Suitability matrix MiCAR

Executive directors and persons who otherwise determine the day-to-day policy of CASPs

**Group B**

Contents

[1. Explanation 3](#_Toc158899439)

[2. Decision tree for questions to be answered 5](#_Toc158899440)

[3. General information 7](#_Toc158899441)

[4. Considerations regarding the composition of the collective 8](#_Toc158899442)

[5. Matrix division of final responsibility in focus areas of the Executive Board 9](#_Toc158899443)

[6. Explanation of division of focus areas 11](#_Toc158899444)

[7. Matrix knowledge and experience of each person in charge of day-to-day policy to be assessed 12](#_Toc158899445)

[A. Managerial (directorial) skills necessary for day-to-day policy 15](#_Toc158899446)

[B. Leadership skills in a hierarchical relationship 19](#_Toc158899447)

[C. General professional knowledge gained in a relevant work setting 21](#_Toc158899448)

[D. Specific professional knowledge gained in a relevant work setting 23](#_Toc158899449)

[E. Suitability with regard to controlled and sound business operations 26](#_Toc158899450)

[F. Sufficient time 30](#_Toc158899451)

[8. Overview of time devoted by the new policymaker 32](#_Toc158899452)

# Explanation

In addition to being trustworthy, persons in charge of day-to-day policy of Crypto Asset Service Providers (CASPs) must also be suitable to adequately fulfil their positions. The CASP nominates its own candidate and substantiates their suitability on the basis of the [**Policy Rule on Suitability 2012**](https://www.afm.nl/~/profmedia/files/wet-regelgeving/beleidsuitingen/beleidsregels/herziene-beleidsregel-geschiktheid.pdf)(as most recently published on 1 April 2023). The AFM assesses the suitability of the (prospective) person or persons in charge of day-to-day policy based on this Policy Rule. This applies in the case of new appointments and substantial changes in the position and/or final responsibilities of persons in charge of day-to-day policy. A person in charge of day-to-day policy may only be appointed following approval by the AFM. The Policy Rule, its explanatory notes and further information on suitability assessments can be found on the AFM’s website under “Assessment of management board members and supervisory board members”. Further information is available on the AFM’s [**website**](https://www.afm.nl/nl-nl/sector/themas/toetsingen/toetsing-bestuurders-en-commissarissen/beoordeling-geschiktheid).

**Group B**

This suitability matrix is specifically intended for CASPs. Persons in charge of day-to-day policy of CASPs are classified in group B of the Policy Rule on Suitability 2012. You must indicate in this form why you believe that the person in charge of day-to-day policy concerned meets the requirements set out in the Policy Rule on Suitability 2012. The AFM will take this into consideration in the assessment of the person in charge of day-to-day policy.

**For whom?**
This form is intended for directors (two-tier board), executive directors (one-tier board) or persons who otherwise determine the day-to-day policy of enterprises classified in group B of the Policy Rule on Suitability 2012 referred to above.

Members of the Supervisory Board (i.e. supervisory board members and non-executive directors (one-tier board)) should use the form “*Suitability Matrix for Members of the Supervisory Board - MiCAR”*.

**Substantiation**

Your substantiation of the knowledge and experience of the policymaker/policymakers, and the choice with regard to the composition of the collective, are very important for the AFM in order to carry out the assessment of persons. Therefore, in addition to a qualification regarding the knowledge and experience of a person in charge of day-to-day policy (high, medium or low), an explanation with proper examples of this knowledge and experience is also requested in the matrix. Simply stating that ‘the candidate has 10 years of work experience in the financial sector’ is insufficient substantiation, as the type of work experience (and when it was obtained), the role and the skills of the person in charge of day-to-day policy are not made sufficiently clear.

**Collective**

Section 5 includes the “Matrix division of final responsibility in focus areas of the Executive Board”. The aim of this matrix is to enable the AFM to obtain insight into how final responsibilities are divided within the collective of persons in charge of day-to-day policy. In other words: which person in charge of day-to-day policy holds the final responsibility for the focus area concerned. A collective has a joint responsibility for the whole enterprise, and the responsibilities are usually divided within the collective. The AFM considers it important that persons are employed in the areas where their knowledge, skills and added value lie.

In this form, an explanation is requested as to the manner in which the collective as a whole satisfies the requirements set out in the Policy Rule on Suitability 2012. The questions include: how do the persons in charge of day-to-day policy work together, what are their individual strengths and how do they complement each other? How does the collective function as a whole?

