

## Reward Practices in Financial Services\*

# Change is now coming to Belgium!

### How PwC can help

PricewaterhouseCoopers can help you demonstrate that your remuneration policies comply with BBFIC standards.

Our methodology enables management and remuneration committees to:

- Quickly identify areas where BBFIC standards suggest changes to your remuneration policies are needed;
- Benchmark your current situation against the BBFIC standards and those of your peers;
- Identify and prioritise areas of risk reduction during each phase of our work;
- Provide independent assurance to stakeholders over the design and operating effectiveness of your remuneration policies and procedures.

Our methodology is underpinned by PricewaterhouseCoopers' knowledge of best practice controls in this area and our thought leadership in third-party assurance.

Our skills and experience include a team of regulatory, compliance, reward, tax, risk and control specialists who can provide recommendations and alternatives to enable efficient, effective compliance with regulatory requirements.

### What's the issue?

On 5 October 2009, the Belgian Banking Finance and Insurance Commission (BBFIC) launched a public consultation procedure on a draft practice note addressing remuneration policies in financial institutions. The consultation ended on 19 October 2009. The BBFIC has confirmed that the final practice note can be expected in the next few days. Its purpose is to ensure that remuneration policies within financial institutions encourage effective, sound risk management and do not create incentives for inappropriate risk-taking. It is therefore a strategic goal that financial institutions under BBFIC supervision authority should be able to demonstrate in time that they have assessed their remuneration policies and taken suitable action to comply with the applicable standards.

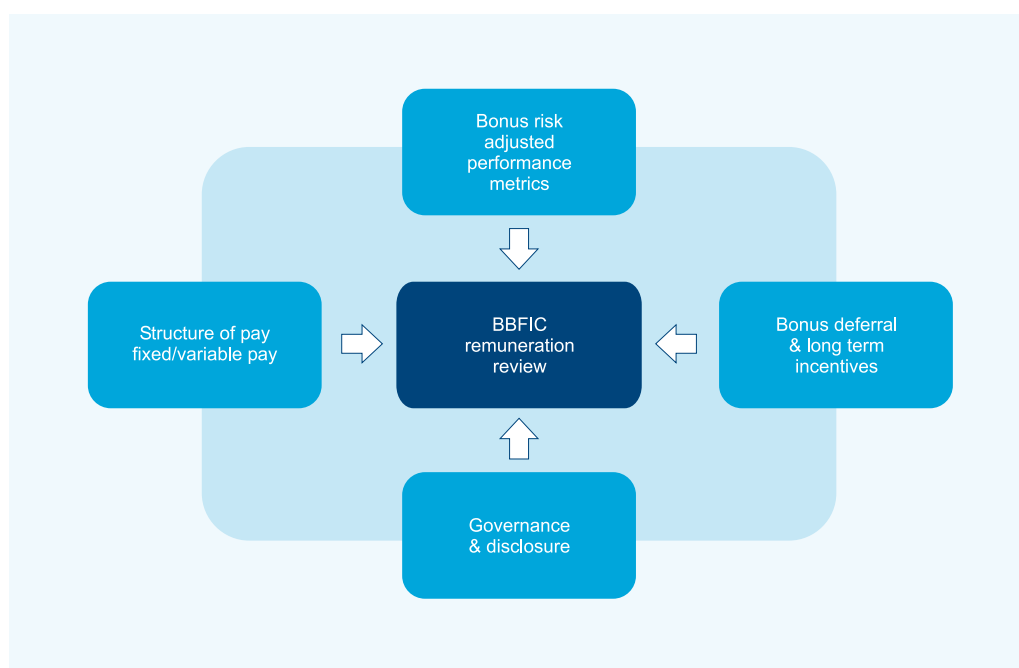
### Implementation deadlines are strict!

Financial institutions must define a remuneration policy in compliance with the BBFIC standards by **31 December 2009**.

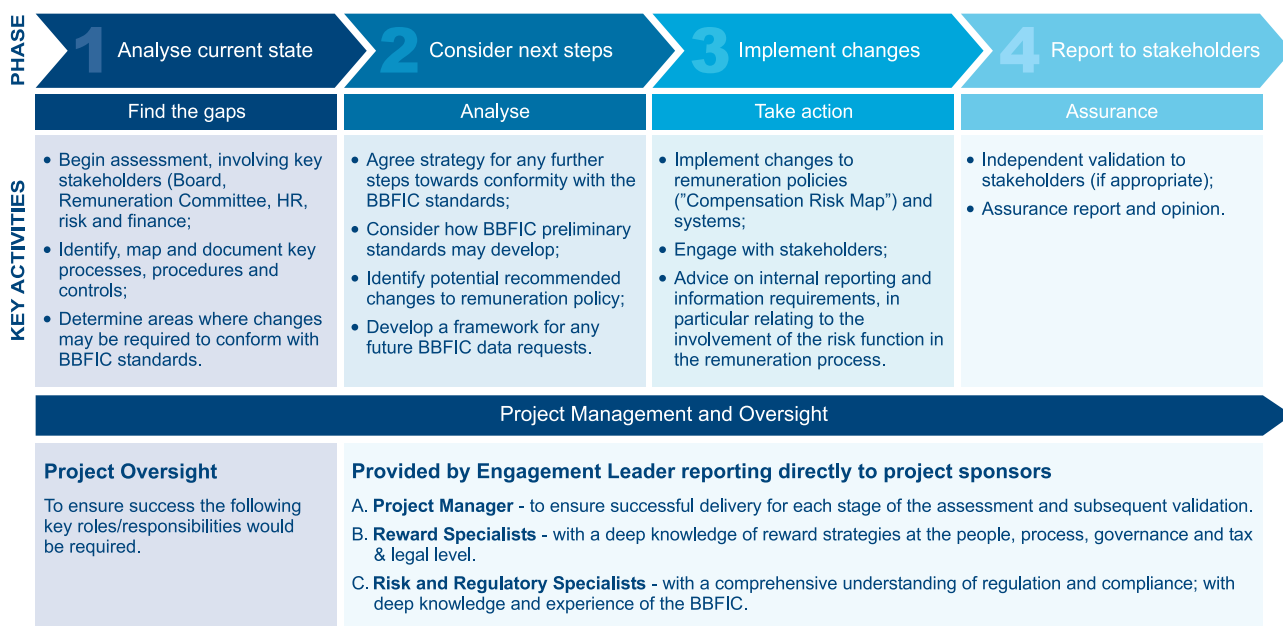
The applicable remuneration policy, the state of its implementation and evidence that it complies with the BBFIC standards must be sent to the BBFIC no later than **15 February 2010**.

Financial institutions must implement a compliant remuneration policy by **1 April 2010** and amend existing agreements (e.g. employment agreements) as soon as possible.

Failure to fulfil all the BBFIC standards will result in greater Commission scrutiny and could lead to an increase in capital requirements.



## How we work



## Key deliverables

- We provide management and remuneration committees with a clear report on the state of their remuneration arrangements based on the BBFIC standards and the marketplace.
- We provide a clear methodology for any further steps towards conformity with the BBFIC standards and requirements. The output you receive from us will include mapping and documentation of your processes, procedures and controls that are scalable across your business.
- We will work with you to discuss how the BBFIC standards fit in with your firm and its particular circumstances and how your remuneration policy can be aligned with your business strategy, risk appetite, goals and values and the long-term interests of your stakeholders.

## Key contacts

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