

Requirements for Appointments to Senior Positions

in Financial Institutions Supervised by the Saudi Arabian
Monetary Authority

(Second Version- September 2019)

Note:

For the updated and amended Requirements and Fit and Proper Form, SAMA suggests referring to the version published on its website: <http://www.sama.gov.sa>

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Chapter 1

Definitions

1. The following terms and phrases, where used in these Requirements, shall have the corresponding meanings, unless the context requires otherwise:

Term	Definition
SAMA	The Saudi Arabian Monetary Authority.
Requirements	Requirements for Appointments to Senior Positions in Financial Institutions Supervised by the Saudi Arabian Monetary Authority (Second Version- 2019).
Financial Institutions	The entity that is supervised by SAMA, including banks, foreign bank branches, insurance companies, reinsurers companies, licensed insurance service providers, foreign insurance companies, finance companies, refinance companies, contract registration companies, credit bureau companies, money changers, and payment and fintech companies operating in Saudi Arabia.
Senior Positions	The functions, roles and responsibilities entrusted to those positions who take, propose and implement strategic decisions and manage the Financial Institution's business processes, including the board of directors and senior management according to the positions specified in Article (7) hereof.

Chapter 2

General Provisions

2. Purpose and Scope

2.1 The purpose of these Requirements is to:

- a. determine the Senior Positions in the Financial Institutions that require SAMA's written non-objection on the appointment or interim appointment of candidates, and set out the minimum fit and proper criteria that the Financial Institution has to adopt to assess the fitness and propriety of candidates; and
- b. set out the minimum fit and proper criteria and process that Financial institutions have to adopt to assess the fitness and propriety of candidates for positions that do not require SAMA's non-objection.

2.2 Without prejudice to any other relevant regulations or instructions, these Requirements shall be applicable to Financial Institutions.

3. Priority for Appointment or Interim Appointment

Priority for appointment to Senior Positions shall be given to Saudi candidates. If the Financial Institution nominates a non-Saudi candidate to be appointed or interim appointed to a Senior Position, the Financial Institution shall provide justifications for the nomination, demonstrate the non-availability of a qualified Saudi candidate for the position, develop and include an approved plan for replacement in the written non-

objection request submitted to SAMA. The plan shall include the procedures, programs and courses the Financial Institution use and conduct to train and qualify Saudi candidates for such positions, as well as the time period required.

4. Appointment or Interim Appointment to the Following Positions Shall be Limited to Saudi Candidates:

- a. Director of Human Resources;
- b. Director of Information Security/ Cyber Security;
- c. Director of Information Technology;
- d. Chief Compliance Officer;
- e. Director of Anti-Money Laundering and Counter-Terrorist Financing;
- f. Director of Anti - Financial Crimes;
- g. Director of Anti -Fraud;
- h. Director of Legal Affairs;
- i. Director of Governance/ Secretary of Board of Directors;
- j. Director of the department concerned with providing information or executing the decisions issued against customers by SAMA (Financial Enforcement Department);
- k. Director of Customer Services in insurance companies;
- l. Director of Motor Claims in insurance companies; and
- m. Director of Individual Sales in insurance companies.

5. Replacement and Succession Planning :

5.1 The Financial Institution shall develop a policy approved by the board of directors as follows:

- a. replacement: determine the senior management positions in the Financial Institution that are held by non-Saudis, and then train Saudi staff to be qualified to hold such positions within a specified period of time; and
- b. succession planning: determine the key positions affecting the work and stability of the Financial Institutions, and then train Saudi staff to be qualified to hold such positions once they become vacant, enabling the Financial Institution to continue its work.

5.2 The Policy provided for in paragraph (1) of this Article shall, as a minimum, include the following:

- a. such positions, including, as a minimum, the senior management positions indicated in the attached appendices (1, 2, 3, 4, 5 & 6);
- b. specialized training programs and courses to be continuously implemented by the Financial Institutions to train and qualify the Saudi candidates for such positions; and
- c. regulatory framework developed for the Policy that includes implementation procedures.

5.3 The Policy shall ensure the provision of qualified Saudi talents to hold such positions gradually by using the best practices and programs in the field.

5.4 The Financial Institution's board of directors and chief executive officer/ managing director/ general director shall follow up the commitment to implement the Policy referred to in this Article.

6. Certificates Verification

The Financial Institution shall verify the authentication of the academic and professional certificates of the Senior Positions' holders and candidates as follows:

- a. verify the authentication of the academic certificates issued from institutions outside Saudi Arabia by checking the official seal and the authentication of a government authority, such as the Ministry of Foreign Affairs or Ministry of Education, if the holder is a national of the country issuing the certificate, or the authentication of the Cultural Bureau if the holder is not a national of the country issuing the certificate;
- b. verify the authentication of the professional certificates through the website of the issuer, if available, or through direct contact by e-mail or other reliable method; and
- c. verify the authentication of the academic and professional certificates issued by different educational and professional institutions through agencies that carry out certificate verification.

