) viewed CG primarily as a mechanism for directing and controlling organizations, focusing on the strategic roles of directors and managers (Daryaei et al., 2013). Conversely, Cohen et al. (2004), inspired by the Public Oversight Board (1993), offered a broader definition that emphasized the responsibilities, functions, and procedures crucial to regulating the financial reporting process.

While some scholars, such as Walker (2009), have described CG as a framework for advancing shareholder interests, others, such as Dalwai et al. (2015), advocate for a more inclusive understanding that sees CG as a regulatory activity involving both internal and external agencies to resolve agency conflicts and protect the interests of all stakeholders, aligning with the OECD's (2004) comprehensive definition. The critical importance of effective CG extends beyond corporate corridors to influence national economies, especially within the banking sector, where CG's robustness is crucial for economic stability (Ahmed et al., 2017).

CG structures in developing economies often face institutional fragility, evolving regulatory landscapes, and weak enforcement mechanisms, making it essential to examine how these frameworks operate in unique economic and political contexts (Boubakri et al., 2005; Shegaw, 2019). Libya, as a resource-dependent emerging economy, provides a compelling case for understanding CG in an environment shaped by economic transitions, political instability, and regulatory evolution (Magrus, 2012). The country's reliance on oil revenues, coupled with ongoing governance reforms, underscores the significance of effective CG mechanisms in stabilizing financial markets, improving investor confidence, and fostering economic resilience (Alshbili et al., 2020). Despite regulatory efforts, Libya's CG framework remains in a state of transition, with substantial gaps between formal regulations and actual enforcement, highlighting the need for further exploration of how governance structures can be strengthened to mitigate corruption and enhance transparency (Masli et al., 2024).

The Libyan banking sector, in particular, has undergone significant transformation over the past two decades, shaped by economic reforms and increasing foreign investment (Gerged & Almontaser, 2021). Historically, the financial system was state-controlled, but a wave of reforms between 2002 and 2010 introduced privatization, increased foreign ownership, and regulatory restructuring (Kumati, 2008). These reforms allowed foreign investors to own up to 50% of shares in Libyan banks, signaling the country's growing integration into global financial markets (Elsakit, 2017). However, despite these developments, corporate governance remains in its infancy, particularly within the banking sector. The Central Bank of Libya (CBL) introduced the Corporate Governance Code (CBL-CGC) in 2005, followed by the Libyan Corporate Governance Code (LCGC) in 2007, placing an emphasis on board accountability, transparency, and the establishment of audit committees. Initially voluntary, audit committees became mandatory in 2010, yet concerns persist regarding their independence, expertise, and overall effectiveness (CBL, 2010a).

Academic research on CG in Libya has evolved over two distinct phases. Early studies primarily sought to identify challenges in CG adoption, focusing on regulatory deficiencies, institutional weaknesses, and governance gaps that hinder implementation (Larbsh, 2010; Zagoub, 2011; Magrus, 2012; Abdou, 2015; Agila, 2016). This line of research provided a foundational understanding of the factors that shape CG practices in Libya, but it lacked an in-depth analysis of the effectiveness of governance mechanisms. In recent years, research has shifted toward evaluating the impact of CG mechanisms, particularly in relation to board structures (Elshahoubi, 2019; Shalba, 2016), audit committees (Abdulsaleh, 2014a; Masli, 2018; Masli et al., 2022; Masli et al., 2024), and ownership models (Alsageer, 2016). These studies have examined the implications of CG on corporate financial performance (Atkins et al., 2018; El Gabasi et al., 2014), corporate social responsibility (Alshbili et al., 2020), and various disclosure practices (Alnabsha et al., 2018; Lihniash et al., 2020). However, despite these contributions, there remains a critical gap in the literature. While individual studies have explored governance mechanisms in isolation, there has been no comprehensive review that synthesizes these findings, identifies key research gaps, and provides actionable recommendations for policymakers and practitioners. Addressing this gap is crucial, particularly in an economy where regulatory frameworks remain underdeveloped, and where governance effectiveness plays a pivotal role in ensuring financial stability and economic growth.

Given the limitations of Libya’s governance framework, it is also important to place the country’s CG practices in a broader comparative context. Developing economies often struggle with weak regulatory oversight and ineffective governance mechanisms, while developed economies, such as the UK, have established corporate governance structures that serve as global benchmarks (Jumreornvong et al., 2020; Olumbe, 2022). Examining Libya’s governance practices in relation to the UK’s well-developed regulatory framework provides an opportunity to assess the strengths and weaknesses of Libya’s approach and to identify areas where policy interventions could enhance governance effectiveness. A comparative analysis between the two countries allows for a critical reassessment of Libya’s corporate governance code, regulatory oversight, and board structures, offering insights into how governance practices can be refined to align with international standards.

The relevance of such a comparison is underscored by prior research on corporate governance in emerging economies. Studies that have compared governance practices between developing and developed countries, such as Costa and Ngcetane-Vika’s (2021) analysis of the UK and South Africa, have demonstrated the value of benchmarking governance frameworks to identify best practices and policy lessons. For Libya, aligning its governance structures with international standards is not just a theoretical exercise; it has practical implications for improving transparency, strengthening investor confidence, and fostering long-term economic stability. A robust governance framework can facilitate the adoption of international best practices while ensuring that regulatory reforms are tailored to the country’s specific institutional and economic conditions.

Libya's evolving governance landscape presents both challenges and opportunities. On one hand, the country's regulatory framework remains underdeveloped, requiring significant reforms to enhance transparency and accountability. On the other hand, Libya's ongoing transition towards Islamic banking introduces additional complexities, particularly in areas such as risk management, compliance, and board oversight (Masli & Elwalda, 2021). These challenges highlight the need for governance frameworks that are not only effective but also adaptable to the specific requirements of both conventional and Islamic financial institutions. Understanding how governance structures function in Libya's banking sector can provide critical insights for the broader field of Islamic finance, where governance challenges are often exacerbated by the need to balance financial regulation with religious compliance.

This study, therefore, seeks to achieve two key objectives. First, it aims to conduct a systematic review of corporate governance research in Libya, synthesizing existing findings, identifying prominent gaps, and setting an agenda for future research. By doing so, it provides a consolidated understanding of governance challenges and potential reform strategies. Second, it seeks to conduct a comparative analysis of CG practices between Libya and the UK, critically assessing Libya's regulatory framework against international benchmarks and offering strategic recommendations for governance improvements. In doing so, this research contributes not only to the academic discourse on corporate governance in emerging economies but also to policy discussions on how governance structures can be strengthened to enhance economic resilience, attract foreign investment, and align with international regulatory standards. By situating Libya's governance practices within a broader global context, this study provides valuable insights that extend beyond national boundaries, offering practical implications for other developing economies facing similar governance challenges.