**Change in final responsibilities of incumbent policymakers**

If an incumbent policymaker moves to a different policymaking position within the same enterprise, that constitutes an assessment time as referred to in part 1.5.a of the Policy Rule on Suitability 2012. In such a case, the AFM expects the enterprise to notify it in good time of these changes in the division of duties between policymakers and also to have the relevant policymaker/policymakers reassessed for suitability by the AFM. To this end, you should submit an application form to request an assessment to the AFM, stating that it concerns a change of position.

# Decision tree for questions to be answered

This suitability matrix includes several sections with questions on various topics. It is possible that not all the questions may be relevant to the candidate concerned. To clarify this, a decision tree is included in this section, on the next page. This decision tree will help you to determine which questions in this form should be answered by the candidate. If you have any questions, please email them to Ondersteuning\_Personentoetsingen@afm.nl.

**Explanation of decision tree**

The decision tree is shown on the next page. Begin at “Start” and follow the arrows as indicated. Which questions should be completed by the candidate to be assessed depends on a number of factors:

* Has the candidate previously been assessed by DNB in connection with a registration of crypto services for the same CASP?
* Does the CASP provide more services under MiCAR than just the custody and exchange of crypto-assets?
* Has there been a redivision of final responsibilities or focus areas within the executive board since the assessment by DNB?

The decision tree ends with instructions on which specific questions should be completed by the candidate to be assessed.

**Explanation with regard to redivision of focus areas/responsibilities**[[1]](#footnote-2)

If new responsibilities have arisen since the assessment by DNB, you should answer the questions that concern your knowledge and experience in these changed focus areas. See also (\*) in the decision tree on the next page.

* Example 1: you were originally responsible for financial administration and compliance, but will now also be responsible for risk management. You should answer the questions about your knowledge of and experience with risk management (E1 and E2).
* Example 2: you were responsible for IT and AO/IB and will now be responsible for compliance. You should answer the questions about your knowledge of and experience with compliance (E3 and E3).



# General information

If you have any questions about completing this suitability matrix, please email them to Ondersteuning\_Personentoetsingen@afm.nl.

|  |  |
| --- | --- |
| Name of candidate to be assessed | Click or tap here to enter text. |
| Role after appointment of candidate to be assessed | Click or tap here to enter text. |
| Has the candidate’s suitability previously been assessed for a similar role and final responsibilities? If so, where and when? | [ ]  yes [ ]  no.Click or tap here to enter text. |
| Proposed date of appointment  | Click or tap here to enter text. |
| Will the candidate to be assessed replace a departing policymaker?  | [ ]  yes [ ]  no. |
| Name of departing policymaker (if applicable) \* | Click or tap here to enter text. |
| Will the roles/(final) responsibilities change within the incumbent collective? \* | [ ]  yes [[2]](#footnote-3)[ ]  no. |
| Is a condition attached to the licence relating to the number of people employed in the company? That means a staff of no more than six persons, including policymakers, employees on permanent and temporary contracts, temporary workers, seconded employees, etc.? \* | [ ]  no / N/A[ ]  yes, and following the candidate’s appointment the enterprise will have a staff of fewer than seven persons[ ]  yes, and following the candidate’s appointment the enterprise will have a staff of more than six persons |
| Matrix completed by | Click or tap here to enter text. |
| Matrix completed on (date) | Click or tap to enter a date. |
| Has the candidate taken note of the completed matrix? | [ ]  yes [ ]  no. |
| Have the scores been discussed with the collective? | [ ]  yes [ ]  no. |
| \* not applicable in the case of a licence application |  |

# Considerations regarding the composition of the collective

Explain here:

1. Why you have opted for this composition of the collective: how is the cooperation, which roles and which characteristics do the various persons have which makes the composition a good collective?
2. Which final responsibilities have been redivided within the incumbent collective?
3. What will be the role of the newly notified policymaker within the collective?
4. Have certain persons in charge of day-to-day policy been chosen based on the assumption that they would provide a specific added value for the collective (for example, knowledge that is necessary for the specific activities or for IT)? If this is the case, whom does this concern and what is the added value?
5. In your opinion, what are the collective’s highest and lowest scoring areas? How do you compensate for the weaker aspects within the collective?

