



CTC Quality Label Criteria 2.0

Holland Quaestor

-  Integrity
-  Independence
-  Reliability
-  Sustainability
-  Professionalism

Guidance | Version September 2016

CTC Quality Label Criteria 2.0

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1. Introduction

1.1 General

Initiative

The trust offices have joined together in Holland Quaestor (HQ). The affiliated trust offices endorse the importance of ethical capital transactions and the prevention and combating of tax and other fraud, money laundering and the financing of terrorism, and are also aware of their social position.

HQ is therefore taking the initiative, from within the sector itself, to increase quality and thereby close the gap between the rules under regulatory law and the demands of society. In this context, it has been decided to develop an HQ Quality Label, known as the CTC Quality Label (Certified Trustworthy Company). The basic principles behind the CTC Quality Label (hereinafter: Quality Label) are the Trust Offices (Supervision) Act (WTT), the Regulations governing Sound Operational Practices (RIB), the Money Laundering and Terrorist Financing (Prevention) Act (WWFT) and other laws, policy rules and standards which pertain to the integrity of capital transactions and the ethical and sound management of legal entities. These are also the laws and rules which form the framework for government regulation.

Internalised ethical culture

The members of HQ consider an internalised ethical culture to be a necessary precondition for a trust office to be able to operate professionally. The interested parties in the trust sector also expect this of the trust sector. In its vision on regulation 2014 – 2018, DNB stated that the trust sector has a relatively high integrity risk, and, as a result, also has a reputational risk for the Dutch financial sector. "Not all trust offices sufficiently manage the integrity risk," writes DNB. And it continues: "The main cause of this is that these offices have an insufficiently ethical corporate culture: the letter of the law is applied mechanically and mitigation of risks primarily takes place after DNB has explicitly focused attention on them. The objective is to ensure that management of the integrity risks by trust offices is in order. The sector is taking its own responsibility with regard to risk identification and mitigation, and has embedded the importance of integrity in the corporate culture." The Quality Label is an important instrument which contributes to achieving an internalised ethical culture among the members of HQ.

Purpose of the Quality Label

HQ is in line with developments in society inasmuch as these are applicable to the activities of its members. The purpose in this respect is to guarantee the social importance and to support the confidence of society in ethical and socially responsible capital transactions. HQ realises that the standards for what is socially responsible are subject to continuous development. It goes without saying that HQ wants to play an active role in the further improvement of the performance of the sector, and in increasing the basis of societal support. HQ is working to formulate best practices, to improve social awareness of organisations and the professionals working there, and HQ wants to develop a level playing field for all offices. In this way, HQ intends to prevent parties who are not accepted by one office from getting through the acceptance process at other offices.

Put briefly, the purpose of the Quality Label is:

- To increase professionalism in the trust sector and at the trust offices;
- Objective quality assurance;
- Increasing the credibility of the sector among interested parties;
- Raising awareness of structural changes in the sector.

Transparency and accountability

The objectives of the Quality Label contribute to the transparency and accountability of the members of HQ to society. The members of HQ want to show, in a controlled manner, what they stand for and how they comply with legislation through professional services for customers, taking into account current issues in society, and want to be accountable for this. The right tone at the top is crucial in this respect.

Version 2.0

The Quality Label is a dynamic instrument to support the objectives of HQ. This is also the reason why an evaluation of the first Quality Label criteria has taken place. Discussions have been carried out with both internal and external interested parties regarding the content of the Quality Label. This has resulted in version 2.0 of the Quality Label criteria.

1.2 Specific

Monitoring and enforcement by means of site visits

In order to evaluate whether trust offices can be issued the Quality Label, and, after this, whether they continue to comply with the conditions set with regard to the Quality Label, site visits are carried out by inspectors appointed for this. The inspectors report on compliance with the Quality Label criteria to Stichting AQTO (Assured Quality & Trustworthy Organisations), into which the activities of the Quality Label have been placed.

On the basis of the reports of the inspectors, Stichting AQTO assesses whether it will issue, maintain or withdraw a Quality Label. As a first step to acquiring a Quality Label, the members of HQ must submit the application, which includes the question whether the trust office believes that it will meet the requirements set down in this Guidance. Within three months of submitting the application form, the Self Assessment must be submitted by the trust office to Stichting AQTO, and the site visit is carried out by the inspection team.

Self Assessment

The next step is completing a Self Assessment in writing, in which context this guidance provides explanatory notes to the questions. A list of requested documents must also be provided. For this, Stichting AQTO will set clear deadlines, enabling a feasible schedule to be drawn up.

The Self Assessment must be submitted to the inspectors of Stichting AQTO within two weeks of the scheduled site visit date. The inspection plan must be available for the trust office in question no later than one week before the site visit. You can find an explanation about the questions which will be asked in the Self Assessment in chapter 6, which addresses the culture and behaviour aspects of your enterprise, and chapters 7 through 9, which address the other criteria applicable to the Quality Label. On the basis of the self assessment and the documentation provided, the inspector will hold an interview to discuss the documentation submitted and the points for attention which arise from them.

An assessment report will be drawn up on the basis of a combination of the Self Assessment, documentation and the interview, which will be submitted to the trust office, and then to Stichting AQTO, along with a positive or negative recommendation (for standards, see chapter 4).

The awarding of the Quality Label is the responsibility of Stichting AQTO, which also maintains a register for the Quality Label.

Description of trust office

Part of the Self Assessment is that the trust office must provide a short description of itself or give a presentation about itself. This description must provide insight into its origins, its shareholders, the core of its activities and its truly distinctive aspects, etc. This description must be factual.

