

**RESULTS OF CONSULTATION**

Market participants had the opportunity, between 16 October and 27 November 2023, to respond to the proposed Q&A on supervisory boards at payment institutions and electronic money institutions. Two parties submitted their consultation feedback to DNB. The table below provides a point-by-point presentation of (i) the feedback received, (ii) DNB's response to it, and (iii) any changes to the Q&A made further to the feedback.

#	Party	Feedback in brief	Response by DNB	Changes (Yes/No)
1	Electronic Money Association (EMA)	<p><b>Proportionality</b></p> <p>The EMA noted that the cost implications of maintaining a supervisory board for smaller payment institutions or electronic payment institutions (EMIs) might be prohibitive. For this reason, the EMA would support DNB taking a proportional approach when deciding whether a supervisory board would be appropriate.</p>	<p>DNB supervises whether institutions meet the statutory requirement of having in place a balanced organisational structure. DNB applies the principle of proportionality in its assessment of whether this requirement has been met (see also the Q&amp;A). The size of an institution is a criterion in the proportionality test. In that context, DNB may consider whether, in view of the size of an institution, having a supervisory board might be prohibitive for the institution. The institution would obviously still be expected to comply with the statutory requirement of having in place a balanced organisational structure. In addition, the Q&amp;A makes mention of the fact that DNB will also assess whether alternative solutions to establishing a supervisory board would be appropriate (principle of proportionality).</p>	No

2	EMA	<p><b>Residence of prospective supervisory directors</b></p> <p>The EMA argued that it might prove challenging for institutions to identify prospective supervisory directors with the appropriate qualifications. That is why the EMA would be supportive of the option to appoint individuals resident outside the Netherlands. It asked DNB to provide clarification on the geographical scope of where candidates might be resident.</p>	<p>There are no statutory restrictions governing the appointment of non-Dutch-resident supervisory directors. DNB will subject any candidates to a fit and proper assessment with due observance of the relevant legislation and regulations. In doing so, DNB will assess, among other aspects, whether these supervisory directors can offer the required time commitment to the institution and whether they have sufficient time to prepare for, and travel to, supervisory board meetings.</p>	No
3	Association of Dutch Payment Institutions (VBIN)	<p><b>Additional statutory and other conditions/gold-plating</b></p> <p>The VBIN expressed the view that no new conditions needed to be imposed as to the question of whether a supervisory board should be established and that it was clear from Dutch law when the requirement to do so was in effect. The VBIN argued that the existing statutory rules were appropriate and adequate, and that, in its opinion, gold-plating was neither necessary nor advisable.</p>	<p>Q&amp;As do not contain independent supervisory standards, but are based solely on the existing legal framework. They provide insight into DNB's policy practice by setting out its interpretation of legislation and regulations. In this particular Q&amp;A, DNB clarifies its interpretation of Section 17 of the Dutch Decree on Prudential Rules for Financial Undertakings (<i>Besluit prudentiële regels Wft – Bpr</i>). While Q&amp;As are binding on DNB, institutions are free to opt for alternative ways in which to meet the statutory and regulatory requirements provided that they apply the comply-or-explain principle. Given that a Q&amp;A does not introduce new supervisory standards, DNB has not, in its opinion, engaged in gold-plating, whereby the powers of an EU directive are extended when transposed into national law.</p>	No