By systematically reviewing 30 research studies conducted between 2010 and 2024 that addressed various CG issues across different sectors in Libya, the findings highlight the critical necessity for comprehensive CG research in the country. This review observes the significant influence of UK academic frameworks on Libyan governance studies. It identifies profound shortcomings within the governance of Libya's banking sector through a comparative analysis, emphasizing the need for targeted research and extensive reforms. The review calls for substantial enhancements in board operations, addressing government interference, and rectifying legal deficiencies. Additionally, the study recommends that the Central Bank of Libya implement and maintain more stringent governance standards, which are essential for improving governance quality.

This paper makes several theoretical and practical contributions to the CG literature, particularly in the context of Islamic banking and emerging economies. First, our study systematically reviews the existing CG literature in Libya, identifying key gaps and limitations that hinder the effectiveness of governance frameworks in emerging markets. By doing so, we provide a comprehensive foundation for future research on CG in Libya and comparable jurisdictions. Second, we conduct a comparative review of the Libyan CG Code (2010) and the UK CG Code (2018), highlighting both strengths and weaknesses in the Libyan governance framework. This comparative analysis offers valuable insights into the institutional challenges faced by Libyan firms, particularly in balancing regulatory compliance with the distinct requirements of Islamic financial governance.

Third, our study extends CG theory by integrating insights from institutional theory, agency theory, and stakeholder theory to examine how dual governance structures in Islamic banking—comprising conventional boards and Sharia supervisory boards—shape governance effectiveness. We challenge conventional assumptions about board independence by demonstrating that in contexts with weaker regulatory enforcement, governance effectiveness is influenced not just by financial incentives but also by socio-religious oversight mechanisms. Fourth, we provide practical implications for policymakers and regulators in Libya by identifying actionable strategies to improve CG frameworks, particularly in the Islamic banking sector. Given Libya's ongoing economic transition, our findings suggest enhancements in board composition, transparency, and Sharia governance mechanisms that can improve accountability and risk management.

Finally, by situating our findings within the broader discourse on CG in emerging markets, our study offers transferable insights for countries with similar legal and financial systems, such as Malaysia, Saudi Arabia, and Indonesia. Our analysis contributes to a deeper understanding of CG mechanisms in jurisdictions where Islamic finance plays a pivotal role, offering a comprehensive perspective on how corporate governance evolves in socio-economically and legally distinct environments.

Through these contributions, this research not only advances academic discussions on CG in emerging economies but also provides practical recommendations for strengthening governance frameworks in contexts where Islamic banking and conventional corporate governance intersect.

The remainder of the paper is structured as follows: Section 2 clarifies the adopted methodology of our research. Section 3 systematically identifies the gaps in relevant literature and suggests avenues for future studies. Section 4 compares the practices of Libyan CG Codes with the UK CG codes, highlights weaknesses, and suggests adjustments to enhance the effectiveness of CG implementations in the Libyan banking sector. Section 5 concludes the key findings and provides practical implications for policymakers and corporations.

## 2. METHODOLOGY

This study aims to critically re-evaluate the Libyan CG Code, as outlined by the Central Bank of Libya in 2010, focusing particularly on the roles of boards and their committees in the Libyan banking sector. This re-evaluation is grounded in an extensive systematic review of the existing literature and is further enhanced by comparing it with the CG Code of the UK. A systematic review method is employed for its rigor and structured approach, which helps minimize bias and increase the credibility of the research findings (Hanley & Cutts, 2013). According to Aromataris and Pearson (2014), a systematic review synthesizes research findings related to a specific research question comprehensively and unbiasedly. Clarke (2011) supports this, noting that such reviews collect relevant studies to provide a solid basis for potentially improving the CG framework under study.

This paper establishes clear criteria for conducting this review, aimed at highlighting the operational efficiencies and deficiencies within the Libyan context and drawing insights from the UK's established CG framework. Conducting a systematic literature review requires determining clear objectives, inclusion and exclusion criteria, and search strategies (Kavadis & Thomsen, 2023; Khatib et al., 2022; Zaman et al., 2022).

This review study is organized around three main objectives: (i) to evaluate how previous studies examined the effectiveness of the Libyan CG Code (CBL, 2010) in enhancing board performance and accountability in the banking sector, (ii) the roles and responsibilities of boards and their committees under the Libyan CG framework, and (iii) to conduct a comparative analysis with UK CG practices, identifying both strengths and areas for improvement.

The inclusion criteria for this study are peer-reviewed research published after 2010, studies that focus on CG across various sectors in Libya, including the banking sector, and scholarly articles, doctoral theses, and book chapters in English. Exclusion criteria include non-peer-reviewed articles, documents without empirical evidence, publications predating 2010 unless they offer essential historical context, and documents not accessible through recognized academic databases or official sources. The selection of research published after 2010 reflects a pivotal shift in corporate governance and sustainability. In the wake of the 2011 Libyan Revolution, the country's corporate landscape underwent a profound transformation. Once governed by state-controlled financial structures, Libya's business environment gradually shifted towards market-driven policies, introducing new regulatory frameworks and corporate governance practices (Masli et al., 2019). However, this transition was anything but smooth. Political instability fractured institutional oversight, creating an environment of regulatory uncertainty where corporate governance became both a challenge and a necessity. By 2015, the Central Bank of Libya (CBL) and the Libyan Stock Market Authority (LSMA) had introduced revised disclosure standards and financial reporting requirements, signalling an effort to align with international best practices (Masli et al., 2024). Yet, these efforts unfolded against a backdrop of economic volatility and institutional fragility, making post-2010 research particularly critical in capturing the evolving governance landscape. By focusing on this timeframe, our study unpacks the intersection of governance, regulation, and political uncertainty, providing a nuanced understanding of Libya's corporate governance evolution in a post-conflict setting.

The search strategy in this review will utilize major research databases, such as Google Scholar, Scopus, and Web of Science. Keywords such as "Libyan Corporate Governance Code," "UK Corporate Governance Code," "banking sector governance," "board effectiveness," "committee roles in governance," and "comparative governance analysis" will be used with Boolean operators "AND" and "OR" to refine the search and ensure a thorough retrieval of relevant literature. The keywords used ensure comprehensive coverage of relevant research, allowing the study to integrate multiple perspectives while maintaining a focus on board effectiveness and committee roles.

