

**Disclosure of information relating to fit and proper assessment of managing directors and directors of regulated entities**

**QUESTIONNAIRE**

When filling in the questionnaire, the managing director/director shall take account of the instructions annexed to the questionnaire. Clear and precise answers are required.

**I. Regulated entity**

1. a. Name of the regulated entity concerned in this questionnaire:

1. Your position at the above-mentioned regulated entity:

[ ] Managing director

[ ] Principal board member

[ ] Alternate board member

1. When were you employed as managing director or elected/appointed to the board of directors at the above-mentioned regulated entity (dd.mm.yy)?:

**II. Basic information**

1. Personal information:

* 1. Full name:
	2. Original name (if it differs):
	3. ID Number:
	4. If you do not have an Icelandic identification number you should enter your date of birth:
	5. Place of birth:
	6. Domicile (address, location, postcode, and country):

[ ]  Requesting a derogation from legal requirements of residency, if applicable

* 1. Nationality:
	2. Telephone number (including international prefix):
	3. E-mail address:

**III. Objective eligibility requirements**

1. Have you/do you have:

a. legal competence?

[ ]  Yes

[ ]  No

 b. full civil rights?

[ ]  Yes

[ ]  No

 c. been declared bankrupt in the last five years?

[ ]  Yes

[ ]  No

 d. in the preceding 10 years and in connection with the conduct of business, been sentenced by a court of law for any criminal act under the General Penal Code, the Competition Act, the Act respecting Public Limited Companies, the Act respecting Private Limited Companies, the Accounting Act, the Act on Annual Accounts, the Act on Bankruptcy, etc., and the provisions of the Act on the Withholding of Public Levies at Source, the Foreign Exchange Act, or special legislation governing parties who are subject to official supervision of financial activities.

[ ]  Yes

[ ]  No

**IV. Assessment of financial independence**

1. Is your equity position positive?

[ ]  Yes

[ ]  No

*If the answer to the question is no, the spreadsheet “Information on financial position” (I. “Upplýsingar um fjárhagsstöðu”), available on* [*FME’s website*](http://www.fme.is/thjonustugatt/eydublod/)*, must be filled out and submitted with the questionnaire.*

1. Is your income sufficient to cover debt service and living expenses?

[ ]  Yes

[ ]  No

*If the answer to the question is no, the spreadsheet “Information on financial position”, available on* [*FME’s website*](http://www.fme.is/thjonustugatt/eydublod/)*, must be filled out and submitted with the questionnaire.*

1. Are you personally liable for other people’s liabilities?

[ ]  Yes

[ ]  No

*If the answer to the question is yes, provide further details on the guarantees here, including the type, amount, and lifetime of the guarantee as well as the name and identification number of the debtor.*

1. Are your assets pledged as security for other people’s liabilities?

[ ]  Yes

[ ]  No

*If the answer to the question is yes, provide further details on the pledge here, including the type of asset that is pledged, its value, the amount of the pledged liability, the name and identification number of the debtor, and the name of the lender (pledgee).*

1. Are you listed as being in default in the Defaulting Debtors Database?

[ ]  Yes

[ ]  No

1. Information on unconventional loans.

*Provide information on loans where you are the debtor and where the loan is not considered a conventional loan offered to the public, such as mortgages, car financing, and student loans. Include information on the type of loan, the name of the lender, the balance of the loan, maturity, and information on the assets pledged to secure the loan, if applicable.*

1. Do you or persons related to you have a financial relationship with the regulated entity the questionnaire concerns?

[ ]  Yes

[ ]  No

*If the answer to the question is yes, provide further details on the financial relationship here, including the nature and extent of the relationship (amounts and time frames).*

1. Do you or persons related to you intend to form a financial relationship with the regulated entity the questionnaire concerns?