Chapter 3

Senior Positions that Require SAMA's Non-objection

7. The Financial Institution shall obtain SAMA's written non-objection on the nomination of the members of the board of directors, as well as the appointment, interim appointment and renewal of interim appointment of any person to carry out the tasks and responsibilities of the senior management positions indicated in the appendices especially prepared for each Financial Institution as follows:

Appendix (1): Senior Positions in banks operating in Saudi Arabia that require SAMA's written non-objection.

Appendix (2): Senior Positions in credit bureau companies operating in Saudi Arabia that require SAMA's written non-objection.

Appendix (3): Senior Positions in insurance and reinsurance companies and insurance service providers operating in Saudi Arabia that require SAMA's written non-objection. (SAMA may require insurance service providers to obtain written non-objection for some or all senior management positions specified for insurance and/or reinsurance companies).

Appendix (4): Senior Positions in finance and refinance companies and contract registration companies operating in Saudi Arabia that require SAMA's written non-objection.

Appendix (5): Senior Positions in money changers operating in Saudi Arabia that require SAMA's written non-objection.

Appendix (6): Senior Positions in payment and fintech companies operating in Saudi Arabia that require SAMA's written non-objection.

8. Candidates for Senior Positions shall not assume their responsibilities, exercise their roles or announce their appointment or interim appointment prior to obtaining SAMA's written non-objection.
9. The Financial Institution must obtain SAMA's written non-objection on interim appointment to senior management positions, provided that the term of the appointment does not exceed six months, renewable for one term with the approval of SAMA. SAMA's written non-objection shall not be required for interim appointment that do not exceed (20) business days.
10. The Financial Institution shall submit the requests for SAMA's written non-objection on the nomination of the members of the board of directors, or the appointment, the interim appointment or the renewal of interim appointment term for senior management positions accompanied by the required documents according to Appendix (B) herein, within a period not exceeding (30) business days from the date of holding the General Assembly meeting during which the member of the board of directors will be elected, or within a period not exceeding (20) business days from the expected date of the appointment of the candidate to the senior management position, as the case may be.
11. While making any job offers for appointment and interim appointment to Senior Positions, The Financial Institution shall inform candidates that such positions require obtaining SAMA's written non-objection.
12. The Financial Institution shall establish policies, standards and procedures for nomination to Senior Positions to ensure that all candidates and position holders meet and continue to meet the fitness and propriety criteria set forth in these Requirements and in the Financial Institution's policy throughout their tenure, taking into consideration the provisions of the relevant laws, regulations, policies and instructions. Such policies, standards and procedures shall, as a minimum, include the following:
 - a. the minimum fit and proper criteria as stated in the Requirements;
 - b. procedures for conducting fit and proper assessments;
 - c. procedures to be taken when holders of Senior Positions do not meet all the criteria; and
 - d. requirements of reviewing and updating the policy from time to time, and as needed.

Chapter 4

Fit and Proper Criteria and Disclosure

13. The Financial Institution's board of directors shall be responsible for ensuring the fitness and propriety of candidates for Senior Positions, in accordance with the Financial Institution's relevant policy, requirements and procedures.
14. The Financial Institution shall adopt clear and precise standards and procedures to assess and verify the fitness and propriety of the Senior Position holders or candidates. The fit and proper criteria shall, as a minimum, include the following:
 - a. **Honesty, integrity and good reputation and fairness:** The candidate must have personal qualities, such as honesty; integrity; good reputation and fairness, and must not have been convicted of any crime impinging on honor or integrity, unless rehabilitated.