To enhance the rigor of the review, a systematic screening process is undertaken, beginning with a title and abstract review to filter studies that align with the study's objectives. Full-text reviews are then conducted for selected studies, with two independent reviewers assessing the relevance, quality, and contribution of each piece of literature. A qualitative thematic analysis is employed to categorize key findings, identify patterns, and evaluate the methodological rigor of prior research. By synthesizing findings in this structured manner, the study not only ensures a transparent review process but also strengthens the validity of its conclusions.

By adopting a systematic and structured approach, this review contributes to the growing discourse on governance effectiveness in developing economies. The comparative dimension of the study allows for a deeper exploration of governance mechanisms, moving beyond regulatory compliance to critically assess governance as a dynamic process shaped by institutional, economic, and political factors. The findings offer significant implications for regulatory bodies, policymakers, and scholars, reinforcing the need for adaptive governance mechanisms that respond to the complexities of transitional economies. By engaging with both Libyan and UK governance frameworks, this study provides insights into the broader debate on governance reform, accountability, and board effectiveness in emerging markets.

## 3. GAPS IN EXISTING CG RESEARCH IN LIBYA AND RECOMMENDATIONS FOR FUTURE STUDIES

The growing body of research on corporate governance reflects increasing global awareness and concern following numerous organizational failures and scandals throughout the 20th and 21st centuries (Costa & Ngcetane-Vika, 2021). Although some scholars once thought corporate governance was reaching an advanced state (Sorin et al., 2017), recent studies, including this one, continue to point out ongoing weaknesses in governance frameworks, particularly in certain sectors and regions around the world, such as Libya.

Table 1 lists previous studies on CG in Libya that meet the detailed selection criteria for this study. These studies cover a time frame from 2010 to 2024, providing a comprehensive perspective on CG issues in Libya. Research on Libyan CG can be divided into two main phases. Initially, researchers examined the antecedents and determinants of CG implementation to understand how CG operates across different corporate settings in Libya, with the aim of identifying major challenges and opportunities for improvement (Larbsh, 2010; Zagoub, 2011; Magrus, 2012; Abdou, 2015; Agila, 2016). Later, the research focus shifted to the consequences or effects of successful and unsuccessful CG practices, specifically looking at board composition (Elshahoubi, 2019; Shalba, 2016), audit committees (Abdulsaleh, 2014b; Masli, 2018; Masli et al., 2022; Masli et al., 2024), and ownership structures (Alsageer, 2016).

These studies explored the impact of governance mechanisms on corporate financial performance (Atkins et al., 2018; El Gabasi et al., 2014), corporate social responsibility (Alshbili et al., 2020), and various forms of corporate disclosures, both voluntary and mandatory (Alnabsha et al., 2018; Lihniash et al., 2020). This review highlights the lack of a thorough and systematic review that can effectively identify gaps and provide insights for future research. Such a review would be crucial in offering practical advice for policymakers and practitioners looking to improve CG practices in Libya.

**---------------INSERT TABLE 1 ABOUT HERE ----------------**

Another notable gap in the literature, as Table 1 shows, is the insufficient research on corporate governance (CG) in the context of Islamic banking. In 2013, following the overthrow of the Gaddafi regime, the Libyan General National Congress passed Law No. 1, which instituted a prohibition on all interest-based transactions (riba) (Masli et al., 2019). As a result, this mandate necessitated that, beginning January 1, 2015, Libyan commercial banks shift their operations to comply with Islamic banking tenets (Barghathi, 2017). This shift toward an Islamic banking framework introduces both distinctive challenges and opportunities for the boards of directors and their committees in Libya's banking sector (Zagoub, 2019), which underscores the need for more research to tackle CG challenges in Libya in the era of Islamic banking.

Table 2 offers analytical insights into previously published research on CG in Libya, categorizing these studies by publication[1] type, quality, and context. Table 2 reveals that 63.33% of the studies are journal articles, and 3.33% are book chapters. However, a significant portion, 68.42%, of these articles are published in unranked journals,

[1] The type of publication is classified into three main types: PhD thesis, journal article, and book chapter. The quality of publication is assessed based on the Scopus ranking of academic journals, which ranges from Q1 (the highest quality journals) to Q4 (the lowest quality).

according to Scopus, while only 31.58% appeared in Scopus-rated journals. Additionally, 33.34% of the studies were conducted as part of PhD requirements, with 80% of these PhDs completed at various UK universities. This analysis indicates that a majority, 76.67% (comprising 10 PhD theses and 13 un-rated journal articles), of the research on CG in Libya has been either unpublished or published in low-quality journals, casting doubts on the validity of their findings. This underscores the need for more rigorous research on CG in Libya, preferably published in higher-quality (Scopus Q1 and Q2) journals.

**---------------INSERT TABLE 2 ABOUT HERE ----------------**

It is notable that a large majority (80%) of PhD studies on CG in Libya have been conducted in the UK, suggesting an empirical motivation to compare Libya's CG practices with the UK's CG code, given the significant influence of UK academic thought on Libyan CG research.

Furthermore, Table 2 highlights that most previous CG studies in the Libyan context (56.67%) focus on the banking sector, with only 30% and 13.33% exploring CG in the broader corporate sector and listed companies, respectively. This distribution highlights a gap in research concerning publicly listed companies in Libya. With the country's recent moves toward economic liberalization, including privatization and opening up to foreign investment (Gerged and Almontaser, 2021), and the introduction of the Libyan Corporate Governance Code (LCGC) by the Libyan Stock Market in 2007, there is a clear need for more comprehensive studies to enhance understanding of CG practices in Libya's evolving economic landscape.

This review also critically assesses the Libyan Corporate Governance Code (CBL, 2010a), discussing how previous studies examined its application within Libya's banking sector (Elfadli, 2019; Shalba, 2016; Zagoub, 2019). Prior research underscores a crucial need to revisit the roles of board members and their committees to better align with Libya's specific legal, cultural, economic, and political contexts (Masli and Elwalda, 2021). This is essential for fostering an effective governance framework in a sector crucial to the national economy (Abdulsaleh, 2014b; Elfadli, 2018; Magrus, 2012; Zagoub, 2016).

Challenges faced by developing countries in implementing CG are often shaped by unique cultural, political, and technological environments (Alshbili et al., 2020; Elmghaamez & Ntim, 2016; Elshahoubi, 2019; El Gabasi et al., 2014; Elatrsh, 2019; Mulili and Wong, 2011). In Libya, the nascent adoption of CG in the banking sector grapples with ineffective board directors, government interference, and a frail legal and regulatory framework (Agila, 2016; Larbsh, 2010; Masli et al., 2022), compounded by a general lack of governance awareness among stakeholders (Alrshah, 2015; Masli et al., 2024).