[ ]  Yes

[ ]  No

*If the answer to the question above is yes, provide further details on the intended financial relationship here, including the nature and extent of the relationship (amounts and time frames).*

**V. Assessment of education, knowledge and professional experience**

1. Have you completed a university degree?

[ ]  Yes

*Specify the name of the school, degree (undergraduate, graduate), subject, and when you completed your studies.*

[ ]  No

1. Have you completed other education?

[ ]  Yes

*Specify your education (upper secondary education, professional education, re-education, shorter courses at university level, etc.), subject, school, and when you began and completed your studies.*

[ ]  No

1. Information on current and prior employment.

*Provide information regarding your current profession and prior employment history for the preceding 10 years. Specify the workplace, professional title, and give a detailed explanation of the core aspects of the work, including major subject matters as well as any project and management responsibilities the work entailed.*

*If applicable, you should furthermore specify activities undertaken more than 10 years ago. Specify the workplace and professional title and give a brief account of the core aspects of the work.*

1. Information on current and prior directorship.

*Specify the names of all companies where you currently serve on the board of directors, as a principle or an alternate member, and the names of all companies where you have served on the board of directors, as a principle or an alternate member, in the preceding ten years. Please note the periods of time as well.*

[ ]  Does not apply.

1. Given your current occupation, and the companies where you currently serve on the boards of directors, are you of the opinion that you have sufficient time to carry out your duties for the regulated entity concerned in this questionnaire?

[ ]  Yes

[ ]  No

1. Provide detailed reasoning to show that you possess sufficient knowledge, skills, and professional experience to be able to properly carry out your duties, including how knowledgeable you are about the business activities conducted by the regulated entity concerned in this questionnaire, including risk factors.

**VI. Assessment of reputation**

1. Have you been sentenced for any criminal offence in connection with business dealings

(i) for infringement of the Acts enumerated in Question 3(d) where there are more than 10 years since conviction and/or

(ii) for infringement of other acts of law than are enumerated in Question 3(d) regardless of when you were convicted?

[ ]  Yes

[ ]  No

*If the answer to the question above is yes, describe the type of infringement, the penalties, when the judgment was issued, and make a note of the case number.*

1. Have you had a petition granted for the cessation of payments or for seeking composition?

[ ]  Yes

[ ]  No

*If the answer to the question above is yes, a copy of the decision should be attached to this questionnaire.*

1. Are you aware of a legal entity related to you, or that has been related to you in the preceding 10 years, through control, directorship, or ownership having been granted a petition for the cessation of payment, seeking composition, or having been subjected to a court order for bankruptcy?

[ ]  Yes

[ ]  No

*If the answer to the question above is yes, provide information regarding the names of the legal persons and time periods as well as what the relationship constituted.*

1. Does any of the following apply to you?
2. You have been dismissed from office or a position of trust, a fiduciary relationship, or comparable position, whether by an employer or a supervisory authority.

[ ]  Yes

[ ]  No

1. Your termination/resignation has been requested from employment or a position of trust, a fiduciary relationship, or comparable position, whether by an employer or a supervisory authority.

[ ]  Yes

[ ]  No

1. You have been deprived of a professional license.

[ ]  Yes

[ ]  No

*If the answer to any of the points above is yes, note the year and the circumstances.*

1. Does any of the following apply to you?
	1. You have been or are subject to a criminal investigation and have, where applicable, had the legal status of a suspect.

[ ]  Yes

[ ]  No

* 1. You have been or are subject to an enquiry, you have been a party to a case involving sanctions or you have been subject to sanctions levied by a supervisory authority.

[ ]  Yes

[ ]  No

* 1. You have been a party to court proceedings (civil or criminal proceedings).

[ ]  Yes

[ ]  No

* 1. You have been a party to administrative proceedings where an adverse decision has been taken against you.

[ ]  Yes

[ ]  No

* 1. You have been refused from listing, authorisation, or licensing to conduct specific trading, activities, or employment.

[ ]  Yes

[ ]  No

* 1. You have been subject to revocation of listing, authorisation, or licensing to conduct specific trading, activities, or employment.

[ ]  Yes

[ ]  No

* 1. You are aware of points (a)-(f) above applying to legal entities that are related or have been related to you in the preceding 10 years through control, directorship, or ownership.