- b. **Competence and capability:** The candidate must have the necessary academic qualification, or adequate experience, skills to perform his/her role effectively, as well as the ability to understand the technical requirements of the business, the risks and the management process. In addition, the candidate must meet all requirements set by SAMA.
 - c. **Financial capability efficiency:** The candidate must have the efficiency and experience needed to manage his/her financial obligations and affairs prudently and properly, this does not mean the limited financial possibilities of the candidate.
 - d. **Independence:** The candidate must have the necessary independence to perform the tasks and duties of the proposed Senior Position and shall not have employment interests or obligations, or any other situations which might give rise to conflict of interests or which could, in any way, impair the candidate's ability to independently perform the duties of the proposed position.
15. The assessment process carried out by the Financial Institution, on a regular basis or prior to requesting SAMA's non-objection, shall be documented and supported by relevant documents and information. The Financial Institution shall check the validity of the information provided by the candidates for the Senior Positions from independent and reliable internal and external sources. The information and the results of the assessment process obtained by the Financial Institution shall be kept confidential. The approval of the candidate, if necessary, shall be obtained to access the information.
16. The Financial Institution shall explain the Fit and Proper Form to candidates and ensure the completeness and accuracy of the information provided. The Financial Institution shall also disclose in writing to SAMA any information it may find relevant to the fitness and propriety of the candidate and any changes that may affect the validity, accuracy and completeness of the information provided in the Form, even if after obtaining SAMA's non-objection, within a period not exceeding (5) business days from the date on which such information was obtained or the change has occurred.
17. The Financial Institution and candidates for Senior Positions shall fully and clearly disclose to SAMA all information relevant to the fit and proper requirements. The information provided shall, as a minimum, include the following:
- a. all the information and documents required in the Fit and Proper Form;
 - b. any material information that may affect SAMA's decision to issue non-objection on the nomination, appointment, interim appointment or the renewal of interim appointment term; and
 - c. any other relevant information becomes known to the financial institution or candidate.
18. SAMA may request any information or documents it deems necessary for evaluating requests for non-objection on the nomination, appointment, interim appointment or the renewal of interim appointment term and may request to interview the candidate as well. The Financial Institution shall provide SAMA with the required information and documents within a period determined by SAMA or within (10) business days, as a maximum, from the date of requesting such information and/or documents. If the Financial Institution fails to provide so within the specified period, SAMA shall have the right to close the request.

19. SAMA may conduct background checks using various means it deems appropriate to ensure the validity, accuracy and completeness of the information and documents provided by the Financial Institution, and to ensure the fitness and propriety of candidates. Accordingly, SAMA will take actions it deems appropriate whether to grant non-objection on requests received or to reject such requests without any responsibility whatsoever on SAMA. Subsequently, the Financial Institution shall inform the candidate in that.
20. SAMA may cancel the non-objection granted to the Financial Institution on the appointment, interim appointment or the renewal of interim appointment term for a current Senior Position holder if SAMA finds that he/she does not cooperate, neglects or omits his/her duties, or if SAMA detects any concealment, misrepresentation or misreporting of information or any violation or circumvention of these Requirements or any other instructions issued by SAMA without prejudice to the statutory procedures towards the financial institution and the person concerned.
21. The Financial Institution shall periodically, and at least annually, assess the fitness and propriety of the Senior Position holders. In the event of such assessments leading to any information or findings that may materially compromise the fitness and propriety of the candidates, the Financial Institution shall immediately report such information and findings to SAMA.
22. The Financial Institution shall notify SAMA in writing, in accordance with email addresses indicated in Appendix (C), when the person appointed commence his/her work, when resignation is accepted, when position holder leaves work and when employment is terminated for whatever reason, within (5) business days from the date of such events.
23. The Financial Institution shall provide SAMA with biannual reports (at the end of both June and December) including data of Senior Position holders and data on vacant Senior Positions, in accordance with Appendix (A) hereof.

Chapter 5

Senior Positions that do not Require SAMA's Non-objection

24. The Financial Institution shall establish clear and precise policy, standards and procedures to ensure that candidates for and holders of positions that do not require SAMA's non-objection meet and continue to meet the fitness and propriety criteria throughout their tenure. Such policy, standards and procedures shall, as a minimum, cover the provisions hereof.
25. The Financial Institution's board of directors shall be responsible for ensuring the fitness and propriety of candidates for positions that do not require SAMA's non-objection, including candidates for Senior Positions in the Financial Institution's subsidiaries or its overseas branches, in accordance with these Requirements and the Financial Institution's relevant policies and procedures.
26. All assessments of candidates conducted by the Financial Institution shall be supported by relevant information and data and shall be properly documented.
27. SAMA shall have access to the data collected or procedures conducted by the Financial Institution in the context of the nomination, appointment or interim appointment to Senior Positions that do not require SAMA's non-objection.

Chapter 6

Effectiveness

28. These Requirements shall supersede the Requirements for Appointments to Senior Positions in Financial Institutions Supervised by the Saudi Arabian Monetary Authority (SAMA), promulgated by Circular No. 341000115396 dated 25/09/1434H.
29. These Requirements shall come into effect as of the date of the issuance.

Appendices

(1, 2, 3, 4, 5, 6)
(A, B, C)

Appendix (1)

Senior Positions in Banks Operating in Saudi Arabia that Require SAMA's Written Non-objection

- **Board of Directors**

1. Members of the board of directors (including the board's chairman and vice-chairman); and
2. Chairs and members of committees emerging from the board of directors.