Institutional weaknesses add layers of complexity to the governance landscape in Libya, evidenced by inadequate training for managers, poor accounting standards, and weak enforcement of regulations (Iswaissi and Falahati, 2017; Amara, 2021). The predominance of state-owned enterprises, with significant governmental influence over board appointments, threatens the objectivity and independence needed for effective governance (Abdou, 2015; Masli et al., 2022; Lihniash et al., 2020). The practice of favoring personal connections over merit in these appointments, as critiqued by Shalba (2016), is contrary to more established governance norms found in developed nations. These issues underscore the urgent need for reform to enhance the Libyan CG Code, making it more suitable for the operational and governance demands of the Libyan banking sector.

Given these critical issues, the paper identifies more thematic research gaps that need further exploration to enhance governance practices. There is a significant need for studies that evaluate the roles and responsibilities of boards and their committees, tailored to Libya's unique context (Masli and Elwalda, 2021). Furthermore, research should probe the specific cultural and political influences on CG within the Libyan banking sector to tailor practices more effectively (Alsageer, 2016; Masli et al., 2024). Additionally, addressing governmental interference and strengthening the legal and regulatory frameworks are crucial (Masli et al., 2022; Iswaissi and Falahati, 2017). There is also a critical need for research focused on improving CG education among stakeholders and investigating how the concentration of ownership affects board independence and governance (Abdou, 2015).

Overall, addressing these gaps through rigorous research could substantially improve the understanding and implementation of CG in Libya's banking sector, ensuring that reforms are attuned to the sector's unique challenges.

## 4. COMPARATIVE ANALYSIS OF THE LIBYAN AND THE UK CG CODES

This section compares the board compositions and operations under both UK and Libyan CG codes, including the size of the boards, roles of independent directors, leadership structure, and board meeting practices. It also examines the committees within the boards, such as those for audit, nomination and remuneration, risk management, and governance.

### *4.1 Board of Directors*

The effectiveness of the board is a critical issue in corporate governance. This subsection discusses how each code structures and defines the board’s functions.

4.1.1 Board Size:

The Libyan CG Code specifies a board size of five to seven members, whereas the UK CG Code does not set a specific number but suggests a larger board to distribute responsibilities among more directors, preventing overload (Bace, 2019). Blenko et al. (2010) indicated that the ideal board size can vary, and it is often recommended to have three to fifteen members based on the governance and organizational needs. Adapting board size, particularly for larger companies where up to eleven members may be beneficial, could be a valuable reform for the Libyan CG Code (Bace, 2019).

4.1.2 Independent Director:

There has been a significant global trend towards enhancing board independence, reflecting the need for impartial decision-making within boards (Gao & Huang, 2023). The Libyan CG Code requires at least two independent directors, whereas the UK CG Code demands that at least half of the board, excluding the chair, be independent non-executive directors, which aids in diluting power concentrations and fostering unbiased decision-making (Merdekawati et al., 2022; Krause et al., 2017). Introducing a lead independent director, as practiced in the UK, could further strengthen governance by mediating conflicts and ensuring a balance of power (Institute of Directors, 2018; Owusu et al., 2023).

4.1.3 Duality in the Board:

The joint roles of CEO and board chair are seen as problematic due to potential conflicts of interest and power concentration (Sarkar & Sarkar, 2018; Solomon, 2020). While both codes recommend separating these roles to enhance accountability and power balance, the Libyan CG Code explicitly prohibits executives from serving as directors, a strict separation that ensures clearer governance lines (OECD, 2004; Owusu et al., 2023).

4.1.4 Meeting of the Board:

The Libyan CG Code specifies bi-monthly board meetings, whereas the UK CG Code requires disclosure of meeting frequencies and attendance in the annual report, emphasizing the necessity of regular and meaningful meetings for effective governance (Ponnu & Karthigeyan, 2010; Makri et al., 2024). Aligning the Libyan practices with those of the UK could involve setting clearer expectations about meeting frequency and transparency in reporting attendance.

*4.2 Audit, Risk, and Internal Control*

The 2018 UK CG Code mandates that boards adopt formal, transparent policies and procedures that not only ensure the independence and effectiveness of both internal and external audit functions but also confirm the reliability of the financial statements. In contrast, the 2010 Libyan CG Code lacks explicit directives regarding these crucial audit functions and procedures (UK CG Code, 2018). Therefore, this study advocates for a revision of the Libyan CG framework to incorporate clear policies and procedures aimed at bolstering the independence and effectiveness of audit functions, as well as enhancing the accuracy of financial reporting (Masli et al., 2024).

Additionally, the UK CG Code (2018) delineates the responsibilities of boards in establishing robust risk management protocols and overseeing internal control systems. It specifically instructs boards to define the nature and extent of significant risks they are prepared to accept to fulfill their strategic goals. Conversely, the Libyan CG Code (2010) primarily directs the board to formulate policies concerning various operational risks in accordance with guidelines issued by the Central Bank of Libya.

These include policies for allocation compliance, risk management, investment, credit, and the prevention of money laundering and terrorism financing.

Given these observations, it is recommended that the Libyan CG framework be enhanced to align more closely with international standards, such as those articulated in the UK CG Code. This alignment would involve not only the establishment of comprehensive audit functions but also the development of a cohesive and proactive approach to managing business and financial risks, thus ensuring that boards are equipped to effectively oversee the full spectrum of corporate governance responsibilities.

Collectively, the UK CG Code emphasizes clear, independent audit processes, both internal and external, which are absent in the Libyan code. Adopting these measures in the Libyan framework would align it with international standards for financial accountability and risk management.

### *4.3 Board of Directors Committees*

The roles and responsibilities of committees such as audit, nomination and remuneration, and risk management are crucial for sound governance. In the following subsections, we discuss how the Libyan CG Code could benefit from incorporating practices from the UK CG Code, especially those that promote transparency, independence, and strategic oversight.

#### 4.3.1 Audit Committee (AC):

Under the UK CG Code (2018), the board is required to establish an Audit Committee composed of independent non-executive directors, with a minimum of three members or two for smaller companies. The chair of the board is excluded from this committee to preserve independence. The committee must include at least one member with recent and relevant financial expertise, and collectively, possess competence related to the industry of the company. A minimum of three audit committee meetings are mandated annually. The key roles of this committee include monitoring the integrity of financial statements, overseeing the company's internal and external audit functions, and maintaining the independence of external auditors, among other responsibilities (UK CG Code, 2018).

