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EBF comments on the EBA revised Guidelines on internal governance

Key points:

- **Loans:** We believe that the EBA is not entitled to add prescriptions without a basis in European Level 1 regulation. During discussions on CRD V concerning loans to board members and their related parties, member states pushed back the proposed version with all the data included in these guidelines. It is key to respect the Level 1 regulation and the democratic process and to avoid going beyond the CRD V. Therefore:
  - Reference to other transactions should be removed (only "material" loans shall be included).
  - Reference to approval processes, limits to transactions and disclosure to shareholders should be removed as well.
  - Data on loans to be documented for members of the management body and their related parties should be either removed or limited to loans not concluded on normal market conditions or material loans (depending on the distinction provided by each institution, subject to the local regulation). In no circumstance, it shall cover loans between the institution and the commercial entity where the member has no influence (for example where the member held a non-executive directorship and where the decision is taken collectively). Indeed, in such case there cannot be any conflict of interest.
  - These loans do not have to be by principle, limited.
- The management body in its supervisory function should only be responsible of overseeing compliance with the national implementation of the Directive (EU) 2015/849 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing and the Management Function should not be assigned the responsibility of the implementation of the Directive 2015/849 on the prevention of money laundering and terrorist financing. As it is an operational task, it should rather be assigned to a lower level within the institution.
  The wording introduced presents difficulties of implementation, especially in Member States where it is hard to reconcile with national transposition of AML directives and would be contrary to national corporate laws, namely to the principles of collegiality and joint and several responsibility that govern the management body.
- The date of entry into force of the guidelines shall be amended in order to account for the proper translations and comply or explain process. It is not possible to expect institutions to apply the guidelines if the comply or explain process is not completed.

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EBF position:

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

First of all, we would like to remind that Article 16(1) of Regulation EU/1093/2010 states that the Authority shall, with a view to establishing consistent, efficient and effective supervisory practices within the ESFS, and to ensuring the common, uniform and consistent application of Union law, issue guidelines and recommendations addressed to competent authorities or financial institutions. This provision does not give legislative additional powers to the EBA to the extent that EBA powers of interpretation derives from EU law in force. The guidelines are supposed to only "help to interpret the scope of the provisions" of regulations and directives, as pointed out by the Board of Appeal of the European Supervisory Authorities.

Definition of "Prudential Consolidation": we do not understand the amendments made to this definition, especially as it is changed in the EBA Guidelines on Internal Governance whereas it is left as it was before in the GL on suitability. Even though this change does not modify the content of prudential scope of consolidation and is in line with the CRD/CRR definition, we are of the opinion that the same definition should be used in both Guidelines. Besides, the existing definition has the advantage to clarify that all the subsidiaries (in particular nonregulated subsidiaries) of the Group are not necessarily part of the prudential consolidation.

Regarding the deletion of the definition of "institution" and the use of the words "credit institution", we understand that it is linked to the new regulation IFR/IFD and to the new definition of credit institutions. Could the EBA confirm this understanding or explain the amendment?

The date of application is referred to as 26 June 2021. However, the date of application should be subject to national transposition. Indeed:

- it should be subject to the date of transposition in national laws of CRD V directive and of IFD, in order to avoid creating law aside of the democratic process.
- it should also account for the "comply and explain" process from national authorities, which in practice is longer than expected in some countries.

Therefore, in order to take into account this rather long process we would suggest adding a more flexible date of application.

Entities should not bear the uncertainty of the regulators / supervisors not finalising process in time.

Paragraph 21 (Background and rationale)
The paragraph talks about "authorities and bodies", we would like to ask what bodies does EBA have in mind?

Definition of proportionality principles: It has been added in the guidelines on the assessment of the suitability members of the management body and Key function holders the sentence: "Institutions should note that the size or systemic importance of an institution may not, by itself, be indicative of the extent to which an institution is exposed to risks", it should be added in these guidelines too.

Paragraph 40 (Background and rationale)
This section should only refer to loans and not to other transactions (see below for further details).

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? The Guidelines aims at clarifying that AML/TF measures form a part of institutions governance arrangements. The EBA is developing further separate work on AML compliance.

Paragraph 19
The addition in section 19 does not provide clarity but rather adds more difficulties as it is not clear what constitutes a small or a large institution.

