Comments on consultation 'Draft Guidelines on the assessment of the suitability of members of the management body and key function holders

General: We agree to the underlying principals of the paper, but the elaboration thereof is very detailed. Achmea finds that financial institutions should be left more flexibility in the implementation of the principles as opposed to extensively describing the requirements and implementation measures in the Guidelines.

Scoping: ‘key function holders’: Achmea proposes ‘key function holders’ to be the end responsible functionaries (Business, Audit/Risk/Compliance/Finance/HRM, and not the entire senior management of the financial institutions.

Question 1: Achmea does not find it necessary to spell out the principle in more detail. Institutions and competent authorities can do this themselves.

Article 6.3: Alignment should be sought with the assessment by the Dutch Central Bank (DNB) on suitability of a member of a corporate body and the corporate body as a whole. Clause 6.3. seems to imply that the composition of the body as a whole is irrelevant to the assessment of the suitability of the candidate. Therewith, clause 6.3 seems contradictory with DNB’s practice. We agree that weaknesses within the corporate body does not imply unsuitability of a member. DNB, however, takes into consideration in its assessment that adequate experience alone does not imply suitability of a candidate as it may be insufficient for the suitability of the corporate body as a whole. With DNB, we believe that suitability of the body as a whole should not be forgotten when assessing the suitability of an individual member or candidate. A candidate may well be experienced, but not suitable given the composition of the corporate body as a whole.

Question 2: We do not believe this topic requires further regulation. This is part of the regular supervisory task of the competent authorities and does not need further regulation at European level.

Article 13.3: Please add ‘relevant’ after ‘any’ in the sentence Competent authorities should take into account any relevant administrative or criminal records, ...

Article 13.7a: Achmea finds these criteria too ‘subjective’. Criteria should be objectivised.

Article 14.2: Achmea finds that the requirement that ‘members of the management body should have gained sufficient experience from a managerial position in a credit institution or in another relevant firm offering comparable services’ limits the coming of ‘fresh’ people from outside the financial sector. Members with proven managerial experience outside the financial sector may even introduce new thinking and may help the culture of financial institutions to renew. More relevant is that the collectivity of the body as a whole has enough functionaries (not necessarily all) who are experienced in the financial sector. Further, introduction programs can increase the necessary knowledge of and experience in financial institutions of the relevant board member.

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