

The Financial Supervisory Authority - ASF

**Regulation No. 9/2016
on the regime and principles concerning the remuneration of
the personnel of the Financial Supervisory Authority**

In force as of 13 December 2016

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Pursuant to the provisions of art. 14 and of art. 15 paragraph (2) of the Government Emergency Ordinance no. 93/2012 on the establishment, organization and functioning of the Financial Supervisory Authority, approved with amendments and additions under Law no. 113/2013, with subsequent amendments and additions, according to deliberations of the Financial Supervisory Authority's Board in the meeting of 7 November 2016,

The Financial Supervisory Authority issues this regulation.

CHAPTER I

General provisions

SECTION 1

Subject to regulation

Art. 1. - The essential landmarks of the Financial Supervisory Authority's mission are to ensure integrity, transparency and the proper functioning of non-banking financial markets and to protect the interests and rights of consumers of financial products and services specific to these markets.

Art. 2. - The remuneration system of the Financial Supervisory Authority, hereinafter referred to as A.S.F., is designed to contribute to achieve A.S.F. mission by attracting and retaining within the authority human resources with a high level of professionalism, performance and integrity, to achieve the objectives of A.S.F. and avoid any conflict of interest.

Art. 3. - The remuneration system is harmonized with the level practiced in the financial market in Romania, being created to meet the requirements of competitiveness in this market, as well as the mission, strategy and objectives of A.S.F.

Art. 4. - This Regulation sets out the regime and principles on the remuneration of A.S.F. personnel and conditions applicable to the delegations, secondments and temporary missions.

SECTION 2

Scope

Art. 5. - This Regulation shall apply to A.S.F. personnel in exercising their mandate and/or job responsibilities.

Art. 6. - This Regulation shall also apply to people who work in A.S.F. as seconded or delegated, during the period of secondment or delegation.

CHAPTER II

Definitions

Art. 7. - For the purpose of this regulation, the terms and expressions below have the following meaning:

- a)** CIM - individual employment contract;
- b)** CCM - collective labor agreement;
- c)** employee - natural person employed with CIM under which he/she undertakes to perform work for A.S.F. in exchange for salary;
- d)** A.S.F. personnel - members of A.S.F. Board and A.S.F. employees;
- e)** organizational structure - service/division/sector within A.S.F.;
- f)** immediate supervisor - the direct head;
- g)** hierarchical supervisor - head corresponding to hierarchical levels superior to the immediate supervisor;
- h)** executive management of A.S.F. - president/first vice-president/vice-presidents coordinating the financial instruments and investments sector, the insurance and reinsurance sector and the private pension system sector. The executive members of A.S.F. Board form the Management Board;
- i)** A.S.F. Board - A.S.F. management consisting of president, first vice-president/vice-presidents coordinating the financial instruments and investments sector, the insurance and reinsurance sector and the private pension system sector and of non-executive members;

j) salary/monthly allowance - consideration for work executed by A.S.F. personnel under the CIM or decisions of the Parliament of Romania on the appointment of A.S.F. Board members;

k) minimum - the minimum salary level corresponding to the job;

k) midpoint - the average salary level corresponding to the job;

m) maximum - the maximum salary level corresponding to the job;

n) salary scale - all the elements that establish, in the form of ranges called bands, variation margins of the salary corresponding to management and execution positions;

o) salary band - sub-division of the salary scale delimiting the range of variation of salary for a certain category of jobs and positions;

p) matrix of positions - all categories of jobs (management and, respectively, execution) grouped as a result of the job valuation and ranking process.

CHAPTER III

Remuneration System

SECTION 1

General principles

Art. 8. - The own remuneration system within A.S.F., designed according to the legal provisions on the organization and functioning of A.S.F., considers the level of remuneration corresponding to jobs and positions in the financial market, based on salary studies carried out by a specialized company.

Art. 9. - The remuneration system within A.S.F. considers compliance with the following principles:

a) the principle of unity - creating an unitary remuneration system, applicable to the entire personnel;

b) the principle of salary differentiation - depending on the tasks and responsibilities of the job;

c) the principle of stimulating performance - differentiation of remuneration based on individual professional performance which, at A.S.F., is evaluated based on the internal regulations on professional performance evaluation, set out in the internal Regulation of A.S.F.;

d) the principle of salary negotiation;

e) the principle of financial sustainability;

f) the principle of salary confidentiality - the salary is confidential, aspect stipulated in CCM and CIM, both A.S.F. and the employee having the obligation to take the necessary measures to ensure confidentiality;

g) the principle of salary equity.

SECTION 2

Objectives

Art. 10. - The system for the remuneration of A.S.F. personnel aims to ensure the internal and external equity in relation to the dynamics of markets regulated and supervised by A.S.F.

