

**Credit institution** – authorisation of senior executives

	Q&A
<p><b>Prior to submission</b></p>	<ul style="list-style-type: none"> <li> <p>• <b>Is the election/appointment of all managers of a credit institution subject to authorisation?</b></p> <p>The election or appointment of not all managers is subject to authorisation. The appointment or election of the credit institution’s senior executives is subject to authorisation by the MNB. In the case of credit institutions and specialised credit institutions operating as joint stock companies, senior executives include the chairman and members of the Board of Directors, the chairman and members of the Supervisory Board and the managing director. In the case of cooperative credit institutions operating as cooperative societies, senior executives include the chairman of the Board of Directors, the chairman of the Supervisory Board and the managing director. In the case of branch offices, senior executives include the person appointed by the foreign financial institution to manage the branch office, and the immediate deputy of him or her. In the case of credit institutions operating as branch office, only the election/approval of the senior executives of the Hungarian branch office of the credit institution registered in a third country is subject to authorisation.</p> </li> <li> <p>• <b>Is the managing director the same as defined in the Civil Code?</b></p> <p>No. The notion of the managing director defined in the Credit Institutions Act is not the same as defined in the Civil Code. For the purposes of the Credit Institutions Act, the managing director includes the chairman of the enterprise, elected by its executive body with governance powers, being in employment relationship with the enterprise, the chief executive being in employment relationship with the enterprise, and all deputies of such manager.</p> </li> <li> <p>• <b>What is the amount of the administrative service fee to be paid for the authorisation of a senior executive?</b></p> <p>The authorisation procedure related to the election/appointment of senior executives is free of charge.</p> </li> <li> <p>• <b>How long is the administration deadline?</b></p> <p>In the MNB’s procedures – unless the law regulates otherwise – the administration deadline is three months. If the MNB called upon the client to submit missing documents, the administration deadline shall be calculated from the submission of all documents in full.</p> </li> </ul>

	<ul style="list-style-type: none"> <li>• <b>Is the credit institution obliged to assess the suitability of the candidate?</b> The assessment of the suitability of the candidate is primarily the credit institution's responsibility. The credit institution performs the assessment of the suitability of the candidate based on Recommendation No. 1/2022. (I. 17.) of the Magyar Nemzeti Bank on the assessment of the eligibility of the members of executive bodies and persons in key position. Authorisation by the MNB will take place after this. The recommendation is available on the MNB's website under Regulation / Tools of Supervisory Regulation.</li> </ul>
<b>Application and annexes</b>	<p>IMPORTANT NOTICE! Prior to submitting the application you are kindly advised to read the <a href="#">general Q&amp;A</a> on the MNB's website on the Licensing/General information tab!</p>
Application	<ul style="list-style-type: none"> <li>• <b>On which form do I need to submit the application?</b> The application must be submitted on form entitled "Application for the election, appointment, re-election and reappointment of senior executives of financial institutions (credit institution, branch office of third country credit institution, financial enterprises".</li> <li>• <b>What kind of annexes do I need to submit?</b> The list of annexes to be submitted is available in the licensing guides on the MNB's website.</li> <li>• <b>In how many other institutions may the senior executive of a credit institution may hold offices?</b> The Credit Institutions Act specifies restrictions only in respect of the senior executives of credit institutions with a market share of at least 5 percent. These persons may fill one managing director position and two non-managerial positions in management bodies, or four non-managerial positions in management bodies, simultaneously, at most. The restriction does not apply to managing director positions in an organisation that pursues no business activity. The governing principle for the senior executives of all credit institutions is that no such person may be senior executive at a credit institution who holds other offices that may restrict the fulfilment of his or her professional duties in the credit institution. For more detailed information see the licensing guide.</li> <li>• <b>Which organisations may be regarded as organisations that pursue no business activity?</b> Such organisations include, for example, foundations, other non-profit organisations,</li> </ul>

	<p>the institutional protection fund of financial organisations, business federations, undertakings engaged solely in education, family business, if the member of the executive body does not participate in the daily activity of that.</p> <ul style="list-style-type: none"> <li>• <b>What is regarded as professional qualification?</b> <ul style="list-style-type: none"> <li>- in accordance with Act CCIV of 2011 on National Higher Education, university or college degree in higher education in economics, or in accordance with Act CCIV of 2011 on National Higher Education a BA or MSc degree in economics,</li> <li>- lawyer’s qualification,</li> <li>- auditor’s qualification, or</li> <li>- higher education or postgraduate banking qualification.</li> </ul> </li> <li>• <b>What should the curriculum vitae contain?</b> <p>The curriculum vitae must contain the educational level and other relevant qualifications, the jobs and positions in chronological order, indicating the name, address and type of the employer, the title of the positions filled, the time – preferably broken down into years/months – spent in each employment indicating the key duties. The curriculum vitae must contain, particularly the information related to the activities (bank and/or management experience) falling with the scope of the position to be filled by the candidate.</p> </li> </ul>
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28 March 2024