Contrastingly, the Libyan CG Code (2010) specifies that each bank must establish an audit committee appointed by the board, consisting of at least four members, including two independent directors. This committee must convene quarterly and is tasked with ensuring the transparency of financial statements, the effectiveness of internal controls, and the coordination between internal and external auditors, in addition to other duties related to audit oversight.

Notably absent in the Libyan framework are provisions for advising the board on the comprehensibility of annual reports, maintaining external auditor independence, and the explicit duty of reporting to the board on the discharge of its responsibilities. These roles are crucial for maintaining high governance standards, and therefore, integrating them into the Libyan CG Code could significantly enhance its efficacy.

4.3.2 Nomination and Remuneration Committee:

In corporate governance, nomination and remuneration committees (NRCs) play a pivotal role in enhancing board independence, accountability, and executive oversight. The UK's Corporate Governance Code mandates the establishment of these committees, emphasizing their role in ensuring fair and transparent director appointments and remuneration policies (Cadbury Report, 1992). Empirical evidence suggests that well-structured NRCs help mitigate agency conflicts, align executive incentives with shareholder interests, and improve governance outcomes (Mallin, 2016; Jensen & Murphy, 2010). Putra and Setiawan (2024) highlight that NRCs serve as critical governance mechanisms, ensuring merit-based director appointments and preventing excessive executive compensation. Additionally, Sunny and Hoque (2025) provide evidence from emerging economies, demonstrating that the effectiveness of board governance structures is significantly enhanced by an active NRC, leading to improved financial performance and investor confidence. In contrast, Libya's corporate governance framework lacks a robust implementation of NRCs, potentially undermining board effectiveness and accountability (Abdou, 2015). The absence of formalized remuneration oversight mechanisms may increase the risk of managerial entrenchment and opaque decision-making (Alnabsha et al., 2018). Strengthening NRCs in Libya could enhance governance practices, investor confidence, and long-term corporate sustainability, aligning with international best practices (OECD, 2021).

4.3.3 Risk Management Committee:

The Libyan CG Code mandates the establishment of a Risk Management Committee, responsible for overseeing the bank's risk policies and the annual reporting on risks. This committee's structure and function are critical in managing the potential risks associated with banking operations. Conversely, the UK CG Code does not specifically require a Risk Management Committee, as these responsibilities can be overseen by either a dedicated risk committee or the board itself, underscoring a flexible approach to risk governance.

4.3.4 Governance Committee:

The Governance Committee, as required by the Libyan CG Code, oversees the bank's governance policies and practices, including the annual review of these policies and ensuring their alignment with governance standards. This committee also manages the bank's disclosure policies and organizational structure reviews.

This type of committee is not specified within the UK CG Code, suggesting a more integrated approach to governance within the board's overall responsibilities rather than through a separate committee.

Table 3 below presents a comparative analysis of the Libyan and UK CG codes, highlighting several key differences and similarities, particularly in board composition, independence, audit practices, and risk management.

Both codes emphasize the importance of board leadership and independence, with Libya mandating at least two independent directors and the UK requiring at least half of the board to be independent. However, the UK model provides stronger governance mechanisms, such as a lead independent director, which Libya could adopt to enhance accountability. Similarly, while both codes recommend separating CEO and chair roles, Libya enforces a strict separation by prohibiting executives from serving as directors.

The audit function and risk management frameworks also differ significantly. The UK mandates comprehensive audit independence policies and proactive risk management, whereas Libya's code lacks explicit directives on internal and external audit oversight. Aligning with the UK model would enhance transparency and financial statement reliability. Additionally, risk governance in Libya is regulatory-driven (by the Central Bank), whereas UK firms define their own risk strategies, allowing for greater flexibility and risk disclosure requirements.

**---------------INSERT TABLE 3 ABOUT HERE ----------------**

A major gap in the Libyan CG framework is the absence of a Nomination and Remuneration Committee (NRC), which in the UK ensures fair board appointments and executive pay structures. Introducing an NRC in Libya would reduce managerial entrenchment, improve investor confidence, and align executive incentives with long-term corporate performance.

In conclusion, Libya could strengthen its governance framework by increasing board independence, enhancing audit oversight, adopting proactive risk management, and formalizing nomination and remuneration committees, aligning it more closely with international best practices.

## 5. CONCLUSIONS

This study provides a systematic review of Libya's Corporate Governance (CG) Code, comparing it with the UK CG Code to assess its effectiveness and identify areas for improvement. Our analysis highlights substantial gaps in the Libyan CG framework, particularly in the banking sector, where governance practices remain underdeveloped and inadequately enforced. These deficiencies underscore the need for further research to refine governance structures and adapt them to Libya's unique socio-economic and political landscape (Masli and Elwalda, 2021). Given that CG reforms in Libya are still in their infancy, longitudinal studies are crucial to tracking their development and sustainability.

Our findings emphasize that Libya's distinct cultural and political environment significantly influences CG practices, necessitating tailored governance mechanisms. Key challenges include governmental interference, weak legal enforcement, and a lack of CG awareness among banking stakeholders (Masli et al., 2024). Additionally, issues such as state ownership's impact on board independence and the prioritization of personal connections over merit-based board appointments require urgent attention (Shalba, 2016). These factors limit the efficacy of governance structures, highlighting the need for regulatory reforms and targeted education initiatives to enhance CG comprehension and application.

This review also provides a comprehensive examination of the composition and responsibilities of the board of directors under the Libyan CG Code. It critically assesses aspects such as board size, the role of independent directors, dual roles within the board, and the frequency and content of board meetings. Moreover, our analysis of board committees—including audit, nomination and remuneration, risk management, and governance committees—reveals key omissions and structural weaknesses in the Libyan framework when compared to the UK CG Code. Addressing these gaps in future revisions of the Libyan CG Code could strengthen governance effectiveness and accountability.

From a theoretical perspective, this study contributes to the growing literature on CG adaptations in developing economies by demonstrating that one-size-fits-all governance models are ineffective. The study reinforces the idea that CG frameworks should be contextually adapted, especially in countries where governance practices are still evolving. Libya's governance framework, which operates under markedly different conditions from developed economies, requires a re-evaluation of regulatory enforcement mechanisms to ensure their suitability and effectiveness.