Therefore, definitions included in the Capital Requirements Regulations II (Regulation (EU) 2019/876) should be included.

Also, as it has been added in the guidelines on the assessment of the suitability members of the management body and Key function holders the sentence: "Institutions should note that the size or systemic importance of an institution may not, by itself, be indicative of the extent to which an institution is exposed to risks", it should be added in these guidelines too.

Paragraphs 19 and 84
In order to allow banks to develop digital business model, it is necessary to provide them with the right talent, processes and governance, at the same level as their competitors have. The solution would be to allow banks to create standalone entities to develop and accelerate technology and innovation businesses to serve the Group's banks at arms-length, as any other party in the open market.

The kind of activities that can fall under this approach are:

- The development of proprietary software and technology infrastructure and the provision of technology support to the bank or to third parties.
- Payment services, for individuals and companies, both cross-border and local.
- Financial solutions to simplify business management, trade or credit.
- Testing and digital activities or activities ancillary to the provision of financial services which have low material impact in the bank risk profile but are essential in innovation.

Today, governance requirements affect how these new entities can perform their operations when they are part of a bank, but they apply in a proportionate manner in non-banks.

Although different rules allow for a proportional approach, the governance framework limits the degree at which this proportionality can be applied to banking groups, especially if they are considered global systemic entities. The lack of clarity and the difference in criteria on how to apply proportionality to different kind of entities adds to this problem.

We understand these activities – or the entities in which they are carried out - should not be subject to the whole bank Governance Model but should be able to apply proportionate governance infrastructure.

The CRD already mentions proportionality, so we propose to just change the EBA guidelines to precise how proportionality can also be applied to entities with other corporate purposes:

19. c'. in a Group or Sub-Group structure, the activity of each entity, taking into account whether it is an undertaking subject to a specific regulation.
l. the degree of development and maturity of their activities and services, in particular in the context of innovation and digital transformation life cycle. For those undertakings providing digital services at an embryonic stage, the governance framework should be proportionate to the risks embedded in their business models.

86. At the consolidated and sub-consolidated levels, the consolidating institution should ensure adherence to the group-wide governance policies by all institutions and other entities within the scope of prudential consolidation including their subsidiaries not themselves subject to Directive 2013/36/EU. This adherence should be proportionate to their activities as stated in section 19. When implementing governance policies, the consolidating institution should ensure that robust governance arrangements are in place for each subsidiary and consider specific arrangements, processes and mechanisms where business activities are organised not in separate legal entities but within a matrix of business lines that encompasses multiple legal entities."

Paragraph 23
Letters c and d on point 23 should be merged since both make reference to the same thing and throughout the Guidelines compliance with AML issues is incorporated as one more area of internal control.

AML risk is part of the overall notion of risks which should be captured, the obligation of ensuring compliance with applicable requirements is not limited to AML/TF risk.

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

Paragraph 24
Paragraph 24 adds very little use and should be deleted. In the absence of a text on the subject, the EBA does not have to anticipate the level 1 texts.

We suggest replacing the expression "environmental, social and governance risks" by "environmental, social and governance factors". The reason is that there is not yet a uniform definition for 'ESG risks' elaborated by EBA (based on the mandate included in Article 98 (8) of the CRD 5), and, as properly noted on EBF comments to the draft Guidelines, such expression causes confusion as to whether it refers to risks for the institution or risks for its stakeholders. Moreover, if aimed to refer to the risks for the institution, it must be highlighted that ESG constitutes an element to be considered in assessing other risks (as reputational risks). We therefore believe that the expression 'ESG factors' fits better and reflects more accurately the ESG perspective that EBA intends to include in the revised Guidelines at this time being.

Also, ESG would not be considered in all of the section 23 approvals, so if this is to be included, it should be a separate requirement (as per AML/TF) so MB approves the bank's

ESG approach. It would be impractical to have to evidence how ESG was considered in the approval of the liquidity management framework for instance.

Paragraph 32
This article should be deleted since this is already regulated through AMLD and the national implementations of the AMLD, that could be slightly different from a Member State to another. Additionally, we bring forward the following issues:

A. Regarding the allocation of responsibilities individually to members of the management body

In one-tier systems, company law conceives the management body (board of directors) as one unique and inseparable body through which both management and supervisory functions are performed. All the members of the Board imperatively perform all the functions assigned to it as they are all, collectively, part of the decision-making process, and they all have the same rights and responsibilities; they are all under the same liability regime, for they act as one single collegial body.