[ ]  Yes

[ ]  No

* 1. You have been subject to an eligibility assessment as managing director/director for a regulated entity in the financial market conducted by a foreign supervisory authority.

[ ]  Yes

[ ]  No

* 1. You have been assessed by a foreign supervisory authority as a holder of qualifying interest in a financial undertaking or insurance undertaking.

[ ]  Yes

[ ]  No

* 1. You have been subject to any fit and proper assessment by the authorities under other circumstances than are noted in points (h) and (i).

[ ]  Yes

[ ]  No

*If the answer to any of the points above is yes, provide additional information here.*

**VII. Evaluation of conflicts of interest**

1. Do you currently serve on the board of directors or as an employee or auditor of another regulated entity, or an entity closely related to such party, or are you engaged in legal work for another regulated entity?

[ ]  Yes

[ ]  No

*If the answer to the question above is yes, provide additional information regarding the position/occupation including separate justification supporting why there is no risk of conflicts of interest in the financial market, where applicable, from you serving on the board of directors of the regulated entity concerned in this questionnaire.*

**VIII. Information concerning relationships**

1. For directors of financial undertakings/insurance undertakings/payment agencies/electronic money undertakings:

Will you be acting as an agent for another natural or legal person in carrying out your functions for the regulated entity concerned in this questionnaire?

[ ]  Yes

[ ]  No

*If the above answer is yes, provide further details here.*

1. For managing directors/directors of financial undertakings/insurance undertakings/payment agencies/electronic money undertakings:

Will you or persons related to you exercise voting rights at meetings of shareholders/guarantee capital owners, e.g. on the basis of a shareholders’ agreement, of the regulated entity concerned in this questionnaire?

[ ]  Yes

[ ]  No

*If the answer to the question above is yes, provide information regarding voting rights for each individual and legal person.*

1. Do you or persons related to you have any financial and/or personal interests relating to:
	1. The managing director of the regulated entity concerned in this questionnaire? *This question only applies to directors.*

[ ]  Yes

[ ]  No

* 1. The directors of the regulated entity concerned in this questionnaire?

[ ]  Yes

[ ]  No

* 1. Key employees of the regulated entity concerned in this questionnaire?

[ ]  Yes

[ ]  No

* 1. Owners of qualifying holdings in the regulated entity concerned in this questionnaire?

*This question does not apply to managing directors and* directors *of pension funds and HFF.*

[ ]  Yes

[ ]  No

* 1. Managing directors of owners of qualifying holdings in the regulated entity concerned in this questionnaire?

*This question does not apply to managing directors and directors of pension funds and HFF.*

[ ]  Yes

[ ]  No

* 1. Directors of owners of qualifying holdings in the regulated entity concerned in this questionnaire?

*This question does not apply to managing directors and directors of pension funds and HFF.*

[ ]  Yes

[ ]  No

* 1. Key employees of owners of qualifying holdings in the regulated entity concerned in this questionnaire?

*This question does not apply to managing directors and directors of pension funds and HFF.*

[ ]  Yes

[ ]  No

(h) Managing directors of the subsidiaries of the regulated entity concerned in this questionnaire?

[ ]  Yes

[ ]  No

[ ]  The regulated entity does not own any subsidiaries.

(i) Directors of the subsidiaries of the regulated entity concerned in this questionnaire?

[ ]  Yes

[ ]  No

[ ]  The regulated entity does not own any subsidiaries.

(j) Key employees of the subsidiaries of the regulated entity concerned in this questionnaire?

[ ]  Yes

[ ]  No

[ ]  The regulated entity does not own any subsidiaries.

*If the answer to any of the points above is yes, provide further details here.*

1. Note any other information you want to provide here.

SIGNATURE

I, the undersigned, declare that the information supplied above is correct, and I also undertake to inform the Financial Supervisory Authority of any changes to my position that may occur and which could affect my qualifications as a managing director/director of the regulated entity concerned in this questionnaire. I am aware that incorrect or incomplete disclosure can affect FME’s assessment of eligibility to serve as managing director/director of the regulated entity concerned, which may result in legal sanctions under Article 146 of the General Penal Code, No 19/1940.