In terms of practical implications, our findings suggest several policy recommendations for strengthening Libya's governance framework. The study proposes expanding the board of directors to eleven members in large corporations to enhance oversight and reduce the burden on individual board members managing multiple committees. It highlights the need to strengthen audit practices by adopting formal and transparent policies similar to those outlined in the UK CG Code, ensuring the independence and effectiveness of both internal and external audit functions and improving the accuracy of financial reporting. The study also suggests enhancing the roles and responsibilities of the audit committee by incorporating UK CG Code practices such as advising on the fairness of financial reports, reviewing external auditor independence, and detailing how the committee fulfills its responsibilities. Furthermore, it advocates for the introduction of comprehensive board evaluations covering the board, its committees, and the chair, with findings reported in the annual report for greater transparency. The inclusion of the Risk Management and Governance Committees in the Libyan CG Code, which are absent in the UK CG Code, is recognized as a strength that can further be leveraged to improve CG effectiveness.

This study makes several key contributions. It conducts a systematic review of Libya's CG literature, identifying significant gaps and providing a foundation for future research. It performs a comparative analysis of the Libyan and UK CG Codes, revealing both strengths and weaknesses in Libya's governance framework. This analysis offers practical recommendations for policymakers and regulatory bodies in Libya to enhance governance structures. It also contributes to academic discourse on CG by highlighting the challenges of governance in developing economies. Finally, given Libya's growing focus on Islamic banking, this research provides a distinctive socio-economic and legal perspective, enriching discussions on CG in similar institutional settings.

As Libya continues its transition toward more structured governance frameworks, this study serves as a critical reference point for researchers, policymakers, and industry stakeholders. Future research could explore the long-term effectiveness of

Libya's CG reforms, examine the interplay between governance and financial stability, and assess the feasibility of implementing governance best practices in post-conflict economies. Through contextually relevant and empirically grounded insights, this study contributes to the broader understanding and development of CG practices in emerging markets.

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**Table 1:**
Previous corporate governance studies in the Libyan context that meet the study's selection criteria

| Authors (Year) | Objectives | Methods | Theory | Context | Type of Publication | Quality of Publication |
|---|---|---|---|---|---|---|
| Larbsh (2010) | The research aims to understand how corporate governance is implemented in Libyan corporations and to identify the key challenges and areas for improvement within this context. | This study employs a mixed methods research methodology, utilizing interviews and questionnaires to gather data from a variety of stakeholders involved in corporate governance in Libya. | Stakeholder theory | Corporate sector in Libya | PhD Thesis conducted at Nottingham Trent University, United Kingdom. | Not Journal Article |
| Zagoub (2011) | This study aims to examine the state of corporate governance in Libyan commercial banks. It seeks to identify the key corporate governance practices being implemented and to evaluate their effectiveness in enhancing the transparency, accountability, and performance of these institutions. | This research employs a mixed methods research approach, which includes a comprehensive review of existing corporate governance frameworks, interviews with senior bank executives and board members, and analysis of secondary data from selected Libyan commercial banks. | Agency, stakeholder engagement, and institutional theories. | Libyan banking sector | PhD Thesis conducted at Dundee University, United Kingdom. | Not Journal Article |
| Magrus (2012) | The study aims to identify the challenges and barriers that affect the implementation and development of corporate governance in Libyan companies, particularly in the post-2011 political and economic transitions. | This study employs a qualitative research methodology to gather and analyze data. The study includes semi-structured interviews with key executives, board members, and stakeholders in various Libyan companies. Additionally, document analysis and case studies are utilized to provide a comprehensive view of the corporate governance landscape in Libya. | Institutional theory | Corporate sector in Libya | PhD Thesis conducted at the University of Gloucestershire, United Kingdom. | Not Journal Article |
| Abdulsaleh (2014a) | The study aims to identify the extent to which audit committees contribute to enhancing corporate governance practices among Libyan banks. | The research employs a qualitative methodology, gathering data through interviews with members of audit committees from various Libyan banks. | Stakeholder theory | Libyan banking sector | Journal Article | Not rated by Scopus |
| Abdulsaleh (2014b) | The article aims to identify and discuss the essential composition criteria and membership requirements needed for an effective audit committee within the context of corporate governance in Libyan banks. | The study utilizes a qualitative approach, relying on a review of regulatory documents to analyze the current practices and standards of audit committees in Libyan banks. | Corporate governance theory | Libyan banking sector | Journal Article | Not rated by Scopus |
| Alrshah (2014) | This research investigates the relationship between corporate governance, auditor quality, and the reliability of audited financial statements within the Libyan banking sector. | Quantitative analyses of survey data. | Agency theory | Libyan banking sector | PhD Thesis conducted at Universiti Utara Malaysia, Malaysia. | Not Journal Article |
| El Gabasi, Kertahadi, & Firdausi (2014) | The primary aim of the study is to analyze the relationship between corporate governance practices and their impact on the financial performance of a firm in Libya. | Quantitative research approach | While the specific theoretical framework is not detailed in the brief, the study draws on | ENI Oil and Gas Company | Journal Article | Not rated by Scopus |

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| | | | theories of corporate governance that link governance structures and practices to financial performance outcomes. | | | |
| Abdou M.A. (2015) | The main objective is to enhance the rights and influence of minority shareholders within the corporate governance framework in Libya, ensuring they have a significant voice in company decisions. | This study uses a social and economic analysis and a black-letter approach. | Agency theory | Corporate sector in Libya | PhD Thesis conducted at the University of Glasgow, United Kingdom. | Not Journal Article |
| Agila, E. M. A. (2016) | The article aims to assess the extent to which Libyan banks have adopted the principles of corporate governance as issued by the Organization for Economic Cooperation and Development (OECD). | The study employs a qualitative analysis of data collected from various Libyan banks to evaluate the implementation of OECD corporate governance principles. | The theoretical framework underpinning the study is based on the principles of corporate governance as outlined by the OECD, which are used as benchmarks to assess the governance practices in Libyan banks. | Libyan banking sector | Journal Article | Not rated by Scopus |
| Alsageer (2016) | This research aims to investigate the impact of bank ownership structure and board of directors' attributes on the credit portfolio quality of Libyan commercial banks. | The study employs a quantitative research methodology, utilizing data collected from various Libyan commercial banks. | Agency theory and stakeholder theory | Libyan banking sector | PhD Thesis conducted at the University of New England, Australia. | Not Journal Article |
| Elmghaamez and Ntim (2016) | This study aims to assess the effectiveness of internal governance controls with a focus on the skills and challenges faced by internal auditors in Libya. | The study employs a quantitative approach using a questionnaire survey to gather data from internal auditors working in various sectors in Libya. | Multiple theoretical frameworks, including agency theory, communication theory, and institutional theory. | Libyan corporate sector | Journal Article | Q4 |
| Shalba (2016) | This study aims to investigate the roles and responsibilities of the board of directors within the Libyan banking sector. It seeks to understand how board dynamics influence governance practices and overall bank performance in Libya. | A mixed method approach was employed: quantitative data was collected by means of a questionnaire survey, while semi-structured interviews were conducted to qualitatively explore the social processes that shape the roles of boards. | This study employed a multi-theoretical framework, including Agency Theory, Institutional Theory, Stakeholder Theory, Resource Dependency Theory, | Libyan banking sector | PhD Thesis conducted at Nottingham Trent University, United Kingdom. | Not Journal Article |