The allocation of different roles and responsibilities to different board members is thus inadequate for one-tier systems, given that no efficient or real separation of responsibilities can be implemented where company law conceives the board as one unique and inseparable body through which all functions are performed.

Roles within the Board are primarily attributed for the enhancement of checks and balances, as well as to enable an optimum supervision and control and adequate running of the institution, but decisions within a collegial body carry no tags as to the types of members who adopted it. Moreover, roles are not assigned prior to a directors' appointment, only after he/she becomes part of the Board, and they are part of a constant rotation process, alongside the Board itself.

Consequently, the paragraph should be suppressed, or the wording adjusted, in order for the Guidelines not to be interpreted as an individual allocation to a member of the management body.

B. Regarding the allocation of responsibilities specifically to the management body when they already rest with the senior management

In line with what has been put forward under section A, the fact that paragraph 32 of the Guidelines expects institutions to allocate AML/CFT responsibilities to a member of the management body would be hard to implement in institutions where such responsibility lies with a member of the senior management.

In this sense, it is important to highlight that the new insertion would appear to contradict what is already stated in the Guidelines, especially current paragraphs 155-156, whereby: "155 […] The heads of the risk management, compliance and internal audit functions should report directly and be accountable to the management body, and their performance should be reviewed by the management body.

156 […] Where necessary, the heads of internal control functions should be able to have access and report directly to the management body in its supervisory function to raise concerns and warn the supervisory function, where appropriate, when specific developments affect or may affect the credit institution [….]".

The independence of internal control functions and their accountability to the management body regarding, precisely, issues such as AML/CFT risk and compliance was a major breakthrough in the 2017 amendment and has driven major organizational reforms within institutions. It is thus hard to see the rationale behind a new accountability regime, single only to AML/CFT issues, where the responsibility would lie with a member of the management body instead of with the corresponding internal control head, accountable directly to the management body as a whole (as mandated by the Guidelines).

The issue might be more easily reconciled in dual board-systems, where the person responsible for AML/CFT could be a member of the management board accountable to the supervisory board, but in one-tier systems it would entail assigning that responsibility to an executive director (e.g., the CEO, who is in many instances the sole executive member within the board "effectively directing the institution"), and that would put into question the independence and accountability framework from internal control functions to the management body in its supervisory function which is envisaged in the Guidelines, particularly the paragraphs cited above.

It could also be impossible in hybrid system (for instance, in France) where there is a CEO who can be (but not systematically) part of the board of directors.

Paragraph 32 would likewise appear inconsistent with paragraph 27 (current paragraph 26), which allows a director to be responsible for an internal control function (but does not require it) only where "the member does not have other mandates that would compromise the member's internal control activities and independence of the internal control function".

C. Regarding the allocation of responsibilities specifically to the management body, where national AML/CTF law does not include such provisions

The 4th AML Directive (Directive (EU) 2015/849) requires that "*where applicable, obliged entities identify the member of the management board who is responsible for the implementation of the laws, regulations and administrative provisions necessary to comply with this Directive*" (Article 46.4). It is naturally subject to transposition into national law by all Member States, and not all have allocated said responsibility to a member of the management body. For instance, the law transposing Directive 2015/849 in Spain has not included a specific obligation to appoint a board member in the sense provided and assumed for in the Guidelines (the situation is similar in other member states such as France).

Institutions need not necessarily allocate the responsibilities envisaged in the 4th AML Directive to a member of the management body, as the Guidelines seem to have assumed.

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

The wording of the Guidelines in those paragraphs should be aligned on the amendments made of the CRD 5 on this matter:

- The provision of article 109 of CRD5 specifying that the subsidiaries not themselves subject to the directive should apply their sector specific requirements on an individual basis should be added as well in the Guidelines;
- It would be useful to add a definition of what is meant by "offshore financial centres" as this wording is not a legal concept;

- The word "adequate", added in paragraph 14 of the Legal Basis, is not in line with article 109 of CRD5.