RIB Audit

One condition for the allocation of the Quality Label is a successfully completed RIB Audit, which forms part of the requested documentation. In the criteria legislation, it is indicated in W-2 that an RIB Audit has taken place. The law, the RIB WTT Audit brochure of HQ and any further guidance of DNB are determinative in the assessment of the results of the RIB Audit by the inspectors. The inspectors have their own independent professional and technical responsibility in this matter. During the site visit, the results of the RIB Audit must be available, in which respect it should be noted that the RIB Audit must not be older than 12 months, and an order confirmation signed by an RIB Auditor must be present. If the RIB Audit is assessed as inadequate by the inspectors, a new RIB Audit report must be made available. If the report of the RIB Auditor gives cause, and after the permission of the trust office has been given, consultations can take place during a site visit between the inspector and the RIB Auditor of the trust office in question.

Behaviour & culture

Behaviour & culture are high on the agenda of the members of HQ, regulators, politicians and other interested parties. It is essential for a good Quality Label that this topic is addressed emphatically and that it is shown to be a connecting element between the core values and the conditions (see chapter 2). The common thread is integrity, as is expressed in the Quality Label certification system.

Submitting documentation

For an effective and efficient implementation of the site visit, it is crucial that the members of HQ make the site visit file available in line with the requirements set on the Self Assessment Form. This will not be strictly applied during the first round of site visits in this context. During the second round of site visits, inadequately submitted files will be returned to the trust office in question, and additional costs may be charged by Stichting AQTO to the trust office in question. In the longer term, research will be carried out as to whether the Self Assessment and the documentation to be provided can be digitised via standard tooling.

Transitional arrangement for new trust offices

The Quality Label will be allocated to a member of HQ for a period of two years. For trust offices that are just starting out and new members of HQ, the board of Stichting AQTO has the option to carry out another full or partial site visit of the trust office in question after one year, in order to check whether the trust office in question is structurally complying with the set Quality Label criteria.

Suspension of Quality Label

The board of Stichting AQTO has the discretionary authorisation to suspend the allocated Quality Label for a maximum period of six months. During this period, any new facts can be subjected to further investigation.

Standard evaluation

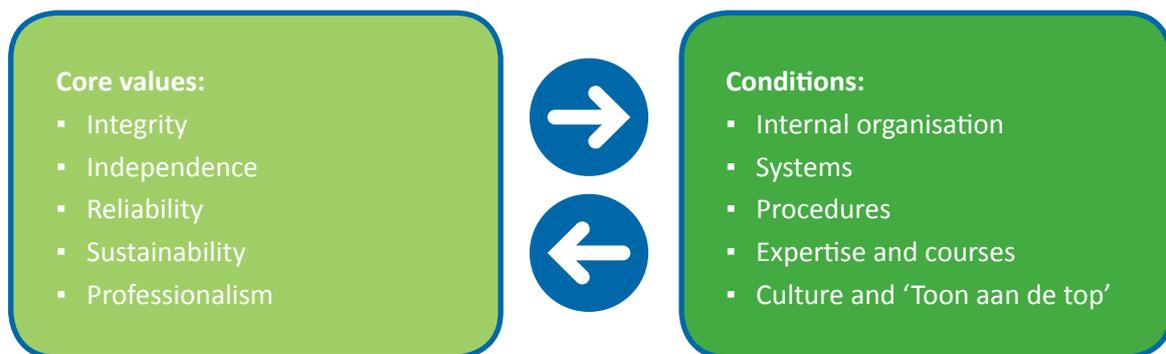
When rounding off the site visit report, a standard evaluation form is made available to the trust office in question. This evaluation form must be made available to the inspectors of Stichting AQTO simultaneously with the approval of the definitive site visit report.

2. Core values and Conditions of Quality Label

Preface

HQ has formulated a cohesive framework of standards which makes it possible to develop a benchmark for the sound and ethical management of trust offices. As already stated, the framework of standards has a broader scope than just legislation. Naturally, legislation focuses on guaranteeing the social interest, but in its scope it is too limited or insufficiently supports the confidence society has in the trust sector. The Quality Label does not only have a societal function, but also provides direction to the employees and managers of trust offices.

A Quality Label is required for membership of HQ. The Quality Label has the following five core values and five conditions, which are applicable in full to all trust offices.



Core value – Integrity

The trust office performs its work adequately and carefully, with due observance of the applicable laws and regulations, in which context it observes the letter and the spirit of the law. It must not allow itself to be influenced by inappropriate matters, takes responsibility for its own actions and is willing to be held accountable for these actions.

Core value – Independence

The trust office performs its work independently, and does not allow itself to be influenced by third parties. It must also perform its work in such a way that there is no conflict with its own interests or inappropriate interests.

Core value – Reliability

Reliability means that members of HQ endeavour to comply with the arrangements made in the performance of their work and, if this turns out not to be possible, to communicate openly about this. Additionally, the knowledge and information to which the HQ member has access must only be used for the purpose for which this information was provided.

Reliability must be expressed by everyone in the organisation!

Core value – Sustainability

The trust office must endeavour to realise sustainable cooperative relationships, with an emphasis on corporate social responsibility.

Core value – Professionalism

Professionalism means that the trust office must set high standards in the performance of its work, with a focus on quality and client orientation.

Condition – Internal Organisation

The trust office:

- a. must have a clear and up-to-date vision with regard to its business operations, must think about adjusting this vision in response to social developments and must have clear and concrete standards and values that have been set down in writing and have been communicated internally;
- b. in the structuring and actual application of rules of conduct and other rules, it must take account of the basis of support in society for certain activities and/or services;
- c. must attach importance to corporate social responsibility and refrain from activities for which there is no basis of support in society;
- d. must comply with its own, business specific rules of conduct;
- e. must comply with the Code of Conduct and Standing Rules of HQ;
- f. as of 1 January 2015, must employ a Compliance Officer who has successfully taken a course accredited by HQ, or must make use for this of the services of an independent third party who meets the same requirements;
- g. must have a vision regarding the sustainability of its business model;
- h. must have insight into and a vision regarding the relevant parts of the structure of which the object company forms a part, and the place which the object company takes in the chain.

