

## Circular

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### **New governance manual for stockbroking firms**

#### Scope

- *Stockbroking firms governed by Belgian law, with the exception of large stockbroking firms in classes 1A and 1B, which are subject to the provisions of the Banking Act<sup>1</sup>*
- *Branches established in Belgium of stockbroking firms governed by the law of non-Member States of the European Economic Area*
- *Investment holding companies and mixed financial holding companies governed by Belgian law that are part of a group of investment firms*

#### Summary/Objectives

The National Bank of Belgium (hereinafter “the Bank”) has decided to issue a governance manual for stockbroking firms. This manual has two objectives: on the one hand, to list all the relevant governance-related documents applicable to stockbroking firms and, where necessary, to clarify their content; and, on the other hand, to transpose into Belgian law EBA guidelines 2021/14 on internal governance for investment firms and EBA guidelines 2021/13 on sound remuneration policies. The prudential expectations set out in this manual are applicable with immediate effect.

<sup>1</sup> A stockbroking firm that:

- meets the conditions set out in Article 1(2)(a) or (b) of Regulation (EU) 2019/2033;
- is the subject of a decision by the Bank pursuant to Article 91 of the Banking Act or Article 1(5) of Regulation (EU) 2019/2033; or
- is the subject of a decision taken by the competent authority of the Member State in which the stockbroking firm is authorised, with a view to transposing Article 5 of Directive (EU) 2019/2034 or pursuant to Article 1(5) of Regulation (EU) 2019/2033.

Dear Madam,  
Dear Sir,

The Law of 20 July 2022 on the legal status and supervision of stockbroking firms (hereinafter “Law on the legal status and supervision of stockbroking firms”), which completed the transposition of the Investment Firms Directive,<sup>2</sup> created a specific prudential regime for stockbroking firms.

In this context, the Bank has decided to issue a governance manual for stockbroking firms with two objectives:

- on the one hand, to list all the relevant governance-related texts applicable to stockbroking firms and, if necessary, specify their content; and
- on the other hand, to transpose into Belgian law the EBA’s guidelines EBA/GL/2021/14 on internal governance for investment firms dated 22 November 2021 and the EBA’s guidelines EBA/GL/2021/13 on sound remuneration policies for stockbroking firms dated 22 November 2021.

In no way does this manual replace the relevant, underlying governance documents. It is intended to be a living publication. If governance documents are amended, the manual will be adapted and, in the meantime, should be interpreted with this in mind. Stockbroking firms will be informed of any such amendments in a specific section, with an indication of the date of amendment.

The structure of the manual follows, as far as possible, the structure of the Law on the legal status and supervision of stockbroking firms and the guidelines EBA/GL/2021/14 on internal governance. The manual therefore addresses the following topics: (i) qualities required of shareholders and members; (ii) qualities required of senior management and independent control functions; (iii) the appropriateness of the structure of stockbroking firms; (iv) governance at group level; and (v) prudential reporting on governance and transparency.

The prudential expectations set out in the governance manual are applicable with immediate effect, without prejudice to earlier dates of application provided for in the underlying EBA guidance. Furthermore, it is self-evident that the manual in no way prejudices the competences of other supervisory authorities (e.g. the FSMA) in the field of investment firms.

The governance manual for stockbroking firms is enclosed in the annex to this circular. The individual chapters of the manual will also be made available as web pages on the Bank’s website, with links to the relevant underlying documents.

An electronic copy of this circular is being sent to the accredited statutory auditor(s) of your institution.

Yours sincerely,



Pierre Wunsch  
Governor

Annex: 1 (Governance manual for stockbroking firms)

<sup>2</sup> Directive (EU) 2019/2034 of the European Parliament and of the Council of 27 November 2019 on the prudential supervision of investment firms and amending Directives 2002/87/EC, 2009/65/EC, 2011/61/EU, 2013/36/EU, 2014/59/EU and 2014/65/EU.