Dear Madam or Sir,

I am honored to express the point of view of the Bulgarian Institute of Directors. Our comment concerns the main task of the Institute - implementation of good practices in corporate governance.

We are of the opinion that the future of banking system requires that the strengths of the corporate governance are measured against its weaknesses. To the best of our understanding, the Draft constitutes a key measure of this.

As a general remark, let us say that to promote good practices in corporate governance and to strengthen the competitiveness of European banks, the Guidelines must clearly pinpoint to a strong knowledge by members of the management body and key function holders of the good practices in corporate governance. Another point that we would like to raise is that the interactions among shareholders, managers, auditors and regulators are much wider than what is described in Art. 15 of the Draft.

To Question 1 we answer in the following way: A higher volume of disclosure and transparency delivered by banks about the training level of modern good practices in corporate governance will contribute to the efforts of both home and host authorities to better assess whether members of the management body and key function holders of a credit institution suit their roles. In the case of overseas entities and branches, the appointed member of the management body and key function holder must be approved by a host authority.

Answer to Question 2: The Guidelines must require that the policies of credit institutions were assessed for the suitability of the key function holders.

The Bulgarian Institute of Directors is a non-for-profit organization which task is to implement good practices in corporate governance in Bulgarian companies. The Bulgarian Institute of Directors is the only national entity specialized in training and certification in the field of the corporate governance.

I hope that through this comment we have contributed to the final design of the Guidelines.

Yours faithfully,

Miroslav Nedelchev
Executive Member
Bulgarian Institute of Directors
mnedelchev@bgid.org