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| *[You can make the text field larger, if you wish]* |

# Matrix division of final responsibility in focus areas of the Executive Board

In the table on the next page, indicate which person in charge of day-to-day policy holds the final responsibility for each focus area. Only one policymaker can hold the final responsibility for each focus area. If the final responsibility is nevertheless held by more than one person, please substantiate this in the free text entry field on page 11.

If the activity does not take place within your enterprise, you can enter “N/A” next to the focus area concerned.

If the activity has been outsourced, you should indicate this in the table on the next page, specifying which person has the final responsibility for this within the collective. You can also substantiate the final responsibility with regard to outsourced activities in the free text entry field on page 11.

Please add rows and topics if applicable.[[3]](#footnote-4)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Executive Board**  | ***Name person 1*** | ***Name person 2*** | ***Name person 3*** | ***Name person 4*** | ***Name person 5*** |
| ***Position/focus area*** | ***Position [e.g. CEO]*** | ***Position*** | ***Position*** | ***Position*** | ***Position*** |
| Chair |[ ] [ ] [ ] [ ] [ ]
| Strategy |[ ] [ ] [ ] [ ] [ ]
| Policy |[ ] [ ] [ ] [ ] [ ]
| CASP services[[4]](#footnote-5)*[Important: functional separation relative to Risk Management]*  |[ ] [ ] [ ] [ ] [ ]
| Risk management *[Important: functional separation relative to first-line CASP services]* |[ ] [ ] [ ] [ ] [ ]
| Compliance |[ ] [ ] [ ] [ ] [ ]
| Financial administration |[ ] [ ] [ ] [ ] [ ]
| Investment administration  |[ ] [ ] [ ] [ ] [ ]
| Administrative organisation and internal control (AO/IC), processes |[ ] [ ] [ ] [ ] [ ]
| Control, Internal Audit |[ ] [ ] [ ] [ ] [ ]
| Wwft and Sanctions Act |[ ] [ ] [ ] [ ] [ ]
| IT |[ ] [ ] [ ] [ ] [ ]
| ESG |[ ] [ ] [ ] [ ] [ ]
| HRM (including D&I)  |[ ] [ ] [ ] [ ] [ ]
| Facility management |[ ] [ ] [ ] [ ] [ ]
| Other matters (specify) |[ ] [ ] [ ] [ ] [ ]

# Explanation of division of focus areas

Requested explanation:

* Is the final responsibility for a focus area held by several persons in charge of day-to-day policy (e.g. two persons in charge of day-to-day policy hold the final responsibility for the Compliance focus area)? Where this is the case, give an explanation here.
* If applicable: an explanation of the redivision of final responsibilities and/or changes of position within the incumbent collective.
**Important: a redivision of final responsibilities may lead to a reassessment of the suitability of the relevant policymaker/policymakers. Also see Section 1.**
* You should also explain here how the final responsibility for outsourced activities is fulfilled.

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# Matrix knowledge and experience of each person in charge of day-to-day policy to be assessed

You must fill in the matrix containing questions regarding suitability by substantiating each board member’s knowledge and experience. For each part, we also ask you to indicate the degree of knowledge and experience (high, medium, low) for the collective as a whole.

**Score degree of knowledge and experience**

Please explain below, for each question, whether the respective person in charge of day-to-day policy’s knowledge and work experience in this area is at a low, medium or high level:

* Low has basic knowledge and experience in this area.
* Medium has good insight into the subject area, through knowledge as well as experience (but is not an expert in this field).
* High has very extensive knowledge and work experience in this field (is regarded by others as an expert).

It is not plausible that a “high” score is obtained in all areas. Also, it is not necessary to obtain a “high” score in all areas in order to be approved by the AFM. However, there has to be sufficient knowledge and experience present, both individually and in the collective, in accordance with the requirements of the Policy Rule on Suitability 2012.

**What explanation does the AFM require?**

Under “Explanation” below, you should list the work experience, projects, cross-department responsibilities and roles relevant to the prospective position that substantiate the knowledge and experience of the person in charge of day-to-day policy. Relevant work experience means experience gained in a work environment that is largely similar to or has sufficient points in common with the type of enterprise and the type of position in which a policymaker wishes to work. There are limits concerning the duration required to obtain knowledge and experience. The applicable period is stated for each part. More information can be found in the schedule “*Fitness requirements for policymakers at enterprises in Group B prior to appointment*” on the [**website**](https://www.afm.nl/nl-nl/sector/themas/toetsingen/toetsing-bestuurders-en-commissarissen/beoordeling-geschiktheid) of the AFM.