Art. 11. - Ensuring internal equity, both inside each organizational structure and transversely, between structures, is achieved by setting the same salary bands for employees occupying positions that belong to the same category.

Art. 12. - External equity, in relation to the dynamics of the labor market in the financial field, is ensured by taking into account data given by salary studies conducted by a specialized company.

SECTION 3

Development and revision of the remuneration system

Art. 13. - Developing the remuneration system of A.S.F. complies with the general principles referred to in art. 9.

Art. 14. - The unitary nature of the remuneration system is provided by the unitary evaluation of all jobs by a specialized company.

Art. 15. - **(1)** Job evaluation is the basis for setting salary levels related to jobs and is achieved based on a set of common criteria:

- a)** education and training;
- b)** expert knowledge (economic and financial, legal, markets regulated and supervised by A.S.F. etc.);
- c)** experience/seniority;
- d)** coordination and management (activities, processes, projects, teams etc.);
- e)** interpersonal relations (communication, negotiation);
- f)** problem-solving capacity;
- g)** structuring and innovation capacity;
- h)** decision making (magnitude and impact).

(2) As a result of job evaluation, their hierarchy is established within A.S.F.

Art. 16. - Best on the hierarchy of jobs within A.S.F., they are grouped by job categories, resulting in the matrix of jobs (executive or management). Each job category is associated with a salary band defined by the minimum, midpoint and maximum salary, in accordance with data provided by salary studies.

Art. 17. - A higher importance of jobs within the authority involves a higher salary level.

Art. 18. - The salary variation inside the salary band aims to differentiate salaries depending on individual performance.

Art. 19. - (1) The basic salary cannot be lower than the minimum salary corresponding to the position held.

(2) Salary evolution between the minimum and maximum limit corresponding to a position is subject to individual performance.

Art. 20. - Changes to salaries are made depending on individual performance, according to an internal procedure subject to consultation with A.S.F. Union and approved by A.S.F. management.

Art. 21. - Review of the remuneration system can be done at an interval of 3 years, after completing the revaluation process conducted by a specialized company in relation to benchmark in the market, at the proposal of A.S.F. Board, respectively president/senior vice-president, sector vice-presidents, as the case may be.

SECTION 4

Rules generally applicable to the remuneration system

Art. 22. - The remuneration form is on a time basis or according to working time, which involves setting the salary depending on the time actually worked, according to provisions of the Internal Regulation of A.S.F.

Art. 23. - The gross salary includes the basic salary, allowances, bonuses and other additions.

Art. 24. - The basic salary is set depending on:

- a)** the level of education necessary for carrying out the activity;
- b)** knowledge and experience for the job;
- c)** abilities and skills necessary to carry out the job specific activities;
- d)** seniority;
- e)** other additional requirements needed to carry out the job-related specialized and general activities (knowing a foreign language of international use, interdisciplinary knowledge etc.).

Art. 25. - The basic salary is negotiated individually, with each employee.

Art. 26. - The level of the basic salary for full time employees with CIM, for indefinite period and fixed-term, is determined according to the position held, in compliance with the pay scales approved by A.S.F. Board.

Art. 27. - The level of the basic salary for part-time employees with CIM is determined according to the position held and proportionally with the part-time work.

Art. 28. - The job matrices and pay scales, including their modification and amendment of the application procedure, are subject to consultation with A.S.F. Union and are approved by decision of A.S.F. Board.

Art. 29. - The minimum basic salary within A.S.F. is negotiated with A.S.F. Union on the occasion of CCM negotiation.

Art. 30. - (1) For members of A.S.F. Board, the salary and/or monthly allowance are determined by decision of A.S.F. Board.

(2) The level of remuneration of A.S.F. Board members, established under paragraph (1), cannot exceed the level of remuneration for members of the Board of Directors of the National Bank of Romania.

Art. 31. - Non-executive members of A.S.F. Board, designated to provide the management and functioning of support structures of the Board, i.e. the Ethics Committee, the Board of Appeal, the Audit Committee and the Committee of Communication and Financial Education, are granted - during the exercise of powers - monthly allowances established under decision of A.S.F. Board, corresponding to the responsibilities designated by A.S.F. Board.

Art. 32. - The individual salary for the management and executive positions is approved by A.S.F. President, upon proposals of the executive members of A.S.F. Board, respectively the senior vice-president/coordinating vice-president, as the case may be, within the limits of the pay scale, both upon employment and subsequently, including for employees of the organizational structures subordinated to the A.S.F. President or the A.S.F. Board.

Art. 33. - Upon employment, the basic salary is determined by classification within the salary scale, based on training, experience, job-specific knowledge and skills, behavioral skills and direct negotiation skills.