Furthermore, I am aware that FME will inform the board of directors of the regulated entity this questionnaire concerns about the course and progress of the eligibility assessment, as is further detailed in the annex (instructions) to this questionnaire.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Place and date

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Signature of managing director/director

**Annex**

**Instructions for completing the questionnaire**

**Fit and proper assessment of the managing directors and directors of regulated entities**

FME assesses whether managing directors and directors of financial undertakings, insurance undertakings, payment agencies, electronic money undertakings, and the Housing Financing Fund fulfil the eligibility requirements stipulated in the acts that apply to their respective activities. Managing directors and directors must always fulfil the eligibility requirements and FME can assess their eligibility at any time.[[1]](#footnote-1)

The eligibility requirements for managing directors and directors of the above-mentioned regulated entities are specified in:

* Articles 52 and 52(a) of Act [No. 161/2002 on financial undertakings](http://www.althingi.is/lagas/nuna/2002161.html), for managing directors and directors of financial undertakings;
* Article 41 of Act [No 100/2016, on Insurance Activities](http://www.althingi.is/lagas/145b/2016100.html), for managing directors and directors of insurance undertakings;
* Article 31 of Act [No 129/1997 on Mandatory Insurance of Pension Rights and on Activities of Pension Funds](http://www.althingi.is/lagas/nuna/1997129.html), for managing directors and directors of insurance companies;
* Article 20 of Act [No 120/2011 on Payment Services](http://www.althingi.is/lagas/nuna/2011120.html), for managing directors and directors of payment institutions;
* Article 26 of Act [No 17/2013 on the Issuance and Handling of Electronic Money](http://www.althingi.is/lagas/nuna/2013017.html), for managing directors and directors of electronic money undertakings;
* Article 8(a) of Act [No 44/1998 on Housing Affairs](http://www.althingi.is/lagas/nuna/1998044.html), for managing directors and directors of the Housing Financing Fund.

The implementation of the eligibility assessment is discussed further in the following rules of the Financial Supervisory Authority:

* Rules No [150/2017 on the Fit and Proper Assessment of Managing Directors and Directors of Financial Undertakings.](https://www.stjornartidindi.is/Advert.aspx?recordID=cb215e5a-7ee4-4ea4-8613-5549793ab127) The rules also apply to payment agencies and electronic money undertakings.
* Rules [No 886/2012 on the Fit and Proper Assessment of Managing Directors and Directors of Insurance Companies.](http://www.stjornartidindi.is/Advert.aspx?ID=0e3b3409-9553-47fd-b685-1a306cb365d4)
* Rules [No 180/2013 on the Fit and Proper Assessment of Managing Directors and Directors of Pension Funds.](http://www.stjornartidindi.is/Advert.aspx?ID=39579c74-61aa-44ab-aa1a-540a0a8e5e22)
* Rules [No 181/2013 on the Fit and Proper Assessment of the CEO and Directors of the Housing Financing Fund.](http://www.stjornartidindi.is/Advert.aspx?ID=5ab55515-b283-4807-b70d-81f5577ed68e)

**Disclosure of information relating to the fit and proper assessment**

The disclosure of information through this questionnaire forms a part of the regulatory fit and proper assessment of the managing director and directors of the above-mentioned regulated entities. Managing directors and directors shall, where applicable, also provide information regarding their financial position as laid down in the spreadsheet *“Information on financial position”*. FME requires the managing director/director to fill the above-mentioned documents out on his or her own and the answers shall be clear and precise. The disclosure of information shall include events which have either occurred in Iceland or abroad. FME cannot assess whether the eligibility requirements are met if the disclosure is incomplete and that can result in the managing director/director not being permitted to carry out his or her duties.

This questionnaire and the spreadsheet *“Information on financial position”* can be filled out electronically and the managing director/director is asked to fill them out in this manner. The signed questionnaire and information on the financial position should be submitted to FME along with supporting documentation, if applicable, to the address fme@fme.is as soon as possible and not later than four weeks after the managing director is engaged or the director is elected/appointed. Also, managing directors and directors of entities applying for a licence from FME should submit a signed questionnaire along with information on the financial position.