In any case, when applying the guidelines on the consolidated basis, we are of the view that the principle of proportionality should also apply. A reference to the proportionality principle should therefore be specified in paragraph 14: "Under Article 109 (2) of Directive 2013/13/EU these guidelines apply on a sub-consolidated and consolidated basis by taking into account the proportionality principle." This needs to be specified in the guidelines by a cross reference to this principle where the scope of application is contemplated.

Paragraph 61
Please delete footnote 34 as it refers to guidelines which have not been issued at this stage. In case of any newly developed AML guidelines it should be assessed whether an update of these guidelines on internal governance is required.

Paragraph 84 (and 14 of the Legal Basis)
The references to "offshore financial centres" are confusing as 'centres' are places and not entities. A clear explanation of what constitute offshore financial centres should be provided. Also suggest referring to 'operating and service entities within the consolidated group' to clarify the intended focus.

Why does paragraph 84 mention "on a consolidated **and** sub-consolidated basis" where art. 109 (2) of Directive 2013/36/EU mentions "on a consolidated **or** sub-consolidated basis"?

Why does paragraph 84 relate to 'parent undertakings and subsidiaries within the scope of prudential consolidation', where art. 109 (2) of Directive 2013/36/EU relates to 'parent undertakings and subsidiaries subject to this Directive'? It is not clear to us which parent undertakings and subsidiaries are meant. The wording should be in line with CRD V as follow: "*parent undertakings and subsidiaries subject to this Directive should implement such arrangements, processes and mechanisms in their subsidiaries, within the scope of prudential consolidation, not subject to Directive 2013/36/EU, including those established in offshore financial centres.*"

Given the references to a great number of definitions in various legal sources (or in the absence of them), it is desirable that the guidelines clarify this matter.

In addition, regarding the deletion of paragraph 8 on the Outsourcing policy, EBA GL on Outsourcing in their section 7, §41, refer to the Section 8 of the EBA's Guidelines on internal governance. Hence, as this section has been deleted, the reference will not be valid anymore and no explanation is given regarding the reason of this deletion.

Question 5: Are Paragraphs 98 and 99 sufficiently clear?

Paragraph 92
This paragraph adds 'righteous culture' but without definition, this would appear to raise more questions than answers without a proper explanatory note so it would be a challenge to measure this.

Paragraph 98 and 99
These paragraphs are outside the scope of CRD-V which only requires a gender neutral remuneration policy. Therefore, these guidelines are beyond the scope of the CRD-V implementation should be deleted.

Paragraph 99
The beginning of paragraph 99 ("Credit institutions policies should be gender neutral") is redundant with paragraph 98 and should be deleted.

CRD IV refers only to the underrepresented gender in the management body - not positions. It is therefore unclear to us how "management position" should be interpreted and what it includes.

Moreover, it is not clear what 'career perspectives' is/means.

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?

When referring to the illicit dividend arbitrage schemes, it is key to specify that these schemes have been found illicit by the local supervisor in charge of the compliance of AML provisions by the entities in order to avoid any discretionary threshold.

Paragraph 101(c)
This provision is not necessary since it is already considered in the assessment of the management body. On top of that the wording is too vague. It should at least be limited to cases where a court decision or a decision from the AML/CFT supervisor has been issued.

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?

The matter of loans to board members and their related parties should be regulated within the scope of CRD V. Such scope is limited to ensure that data on loans to Board members of the management body and their related parties, as explicitly defined, are properly documented and made available to competent authorities upon request. There are no provisions in terms of monitoring framework, approval process and limits to transactions with members of the management body and their related parties, being the requirements provided just in terms of documentation of the transactions. There is no mention of "other transactions" in CRD V and a strict definition of related parties is provided by CRD V.

In light of the above, the draft should be strictly compliant with CRD V scope, by regulating only documentation requirements of the banks with respect to the members of the management body and their related parties as defined in CRD V. In this perspective, approval processes and limits to transactions should not be mentioned in the guidelines. Paragraph 116 should also be deleted. The main driver of these provisions is to monitor any potential conflict of interest. There will be no conflict of interest regarding a loan between an institution and a company where the concerned board member has only non-executive position, with no influence (indeed, in these circumstances the person has no significant influence as the decision is taken collectively).

In the context of the COVID19 crisis, as credit institutions are fully mobilized to support the economy and their clients, they should not have to deal with additional constraints and review their procedures and IT systems because of guidelines.

