

## Press release

15 June 2021

# ECB launches consultation on its revised Guide to fit and proper assessments

- ECB publishes revised Guide to fit and proper assessments and new Fit and proper questionnaire for public consultation
- New approach to enhance overall process, explain ECB's approach to diversity and introduce supervisory expectations on climate-related and environmental risks
- Consultation period runs from today until 2 August 2021

The European Central Bank (ECB) is today launching a [public consultation](#) on the draft of a revised and more comprehensive version of its Guide to fit and proper assessments and a new Fit and proper questionnaire. The new versions will eventually replace the existing guide (from May 2018) and questionnaire (from 2016).

The enhancements contained in the documents aim to raise the bar, increase transparency and improve the quality and efficiency of fit and proper assessments and processes. They also introduce supervisory expectations on climate-related and environmental risks and explain the ECB's approach to diversity.

In particular, the draft Fit and proper guide proposes giving closer consideration to severe supervisory findings that may impact an appointee's suitability, even when the appointee will not have direct responsibility for them but will be held individually accountable for good management and adequate decision-making jointly with the other board members.

The new guide explains in more detail how board members will be reassessed if new material facts emerge after their appointment. It also encourages banks that are subject under national law to an ex post assessment regime to file their fit and proper applications before making appointments.

Furthermore, given the increasing relevance of climate-related and environmental risks as an area of supervisory attention, knowledge of and experience in this area will be deemed relevant.

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Gender diversity will also be taken into account as an element of collective suitability, in addition to the assessment of sufficient diversity including a range of knowledge, skills and experience in the management body. The assessment of diversity is interlinked with day-to-day supervision, and any relevant diversity findings in the governance assessments may feed into the assessment of collective suitability.

The ECB has been refining and introducing the above-mentioned policies over time. The revised approach incorporates some new elements which are now proposed for consultation.

Additionally, in this context, the Fit and proper questionnaire has been updated to incorporate new policies and practices developed since 2016. By streamlining the necessary requests for information, it increases efficiency and harmonisation across the Single Supervisory Mechanism and enhances data quality.

The outcome of the consultation, which starts today and runs until 2 August 2021, will be taken into account when the Fit and proper guide and the Fit and proper questionnaire are finalised. The draft texts are available on the ECB's banking supervision website.

As part of this consultation, the ECB will be holding a public hearing on 15 July 2021 via Webex. Information on how to register as a participant and how to submit comments can be found on the [website](#). Following the public consultation, the ECB will publish a summary of the comments received.

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