

# Guidelines on Individual Accountability and Conduct

## Overview

- **5 Outcomes** financial institutions (FIs) should achieve to promote clear accountability and proper conduct
- **Specific guidance** for FIs with 50 or more headcount

## Senior managers<sup>1</sup> (*Promote accountability*)

### Outcome 1



Senior managers are **clearly identified**

### Outcome 2



Senior managers are **fit and proper** and **held responsible** for the areas and employees they are in charge of

### Outcome 3



The FI's governance framework **supports senior managers** in performing their roles

## Material risk personnel<sup>2</sup> (MRPs) (*Strengthen oversight*)

### Outcome 4



MRPs are fit and proper and subject to:

- Effective **risk governance**
- Standards of **proper conduct**
- Appropriate **incentive structures**

## All employees

(*Promote proper conduct*)

### Outcome 5



The FI has a framework that **promotes and sustains** among all employees the **desired conduct**.

## Achieving the 5 Outcomes

### 1. Assess



**Assess whether your FI meets the 5 Outcomes**

- E.g. Is it clear who is responsible for each core management function?
- Consider measures in specific guidance

### 2. Adopt



**Adopt appropriate measures for your FI**

Adapt specific guidance as necessary, based on nature, size and complexity of your business

### 3. Review



**Regularly review effectiveness and adequacy of measures**

Take into account gaps between observed behaviours and desired standards of conduct

<sup>1</sup>Senior managers are individuals who are principally responsible for the day-to-day management of the FI.

<sup>2</sup>MRPs are individuals that can significantly impact the FI's safety and soundness, or cause harm to a significant segment of the FI's customers or other stakeholders.

## QUESTIONS?

Read the [Frequently Asked Questions](#) and/or approach your MAS supervisor