- Some details added are so operationally detailed that this may entail significant changes in institutions' processes or even IT systems.
- Data on loans to be documented for members of the management body and their related parties is much too extensive to be operational in frame of the fit and proper process. Tracking and collecting all these details that may have been collected within a Group in its normal course of business and validations of operations is counter-productive and inefficient.

It would be also important to receive some further clarifications about the scope of the Guidelines (reference is made to paragraph 14 and 15 of Background and rationale). Specifically, it is not clear if - within a banking group - the requirements are related to the loans granted by each bank to its own board members or are also referred to the loans granted by each bank of the banking group to the Board members of the Parent Bank. In any case, it would be useful to specify that such requirements are not applicable to loans granted to other board members of Group's banks, being only addressed to loans made by the Parent Bank to its own Board members and their related parties. It shall not address intragroup loans and this needs to be clarified.

It seems more reasonable and compliant with CRD V requirements to provide for a general and flexible regulatory framework on this matter, without the level of detail proposed in the guidelines. It is therefore essential to ensure that the EBA guidelines in this area works well together with the local implementation of CRD V. It is also noteworthy that national requirements already exist in most countries regarding credit institution's related party transactions and in case the harmonization is not complete (i.e. local specific scoping of requirements or local specific requirements for the establishing of the controls) the level of details included in the guidelines should be carefully considered to ensure aligned requirements. It is important to emphasize that CRD V is very detailed on the scope of related parties.

The current draft includes many very specific detailed requirements which has the potential of clashing with the existing control frameworks that aim at controlling similar risks. If these frameworks are not considered in full it may result in implementing overlapping processes which is not the most pragmatic approach.

We do not agree on the details on the loans that should be provided according to the GLs. This should be left to entities in accordance with local regulations and internal procedures: the day to day IT management of credits and the associated risks is the core business of banks and the EBA should not interfere in this field. In particular, paragraph 112 regarding the information that should be documented does not make any difference between the type of loans and as such is much too broad.

Paragraphs 107 - 116

Article 88 of CRD V does not provide for the other **transactions** mentioned in the guidelines but only to "loans". It is not for the EBA to extend the scope provided by CRD V directive. In this sense, the CRD V did not provide the EBA with a specific mandate to elaborate or interpret the new provisions of article 88.

During discussions on CRD V, member states pushed back the proposed version with all the data included in these guidelines. It is key to respect the democratic process and to avoid going beyond the CRD V.

In any case, taking also into account the broad categories of related parties defined by CRD V (including the commercial entities where board members of the Bank or their relevant close family members are members of the management body companies), the banks should be allowed to completely exempt all those transactions whose countervalue does not exceed specific thresholds fixed in the framework adopted by the Management Body. A different approach could hinder the ordinary business of the banks as well as significantly increasing the matters to be submitted to the Management Body, even though not relevant.

As for the distinction between the transactions carried out on normal market terms and the transactions which are considered fair and reasonable from the perspective of the institution and of the shareholders, we do not understand why the assessment is extended to the interests of the shareholders or owners of the Bank. Such assessment should be necessarily limited to the perspective of the institution, taking into account its safe and sound management.

Article 88 does not provide for any **limit** to be put in place and it is contrary to the local regulation in place (and to the considered transposition in local regulation).

CRD V Directive only provides for the appropriate documentation to be put in place and it is key to respect this as it was discussed within the appropriate forum.

It is key to deeply amend this section in order to be in line with the purpose of CRD V, namely to properly document loans.

Paragraph 107
As has been outlined above, article 88 of CRD V does not include "other transactions", merely referring to "loans". The Guidelines should not exceed the CRD framework.

Paragraph 109
We understand that the initial mention to "credit institutions should ensure that all relevant internal control procedures fully apply […]" would suffice. Institutions should be able to apply existing internal control procedures, or other procedures deemed appropriate, without the need for the management body to establish a new one.

Paragraph 112
Given that the Guidelines distinguish between material and non-material loans, and loans entered into normal market conditions and other loans, thus admitting that different standards and onus should apply, we understand that the Guidelines should likewise distinguish the documentation requirements that apply to one or the other.