Condition – Systems

The trust office:

- a. must ensure that adequate systems – including automated systems – are in place (i.e. client database, time/work registration, management and personnel information system) and must ensure an adequate separation of management and implementation tasks;
- b. must have an emergency plan to prevent negative consequences in the event of unforeseen events (i.e. fire, outage of computer systems) in order to guarantee the continuity and quality of the enterprise and the services to the clients.

Condition – Procedures

The trust office:

- a. must have established clear procedures to realise a uniform working method, and must ensure compliance with them;
- b. must have taken measures to identify, list and control risks expressed in the business operations, in the management of clients and in the performance of transactions;

- c. must ensure a sufficient separation between the functions and ensure that persons in the various positions are sufficiently independent to be able to assess matters objectively;
- d. must have taken measures to separate the funds or monetary values of object companies or third parties which are managed by the trust office from the funds of the trust office;
- e. must have set down the above in writing in such a way that an audit trail can be evaluated.

Condition – Expertise and Courses

The trust office:

- a. must ensure that, as far as is relevant for the performance of their work, all employees are aware of the applicable laws and regulations;
- b. must ensure that the course and/or demonstrable work experience of the employees meet the requirements of the position;
- c. must periodically provide courses to promote awareness of risks among employees and make it possible for them to perform their tasks in accordance with the latest laws, regulations and internal policy, and keep their professional knowledge at the desired level;
- d. must meet the Permanent Education (PE) requirements as formulated by the PE and Courses Committee of HQ (course matrix) and must track which employees have participated in which courses;
- e. must have permanent access to sufficient expertise in legal, administrative, compliance and/or tax areas;
- f. must carry out regular consultations geared towards transfer of knowledge and experience;
- g. must regularly participate in consultations with colleagues outside its own organisation and/or seminars and other activities geared towards the transfer of knowledge.

Condition – Culture and ‘Toon aan de top’

The board of a trust office:

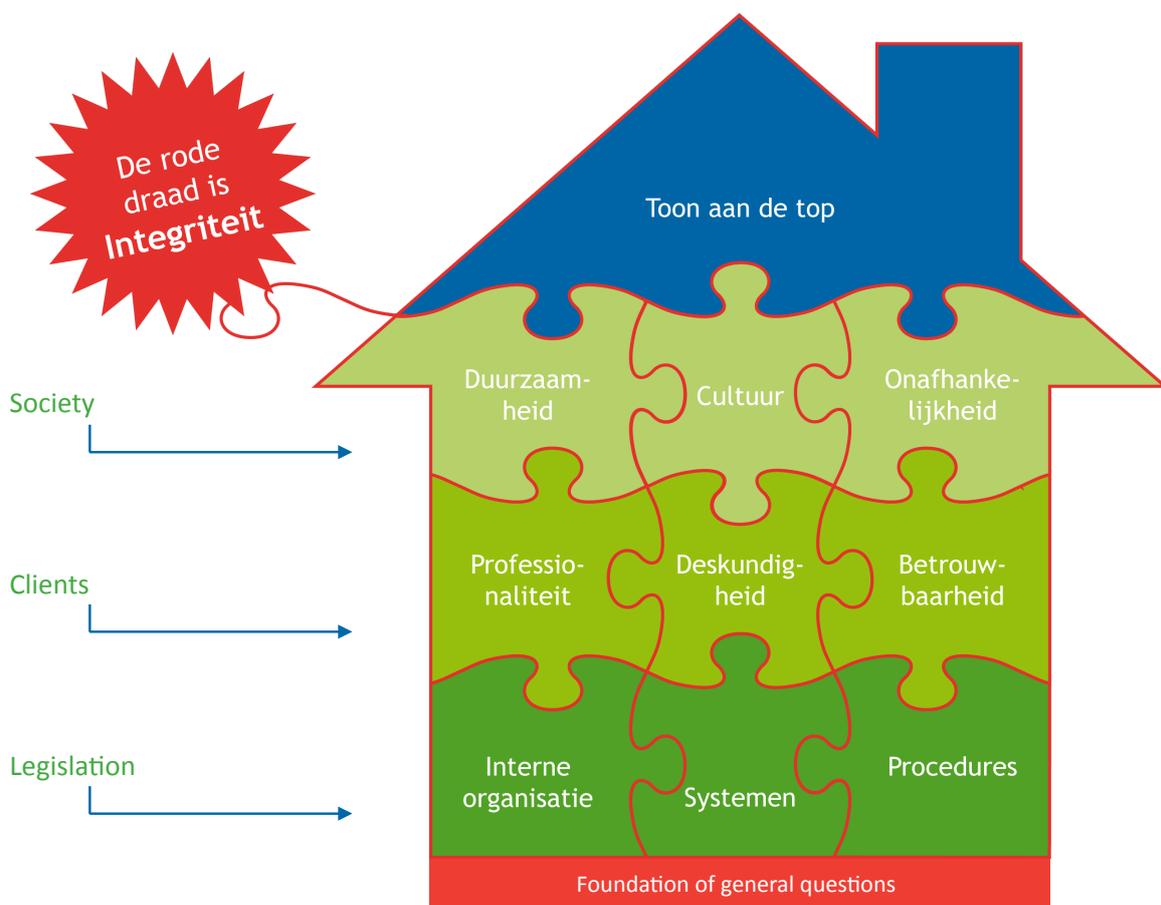
- a. must promote and maintain a transparent organisation culture, in which it endeavours to achieve a balanced promotion of interests, and must not allow itself to be influenced by inappropriate matters;
- b. must take responsibility for its own actions and be willing to be held accountable for these actions;
- c. must create an corporate culture in which no unrealistic targets are imposed on the employees and in which sufficient space is offered for subjects to be open to discussion;
- d. must ensure that the day-to-day management expresses these basic principles in word and deed, thereby providing an example to the other employees;
- e. must provide direction to employees in discussing ethical matters;
- f. must ensure that the ‘Toon aan de top’ sessions, which are obligatory for management, are taken at least twice a year.