FME can require managing directors and directors to submit supporting documentation to clarify the disclosure in more detail.

**Incorrect disclosure**

Should the managing director/director supply incorrect or incomplete information, that can affect the fit and proper assessment. Incorrect or incomplete disclosure may furthermore be subject to fines or imprisonment of up to 4 months, see Article 146 of the General Penal Code, No 19/1940.

**FME’s disclosure on the fit and proper assessment to the regulated entity**

FME informs the board of directors of the regulated entity this questionnaire concerns on the progress made and results from the eligibility assessment of the managing director/director. FME will not disclose information on the relevant managing director's/director’s important private, financial, or commercial interests to the board of directors of the regulated entity unless it is the opinion of FME that such information will influence the activities of the regulated entity, e.g. the regulated entity’s reputation. Prior to FME taking the decision to disclose such information to the regulated entity, the managing director/director in question will be offered the opportunity to submit his or her view on said disclosure.

**Confidentiality**

Members of the Board, the Director General and employees of FME are bound by an obligation of confidentiality in accordance with Article 13 of Act No 87/1998 on Official Supervision of Financial Activities. They may not, upon penalty of sanctions under the Criminal Code regarding civil servants, divulge to any unauthorised parties information, which they may acquire in the course of their work and which should remain secret, concerning activities of the Financial Supervisory Authority, the business and operations of regulated entities, related parties or others, unless a judge rules that they are required to provide information to a court or to the police, or that such information must be disclosed in accordance with the law.

On the basis of Article 13 of Act No 87/1998 on Official Supervision of Financial Activities, FME does not divulge information on the data the managing director and directors provide to FME in the context of their eligibility assessment.

**Regarding the completion of the questionnaire:**

**I. Regulated entity**

In this part of the questionnaire, the managing director/director shall provide information regarding the name of the regulated entity concerned in this questionnaire and when the employment/election/appointment begins.

**II. Basic information**

In this part of the questionnaire, the managing director/director shall provide the specified information regarding him- or herself.

Question 2(f) – Domicile

The residency requirements for managing directors and directors are stipulated in the acts that apply to the activities of the respective regulated entity.

Directors of a financial undertaking, payment institution, and electronic money undertaking shall reside in a Member State or a State that is a member of the Organisation for Economic Cooperation and Development (OECD) and their managing directors shall reside in a Member State. If the managing director or director of a financial undertaking, payment institution, or electronic money undertaking does not satisfy the above-mentioned residency requirements, that person can request a derogation from the stipulations by checking the box “Requesting a derogation from legal requirements of residency”.

A director of a pension fund shall reside in Iceland, in a Member State of the European Economic Area, a Member State of the Convention establishing the European Free Trade Association, or in the Faroe Islands. FME is not authorised to grant such individual a derogation from the residency requirements.

The managing director of a pension fund is not bound by specific residency requirements and neitherare the directors or the CEO of the Housing Financing Fund.

**III. Objective eligibility requirements**

In this part of the questionnaire, the managing director/director shall provide information regarding the specified objective eligibility requirements.

Question 3(a) - Legal Competence

In accordance with Act No 71/1997, a person shall become legally competent (personally and financially competent) when attaining the age of 18 years.

Question 3(b) - Possessing full civil rights

A person who has been convicted by a court of law for committing an act that is considered heinous by public opinion is not considered to possess full civil rights in accordance with Article 5 of Act No 24/2000 Concerning Parliamentary Elections to the Althing. According to said Article, a judgment of conviction for a punishable offence does not entail the loss of civil rights unless the defendant in a criminal case had reached the age of 18 when the offence was committed and the resulting sentence is at least four months prison without probation or a sentence of preventive detention for defendants who are committed to psychiatric care.

The managing director/director for a pension fund must possess full civil rights. However, the managing director/director of a financial undertaking, payment institution, electronic money undertaking, insurance company and Housing Financing Fund must be a person of good repute. For the assessment of reputation, FME considers, among other things, the issues causing a person to lose full civil rights.

