

July 16<sup>th</sup> 2012

European Banking Authority  
Tower 42 (Level 18)  
25 Old Broad Street  
London  
EC2N 1HQ  
United Kingdom

**EBA/CP/2013/03: Draft Guidelines on the Assessment of the Suitability of Members of the Management Body and Key Function Holders**

Dear Sir/Madam

On behalf of the European Banking & Financial Services Training Association (EBTN), an international not for profit association made up of 26 leading bank training organizations in Europe, I would like to comment on the EBA's "Draft Guidelines on the Assessment of the Suitability of Members of the Management Body and Key Function Holders".

EBTN's objectives, in the financial services sector, include:

- Promoting the ethical, professional and technical development of employees and a high quality approach to education, training and qualifications;
- Developing and promoting common European frameworks and standards for education, training and qualifications;
- Developing and implementing a common European system for accreditation, validation, certification and quality assurance of education, training and qualifications;  
and
- Facilitating the sharing of good practice related to education, training and qualifications in Europe and beyond.

General Secretariat

Herengracht 205 - 1016 BE Amsterdam • P.O. Box 2285 - 1000 CG Amsterdam  
E office@ebtn-association.eu • I www.ebntn-association.eu



EBTN itself is issuing the European Foundation Certificate on Banking (EFCB). More than 10.000 bankers throughout Europe already possess this valuable certificate. Furthermore our members are in most countries the leading supplier of qualifications in the banking sector.

In general, EBTN is supportive of the EBA's proposals, and believe these will help to improve the quality of governance and management in credit institutions, and ensure consistency at the European level.

The members of EBTN are primarily concerned with the ethical, professional and technical development of employees in the financial services sector, including members of management and supervisory boards, and key function holders. Our detailed comments on the EBA's proposals, therefore, concentrate on the draft assessment criteria proposed, rather than the supervisory approach in general.

#### **a) Reputation Assessment Criteria**

Reputation of individuals and institutions is critical to ensure trust from customers, colleagues and counterparties. Trust in financial services in Europe has never been lower, however. We believe that the EBA has the opportunity, therefore, to require credit institutions and supervisors to do more than simply look for evidence that an individual has committed misdemeanours, and ask for evidence that an individual joining a supervisory or management board has a history of taking concrete steps to improve confidence and trust in individuals, institutions, and the financial services industry as a whole. Asking senior managers and directors to demonstrate this would, we feel, demonstrate the right "tone from the top".

#### **b) Experience Assessment Criteria**

EBTN members are of the view that the EBA and national authorities should strongly consider relevant professional and vocational qualifications, such as those offered by EBTN member institutes and others, when assessing an individual's educational background. Whilst academic qualifications are important, they are often too theoretical and not sufficiently grounded in practice nor up-to-date.

Furthermore, professional and vocational qualifications will be more rounded and require individuals to supplement their theoretical learning with developing the ability to apply ethical and professional judgement to daily practice, which is key to building a new cadre of individuals able to rebuild confidence and trust in the financial services industry.

The EBTN Accreditation and Certification Committee, and its Technical Expert Groups, will be delighted to work with the EBA to develop more rounded criteria for assessing education, defining requirements regarding continuous professional development and experience, if that would be helpful.

On behalf of EBTN, I hope you will find our comments in respect of EBA/CP/2013/03 useful and helpful. I would be pleased to respond to any questions you may have on our comments, and to meet you on behalf of EBTN if required.

Yours faithfully,



**Clemens Spoorenberg**

*President*