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| | | | and Stewardship Theory. | | | |
| Zagoub, A. A. (2016). | The article aims to explore the understanding and implementation of corporate governance within Libyan commercial banks from the perspective of various stakeholders. It seeks to identify how these stakeholders perceive corporate governance practices and to assess the adherence to international governance standards within the Libyan banking sector. | The study employs a qualitative research approach, collecting data through semi-structured interviews with a range of stakeholders, including bank executives, regulators, and other relevant parties in Libyan commercial banks. | Stakeholder theory | Libyan banking sector | Journal Article | Not rated by Scopus |
| Iswaissi, H., & Falahati, K. (2017) | The study aims to explore the challenges facing corporate governance practices in Libyan commercial banks. It seeks to identify specific issues and barriers that hinder effective corporate governance within the context of the Libyan banking sector. | The study employs a case study approach, focusing on selected commercial banks in Libya. This method allows for an in-depth examination of corporate governance practices and the specific challenges encountered. | The article does not explicitly detail the theoretical framework but implies a reliance on general corporate governance theories, which discuss the structures, responsibilities, and implications of governance practices in financial institutions. | Libyan banking sector | Journal Article | Not rated by Scopus |
| Alnabsha et al. (2018) | The article aims to examine the impact of corporate boards and ownership structures on the quality and extent of corporate disclosures in Libya. | The study employs a quantitative research approach, analyzing data through regression models to assess the relationships between board characteristics, ownership structures, and the level of corporate disclosures. | The theoretical framework is based on agency theory. | Libyan corporate sector | Journal Article | Q3 |
| Atkins, J., Zakari, M., & Elshahoubi, I. (2018) | This study aims to examine the effectiveness of board mechanisms in enhancing corporate governance among listed firms in Libya. It seeks to identify how these mechanisms influence firm performance and governance practices within the specific regulatory and economic context of Libya. | The questionnaire survey in this study was developed to gather data from four stakeholder groups (boards of directors, executive managers, regulators, external auditors, and other stakeholders). | Agency theory | Libyan listed firms | Journal Article | Not rated by Scopus |
| Elfadli, A. M. (2018) | This study to aims to examine the extent and quality of corporate governance disclosure and practices within Libyan commercial banks. The study focuses on understanding how | This research employs a qualitative research methodology involving content analysis of annual reports from selected Libyan commercial banks and interviews with senior bank executives and regulators. | Institutional theory | Libyan banking sector | PhD Thesis conducted at the University of Reading, United Kingdom. | Not Journal Article |

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| | institutional factors in Libya influence these governance practices. | This approach helps in gaining in-depth institutional insights into the corporate governance landscape of these banks. | | | | |
| Masli, A. M. (2018) | The study seeks to determine the effectiveness of audit committees and how they contribute to improving governance practices within the context of Libyan banks. | Mixed method approach | Agency theory, stakeholder theory, and Institutional theory. | Libyan banking sector | PhD Thesis conducted at Nottingham Trent University, United Kingdom. | Not Journal Article |
| Elatrsh, M. (2019) | This article aims to explore how improving the quality of audit services can enhance corporate governance practices in Libya, with a specific goal of boosting the confidence of foreign investors. | The study utilizes a qualitative analysis of existing corporate governance frameworks in Libya, assessing how these structures are impacted by the quality of audit services. | Agency theory | Libyan corporate sector | Journal Article | Not rated by Scopus |
| Elfadli (2019) | The primary goal of this work is to analyze the corporate governance practices within Libyan banks, focusing on identifying the existing structures and effectiveness of governance within this specific sector. | Qualitative content analysis of annual reports and websites. | Agency theory, stewardship theory, stakeholder theory, and transaction theory. | Libyan banking sector | Book chapter | Not Journal Article |
| Elshahoubi, I. S. (2019) | The primary objective is to understand how corporate governance mechanisms are implemented in Libyan listed companies and to evaluate the effectiveness of these practices in ensuring accountability. | The study employs a mixed-methods approach, combining quantitative data analysis of company records and qualitative interviews with key stakeholders involved in corporate governance in Libya. | Institutional theory | Libyan listed firms | PhD Thesis conducted at the University of Reading, United Kingdom. | Not Journal Article |
| Masli, A. M., Mangena, M., & HARRADİNE, D. (2019) | The article aims to explore the role of audit committees within the Libyan banking sector, particularly focusing on how these committees adapt and function as the sector transitions from conventional banking systems to Islamic banking systems. | The study employs a mixed-method research approach, using interviews with members of audit committees from various Libyan banks to gather insights into the changes and challenges faced during the transformation to an Islamic banking system. | Agency theory and Institutional theory. | Libyan banking sector | Journal Article | Not rated by Scopus |
| Elshahoubi, I., Eltraiki, F., Jaballa, J., & Bazina, E. (2019) | The study seeks to identify the specific obstacles that hinder effective corporate governance and accountability in the context of an emerging market. | This research employs a qualitative research methodology, analyzing data gathered from various Libyan-listed companies. This approach involves extensive document analysis and interviews with key stakeholders in these companies, including board members and regulatory officials. | Agency theory and legitimacy theory | Libyan listed firms | Journal Article | Not rated by Scopus |
| Zagoub, A. A. (2019) | The article aims to provide a comprehensive overview of the corporate governance framework in Libya. It seeks to explore how the country's unique political and economic conditions have shaped its corporate governance practices and | The study employs a descriptive analysis approach, reviewing existing literature and regulatory documents to map out the corporate governance landscape in Libya. It examines various components of corporate governance, such as regulatory bodies, | Institutional theory | Libyan corporate sector | Journal Article | Q4 |

