

## Circular

Brussels, 17 November 2022

Reference: NBB\_2022\_28

Contact person:  
Nicolas Strypstein  
Phone: +32 2 221 44 74  
nicolas.strypstein@nbb.be

### **Circular transposing the EBA Guidelines of 30 June 2022 on the benchmarking exercises on remuneration practices and the gender pay gap under the CRD and the IFD (EBA/GL/2022/06 & EBA/GL/2022/07)**

#### Scope

Credit institutions, stockbroking firms, custodian banks, institutions supporting a central securities depository, financial holding companies and mixed financial holding companies governed by Belgian law, and Belgian branches of credit institutions, stockbroking firms and institutions supporting a central securities depository not governed by the law of a Member State of the European Economic Area.

#### Summary/Objectives

The purpose of this circular is to transpose into the Belgian prudential framework the EBA Guidelines of 30 June 2022 on the benchmarking exercises on remuneration practices, the gender pay gap and approved higher ratios under Directive 2013/36/EU (EBA/GL/2022/06) and on the benchmarking exercises on remuneration practices and the gender pay gap under Directive (EU) 2019/2034 (EBA/GL/2022/07).

Dear Sir,  
Dear Madam,

The purpose of this circular is to transpose into the Belgian prudential framework two sets of Guidelines of the European Banking Authority (EBA): Guidelines EBA/GL/2022/06 of 30 June 2022 on the benchmarking exercises on remuneration practices, the gender pay gap and approved higher ratios under Directive 2013/36/EU, and Guidelines EBA/GL/2022/07 of the same date on the benchmarking exercises on remuneration practices and the gender pay gap under Directive (EU) 2019/2034.

## **1. Context**

In accordance with the Capital Requirements Directive 2013/36/EU (CRD) and the Investment Firms Directive (EU) 2019/34 (IFD), the institutions subject to this circular are required to provide the National Bank of Belgium (NBB) with quantitative information on their remuneration practices and, based on recently introduced requirements, the gender pay gap in their workforce.

The NBB uses this information to compare remuneration and gender pay gap trends and practices at the Belgian level and forwards this data to the EBA, which uses it to compare trends at the European Economic Area (EEA) level.

In order to streamline the collection of data within the EEA and to optimise the comparability of this data, the EBA on 30 June 2022 published two new sets of Guidelines on this subject:

- Guidelines EBA/GL/2022/06 on the benchmarking exercises on remuneration practices, the gender pay gap and approved higher ratios under Directive 2013/36/EU are an updated version of Guidelines EBA/GL/2014/18 of 16 July 2014 on the remuneration benchmarking exercise. This update was necessary to take account of the additional requirements introduced by Directive (EU) 2019/878 (CRD V), to incorporate relevant guidelines for gender pay gap benchmarking and to reflect the changes made to the disclosure requirements. Guidelines were also added to harmonise the benchmarking of approvals granted by shareholders to use ratios higher than 100% between variable and fixed remuneration.
- Guidelines EBA/GL/2022/07 on the benchmarking exercises on remuneration practices and the gender pay gap under Directive (EU) 2019/2034 are new Guidelines that are aimed specifically at investment firms. These Guidelines are generally consistent with those stemming from the CRD but contain specific templates for the collection of remuneration data, as investment firms are not subject to the ITS on disclosures.

Credit institutions, custodian banks, institutions supporting a central securities depository, financial holding companies and mixed financial holding companies governed by Belgian law, and Belgian branches of credit institutions and institutions supporting a central securities depository not governed by the law of an EEA Member State must apply and comply with Guidelines EBA/GL/2022/06. Belgian stockbroking firms and Belgian branches of stockbroking firms not governed by the law of an EEA Member State must apply and comply with Guidelines EBA/GL/2022/07.

These Guidelines form an integral part of this circular.

## **2. Specific points of attention**

Below are some specific points of attention in relation to Guidelines EBA/GL/2022/06 and EBA/GL/2022/07:

- In accordance with Guidelines EBA/GL/2022/06 and EBA/GL/2022/07, the NBB must make a selection of institutions which are to participate in remuneration and gender pay gap benchmarking exercises. **The institutions selected to participate in these exercises will be informed through**

**an ad hoc letter from the NBB.** To the extent possible, the NBB has taken care to ensure continuity with the previous selection.

- The remuneration benchmarking exercise should be performed at the highest level of consolidation in the EEA, in accordance with the CRD and the IFD. If the financial institution is part of a group, only the institution reporting at the highest level of consolidation in the EEA should provide the relevant data to the competent authority in charge of supervision on a consolidated basis. Belgian subsidiaries selected by the NBB to participate in this exercise are thus not required to report this data if their parent company has its seat in the EEA and has been selected by the supervisory authority competent for the group.
- Contrary to the remuneration benchmarking, the gender pay gap exercise is realized on an individual basis and not a consolidated basis.
- As regards the approved higher ratio benchmarking referred to in Guidelines EBA/GL/2022/06, all institutions required to comply with these Guidelines are potential exercise participants. Consequently, all institutions with a ratio of variable to fixed remuneration above 100% which has been approved by their shareholders, should submit the information provided for in Annex V to Guidelines EBA/GL/2022/06 to the NBB.
- The data should be reported in XBRL.

### **3. Data transmission**

The institutions selected are required to report their data by transmitting the tables annexed to Guidelines EBA/GL/2022/06 and EBA/GL/2022/07 to the NBB, taking into account the requirements set out in those Guidelines and the explanatory notes to the tables.

Specifically, the data should be reported using the NBB's "OneGate" application, as in previous financial years. The test and production environments will be available from 1 December 2022 ([Domein MUN - XBRL rapporteringen: REMUN, REMUN\\_HE | nbb.be](#)).

### **4. Frequency and deadline**

The remuneration benchmarking data should be reported annually, the gender pay gap benchmarking data every three years and the approved higher ratio data every two years.

The new template for remuneration benchmarking should be submitted to the NBB for the first time for the year 2022, by 31 August 2023 (transitional system). In subsequent years, the reporting should take place annually by 15 June.

The new template for gender pay gap benchmarking should be submitted to the NBB for the first time for the year 2023, by 15 June 2024. In subsequent years, the reporting should take place every 3 years by 15 June.

The aggregate information on approved higher ratios as defined in annex VI of the Guidelines EBA/GL/2022/07 should be submitted to the NBB for the first time for the year 2022, by 15 June 2023. In subsequent years, the reporting should take place every two years by 15 June.

### **5. Other information**

For further information, please refer to Guidelines EBA/GL/2022/06 and EBA/GL/2022/07, which are attached to this circular in their entirety.

This circular replaces circular NBB\_2014\_09 with immediate effect.

A copy of this circular is being sent to the auditor(s) of your company or institution.

Yours faithfully,

A handwritten signature in black ink, appearing to be 'PW' or similar initials, written in a cursive style.

Pierre Wunsch  
Governor

Annex 1 - Guidelines EBA/GL/2022/06 of 30 June 2022 on the benchmarking exercises on remuneration practices, the gender pay gap and approved higher ratios under Directive 2013/36/EU

Annex 2 - Guidelines EBA/GL/2022/07 of 30 June 2022 on the benchmarking exercises on remuneration practices and the gender pay gap under Directive (EU) 2019/2034.