Question 3(d) - Sentences before a court of law for criminal action in connection with the conduct of business

Sentence in connection with the conduct of business refers to a managing director/director having, as an employee, director, owner, contractor, or due to other connections with a business, been sentenced before a court of law for criminal action under the acts specified in point (d).

The reference to the Foreign Exchange Act does not apply to the managing director/director of a pension fund.

**IV. Assessment of financial independence**

In this part of the questionnaire, the managing director/director shall provide the information regarding his or her financial position that is needed to assess whether the requirements for financial independence are met.

Managing directors and directors shall be financially independent. The assessment of financial independence considers the following issues:

1. Whether the equity position is positive.
2. Whether income is sufficient to cover debt service and living expenses.
3. Whether the nature of debts, third-party guarantees and pledging of assets is such as will raise doubts as to the person’s independence towards a lender/creditor, and could be liable to affect the persons work in the financial undertaking in question. In assessing whether a person is considered to be independent of others, regard is had for whether an obligation is deemed substantial relative to annual income. Obligations which are excluded from this point are normal loans which are offered to the general public, e.g. housing mortgages, auto loans and student loans.
4. Other issues than those listed above concerning financial status or financial obligations which may be of significance in the estimation of FME.

Question 4 - Equity Position

The assessment of the equity position can be based on the sheet “(1) Assets and liabilities” in the spreadsheet *“Information on financial position”* available on [FME’s website](http://www.fme.is/thjonustugatt/eydublod/).

The equity position is considered positive when the total assets are higher than the total liabilities. Loans from the Icelandic Student Loan Fund shall not be included in the calculation of the equity position. If the answer to the question is no, the managing director/director should fill out the spreadsheet *“Information on financial position”* and submit it with this questionnaire. The spreadsheet is available on FME’s website and comprises three sheets: (1) Assets and liabilities, (2) Income and expenses, and (3) Signature.

Question 5 – Income and expense

The assessment of the income and expenses can be based on the sheet “(2) Income and expenses” in the spreadsheet *“Information on financial position”*.

If the answer to the question is no, the person should fill out the spreadsheet *“Information on financial position”* and submit it with this questionnaire. The spreadsheet comprises three sheets: (1) Assets and liabilities, (2) Income and expenses, and (3) Signature.

Questions 10 and 11 - Persons related to the managing director/director

On the one hand, these are persons personally related to the managing director/director, i.e. partner (spouse or a person in a registered cohabitation or registered partnership) and financially dependent children and on the other hand legal persons the person is linked to through e.g. control, directorship, or ownership.

Questions 10 and 11 - Financial relations

Can, for instance, be in the form of a loan, collateral, a guarantee, and a purchase option.

**V. Assessment of education, knowledge and professional experience**

In this part of the questionnaire, the managing director/director shall provide the information regarding his or her education, knowledge, and professional experience that is needed to assess whether the requisite requirements are met.

Question 12 – University degree

A managing director/director of a financial undertaking is required to hold qualifications applicable to his or her duties but in the case of insurance companies, sufficient education is required.

Question 14 - Current and prior employment

The managing director/director shall provide detailed information on his or her current employment, as well as information on employment exercised in the preceding 10 years, including information on project and management responsibilities. This may include incidental tasks, e.g. participation in committees, if they are significant in the eligibility assessment of the managing director/director.

Project responsibility describes, e.g., whether the duties (1) are mostly carried out under supervision, (2) include independent work on projects, (3) partially include the supervision of others’ work, or (4) are mostly based on the supervision of others’ work.

Management responsibility describes, e.g., the role of actual managers concerning financial management, management of employee, policy making, co-ordination, and results.

The managing director/director can furthermore specify activities undertaken more than 10 years ago if he or she considers them significant for the eligibility assessment.

This can also in also include incidental activities, projects, committee work carried out by the managing director/director, without specific remuneration, when applicable.

Question 15 – Information on current and prior directorship

The managing director/director is asked to verify that the information is in accordance with information in the business register of the Directorate of Internal Revenue.