Tips:

You should base your substantiation of suitability in relation to the various parts on your own knowledge and experience. The table on the next page gives various examples of insufficient substantiation of the suitability of a candidate to be appointed.

|  |  |
| --- | --- |
| Policy Rule part | Examples of insufficient substantiation [[5]](#footnote-6) |
| 1. Managerial skills (directorial)
 | I was manager of a team of 5 FTEs.*[This information concerns hierarchical leadership skills, not managerial skills]* |
| 1. Hierarchical leadership skills
 | I was team leader for three years, managing staff and providing input for their assessments. I had no budget responsibility and limited signing powers. The executive board conducted the assessment interviews.*[This experience does not qualify as hierarchical leadership experience, but as functional leadership experience]* |
| 1. General professional knowledge
 | I have 20 years of experience in the financial markets.*[This statement is insufficient substantiation]* |
| 1. Specific professional knowledge
 | I worked as Head of Compliance at enterprise X, which is subject to supervision, for the past seven years and am now to be appointed as a director at enterprise Y, with final responsibility for the Compliance focus area.*[This substantiation refers to suitability in relation to “back office” tasks (controlled and sound business operations) and not suitability in relation to "front office" tasks]* |
| 1. Controlled and sound business operations
 | In my role as CEO of enterprise X, I worked closely with the CRO and hence know a lot about risk management.*[This substantiation does not concern the candidate's experience in relation to risk management. It also does not reveal what his responsibilities and duties were in relation to risk management]* |

## Managerial (directorial) skills necessary for day-to-day policy

**Managerial skills**

This concerns management skills that are necessary to determine day-to-day policy properly. Assessing these skills involves examining the work experience that has been gained and that is useful for managing an enterprise, taking into account the level of work experience, the role and the degree of responsibility within the enterprise. Examples are responsibility for cross-department matters, duties requiring organisational skills and the role within an enterprise. Managerial skills may also be evident from the responsibility assumed by a policymaker, for example in independent entrepreneurship. By contrast, leadership skills are always gained by being in charge of a number of staff.

Please note: This component is non-compensable within the collective.

For more information: see [**Policy Rule on Suitability 2012**](https://www.afm.nl/~/profmedia/files/wet-regelgeving/beleidsuitingen/beleidsregels/herziene-beleidsregel-geschiktheid.pdf)including explanatory notes (as most recently published on 1 April 2023)*.*

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| 1. **Managerial skills necessary for day-to-day policy**

**IMPORTANT: experience must date from no more than ten years before the time of assessment.** |
| Aspect | ExplanationThe managerial skills necessary for day-to-day policy must have been gained over a period of at least two years' work experience, at least one year of which was a continuous period. | Score (see p. 11) |
| **A1. Management experience**As a director, held (final) responsibility for a (financial) enterprise. | Explanation: Where (which and type of enterprise) and when (period of time) was the knowledge and experience gained, what did this involve (role, task, principal/secondary position, responsibilities, chairing meetings, etc.)? | [ ] high [ ] medium [ ] low  |
| **A2. Managerial skills** Has gained managerial skills that are necessary to determine the day-to-day policy of a (financial) enterprise properly. | Explanation: Where (which enterprise) and when (period of time) was the knowledge and experience gained, what did this involve? Which role and responsibilities? Chairing meetings? Was this a principal or secondary position? | [ ] high [ ] medium [ ] low  |
| **A3. Budget responsibility**Had a role with budget responsibility within an organisation. | Explanation: Where and when was the knowledge and experience gained, what did this involve, did the role involve final responsibility or shared responsibility? | [ ] high [ ] medium [ ] low  |
| **A4. Decision-making**Has experience with (complex) decision-making processes. | Explanation: Where and when was the knowledge and experience gained, what did this involve? | [ ] high [ ] medium [ ] low  |
| **A5. Strategy and policy**Had a role with responsibility for determining strategy/policy within an organisation. | Explanation: Where and when was the knowledge and experience gained, what did the responsibility involve? | [ ] high [ ] medium [ ] low  |
| **A6. Responsibilities**Has had cross-departmental responsibilities. | Explanation: Where and when was experience gained, what did the responsibility involve? | [ ] high [ ] medium [ ] low  |
| **A7. Compliance** Has had responsibility for the observance and enforcement of codes and internal rules, as set out in corporate governance codes and codes of conduct, and applicable laws and regulations. | Explanation: Where and when was the knowledge and experience gained, what did this involve? | [ ] high [ ] medium [ ] low  |
| **A8. Outsourcing**Has experience in supervising and/or monitoring outsourced activities. | Explanation: Where and when was the knowledge and experience gained, what did this involve, which activities did this concern? | [ ] high [ ] medium [ ] low  |
| **A9. Communication**Knows when and how stakeholders (including supervisors, customers, shareholders, external auditor) need to be informed, and has experience in doing so. | Explanation: Where and when was the knowledge and experience gained, what did this involve, which activities did this concern? | [ ] high [ ] medium [ ] low  |
| **A10. Crisis management**Has experience in managing crisis situations within a management board and/or enterprise. | Explanation: Where and when was this experience gained, what did the crisis involve, what were the candidate’s responsibilities, which activities did this concern? | [ ] high [ ] medium [ ] low |
| **A11. Other**Other relevant knowledge and specific areas of experience in this area:*To be filled in, if and to the extent present.* | Explanation: Where and when was the knowledge and experience gained, what did this involve, which activities did this concern? | [ ] high [ ] medium [ ] low  |
| [You do not need to complete this section] | [ ] G [ ] O[ ] C[ ] A |

