

[Consultation paper on the review of the Joint ESMA and EBA Guidelines on the assessment of the suitability of members of the management body and key function holders under Directive 2013/36/EU and Directive 2014/65/EU](#)

Information Note

The draft revised EBA-ESMA joint guidelines new requirements are introduced by the revised Capital Requirements Directive (CRD) for large institutions, and include updates applying to entities covered by CRD and to investment firms within the scope of MiFID II. Stemming from CRD, the updates cover, among other elements, the use of ex-ante applications for cases where competent authorities carry out ex-post assessments, and mandatory suitability assessments for roles such as heads of control functions and chief financial officers. The guidelines also further specify new CRD requirements for third-country branches, and strengthen links with the anti-money laundering and countering the financing of terrorism framework, providing guidance for identifying reasonable grounds to suspect money laundering or terrorist financing risks.

The revised guidelines introduce targeted simplification and streamlining measures designed to reduce administrative burden and provide greater flexibility and clarity for institutions and supervisors.

Once the revised Guidelines enter into force, the 2021 Guidelines will be repealed.

Some of the elements include:

- **Strengthening Roles:** The Guidelines seek to strengthen the role of management bodies in both their management and supervisory functions to ensure sound and prudent management.
- **Technological and ESG Trends:** The updates incorporate recent trends, such as the rise of AI, ICT risks, and ESG factors, all of which must now be part of a member's knowledge requirements.
- **Independence and Conflicts of Interest:** A significant focus is placed on the independence of mind of members in the supervisory function. This includes managing potential conflicts of interest, such as applying cooling-off periods when a former CEO is appointed as Chair.
- **Primary Responsibility:** While competent authorities perform supervisory assessments, the primary responsibility for ensuring that members remain suitable on an ongoing basis lies with the entities themselves.
- **Supervisory Powers:** Competent authorities have the power to intervene, which may include prohibiting or removing members who do not meet suitability standards.
- **Resolution and Early Intervention:** The Guidelines also ensure that suitability is maintained during resolution and early intervention scenarios, requiring coordination between competent and resolution authorities.
- **Suitability Requirements:** All members of the management body and certain key function holders, such as the CFO and heads of internal control, must undergo suitability assessments.
- **Time Commitment and Diversity:** To ensure effective oversight, the Guidelines provide a framework for assessing whether members commit sufficient time to their

roles and require entities to implement policies promoting diversity and gender balance to overcome "groupthink".

- **ML/TF Risk Management:** Competent authorities are tasked with assessing if there are reasonable grounds to suspect increased money laundering or terrorist financing risks during the suitability process.
- **Training and Induction:** Entities must devote adequate resources to induction and ongoing training to maintain the suitability of their management bodies.
- **Enhanced Dialogue:** For large entities, the Guidelines introduce an enhanced dialogue between competent authorities and firms when there are concerns regarding the suitability of new members.

Submission of comments

The deadline for submitting comments is **25 May 2026**.

Respondents may send their comments using "send your comments" button on the [EBA's consultation page](#).

Likewise, please send a copy of your answers to the CNMV to the following email address: documentosinternacional@cnmv.es

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