3. Certification System of the Quality Label

Three layers can be distinguished in the certification system of the Quality Label:

- The bottom layer is what is stipulated by law. Put briefly, this states that each trust office must have an institutional awareness of compliance with the law;
- The middle layer (the core) is what the customers want: a reliable trust office that provides high-quality services;
- The top layer is what society thinks about this. A trust office must take long-term effects into account. It must do everything with a high level of care for both its immediate vicinity and for those who live and work there, and for society as a whole.

The Core Values and Conditions of HQ are embodied in the Certification System of the Quality Label. Four Core Values and five Conditions are allocated to one of the following levels: Legislation, Clients and Society. The Core Value Integrity is an overarching value in this, and Integrity therefore applies to the entire certification system.



4. Standardisation

'Comply or explain' principle

During the site visit, the inspectors will apply the 'comply or explain' principle. This offers trust offices the option to diverge from the set requirements, on condition that the divergence can be properly substantiated and explained. This still ensures compliance with the code, allowing a Quality Label can be issued if the divergence is sufficiently substantiated and included in the procedure manual, annual accounts and/or other communications.

The 'comply or explain' principle contributes to acceptance of corporate governance arrangements, because it prevents bureaucratic rigidity and makes flexibility possible.

For the issue of a Quality Label, divergence from the criteria in the Quality Label document is possible in principle, on condition that these divergences are properly substantiated and explained. It goes without saying that statutory provisions are not subject to this 'comply or explain' arrangement. It may be possible to apply it to conditional questions. It is up to the inspectors and the board of Stichting AQTO to determine whether the described divergence from a criterion is legitimate.

The organisation must indicate their alternative solution in order to comply with the standard ('Plan B'). The explanation must meet the following conditions:

- a. If a specific part is not applicable to the trust office, an explanation must be provided which refers to facts and circumstances that indicate why said provision is not applicable;
- b. If a specific part is not complied with, an explanation must be provided giving arguments why it is not being complied with;
- c. The explanation provided must be logical (one or more arguments, relevant, true, complete).

Assessment levels

The inspector assesses 2 elements separately:

1. The criteria targeted at 'Toon aan de top' (chapter 6)
2. The criteria targeted at General Criteria (chapters 7–9)

Item 1 - 'Toon aan de top' Criteria

This involves the inspector forming an opinion on the basis of the information provided in the Self Assessment and the interview with the board. It does not involve any standardisation, but the inspector has the opportunity, on the basis of expertise and best practices, to provide a separate assessment of this part.

The scores in the assessment are as follows:

- **Y** = Yes, is eligible for the Quality Label
- **R** = Room for improvement, there are 2 options in this respect:
 - advice for improvement, but is eligible for Quality Label
 - advice for improvement and will only be eligible after repeat site visit
- **N**, not eligible for the Quality Label

This assessment is also included in the site visit report, which will first be discussed with the trust office in question – see chapter 1.

Item 2 - General Criteria

This makes use of the same structure as the assessment of behaviour & culture.

The assessment can therefore consist of:

- **Y** = Yes, the enterprise meets the criteria
- **R** = Room for improvement, there are 2 options in this respect:
 - advice for improvement, but is eligible for Quality Label
 - advice for improvement and will only be eligible after repeat site visit
- **N** = No, the enterprise does not meet the criteria

It may therefore be the case that the enterprise indicates a **Y** but that the inspector rules that the documentation submitted is insufficient to actually demonstrate that the criterion has been met. In such cases, an **I** may be given, with the possible consequence that the enterprise is required to provide additional information before it can get a **Y**.

A number of the questions (indicated with a **P** for provisional in chapters 6-9), must be answered with a **Y**, and must be supported with information that substantiates this answer according to the inspector. If one of these questions is answered with an **N**, or should be awarded an **I** in the opinion of the inspector, the advice will be negative.

This creates a two-stage process:

- all conditional questions must first be answered with a **Y** by the enterprise and in then also by the inspector.
- one point is allocated for each of the 54 questions, and the total score is calculated as follows:
0 - 47 = not (yet) eligible for a Quality Label
48 and above = a Quality Label can be granted

The final report includes the score on the basis of a Scorecard methodology, including the proposed scores entered by the trust office and the scores determined by the inspector. The 'comply or explain' principle is included in the Guidance. If a valid explanation is provided as to why the trust office cannot comply or does not need to comply with the criterion in question, a point will be awarded for this question.

In the case of the informative questions, the inspector will include these in his total evaluation and in the report, but these are not determinative with regard to whether or not the Quality Label will be issued.

Consequences of assessment

If a trust office cannot be issued a Quality Label for the time being, the office in question will be given three months to comply with the conditions for the issue of a Quality Label.

The trust office is advised to take the following steps in this respect:

- Analysis of the cause;
- Impact analysis;
- Taking corrective measures; and
- Implementation.

The inspector will reassess as to whether the Quality Label can be issued within three months. If the conditions have still not been met, a full repeat site visit must, in principle, take place.

Documentation

As mentioned earlier, it is important that you provide a good explanation for each question in the Self Assessment, and substantiate it with documentation. You may also be asked to provide additional documentation. It must be possible for all documents required for a site visit to be included in the file of the inspector. It is up to the trust office, in consultation with the inspectors, to determine which documents have a sufficiently confidential nature that they can reasonably be excluded from this.

The 'comply or explain' principle is applied in this respect. It is up to the inspectors and the board of Stichting AQTO to determine whether it is acceptable for a document not to be made available.

When sending information, state the number of the appropriate question (for example, C-4) on the annual report and accounts appendix, and also your unique file number, as indicated on the front page of the Self Assessment. Appendix 1 includes the documents that must in all cases be submitted, unless not applicable). Documents seen by the inspectors during the site visit must also be provided by the trust office in table form so that this list of documents can be included as an appendix to the site visit report. See appendix 2 for an example.