## Leadership skills in a hierarchical relationship

**Leadership skills in a hierarchical relationship**
Providing leadership in a hierarchy involves knowing from experience how to discharge the responsibilities and exercise the powers necessary to manage an organisational unit. More information:

For more information: see [**Policy Rule on Suitability 2012**](https://www.afm.nl/~/profmedia/files/wet-regelgeving/beleidsuitingen/beleidsregels/herziene-beleidsregel-geschiktheid.pdf)including explanatory notes (as most recently published on 1 April 2023)*.*

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| 1. **Leadership skills in a hierarchical relationship**

**IMPORTANT: experience must date from no more than ten years before the time of assessment.** |
| Aspect | ExplanationThe hierarchical leadership experience must have been gained over a period of at least two years’ work experience, at least one year of which was a continuous period. | Score (see p. 9) |
| **B1. Leadership of an organisation**Provided leadership in a hierarchy to an organisation. | Explanation: Where and when was the knowledge and experience gained, what did this involve, what was the size (FTEs) of the organisation and for how many persons/FTEs did the candidate have hierarchical responsibility? | [ ] high [ ] medium [ ] low  |
| **B2. Leadership of a team**Provided leadership in a hierarchy to a collective, department or team. | Explanation: Where and when was the knowledge and experience gained, what did this involve? Where, when and to how many FTEs/persons was direct leadership in a hierarchy provided? | [ ] high [ ] medium [ ] low  |
| **B3. Other**Other relevant knowledge and specific areas of experience in this area (where applicable). | Explanation: Where and when was the experience gained, what did this involve? | [ ] high [ ] medium [ ] low  |
| [You do not need to complete this section] | [ ] G [ ] O[ ] C[ ] A |

## General professional knowledge gained in a relevant work setting

**General professional knowledge**

General suitability is deemed to include general knowledge of the financial markets, financial products and financial services relevant to an enterprise and the statutory supervision framework applicable to an enterprise. This can be demonstrated on the basis of sufficient work experience or training.

For more information: see [**Policy Rule on Suitability 2012**](https://www.afm.nl/~/profmedia/files/wet-regelgeving/beleidsuitingen/beleidsregels/herziene-beleidsregel-geschiktheid.pdf)including explanatory notes (as most recently published on 1 April 2023)*.*

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| 1. **General professional knowledge gained in a relevant work setting**

