|  |  |  |
| --- | --- | --- |
| **Report by the statutory governing body on the assessment of the compliance function for the banking sector**  **Institution: TO BE COMPLETED**  **Date: DD/MM/YYYY** | | |
|  | | |
| 1. **Methodology** | | |
| 1. Process | *Describe the process underlying the assessment. Although the person responsible for the compliance function must be involved, it is important that the statutory governing body makes its assessment autonomously, if necessary with the assistance of the committees formed within it, in particular the audit committee and the risk committee. Tools that can be used for the assessment are questionnaires, scorecards, etc.* | |
| 1. Sources for performing the assessment | *Indicate all documents on which the assessment is based, in particular (non-exhaustive list):*   * *the senior management's report on the assessment of the internal control* * *interviews with senior management* * *the reports from the person responsible for the compliance function* * *internal audit reports* * *comments from the supervisors* | |
| 1. **Assessment** | | |
| *There are two aspects to the assessment: on the one hand, the organisation of the compliance function and, on the other, the execution of the tasks specific to the compliance function. The assessment should be conducted based on the principles of Circular NBB\_2012\_14 on the compliance function. The minimum assessment criteria are set out below (cf. first column of the table), based on the said Circular, in which they are covered in more detail. In the second column of the table, describe the manner in which the institution fulfils the assessment criterion, and in the third column, indicate whether or not the institution (partially) meets the expectations in this respect, and list any points for improvement.* | | |
| 1. **Organisation of the compliance function** | | |
|  | | |
| * 1. **The statutory governing body:** | | |
| * takes the initiative in promoting the integrity of the institution's conduct of business |  |  |
| * ensures that the institution has an appropriate integrity policy and corporate values |  |  |
| * ensures that the senior management takes the necessary measures to ensure that the institution has a permanent appropriate independent compliance function |  |  |
| * assesses at least annually whether compliance risks are adequately identified and managed |  |  |
|  | | |
| * 1. **The senior management:** | | |
| * formulates an integrity policy that is regularly updated. |  |  |
| * ensures that all members of staff of the institution and, where appropriate, the group, are informed of it and comply with it |  |  |
| * takes the necessary measures to ensure that the institution has a permanent appropriate independent compliance function |  |  |
| * reports at least annually to the statutory governing body |  |  |
|  | | |
| * 1. **The compliance function:** | | |
| * reports at an appropriate frequency and at least annually to the senior management and informs the statutory governing body |  |  |
| * is part of a coherent set of transversal control functions between which coordination is necessary |  |  |
| * has a formal and independent status within the institution, which is described in a charter |  |  |
| * is headed by a person who is sufficiently high up in the hierarchy |  |  |
| * is safeguarded against potential conflicts of interest |  |  |
| * has access to all information, staff members and directors to the extent necessary for the performance of its task |  |  |
| * is continuously and permanently available and covers all activities |  |  |
| * has the human resources necessary for the performance of its tasks |  |  |
| * has the material resources necessary for the performance of its tasks |  |  |
| * can carry out its tasks with integrity and discretion |  |  |
| * (if the institution is part of a group), is managed centrally by the parent institution and complies with local laws and regulations |  |  |
| * in the event of outsourcing, is organised in accordance with the principles laid down in Circular NBB\_2012\_14. |  |  |
|  | | |
| 1. **Execution of the tasks** | | |
|  | | |
| * Identification and assessment of compliance risk |  |  |
| * Advice |  |  |
| * Monitoring and testing |  |  |
| * Training, contact point and awareness-raising |  |  |
| * Drawing up of an action plan |  |  |
| * Follow-up and interpretation of (new) laws and regulations regarding the compliance work areas |  |  |
|  | | |
| 1. **Conclusion** | | |
| *The statutory governing body must express an overall opinion on the proper functioning of the compliance function on the basis of the above list of assessment criteria. It is important that the debate held on this subject within the statutory governing body is comprehensively described. The action plan, if any, to mitigate identified shortcomings and the way in which these shortcomings will be followed up should be specified.* | | |