6. Site visit: Toon aan de top Criteria (T)

Partly as a result of the financial crisis, we know that behaviour and culture have a major influence on the results of an enterprise. Perhaps not in the short term, but certainly in the longer term. In its regulatory capacity, DNB, among others, has given these aspects a central position in its approach to financial institutions ²⁾, ³⁾ and ⁴⁾.

The HQ key values of integrity, reliability, independence, sustainability and professionalism form the guiding principles in this respect. Emphasis must also be placed on those categories of behaviour & culture which are of major importance for acting ethically, such as clarity, exemplary behaviour, feasibility, involvement, transparency, openness to discussion and enforcement.

What are referred to as 'soft controls' are control measures which impact on or appeal to the culture within an organisation and the personal performance of the employees. They are measures which have an influence on the values and standards, and on the motivation, loyalty, integrity and inspiration of the employees.

This forms a separate, three-step section in the process for acquiring the Quality Label:

1. Completing the Self Assessment, in which respect various questions are asked which pertain to this part.
2. Discussing the information provided by means of the Self Assessment in a meeting between management and the inspectors.
3. Recording the results on the basis of 1 and 2 in the site visit report, in which context it is an important basic principle that this provides reflection for the trust office's management with regard to behaviour & culture.

This part is evaluated separately by the inspectors and helps to determine whether the organisation is eligible for the Quality Label.

Based on the questions set in the Quality Label guidance, all the relevant information is provided with regard to this subject, such as the mission & vision of the trust office. All questions have an open nature. The trust office must answer these questions itself by providing relevant information, such as policy documents, minutes, risk assessments, etc.

² "Supervision of Behaviour and Culture", DNB 2015

³ "Toezichtmethodieken gedrag & cultuur", DNB 2013

⁴ "The 7 Elements for an Ethical Culture", DNB 2009

In this context, the following questions must be answered.

No.	Description	Explanatory notes	V
T-1	How is the professional approach embedded within the organisation and in which way is this expressed, for example in terms of Professionalism, Autonomy and Client Orientation.	<p>Introductory ‘Toon aan de top’ question. Explain how the trust office connects the characteristics listed with a professional ‘Toon aan de top’.</p> <p>Definition of terms:</p> <ul style="list-style-type: none"> ▪ Professionalism: high-quality knowledge and skills. ▪ Autonomy: employees have a certain freedom in the performance of their profession. This is expressed in working hours, decision-making powers and professional structure. They do not need to be given much direction. ▪ Client-oriented: they have an overview of the consequences of the application of knowledge, and communicate these to clients. 	
T-2	Is the board aware of the ‘Toon aan de top’, how is this expressed and is the board evaluated on the basis of it? Which ‘Toon aan de top’ do you display and how you ensure that your people intrinsically adopt it?	<p>The board determines the behaviour & culture within the business and the ‘Toon aan de top’. How leadership, communication and culture are expressed are the three pillars of ‘Toon aan de top’ in this respect.</p> <p>Aspects such as exemplary behaviour, trust, openness to discuss matters, etc., are important in this respect.</p> <p>Explanation with concrete examples and policy.</p> <p><i>Written substantiation is required.</i></p>	
T-3	How does the board ensure self reflection regarding its own behaviour & culture?	<p>It is important for the board that it guarantees self reflection with regard to its own performance. Please indicate how concrete implementation takes place in your organisation.</p> <p><i>Written substantiation is required.</i></p>	
T-4	How does the organisation as a whole, and specifically the board, handle contradiction, and does it provide room for the opinions of others?	<p>This should include aspects such as the roles of the second line and third line (risk management, compliance) and other employees. Other aspects can include feedback from clients, auditors, accountants and other parties. The office must also explain in what way the participation of employees is organised.</p> <p><i>Written substantiation is required.</i></p>	

No.	Description	Explanatory notes	V
T-5	To what extent is direction provided by arrangements/objectives, and are these made concrete?	What is important is a cycle of (achievable) objectives for the organisation as a whole, with a (concrete) practical way for employees to apply them. Please explain in this context how this is given shape in your organisation, including the recalibration of the arrangements & objectives.	
T-6	To what extent is the process of continuous improvement integrated into the business operations? In other words, how is the change management of the organisation given shape?	Developments force organisations to improve continuously. Things that are new today are the standard tomorrow. How does your organisation handle this fact, and do you maintain a grip on the necessary developments, including getting your employees on board?	
T-7	<p>How do you know that sufficient insight is available into all risks involved with important decisions?</p> <p>How do you ensure in this respect that all relevant information is available to the board?</p>	Decision-making is expected to be consistent and balanced. Balanced decision-making means that the interests of all the stakeholders are clearly identified and taken into consideration. Generally speaking, an unbalanced weighing up of interests negatively affects the quality of the decision. There is usually a lack of risk awareness at play in these cases, or there is a collective optimism and/or an excessively dominant board with excessively obedient employees. Inconsistent decision-making, decision-making which is not in line with the strategy of the enterprise, has other causes: opportunism in decision-making, a strong focus on the short term, and a board that does not sufficiently act on the company mission.	

7. Site visit: Societal criteria (M)

General requirements for Quality Label

With the exception of the assessments of the core values and standards, as these are adopted by the members of HQ and which are basic principles for the Quality Label, the trust office must also be assessed on the following points.

Questions marked with a **V** in the last column, are conditional for the awarding of the Quality Label.

No.	Description	Explanatory notes	V
M-1	The trust office has formulated its mission and objectives.	Explain whether the mission and objectives of the trust office have been recorded and/or they are in line with the requirements as these ensue from the Quality Label. <i>Enclose document in question.</i>	V
M-2	Targets have been established for achieving the set mission and objectives.	Explain how this is the case, for example in the form of a business plan with a link to the mission and vision. <i>Enclose document in question.</i>	
M-3	The targets formulated are realistic and do not form any stimulus for unethical behaviour.	Explain how this is the case, for example because targets have been set as a basis for the evaluation of employees. <i>Enclose document in question.</i>	
M-4	There is a code of conduct, in which the core values of the organisation are formulated, which all employees have signed and are bound by, and by which compliance monitoring takes place.	The code of conduct will be assessed in terms of aspects such as regulations and the core values of the Quality Label. The code of conduct of HQ must serve as point of reference in this respect. Explain which document has been signed, and if there are exceptions to this, please explain. Explain how monitoring takes place, for example by discussing the code in the regular directors' meeting.	V
M-5	The HQ rules of conduct are known in the organisation.	Explain how this is ensured, for example because they are addressed during the general session, they are part of an assessment interview, information via corporate communication, etc.	