**IMPORTANT: experience must date from no more than five years before the time of assessment.** |
| Aspect | ExplanationThe general professional knowledge must have been gained in a relevant work setting over a period of at least two years’ work experience, at least one year of which was a continuous period. | Score(see p. 9) |
| **C1. Market**Has general knowledge of and experience with the market in which the enterprise operates and the relevant developments on this market. | Explanation: Where and when was the knowledge and experience gained, what did this involve? What education programme/training was taken for this purpose? | [ ] high [ ] medium [ ] low  |
| **C2. Products and services**Has general knowledge of and experience with performing the licensed-based activities of the enterprise to which the candidate is to be appointed. | Explanation: Where, in which relevant work setting, when and with which products and/or services was the knowledge and experience gained, what did this involve? | [ ] high [ ] medium [ ] low  |
| **C3. Legislation and regulations**Has knowledge of and experience with relevant laws and regulations, including MiCAR, the Money Laundering and Terrorist Financing (Prevention) Act (Wwft) (including TFR), the Sanctions Act, DORA as well as the relevant supervision regulations and policy rules. For crypto-assets, it is important that the day-to-day policymakers have knowledge of compliance with laws and regulations and the developments therein. | Explanation: Where, when and with respect to which laws and regulations was the knowledge and experience gained, what did this involve? | [ ] high [ ] medium [ ] low  |
| **C4. Other** Other relevant knowledge and specific areas of experience in this area:*To be filled in, if and to the extent present.* | Explanation: Where and when was the knowledge and experience gained, what did this involve? | [ ] high [ ] medium [ ] low  |
| [You do not need to complete this section] | [ ] G [ ] O[ ] C[ ] A |

## Specific professional knowledge gained in a relevant work setting

**Specific professional knowledge**

Specific professional knowledge means suitability in relation to the licensed-based services required in order to perform the work of an enterprise (front office).

For more information: see [**Policy Rule on Suitability 2012**](https://www.afm.nl/~/profmedia/files/wet-regelgeving/beleidsuitingen/beleidsregels/herziene-beleidsregel-geschiktheid.pdf)including explanatory notes (as most recently published on 1 April 2023)*.*

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| --- |
| 1. **Specific professional knowledge gained in a relevant work setting**

**IMPORTANT: experience must date from no more than five years before the time of assessment.** |
| Aspect | ExplanationThe specific professional knowledge must have been gained in a relevant work setting over a period of at least two years’ work experience, at least one year of which was a continuous period. | Score(see p. 9) |
| **D1. Front office experience**Has direct knowledge of and experience with performing the licensed-based activities of the enterprise to which the candidate is to be appointed (e.g. custody and administration of crypto-assets on behalf of clients, operating a crypto-assets trading platform, portfolio management for crypto-assets, etc.) | Explanation: What knowledge and experience does this involve? Where and when was the knowledge and experience gained? What did the responsibilities involve? Were the knowledge and experience gained as an executive director, in a hierarchical leadership role or as an operative? How is this experience appropriate to your duties following appointment and to the enterprise to which you are to be appointed? Front office experience here refers to experience with front-line work.  | [ ] high [ ] medium [ ] low  |
| **D2. Professional knowledge**Has specific knowledge and expertise relevant to the enterprise and the market in which it operates.  | Explanation: Where and when was the specific professional knowledge and experience gained, what did this involve? | [ ] high [ ] medium [ ] low  |
| **D3. Product knowledge** Has knowledge of and experience with the products and/or services of the enterprise. | Explanation: Where and when was the knowledge and experience gained, what did this involve? What kind of products and services do the acquired knowledge and experience relate to? | [ ] high [ ] medium [ ] low  |
| **D4. Product development** Has knowledge of and experience with the development of products and/or services similar to those of the enterprise. | Explanation: Where and when was the knowledge and experience gained, what did this involve and what type of products are concerned? | [ ] high [ ] medium [ ] low  |
| **D5. Abuse**Is aware of how the CASP’s services/products can be abused for the purposes of money laundering and terrorism financing and has knowledge of and experience with mitigating this risk. | Explanation: Where and when was the knowledge and experience gained, what did this involve? | [ ] high [ ] medium [ ] low  |
| **D6. Appropriateness** Has experience with assessments of appropriateness of products and/or services similar to those of the enterprise for its customers. | Explanation: Where and when was the knowledge and experience gained, what did this involve? | [ ] high [ ] medium [ ] low  |
| **D7. Customers’ interests** Has knowledge of and experience with putting the customers’ interests first in the provision of services. | Explanation: Where and when was the knowledge and experience gained, what did this involve? Consideration should also be given to elements referred to in Article 66 of MiCAR. | [ ] high [ ] medium [ ] low  |
| **D8. Other**Other relevant knowledge and specific areas of experience in this area:*To be filled in, if and to the extent present.* | Explanation: Where and when was the knowledge and experience gained, what did this involve? | [ ] high [ ] medium [ ] low  |
| [You do not need to complete this section] | [ ] G [ ] O[ ] C[ ] A |

## Suitability with regard to controlled and sound business operations

A policymaker must be suitable with regard to controlled and sound business operations (back office). The controlled and sound business operations also include monitoring and controlling financial and IT risks. The knowledge and experience may have been gained in a non-financial enterprise, but must be related to the nature of the enterprise in which the policymaker will work.