Question 17 – Sufficient knowledge and professional experience

The justification shall include discussion of the following items:

* That the person is knowledgeable of the activities, structures, or operations of businesses.
* That the person is knowledgeable of the activities conducted by the regulated entity concerned, including risk factors.
* That the person’s education and, where applicable, current and/or prior employment and participation in company management will benefit the person in the position this questionnaire concerns.
* That the person possesses the knowledge and professional experience required to take on the role and responsibility involved in the position.

The role of the managing director and directors is addressed in [Act No 2/1995 respecting Public Limited Companies](http://www.althingi.is/lagas/144b/1995002.html) and special legislation on the activities of the regulated entity concerned, see also recognised guidelines on corporate governance such as [guidelines from the Iceland Chamber of Commerce, SA-Business Iceland, and Nasdaq Iceland](http://leidbeiningar.is/).

**VI. Assessment of reputation**

In this part of the questionnaire, the managing director/director shall provide the information regarding his or her conduct that is needed to assess whether the requirements for reputation and credibility are met.

The assessment of the reputation and credibility of the managing director/director considers whether the person's previous conduct could diminish his or her prestige in such a way that it would not be proper, with regard to the interests of the undertaking, the market as a whole, or the general public for that person to serve as a corporate officer. Even though there is no time limit for disclosure regarding the assessment of conduct the time passed since the event or incident can have a significant impact on the importance of the event/incident for the purposes of assessing the eligibility of the managing director/director.

Question 18 - Sentence before a court of law for criminal action in connection with the conduct of business

This refers to a managing director/director having, as an employee, director, owner, contractor, or due to other connections with a business, been sentenced before a court of law for criminal action.

Question 21 - Fiduciary relationship

This refers to any kind of financial custody on behalf of another party.

Questions 21 and 22 – Supervisory authority

An organisation or authority that conducts regulatorysupervision.

Question 22 - Administrative proceedings

Cases where an authority has taken an administrative decision, i.e. a unilateral decision on the rights and/or responsibilities of the parties concerned. The disclosure of the managing director/director is limited to adverse administrative decisions taken against that person.

**VII. Assessment of conflicts of interest**

In this part of the questionnaire, the managing director/director shall provide information regarding potential conflicts of interest as directorship is contingent on it not posing a risk of conflicts of interest in the financial markets.

Question 23 – Parties closely linked to the regulated entity

This refers to close links as they are defined by law. See for example Article 1(a)(1) of Act [No 161/2002 on Financial Undertakings](http://www.althingi.is/lagas/nuna/2002161.html) and Article 6(29) of Act No [100/2016, on Insurance Activities](http://www.althingi.is/lagas/145b/2016100.html).

**VIII. Information concerning relationships**

In this part of the questionnaire the managing director/director shall provide information regarding:

* possible links with the owners of the regulated entity concerned in this questionnaire and
* whether the person or entities related to the person have a financial and/or personal relationship with certain parties linked to the regulated entity or whether such relationships are planned.

Question 26 - Parties linked to the managing director/director

On the one hand, these are persons personally related to the managing director/director, i.e. partner (spouse or a person in a registered cohabitation or registered partnership) and financially dependent children and on the other hand legal persons the person is linked to through e.g. control, directorship, or ownership.

Question 26 - Financial relations

They can, for instance, be in the form of a loan, collateral, a guarantee, or a purchase option.
Question 26 - Key employee

A natural person in a position of management, other than the managing director, who is empowered to make decisions which can impact the future development and performance of the undertaking.

1. Note that further information on FME’s eligibility assessment for managing directors and directors may be found in an article published in *Fjármál*, FME’s electronic journal, in April 2015 (Vol. 4, Iss. 1) under the title [Eligibility assessment for directors and managing directors](http://www.fme.is/media/utgefid-efni/Fjarmal-27-april--2015.pdf). It should be noted that even though the article states that managing directors and directors of financial undertakings shall have completed a university degree applicable to the position, said provision on university degrees was repealed when Act No. 57/2015 entered into force on 16 July 2015 amending Act No. 161/2002 on financial undertakings. [↑](#footnote-ref-1)