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| | identify key challenges and opportunities within this framework. | legal frameworks, and corporate practices among Libyan firms. | | | | |
| Alshbili, I., Elamer, A. A., & Beddewela, E. (2020) | This study investigates the relationship between different types of ownership, corporate governance structures, and the extent of corporate social responsibility (CSR) disclosures in a developing country context. | Quantitative research approach | The research is grounded in agency theory and stakeholder theory, exploring how ownership types, influenced by their unique agency conflicts and stakeholder pressures, impact CSR practices. | Libyan Oil and Gas Companies. | Journal Article | Q2 |
| Lihniash, S. M. A., Ahmed, S., & Egdair, I. M. M. (2020) | This paper aims to investigate the influence of auditors' policies and practices, alongside corporate governance, on Internet Financial Reporting (IFR) within the Libyan banking sector. The study seeks to understand how these factors contribute to the transparency and accessibility of financial reporting through digital platforms. | Quantitative analyses of survey data | There is no specific mention of the utilization of theories in this study. | Libyan banking sector | Journal Article | Not rated by Scopus |
| Amara, S. (2021) | This study aims to provide a comprehensive overview of the corporate governance practices among companies listed on the Libyan stock market. It seeks to evaluate how these companies adhere to international corporate governance standards and identify the unique challenges they face. | The study utilizes a descriptive analysis approach, examining existing corporate governance frameworks and the extent of their implementation in publicly listed Libyan companies. The analysis is primarily based on a review of regulatory documents, corporate disclosures, and relevant literature. | Agency Theory | Libyan listed firms | Journal Article | Not rated by Scopus |
| Masli, A., & Elwalda, A. (2021) | The study aims to explore the interrelations between the political, economic, and banking sectors in Libya and their collective impact on corporate governance practices within the country. | It employs qualitative analyses, including Narrative reviews or qualitative content analysis of policy documents and corporate reports to assess governance practices. | There is no specific mention of the theoretical underpinning of this study. | Libyan banking sector | Journal Article | Not rated by Scopus |
| Masli, A. M., Mangena, M., Gerged, A. M., & Harradine, D. (2022) | This study aims to explore stakeholders' perceptions of the determinants that influence audit committee effectiveness within the Libyan banking sector. The study focuses on identifying key factors that stakeholders believe contribute to or hinder the performance of audit committees in a developing economy. | This study employs a mixed methods approach, including conducting questionnaire surveys and interviews with key stakeholders within the Libyan banking sector. | This study adopts a multi-theoretical framework consisting of agency theory and institutional theory. | Libyan banking sector | Journal Article | Q2 |

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| Masli, A. M., Gerged, A. M., & Mangena, M. (2024) | aims to evaluate the effectiveness of audit committees within the context of Libya's banking sector, particularly focusing on how these committees facilitate transitions in corporate governance practices in the post-conflict economic reconstruction phase. | The study employs a mixed-methods approach that combines quantitative data analysis from financial records and qualitative insights through interviews with senior management and board members from various Libyan banks. | This study adopts a multi-theoretical framework consisting of agency theory and institutional theory. | Libyan banking sector | Journal Article | Q1 |

Note: The type of publication is classified into three main types: PhD thesis, journal article, and book chapter. The quality of publication is assessed based on the Scopus ranking of academic journals, which ranges from Q1 (the highest quality journals) to Q4 (the lowest quality). Source: Table by authors.

**Table 2:**
The type, quality, and context of the reviewed publications.

| | Type of publications | | | | | | Quality of publications | | | | | | | Context of Study | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | PhD Thesis | | | Book chapter | Journal Articles | Total | Rated by Scopus | | | | | Not Rated by Scopus | Total | Banking sector | Corporate sector | Listed companies | Total |
| | Conducted in a UK University | Conducted in a Non-UK University | Total | | | | Q1 | Q2 | Q3 | Q4 | Total | | | | | | |
| No. of publications | 8 | 2 | 10 | 1 | 19 | 30 | 1 | 2 | 1 | 2 | 6 | 13 | 19 | 17 | 9 | 4 | 30 |
| % of publications | 26.67% | 6.67% | 33.34% | 3.33% | 63.33% | 100% | 5.26% | 10.53% | 5.26% | 10.53% | 31.58% | 68.42% | 100% | 56.67% | 30% | 13.33% | 100% |

Note: There are three main types of publications: PhD theses, journal articles, and book chapters. The quality of publication is assessed based on the Scopus ranking of academic journals, which ranges from Q1 (the highest-quality journals) to Q4 (the lowest quality). Source: Table by authors.

**Table 3:**

Comparative Analysis of the Libyan and UK Corporate Governance (CG) Codes

| Aspect | Libyan CG Code | UK CG Code | Recommendations for Libya |
|---|---|---|---|
| Board Size | 5 to 7 members | No fixed number, generally larger (up to 15 members) | Allow flexibility in board size, particularly for larger firms, to enhance decision-making and governance effectiveness. |
| Independent Directors | At least 2 independent directors | At least half of the board (excluding the chair) should be independent non-executive directors | Increase the proportion of independent directors and introduce a lead independent director role to ensure balanced decision-making. |
| Board Leadership (CEO-Chair Duality) | Strict separation; executives cannot serve as directors | Recommends separation but allows flexibility | Maintain strict separation but introduce governance mechanisms to ensure CEO and chair collaboration. |
| Board Meetings | Bi-monthly meetings | Frequency not specified, but meeting attendance and frequency must be disclosed in annual reports | Align with the UK model by requiring transparent disclosure of meeting frequency and attendance. |
| Audit Function & Risk Management | Lacks explicit policies for ensuring the independence of internal and external audits | Requires formal policies ensuring audit independence and effectiveness | Strengthen the audit framework by specifying internal/external audit independence, risk oversight, and financial statement reliability. |
| Risk Management Approach | Board sets policies for compliance, investment, credit, and risk management | Boards must define risk appetite and disclose significant risks | Enhance risk governance by requiring proactive identification, disclosure, and oversight of risks similar to UK practices. |
| Audit Committee (AC) | At least 4 members, including 2 independent directors; meets quarterly | At least 3 independent members; chair cannot be a board member; meets at least 3 times per year | Enhance independence by excluding the board chair and requiring at least one financial expert on the AC. |
| Nomination & Remuneration Committee (NRC) | Not explicitly mandated | Mandatory, ensuring fair director appointments and executive remuneration | Introduce an NRC to prevent managerial entrenchment, align executive pay with shareholder interests, and ensure merit-based board appointments. |
| Risk Management Committee | Mandatory for banks, responsible for annual risk reporting | Not required; board or a designated committee may oversee risk management | Allow a flexible approach to risk oversight, enabling boards to integrate risk governance within other committees. |
| Governance Committee | Ensures adherence to governance policies, disclosure requirements, and organizational structure | Not specified separately; governance oversight integrated within the board's responsibilities | Strengthen existing governance practices within the board’s overall mandate rather than creating a separate committee. |

Source: Table by authors.