

Communication

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New governance manual for the banking sector

Scope¹

- *credit institutions governed by Belgian law*
- *branches established in Belgium of credit institutions governed by the law of a non-Member State of the European Economic Area*
- *financial holding companies and mixed financial holding companies governed by Belgian law*

Summary/Objectives

The National Bank of Belgium has revised its governance manual for the banking sector to reflect the entry into force of the Companies and Associations Code, the new guidelines of the European Banking Authority on sound governance, and the legal and regulatory developments that have occurred since 2018. The prudential expectations set out in this manual are applicable with immediate effect. The new manual is available on the Bank's website in an internet friendly format.

¹ The governance manual also applies by analogy to custodian banks and institutions supporting a central securities depository, insofar as the prudential expectations specified in the manual correspond to the legal provisions governing their respective statutes.

Dear Madam,
Dear Sir,

The Law of 25 April 2014 on the legal status and supervision of credit institutions and stockbroking firms (the "Banking Law") contains a series of requirements for sound governance. These requirements are further specified in the governance manual introduced by the National Bank of Belgium (hereafter, "NBB") on 7 December 2015 via Circular NBB_2015_29.

Since then, these requirements have been reinforced several times and the manual has been updated on a number of occasions.

Following the entry into force of the Companies and Associations Code, the new guidelines of the European Banking Authority (EBA) on governance (particularly Guidelines EBA/GL/2021/05 on internal governance, Guidelines EBA/GL/2021/06 on the assessment of suitability and Guidelines EBA/GL/2021/04 on remuneration) and the other legal and regulatory developments since 2018, a new update of the governance manual for the banking sector is necessary.

The new version of the governance manual is included in the annex. The various chapters of the manual are also available as web pages with links to the underlying documents on the Bank's website.

The prudential expectations specified in the governance manual are applicable with immediate effect, without prejudice to earlier dates of application provided for in the underlying EBA guidelines. An electronic copy of this communication will be forwarded to the accredited statutory auditor(s) of your institution.

Yours faithfully,



Pierre WUNSCH
Governor

Annex: 1 (Governance manual for the banking sector)