



LEGAL ALERT

25 July 2023

Review of the reporting obligations to the Bank of Portugal regarding remuneration practices

INFORMATION ON THE DATA COLLECTION EXERCISES REGARDING HIGH EARNERS

Instruction no. 17/2023 published by the Bank of Portugal ("BoP") regulates the duty, format and deadline for reporting to the BoP information on the data collection exercises regarding high earners.

The purpose of this Instruction is to comply with the guidelines on the data-collection requirements regarding high earners specified in Directive 2013/36/EU and Directive (EU) 2019/2034 published by the European Banking Authority (hereinafter "EBA") in June 2022 (hereinafter, "EBA/GL/2022/08 Guidelines").

For the purposes of this Instruction, "High earner(s)" shall mean staff member(s) earning a remuneration of at least **EUR 1 million in the reported financial year**, pursuant to Article 115-G (2) of the General Regime for Credit Institutions and Financial Companies (hereinafter, "RGICSF").

BoP Instruction no. 17/2023 applies:

- ✓ To credit institutions with head office in Portugal, pursuant to the provisions of Article 1-A and Article 2-A (2) of the RGICSF.
- ✓ Branches of credit institutions with head offices in countries other than Member States of the European Economic Area, including all branches and subsidiaries, even

if they are investment firms, established in Member States of the European Economic Area, provided that they are included in the prudential consolidation perimeter.

These institutions report, annually and until June 15th of the subsequent calendar year to which the report relates, the information specified in Annexes I and II of the EBA/GL/2022/08 Guidelines on a consolidated basis, as applicable.

The information to be made available in this context includes, inter alia, **the number, gender, and functions of the staff members in these circumstances, as well as the composition of fixed and variable remuneration.**

The information must be reported through the BPnet system and in accordance with the technical specifications made available on the BoP's institutional website under the tab "*Reporting obligations of supervised institutions*".

According to the transitional regime of this Instruction, the first report must be submitted to the BoP by August 31st, 2023, with information relating to the end of the 2022 financial year.

BoP Instruction no. 17/2023 revokes BoP Instruction no. 4/2015 of June 15th, 2015.

INFORMATION ON THE BENCHMARKING EXERCISES ON REMUNERATION PRACTICES, THE GENDER PAY GAP AND APPROVED HIGHER RATIOS

Instruction no. 18/2023 of the Bank of Portugal regulates the duty, format, and deadline for reporting information of the benchmarking exercises on remuneration practices, the gender pay gap and approved higher ratios.

This Instruction aims to comply with the Guidelines on the benchmarking exercises on remuneration practices, the gender pay gap and approved higher ratios approved under Directive 2013/36/EU (hereinafter "EBA/GL/2022/06 Guidelines").

The EBA/GL/2022/06 Guidelines provide for the collection and reporting of information on remuneration practices of credit institutions with the aim of assessing: **(i)** the gender pay gap, and **(ii)** the highest approved ratios between fixed and variable remuneration components.

In particular, this Instruction determines that the following entities must comply with **annual reporting obligations on remuneration practices** set out in Annexes I to III of the EBA/GL/2022/06 Guidelines:

- Caixa Geral de Depósitos, S.A.
- Banco Comercial Português, S.A.
- Novo Banco, S.A.
- Banco BPI, S.A.
- Santander Totta SGPS, S.A.
- Caixa Central de Crédito Agrícola Mútuo, CRL
- Caixa Económica Montepio Geral, caixa económica bancária, S.A.
- Banco BIC Português, S.A.

Among the information to be reported, we highlight the amount of the **entity's net income, the total dividends paid in the year to which the report relates, as well as the total variable and fixed remuneration** of staff members.

This information must be submitted annually, by June 15th of the calendar year subsequent to the year to which the information relates. However, the first report must be sent to the BoP by August 31st, 2023, with information relating to the end of the 2022 financial year.

Simultaneously, this Instruction lists in Annex II the following credit institutions required to **report information on gender pay gap**, namely:

- Caixa Geral de Depósitos, S.A.
- Banco Comercial Português, S.A.
- Novo Banco, S.A.
- Banco BPI, S.A.
- Banco Santander Totta, S.A.
- Caixa Central de Crédito Agrícola Mútuo, CRL
- Caixa Económica Montepio Geral, caixa económica bancária, S.A.
- Banco BIC Português, S.A.
- Haitong Bank, S.A.
- Banco CTT, S.A.
- Banco de Investimento Global, S.A.
- Banco Finantia, S.A.
- Banco Atlântico Europa, S.A

These entities should report the information as described in Annex IV of the EBA/GL/2022/06 Guidelines, namely the **representation of the entity's staff members of different genders by quartile of remuneration level**.

This reporting obligation must be fulfilled every three years, by June 15th of the calendar year following the year to which the information relates. Without prejudice, the first report on the gender pay gap must be submitted to the BoP until June 15th, 2024, with information relating to the end of the 2023 financial year.

On the other hand, **credit institutions with head office in Portugal, which have obtained the approval of their shareholders to apply a higher ratio between the fixed and variable components of the remuneration** under the terms of Article 115-F(4)(b) of the RGICSF, must submit to the BoP the information specified in Annex V of the EBA/GL/2022/06 Guidelines.

This information must be submitted every two years, by June 15th of the calendar year subsequent to the year to which the information relates. Nevertheless, the first report under this duty must be submitted to the BoP by August 31,

2023, with information relating to the end of the 2022 financial year.

Similarly, the information to be reported should be submitted through the BPnet system.

Lastly, BoP Instruction no. 18/2023 revokes BoP Instruction no. 5/2015, of June 15th, 2015.

To access the full text of BoP Instruction no. 17/2023 and no. 18/2023, please click, respectively [here](#) and [here](#).

Additionally, to consult the EBA Guidelines EBA/GL/2022/08 and EBA/GL/2022/06 relevant to the Instructions under review, please click [here](#) and [here](#).

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