Factors that will be taken into account in the assessment include the size of the enterprise where the experience was gained, the position in which the policymaker gained their experience and the complexity of the enterprise concerned. The experience must be appropriate to the enterprise to which the policymaker is to be appointed and the position they will hold.

For more information: see [**Policy Rule on Suitability 2012**](https://www.afm.nl/~/profmedia/files/wet-regelgeving/beleidsuitingen/beleidsregels/herziene-beleidsregel-geschiktheid.pdf)including explanatory notes (as most recently published on 1 April 2023)*.*

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| 1. **Suitability with regard to controlled and sound business operations**

**IMPORTANT: experience must date from no more than ten years before the time of assessment.** |
| Aspect | ExplanationThe suitability with regard to controlled and sound business operations must have been gained over a period of at least two years’ work experience, at least one year of which was a continuous period. | Score(see p. 9) |
| **E1. Risk management**Has held the direct responsibility for risk management and has knowledge of and experience with the identification, recognition and management/mitigation of the enterprise’s most relevant risks. For CASPs, the emphasis is primarily on integrity risk and cybersecurity risk (cloud access, storage, processing, etc.). | Explanation: Where and when was the knowledge and experience gained, what did this involve, was the knowledge and experience gained as a director or an operative? Which risk management education programmes/training courses were taken, and when? | [ ] high [ ] medium [ ] low  |
| **E2. Risk management policy**Has experience in drafting and/or assessing the policy with regard to risk management and related procedures and measures, as well as asking critical questions in that regard. | Explanation: Where and when was the knowledge and experience gained, what did this involve? Specify whether this involved the business risk and/or product risks. Consideration should also be given to elements referred to in Article 68 of MiCAR.  | [ ] high [ ] medium [ ] low  |
| **E3. Compliance** Has knowledge of and experience with holding responsibility for the compliance function. | Explanation: Where and when was the knowledge and experience gained, what did this involve? | [ ] high [ ] medium [ ] low  |
| **E4. Treatment of customers** Has experience in assessing the safeguarding of the proper treatment of customers. | Explanation: Where and when was the knowledge and experience gained, what did this involve? | [ ] high [ ] medium [ ] low  |
| **E5. AO IC**Has experience with the organisation and operation of the administrative organisation and internal control (AO and IC). | Explanation: Where and when was the knowledge and experience gained, what did this involve? | [ ] high [ ] medium [ ] low  |
| **E6. Internal Audit (IAD)**Has experience with the structure, existence and operation of the Internal Audit (IAD) function. | Explanation: Where and when was the knowledge and experience gained, what did this involve? | [ ] high [ ] medium [ ] low  |
| **E7. Administration** Has experience with the structure, existence and operation of financial and/or product-related record-keeping. | Explanation: Where and when was the knowledge and experience gained, what did this involve? | [ ] high [ ] medium [ ] low  |
| **E8. Outsourcing** Has knowledge of and experience with the policy for outsourcing. Is able to understand the policy for outsourcing and ask critical questions about it. | Explanation: Where and when was the knowledge and experience gained, what did this involve? Consideration should also be given to elements referred to in Article 73 of MiCAR. | [ ] high [ ] medium [ ] low  |
| **E9. DORA implementation**Is familiar with DORA requirements and experience in structuring and implementing them in operational management. | Explanation: Where and when was the knowledge and experience gained, what did this involve? | [ ] high [ ] medium [ ] low  |
| **E10. Wwft and Sanctions Act**Has knowledge of and experience with risk management in relation to combatting/preventing money laundering and terrorist financing. | Explanation: Where and when was the knowledge and experience gained, what did this involve?  | [ ] high [ ] medium [ ] low  |
| **E11. Market abuse**(If the CASP effects or executes transactions in crypto-assets:) Has knowledge of and experience with risk management, prevention and detection of market abuse, as referred to in Article 92 of MiCAR. | Explanation:Where and when was the knowledge and experience gained, what did this involve? | [ ] high [ ] medium [ ] low |
| **E12. Other** Other relevant knowledge and specific areas of experience in this area:*To be filled in, if and to the extent present.* | Explanation: Where and when was the knowledge and experience gained, what did this involve? | [ ] high [ ] medium [ ] low  |
| [You do not need to complete this section] | [ ] G [ ] O[ ] C[ ] A |

## Sufficient time

Policymakers are required to perform their tasks properly. They must show loyalty, identify with the enterprise and have a sense of commitment. Policymakers must be able to devote sufficient time to the performance of their duties in the enterprise, despite any other functions or secondary functions and taking into account possible periods of significantly increased activity of the enterprise or of other entities in which they fulfil a position or secondary position. The time that a policymaker can devote to their duties may be influenced by a number of factors.