In this sense, it seems reasonable that the documents required in this paragraph apply only to loans not concluded on normal market conditions or material loans (depending on the distinction provided by each institution, subject to the local regulation), but not to non-material ones or those concluded into normal market conditions. For non-material ones, institutions should be able to rely on the documents that are collected on a regular basis for any client.

Moreover, this paragraph sets out the following requirements for loans exceeding € 200.000 (i) the percentage between the loan granted and the total exposure of the affected director and the "eligible capital and common equity Tier-1 capital" of the credit institution and (ii) the proportion between the loan granted and the total exposure of the affected

director and the total loans granted to the members of the administrative body. This second condition is definitely not agreeable and appears to be useless. In addition, a threshold for loans does not correspond to the spirit of the regulation. What is key is to understand if there is a potential conflict of interest, if the loan is concluded differently than the standard due to the position held by the person.

We consider that the text should be replaced by a generic mention of how the entity considers at each moment in accordance with its risk policy (which is already provided by the entity to the supervisor).

Paragraph 113
The need to document transactions different from loans is not provided by CRD V. Moreover, such documentation requirements are considered as too onerous, as mentioned above.

Paragraph 114
The need to provide the Authority with all the information required "without undue delay" entails significant IT implementations by the Bank. Therefore, the date of entry to force of these guidelines should be significantly postponed with respect of the date of approval by the Authority (not less than one year).

Paragraph 115
It covers very personal and sensitive information for a large target group. It could be illegal in some cases at least in some MS. Indeed, even if information is expected to be presented on an aggregated basis, the size of Boards are not that large that it permits to guarantee banking secrecy and anonymization of data. Besides, if extended to other transactions, it would lead to present nonhomogeneous kind of data and information."

It should be considered that the institutions already provide disclosure about transactions with their related parties in their financial statements, in compliance with the international Accounting Principles (IAS 24). Further disclosure requirements, being not provided by CRDV, are therefore not needed and could entail misleading information for all the shareholders, taking into account that the definition of related parties is not provided as coincident (although overlapping) by the two set of rules. We propose to delete paragraph 115.

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

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

Paragraph 129
The added last sentence to this paragraph regulates something that is already regulated elsewhere. It gives no further guidance and should be deleted.

Paragraph 140
AML should not be arbitrarily dropped into the 'overarching internal controls' section. It should instead be included within its own sub-heading as a sub-topic.

Paragraph 143
Suggest clarifying in definition for Compliance that this can refer to AFC as a separate AFC function if an organisation chooses to set up this way. There is no need to include this

separation. Otherwise it should be made clear that such a decision does not expand the scope of internal control functions in the context of suitability assessments.

Paragraph 149
We consider ESG risks as aggravating factors of existing risk categories. Therefore, we suggest to delete the term "ESG" from the paragraph or to reword the last phrase this way : "*All relevant risks should be encompassed in the risk management framework with appropriate consideration of both financial and non-financial risks, including credit, market, liquidity, concentration, operational, IT, reputational, legal, conduct, compliance ML/FT and other financial crime, and strategic risks (including where appropriate impact of ESG risks).*"

Paragraph 164
The new sentence should be incorporated within the second sentence.

Paragraph 166
As above re Compliance. Better to state that the AML/CFT compliance should be ensured by the compliance department or another department.

Paragraph 208:
Although we understand the importance of AML and TF-aspects, the tasks and responsibilities of the AML/TF-department are already clearly set. Both AML- and Compliance departments are of the 2nd line of defence. Only the 3rd line of defence shall audit those departments. Any overlaps in responsibilities or tasks within the same line must be avoided. Therefore, the part of sentence „ML/TF or other financial crime" should be deleted, as this is the responsibility of AML-department.

Paragraph 223
'Core human resources' should refer to 'core staff/employees' so it is clear that it does not refer to HR department.

Paragraph 224
Unclear how does the inclusion of the word 'drivers' change the intended meaning of this requirement.

About EBF

The European Banking Federation is the voice of the European banking sector, uniting 32 national banking associations in Europe that together represent some 4,500 banks - large and small, wholesale and retail, local and international - employing about 2.1 million people. EBF members represent banks that make available loans to the European economy in excess of €20 trillion and that securely handle more than 300 million payment transactions per day. Launched in 1960, the EBF is committed to creating a single market for financial services in the European Union and to supporting policies that foster economic growth.

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