

Brussels, the 30th of October 2020

**Object : ecoDa's Response to the EBA Consultation on the revision of its Guidelines on internal governance**

- **Question 1: Are subject matter, scope of application, definitions and date of application appropriate and sufficiently clear?**

The scope is clear, we understand that now investment firms are subject to the guidelines. It might however be difficult for investment firms to comply with the new guidelines in a short period of time especially in Member States where the local regulations on corporate governance did not apply to them.

- **Question 2: Point (d) has been added, throughout the Guidelines references to money laundering and terrorism financing and the institutions obligations have been added, are those references sufficiently clear?**

For ecoDa, it's not clear why the guidelines add a section on AML/CFT and at the same time mention the EBA is developing a separate work on AML. If AML will be covered in a separate document, why is it included here? FYI, the Luxembourg regulator is currently reviewed the local regulation on internal governance and is removing AML and outsourcing from it because it will be covered in separate regulations.

- **Question 3: Paragraph 24 regarding ESG factors has been added, is it sufficiently clear?**

Same comment as point 2: why including a part on ESG if it will be covered in another document?

- **Question 4: Paragraph 84 and 86 have been amended to reflect changes to CRD. Are those paragraphs sufficiently clear?**

No comment.

- **Question 5: Are Paragraphs 98 and 99 sufficiently clear?**

Paragraphs 98 and 99 give high level guidelines on non-discrimination of staff and equal opportunities for all genders but it might be too high level and most credit institutions will struggle with the concrete implementation of this high level principles.

- **Question 6: Point (c) of paragraph 101 has been amended to reflect the EBA's work on dividend arbitrage schemes. Is point (c) sufficiently clear?**

The point on dividend arbitrage schemes is linked with AML/CTF and ecoDa doesn't see why there is a separate paragraph on this point.

- **Question 7: Section 11 has been added to provide guidelines on loans and transactions with members of the management body and their related parties, reflecting changes to CRD. Is the section appropriate and sufficiently clear?**

No comment.

- **Question 8: Paragraph 126 has been added, is it sufficiently clear?**

No comment.

- **Question 9: Paragraph 140 has been added, is it sufficiently clear?**

No comment.

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#### *About the European Confederation of Directors Associations*

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