No.	Description	Explanatory notes	V
M-6	<p>The trust office must have set down in policy its corporate social responsibility (CSR) to its clients, employees, shareholders and its importance for the trust sector.</p> <p>The CSR policy must also incorporate client acceptance, in which context the following aspects play a role:</p> <ul style="list-style-type: none"> ▪ Whether the potential client/ client belongs to a sector with risks in the environmental and social areas (the risk factors can differ per sector). ▪ Whether the activities of the entity take place in countries with risks in the environmental and social areas. <p>Documentation of moral, ethical and/or tax-related discussions and the decisions arising from such discussions is required. Attention must be paid in this respect to the chain within which the trust office operates.</p> <p>The trust office reports on application of its CSR policy, core values and other developments in these areas.</p>	<p>Explain that the CSR policy is recorded, in which respect this policy pertains to the various distinct parties in the question.</p> <p>Also indicate in which way tax ethics are integrated into CSR policy, partly in relation to risk analyses, client acceptance, and client and transaction monitoring.</p> <p>Address and explain any incidents that have occurred when answering the question.</p> <p>The trust office must also provide examples to show how its policy is applied in practice. <i>Enclose document in question.</i></p> <p>The trust office must indicate whether there are possible conflicts of interest between tax advice (on structures) and the implementation of these structures.</p> <p>Explain how accountability is given, for example in the annual report or in a separate report. <i>Enclose document in question.</i></p> <p>See also criterion C-1. In view of the importance of acceptance of clients and ending the relationship with them, this criterion has also been included separately in C-1.</p>	V
M-7	<p>The board must participate in the ‘Toon aan de top’ sessions at least twice a year, in accordance with the requirements of HQ.</p>	<p>Show that one or more members of the board have been present, for example by providing proof of registration. <i>Enclose document in question.</i></p>	V

No.	Description	Explanatory notes	V
M-8	Does the trust office have a Whistleblower Arrangement, and how is this monitored?	Explain how monitoring takes place: is the Whistleblower Arrangement discussed during the regular directors' meeting, for example. <i>Enclose document in question.</i>	
M-9	Does the trust office have an integrity policy, which addresses: <ul style="list-style-type: none"> ▪ Reporting ancillary positions ▪ Reporting conflicts of interest ▪ Acceptance of gratuities and gifts ▪ Introducer fees or referral fees ▪ Invitations and receptions ▪ Confidentiality of business-sensitive data ▪ Information Security ▪ Use of property 	Explanation of how ethical conduct is encouraged. For example, how is awareness raised among the employees, and does evaluation of this policy take place. Are sanctions specified in advance in the event of the discovery of integrity incidents. For example, explain with standard performance evaluation document that is used as format within the organisation. <i>Enclose document in question and indicate whether these aspects have been set down.</i> This aspect is also part of the RIB Audit, but in view of its importance, it is also addressed in a separate question. <i>Include RIB report or refer to relevant section.</i>	V
M-10	Does management screening take place, and of employees selected by the office?	Explain approach and purpose of screening. Also indicate whether this takes place regularly by employees who are in the employment of the office.	V
M-11	Has a confidential adviser been appointed for employees, who they can approach freely in the case of unwanted conduct, such as bullying, sexual harassment, discrimination and aggression?	Provide an explanation of this; this can take place both inside and outside the company. The organisation must have its own policy on this, and also provide a practical implementation of it. <i>Enclose document in question.</i>	V
M-12	Is there a procedure for reporting and a register of reports in the context of the integrity policy or integrity incidents and/or claims, complaints, etc.? (See also C-4 and C-5.)	If so, explain which actions have taken place in the context of any incidents. <i>Enclose document in question.</i>	

No.	Description	Explanatory notes	V
M-13	Do the annual figures show that the trust office is profitable and are its liquidity and solvency levels adequate?	Explain by means of financial analysis or reference (annual report, most recent financial quarterly report) to relevant information showing this. <i>Enclose document in question.</i>	
M-14	If the trust office is financed externally, has a risk analysis been made?	Explain relevant conditions of the financing; shareholders' equity/loan capital and whether the financing party can exercise influence on the trust office in any way.	
M-15	If 25% or more of the turnover is dependent on related clients or a feeder, concrete measures must have been taken to guarantee the independence vis-à-vis the client/feeder.	Explain the independence of the trust office in relation to these clients/feeder, and how this is guaranteed.	
M-16	If the trust office is part of a bank, another company or has a foreign shareholder, is the governance and decision-making set down, for example in a conflict of interest policy, in such a way that the board can perform its core tasks independently, and in the case of integrity issues, can independently take decisions?	Explain how this independence is guaranteed. The UBO(s) of the trust office must also be listed. It should also be stated whether the UBO(s) has/have interests in other trust offices and/or administration and advice offices. Joint ventures with other organisations which are of importance for the strategy of the trust office must be listed, along with their governance. Full transparency is requested regarding legal and organisational structure. This includes third-party organisations that could have a formal influence on the strategy of the organisation. This pertains to both shareholdings and control. It should also match the organisation chart requested by DNB.	V
M-17	Employees must sign a confidentiality agreement on commencement of employment.	Apart from indicating Y/N, also explain what the consequences are of a breach of the obligation of confidentiality. <i>Enclose document in question.</i>	V
M-18	Employee satisfaction must be evaluated on a yearly basis.	<i>Enclose most recent evaluation, such as a survey.</i>	