The assessment of whether a policymaker has sufficient time is both a quantitative assessment, in which the applicable legal limits must in any case be complied with, as well as a qualitative assessment. In addition to the legal limits, the quantitative assessment also looks at the actual hours devoted to the positions or secondary positions. The company should provide all relevant and necessary information to the regulator to demonstrate that the policymaker has sufficient time to perform the function(s). Depending on the answers you give, we may ask for a more extensive reflection.

|  |
| --- |
| **F. Sufficient time (to be completed for new policymaker)** |
| **F1. As a person in charge of day-to-day policy - regular**How many hours do you need to perform the task for which you are currently being assessed in a normal situation? (hours per week and days per year)?  | Explanation. |
| **F2. As a person in charge of day-to-day policy - peak period**How many hours do you need and can you make available to perform the task for which you are currently being assessed in a period of significantly increased activity (e.g. a crisis situation) of the enterprise (hours per week and days per year)?  | Explanation. |
| **F3. (Secondary) duties - internal**Total number of hours (per week) that the policymaker devotes to non-policymaking duties within the organisation and/or any group company or companies. | Explanation. |
| **F4. (Secondary) duties - external**Total number of hours (per week) that the policymaker devotes to secondary duties, beyond the position for which this application is made.  | Explanation. |
| **F5. How to combine**How will the person in charge of day-to-day policy who is to be appointed combine the various positions and functions in terms of time spent (including in case of emergencies)? | Explanation. |
| [You do not need to complete this section] | [ ] G [ ] O[ ] C[ ] A |

# Overview of time devoted (to be filled out for the new policymaker)

The AFM may carry out a detailed examination of the policymaker’s actual availability based on the reported actual time devoted to all positions and secondary positions fulfilled or to be fulfilled by the policymaker. Suitability is a continuous requirement. Changes in the policymaker’s available time must be made known to the enterprise in a timely manner, in response to which the enterprise can take measures if necessary. Examples of changes in available time are the acceptance of new positions or secondary positions and personal circumstances such as long-term illness or caring for third parties.

Please list below all the positions and secondary positions, including the position for which a notification is being made for the policymaker.

Please add rows if necessary.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Entity** | **Country** | **Description of the entity’s activities** | **The person in charge of day-to-day policy’s position at the entity** **(e.g. director, member of the supervisory board, etc.)** | **Additional responsibilities (chairpersonships, committees, etc.)** | **Time devoted****(hours per week and days per year)** | **Term of office (from – to)** | **Number of meetings per year** |
|  |  |  | *[Starting with the prospective board position]* |  |  |  |  |
|  |  |  | *[Current other position(s)]* |  |  |  |  |
|  |  |  | *[Current other position(s)]* |  |  |  |  |
|  |  |  | *[Current secondary position(s)]* |  |  |  |  |

1. See (\*) in the flowchart on the next page. [↑](#footnote-ref-2)
2. If an incumbent policymaker moves to a different policymaking position within the same enterprise (for example: CRO succeeds CFO who is retiring, or CFO is given final responsibility for risk management as a new assigned task, etc.), that constitutes an assessment moment as referred to in part 1.5.a of the Policy Rule on Suitability 2012. The AFM expects the enterprise to have the relevant policymaker/policymakers reassessed for suitability in good time. To this end, you should submit an application form to request an assessment to the AFM, stating that it concerns a change of position. [↑](#footnote-ref-3)
3. This list is not cumulative, nor exhaustive [↑](#footnote-ref-4)
4. The “CASP services” focus area refers to the first-line activities which must be sufficiently segregated from the second-line activities, such as risk management and compliance [↑](#footnote-ref-5)
5. **The use of the male pronoun in this matrix also includes the female pronoun.** [↑](#footnote-ref-6)