Art. 34. - Negotiation of the gross salary can be done, according to internal procedures, once a year for all A.S.F. personnel, depending on performance, within the limits of the salary scale and personnel costs approved by the annual revenue and expenditure budget of A.S.F. Exceptionally, A.S.F. President may also approve changes to salaries in other special circumstances during the year, within the approved budget.

Art. 35. - The salary is paid monthly. The date of paying the salary is specified in CCM. If the date of salary payment is a non-working day, the payment of salaries shall be made in the previous working day.

Art. 36. - Upon request of A.S.F. personnel, advance payments to salary can be made in case of annual leave.

SECTION 5

Skills for establishing and changing the salary (upon employment, promotion, annual negotiation)

Art. 37. - Determining the salary upon employment, as well as changing it upon promotion are made within the salary scale and limits of financial resources approved, at the proposal of the executive members of A.S.F. Board, respectively senior vice-president/sector vice-presidents, as the case may be, and are approved by A.S.F. President.

Art. 38. - Proposals to modify the salary as a result of annual negotiation are made after completing the performance evaluation process, centralized at hierarchical level and are approved by A.S.F. President, within the budget limits, at the proposal of the executive members of A.S.F. Board, respectively the senior vice-president/sector vice-presidents, as the case may be.

CHAPTER IV

Allowances and other emoluments

SECTION 1

Leave allowances

Art. 39. - **(1)** During the annual leave, the executive members of A.S.F. Board and A.S.F. employees benefit from a leave allowance, according to legal provisions, which is paid, upon request of the applicant, 5 working days before the first day of leave. In the event of paying the leave allowance before taking the annual leave, the application shall be submitted with the competent organizational structure, at least 10 working days before taking the leave.

(2) In the event of not taking annual leave, cash compensation is allowed only upon termination of mandate of the executive members of A.S.F. Board or CIM of the A.S.F. employee, as the case may be.

(3) In the event of taking the annual leave, refund of the leave allowance for the number of days taken additionally in relation to the worked period is mandatory only upon termination of CIM of A.S.F. employee.

(4) The following situations shall be exempt from the provisions of paragraph (3):

- a)** retirement of the employee;
- b)** death of the employee;
- c)** upon termination of CIM for reasons not related to the employee;
- d)** upon termination of mandate of the executive member of A.S.F. Board.

SECTION 2

Award scheme

Art. 40. - The award scheme is negotiated with A.S.F. Union and is stipulated in CCM. Bonuses are granted within the limit of financial resources approved in the annual revenue and expenditure budget, in correlation with CCM provisions, as well as with other internal procedures of A.S.F.

Art. 41. - Bonuses are granted in conditions of compliance with the applicable internal procedures and regulations, which are subject to consultation with A.S.F. Union.

Art. 42. - A.S.F. personnel may benefit from other salary rights established under CCM, negotiated at A.S.F. level or by decisions of A.S.F. Board.

CHAPTER V

Rights of A.S.F. personnel in the event of delegations, secondments, temporary missions

Art. 43. - The rights of A.S.F. personnel granted in case of delegations and secondments in the country and abroad are determined according to the legislation in force and internal procedures.

Art. 44. - **(1)** A.S.F. employees may be seconded under the law.

(2) During secondment, A.S.F. employee shall benefit from salary rights in amount at least equal to those granted by A.S.F.

Art. 45. - A.S.F. may send its own personnel abroad, to fulfill temporary missions, representing:

a) lengthy official visits, negotiations, consultations, conclusion of conventions, agreements and other similar arrangements;

b) participation in professional cooperation actions; contracting and other actions arising from the performance of contracts;

c) documentation, exchange of experience;

d) courses and internships for training or specialization;

e) participation in congresses, conferences, symposia, seminars, colloquia or other meetings, of interest to the specific activity of the institution, and the like;

f) performing temporary work, without gaining the quality of employee within the European or international bodies in which A.S.F. is a member or other counterpart or partner bodies;

g) participation as a national expert on secondment.

Art. 46. - **(1)** Persons employed under an individual employment contract or based on decisions of the Parliament of Romania on the appointment of members of A.S.F. Board can be sent abroad to fulfill temporary missions, at the request of European or international bodies in which A.S.F. is a member or of supervisory authorities in the financial system from other countries or based on agreements concluded by A.S.F. with them.

(2) Sending the personnel abroad to fulfill temporary missions shall be made by addendum to CIM.

CHAPTER VI

Transitional and final provisions

Art. 47. - This regulation shall be supplemented with the provisions of the Collective Labor Agreement and those of internal procedures and regulations of A.S.F.

Art. 48. - This Regulation shall be published in the Official Journal of Romania, Part I, and shall enter into force upon publication.

President of the Financial Supervisory Authority,

Bucharest, 8 December 2016.

No. 9.