No.	Description	Explanatory notes	V
M-19	Staff turnover must be recorded, as well as exit interviews held with staff.	<i>Enclose document in question, for example an exit interview report.</i>	
M-20	The remuneration policy must contain the remuneration components, structures (fixed/variable) and the way in which the risks arising from the policy are managed.	Explain the balance between fixed/variable, other aspects which can be covered include alignment with the targets and socially acceptable policy on remuneration. <i>Enclose document in question.</i>	V
M-21	There are rules governing the submission of expense claims, and checks are made on expense claims that are submitted.	Explain that there are rules about the submission of expense claims, which expenses can and cannot be claimed and who checks and approves the claims (dual authorisation principle). Also indicate in this context how directors' expense claims are handled. <i>Enclose document in question.</i>	V
M-22	In order to provide insight into the risk of possible conflicts of interest, family relationships present in the organisation must be reported.	Explain which positions this affects and which family relationships are involved. See also the Q&A on the website of Stichting AQTO (www.aqto.nl). <i>Enclose document in question.</i>	V
M-23	Provide insight into the policy on error management and the actions which have ensued from this.	Error management will be seen by DNB as an important factor in the improvement of the quality and professionalism of the business operations in the following years. For a further explanation, see the DNB book: Supervision of Behaviour & Culture, chapter 11. <i>Enclose document in question.</i>	

8. Site visit: Client Criteria (C)

No.	Description	Explanatory notes	V
C-1	The trust office must have policy on acceptance of and ending the relationship with clients, and must have translated this policy into procedures.	<p>Explain the policy and processes related to this and which ethical considerations are made.</p> <p>Also provide an explanation about the way in which the tax-related, moral and ethical motivations of the client are assessed in terms of the prevailing (and developing) social attitudes.</p> <p>The trust office must indicate whether it is complying with the section on mutual relationships between the members of HQ, as formulated in the HQ code of conduct.</p> <p>See also criterion M-6. In view of the importance of this criterion, it has also been included separately.</p> <p><i>Enclose document(s) in question.</i></p>	V
C-2	The services to the customers must be regularly evaluated internally, and these evaluations must be set down in reports.	<p>Explain how this can be demonstrated by means of reports, action lists, etc.</p> <p>The report must be discussed by the board, which must also record the measures that are to be taken in response to the evaluation, and communicates these in the organisation.</p> <p><i>Enclose document(s) in question.</i></p>	
C-3	Time registration must be recorded for each client, and there must be rules relating to its level, specification, expense claim approvals, deductions and credit slips.	Explain how this system works and which rules are applied.	
C-4	There must be a complaints procedure, which is accessible to the clients. The complaints procedure must preferably be shown on the website.	<i>Enclose document in question and, preferably, indicate the link to the website where clients can obtain it.</i>	V

No.	Description	Explanatory notes	V
C-5	There must be a complaints procedure, and registration of complaints must be in place.	The number of complaints must be stated. Analysis of these complaints must also take place, targeted at uncovering problem areas (see also M-14). <i>Enclose document in question and explain how complaints are followed up.</i>	
C-6	There must be a clear structure with regard to functions, responsibility and reporting lines.	Explain the organisation chart and its structure. <i>Enclose document in question.</i>	
C-7	The staff members must have an educational background which fits their job profile and have the necessary experience.	Explain by using a job matrix, for example. The requirements set by HQ regarding education and registration will be assessed. With regard to the necessary experience, keep in mind specific positions such as those related to compliance, risk management and audit. Registration must take place of the (obligatory) Permanent Education for employees. <i>Enclose document in question.</i>	
C-8	The trust office will draw up an education program, which will include participation in the HQ program for education and permanent education, specialist professional courses, along with soft skills.	Explain that this is in place, for example by enclosing the course programme. <i>Enclose document in question.</i>	
C-9	The compliance officer must have attended a compliance officer course accredited by HQ, or have passed the suitability test.	Explain that this is the case and how it happened, for example by means of a registration. <i>Enclose document in question.</i>	
C-10	The quality of the work contracted out (of a tangible scale) must be evaluated annually.	Also explain what is done with the evaluation. In the case of key processes, a third party report or ISAE3402 report can be a good instrument.	
C-11	With which banks are relationships maintained in the context of business operations and provision of services?	Explain these relationships and provide insight into any disputes with the banks in question. <i>Enclose document in question.</i>	

9. Site visit: Legislation Criteria (W)

No.	Description	Explanatory notes	V
W-1	How is the three lines of defence model structured?	<p>Explain how it is arranged, including the measures taken with regard to aspects such as quality and independence.</p> <ul style="list-style-type: none"> ▪ First line : line management ▪ Second line: risk, financial (and other) control and compliance. ▪ Third line: RIB (or other) Audit <p><i>Enclose document in question.</i></p>	V
W-2	An RIB Audit has taken place.	<p>The RIB Audit is a condition for the issue of the Quality Label. The result of the RIB Audit is evaluated by the inspectors on the basis of the law, the RIB WTT Audit brochure of HQ (a condition of Stichting AQTO) and any further guidance of DNB. The report of the auditor must also describe the scope, and substantiation provided for the random sampling used, on the basis of the risk analysis of the RIB Auditor. The RIB Audit must address the structure, existence and operation, in which context the operation must have been tested for at least 6 months (3 months in the case of start-ups). The RIB Auditor must indicate the level of certainty in his report. The inspectors form their own professional opinion with regard to the findings and conclusions reported by the RIB Auditor.</p> <p><i>Enclose document in question.</i></p> <p>The trust office must submit a plan of action showing how it plans to address the comments of the auditor. The trust office must demonstrably monitor the progress of the actions taken with a view on improvement. <i>Enclose document in question.</i></p> <p>Continued on page 28.</p>	V

