

## Frequently asked questions and answers – for the authorisation of senior executives

### Before submission

**1. Which persons require the MNB's approval for appointment/election?**

In the case of financial undertakings, the chairman of the board of directors, the chairman of the supervisory board and the managing director are considered to be senior executives, so the appointment/election of these persons requires the prior approval of the MNB.

**2. Is it necessary to pay an administrative service fee for the procedure?**

No, there is no administrative service fee payable for the procedure.

**3. What form should be used to submit the application?**

In the table under the heading Authorisation form registration (form search, ERA navigation), you must select the form corresponding to the authorisation subject.

### Application and annexes

ATTENTION! Before submitting the application, it is recommended to consult the general Q&As on the Authorisation/General Information tab on the MNB website!

### Chairman of the board of directors and managing director

**1. Can the managing director and the chairman of the board of directors of a financial undertaking be the same person?**

Yes, the two positions can be filled simultaneously by one person. In this case, the person to be elected/appointed must comply with the rules applicable to both the chairman of the board of directors and the managing director.

**2. If the managing director and the chairman of the board of directors of the financial undertaking are the same person, is it necessary to submit the application on separate forms?**

No, in this case it is sufficient to submit one form clearly indicating that the candidate intends to hold both posts.

**3. Can the post of managing director be held on a contract basis?**

No, it is not possible for a financial undertaking to employ a managing director on a contract basis. If the financial undertaking has more than one managing director, all managing directors must be employed on an employment relationship basis.

**4. Is it necessary to prove employment in the context of an employment relationship in the authorisation procedure?**

Normally not, but it is necessary to declare this fact on the Application form. However, in the case of financial undertakings with a balance sheet total exceeding HUF 5 billion, a document (e.g. draft employment contract, letter of commission, offer for the establishment of an employment relationship) must be attached to the application when the managing director is being approved/elected for the first time.

**5. Can the functions of the board be carried out by a CEO?**

No, in the case of a financial undertaking, the board must at all times function as body corporate. Only legislation may provide for an exception to this.

**6. What qualifications must the person nominated as managing director have?**

In all cases, the managing director must have a higher education degree.

**7. In addition to a higher education degree, what other requirements must the managing director meet?**

At least three years' professional experience working at a financial institution, the MNB, the Hungarian Financial Supervisory Authority, its predecessor or in public administration, or at least three years' managerial experience in another economic field. For useful information on the assessment of management practices, see the information available on the MNB website.

**8. How can I prove that I have the statutory professional work experience?**

Proof of professional work experience may be provided by means of, for example: a curriculum vitae, an employer's certificate, an employment contract or job description, and any other document that can prove the starting and ending dates of the professional work experience, the activity on which the professional experience is based, the nature of the legal relationship and the scope of tasks performed by the candidate in the context of such legal relationship. It is also useful to explain in the CV exactly what managerial responsibilities the candidate has held, e.g. how many subordinates/employees they were responsible for, etc.

**Supervisory board and chairman**

**1. Should a supervisory board be set up?**

Yes, a financial undertaking is required to have a supervisory board of at least 3 and up to 9 members, whose chairman may be elected/appointed if the MNB has given its prior approval.

**Certificate of good conduct, proof of good business reputation**

**1. What is the content of the certificate of good conduct required for the authorisation of senior executive staff of a financial undertaking?**

In order to prove the clean record specified in Section 137 (4)c) of the Credit Institutions Act, an **extract from the judicial record** – issued in relation to the entirety of the data included in the criminal records – **with enhanced content** (no criminal record, is not banned from exercising civil rights, not disqualified from occupation or activity), **not older than 90 (ninety) days** shall be submitted. With regard to Section 71 (4a) of the Bnyt<sup>1</sup>, the MNB also accepts the extended certificate of good conduct if it contains information that the candidate has no criminal record and is not under a ban from public office.

**2. If the senior executive is a foreign national, is a certificate of good conduct required?**

Yes, it is required, together with a certified translation of the certificate of conduct in Hungarian.

**3. Where can I find the mandatory questionnaire to be submitted as an annex to the application for authorisation to prove the good business reputation of the candidate?**

A mandatory annex to the application, the "Good Business Reputation Survey" is available, without registration or logging in, on the ERA interface (Public Services/Forms/Select Forms/Good Business Reputation Surveys/Acquisition of Holdings), as a pdf file to be filled in, saved and validated. The filled in and electronically signed questionnaire can be attached to the prescribed electronic form as an annex. The questionnaire is available at: <https://era.mnb.hu/ERA.WEB/PublicServices/Current?code=eraformanyomtativny>

---

<sup>1</sup> According to Section 71 (4a) of Act XLVII of 2009 on the Criminal Records System, the Register of Rulings by the Courts of the Member States of the European Union against Hungarian Citizens and on the Register of Biometric Data in Criminal and Law Enforcement Matters (Bnyt<sup>1</sup>), *if the applicant is prohibited from an occupation or activity, then the fact specified in Paragraph (3) (e) (the occupation or activity from which the applicant is prohibited) must be indicated in the official certificate of good conduct in the case of an application to prove the fact specified in Paragraph (3) (b) (i.e. that the applicant has no criminal record), even in the absence of such an application.*

**4. Is it necessary to complete all the items of the questionnaire to prove the candidate's good business reputation?**

In the case of financial undertakings with a balance sheet total of more than HUF 5 billion, the questionnaire must be completed in full by the persons in a senior executive position, and in the case of financial undertakings with a balance sheet total of less than HUF 5 billion, only the specific points indicated at the beginning of the questionnaire must be completed.

**5. Is it only necessary to include in point 5 of the good business reputation questionnaire the positions held by the candidate in the financial market field?**

No, positions held by the candidate in any company or other organisation, not only in the financial market field, must be included.

**6. Is it necessary to resubmit documents proving the candidate's qualifications as an annex to each application for authorisation (e.g. for re-election)?**

Not if they have already been submitted to the MNB in the context of a previous authorisation procedure, but this fact must be mentioned in the comments section of the application form, preferably together with the relevant file number.

**7. Is it necessary to submit as an annex to each application for authorisation the candidate's official certificate of good conduct, the questionnaire to verify his/her good business reputation and the declarations pursuant to Section 137(4), (6) and (9) of the Credit Institutions Act?**

No, if they have already been submitted to the MNB in the context of a previous authorisation procedure, the applicant refers to this fact and if 90 days have not yet passed from the date of issue of these documents. If the 90 days have passed, all relevant documents must be resubmitted.

Last amendment: July 2024