No.	Description	Explanatory notes	V
W-2 (continued)	An RIB Audit has taken place.	If the report of the RIB Auditor gives cause, and after the permission of the trust office has been given, consultations can take place during a site visit between the inspector and the RIB Auditor of the trust office in question.	V
W-3	How is the RIB Audit function structured? Which measures have been taken to guarantee the quality and independence of the RIB Auditor, both with regard to an internal and external auditor?	Explain how this is arranged, including the measures taken with regard to aspects such as quality and independence.	V
W-4	How is the Compliance function structured?	<p>Explain how this is arranged, including the measures taken with regard to aspects such as quality and independence.</p> <p>The countervailing power must be made explicit in this respect. In other words, the seniority of the Compliance function must be suitable in terms of the education, experience, competencies, attitude, motivations and skills of Compliance officers.</p> <p>The results of the RIB Audit must also be examined in this context.</p>	V
W-5	How is/are the Risk Management function and/or the Control function structured?	<p>Explain how these are managed, including the measures taken with regard to aspects such as quality and independence.</p> <p>This criterion must be handled in connection with criterion W-1 (three lines of defence). Larger trust offices can appoint individual officers for this, for example.</p> <p>This would be less logical for smaller trust offices.</p>	V

No.	Description	Explanatory notes	V
W-6	<p>Provide insight into the various risk analyses used. The following are obligatory:</p> <ul style="list-style-type: none"> ▪ Business Risk Analyses, including remuneration policy (BRA) ▪ Systematic integrity risk analysis (SIRA) ▪ Countries and clients risk analysis (LCRA) ▪ Information Security <p>If desired, the risk analyses listed can be combined into a single document. The combined document must be transparent in terms of the structure of the various risk analyses.</p>	<p><i>Enclose document(s) in question.</i></p> <p>Explain what will be done with this analysis and how links will be established between the various risk analyses.</p> <p>BRA and SIRA must be reviewed once a year, or more often if incidents and/or external developments occur.</p> <p>BRA can be an integral part of the SIRA. The LCRA must be reviewed at least once a year for high risk and once every two years from medium or low risk, or more often if incidents and/or external developments occur.</p> <p>In its BRA, the organisation must show that it has insight into its remuneration policy and any 'perverse incentives' that would promote excessive risk being taken.</p> <p>This aspect is also part of the RIB Audit, but in view of its importance, it is also addressed in a separate question.</p>	V
W-7	<p>Developments pertaining to legislation and regulations must be guaranteed within the organisation.</p>	<p>Explain how the policy/procedure pertaining to compliance with the relevant legislation and regulations is guaranteed.</p>	V
W-8	<p>Provide insight into the most recent findings of regulatory bodies such as DNB, AFM, the tax authorities (as far as these are applicable to the trust office itself), etc., and the follow-up on these carried out by the office.</p>		V
W-9	<p>Provide insight into current and past disputes (court cases and arbitration cases) of the trust office itself, both civil and criminal, and/or disputes with FIOD and/or the Justice Department, for example. An indication must also be given as to whether these issues have been notified to the regulator.</p>	<p>Explain using factual information (correspondence, etc.). Also include your own opinion on current issues.</p> <p><i>Enclose document(s) in question.</i></p>	V

No.	Description	Explanatory notes	V
W-10	Which standards and procedures are applied with regard to adequate information security?	<p>Specify the standards and procedures, including requirements for determining, implementing, applying, checking, assessing, keeping up-to-date and improving a documented Information Security Management System (ISMS) in the context of the general business risks for the organisation.</p> <p>Attention must also be paid in this respect to the mandatory reporting of data leaks and the way in which this obligation is handled. Examples include:</p> <ul style="list-style-type: none"> ▪ segregation of duties & authorisation ▪ cybercrime ▪ data secrecy (including client file) <p>These various aspects must include the continuity of computerised data processing and the logical access security with regard to systems and data.</p> <p>The term adequate is deemed to mean suitable to the nature and size of the trust office. In the case of larger trust offices, reference is made to ISO 27001. The results of the RIB Audit must also be examined in this context.</p>	V
W-11	An emergency plan must have been drawn up.	<p>Explain the system requirements included in the emergency plan with regard to aspects such as redundancy, backup and emergency exercises, guaranteeing continuity.</p> <p><i>Enclose document in question.</i></p>	V

No.	Description	Explanatory notes	V
W-12	Provide insight into policy and procedures pertaining to transaction monitoring, their translation into FIU reports and how these are processed.	<p>Make it visible how policy on transaction monitoring leads to the decision as to whether or not to submit an FIU report. No insight must be provided into the content of the FIU reports. This is prohibited by law.</p> <p>Also provide an explanation as to whether there were reports in the past year and which considerations were made in this context.</p> <p><i>Enclose document in question.</i></p> <p>This aspect is also part of the RIB Audit, but in view of its importance, it is also addressed in a separate question.</p>	V
W-13	How does the trust office deal with foreign regulations and legislation?	<p>For example, FATCA, UK Bribery Act, etc.</p> <p><i>Enclose document in question.</i></p>	V

Appendix 1: Documents to be submitted

The trust office must provide the following documents before the visit by the inspector (the list below is intended as a guide, and is therefore not exhaustive):

Description	Present? Y/N
Chamber of Commerce extract of licensed entities and list of group relationships pertaining to own organisation structure (in other words, not those of clients)	
DNB license	
Integrity policy	
Manuals and internal regulations	
CSR policy / CSR report	
Mission, objectives and set targets	
Risk analyses in accordance with W-6	
Code of conduct & HQ rules of conduct	
Whistleblower regulations	
Complaint Regulations	
ISI report	
Overview of group and organisation structure	
Most recent annual accounts, most recent financial quarterly report	
Policy plan	
List of clients showing turnover per client	
Internal management reports (Business Balanced Score Card / Compliance report)	
Recent RIB Audit report	
Emergency plan	
Management letters from external accountants & internal audit	
Instructions and reported improvement points of regulators (DNB & foreign regulators)	
ISAE3402 report	