- **Senior Management**

The following positions, and the like:

1. Chief Executive Officer/ Managing Director/ General Director (his/her deputy);
2. Chief Financial Officer;
3. Chief Risk Officer;
4. Director of Internal Audit;
5. Chief Compliance Officer;
6. Director of Anti-Money Laundering and Counter-Terrorist Financing;
7. Director of Anti-Financial Crimes;
8. Director of Anti-Fraud;
9. Director of Credit;
10. Chief Operating Officer;
11. Director of Legal Affairs;
12. Director of Governance/ Secretary of Board of Directors;
13. Director of Information Security/ Cyber Security;
14. Director of Information Technology;
15. Chief Treasurer;
16. Director of Human Resources;
17. Director of Retail Banking;
18. Director of Corporate Banking;
19. Senior Officer responsible for SAIBOR submission to SAIBOR calculating agent and administrator ;(local banks).
20. Director of the department concerned with providing information or executing the decisions issued against customers by SAMA (Financial Enforcement Department); and
21. Any other executive positions directly reporting to the Chief Executive Officer/Managing Director/General Manager, held by non-Saudis.

Appendix (2)

Senior Positions in Credit Bureau Companies Operating in Saudi Arabia that Require SAMA's Written Non-objection

- **Board of Directors**

1. Members of the board of directors (including the board's chairman and vice-chairman); and
2. Chairs and members of committees emerging from the board of directors.

- **Senior Management**

The following positions, and the like:

1. Chief Executive Officer/ Managing Director/ General Director (his/her deputy);
2. Director of Information Technology;
3. Director of Information Security/ Cyber Security;
4. Chief Operating Officer;
5. Director of Internal Audit;
6. Director of Legal Affairs;
7. Director of Governance/ Secretary of Board of Directors;
8. Chief Compliance Officer; and
9. Chief Risk Officer

Appendix (3)

I. Senior Positions in Insurance and/or Reinsurance Companies Operating in Saudi Arabia that Require SAMA's Written Non-objection

- **Board of Directors**

1. Members of the board of directors (including the board's chairman and vice-chairman);
2. Chairs and members of committees emerging from the board of directors; and
3. Secretary of committees emerging from the board of directors.

- **Senior Management**

The following positions, and the like:

1. Chief Executive Officer/ Managing Director/ General Director (his/her deputy);
2. Chief Financial Officer;
3. Chief Operating Officer;
4. Chief Risk Officer;
5. Chief Investment Officer;
6. Director of Internal Audit;
7. Chief Compliance Officer;
8. Director of Anti-Money Laundering and Counter-Terrorist Financing;
9. Director of Anti-Financial Crimes;
10. Director of Anti-Fraud;
11. Director of Information Technology;
12. Director of Information Security/Cyber Security;
13. Director of Governance/ Secretary of Board of Directors
14. Director of Legal Affairs;
15. The Appointed Actuary;
16. Director of Actuarial Services;
17. Director of Human Resources;
18. Managers of Regional Branches;
19. Director of Claims;
20. Director of Customer Service;
21. Director of Reinsurance;
22. Director of Marketing;
23. Director of Sales;
24. Director of Underwriting; and
25. Any other positions directly reporting to the Chief Executive Officer/Managing Director/General Manager.

II. Senior Positions in Insurance Service Providers Operating in Saudi Arabia that Require SAMA's Written Non-objection

The following positions, and the like:

1. Members of the board of directors (including the board's chairman and vice-chairman);
2. Chief Executive Officer/General Manager (his/her deputy);
3. Director of Reinsurance;
4. Officers responsible for actuarial services;
4. Compliance Officer or Liaison Officer;
5. Any positions in senior management specified for insurance and/or insurance companies, held by non-Saudis; and
6. Any other positions directly reporting to the Chief Executive Officer/General Manager, held by non-Saudis.

Appendix (4)

Senior Positions in Finance/Refinance Companies and Contract Registration Companies Operating in Saudi Arabia that Require SAMA's Written Non-objection

- **Board of Directors**

1. Members of the board of directors (including the board's chairman and vice-chairman); and
2. Chairs and members of committees emerging from the board of directors.

- **Senior Management:**

1. Chief Executive Officer/ Managing Director/ General Director (his/her deputy);
2. Chief Financial Officer;
3. Chief Risk Officer;
4. Compliance Officer;
5. Director of Internal Audit;
6. Director of Credit;
7. Chief Operating Officer; and
8. Director of Anti-Money Laundering (if separated from compliance director position).

Appendix (5)

Senior Positions in Money Changers Operating in Saudi Arabia that Require SAMA's Written Non-objection

- **Board of Directors**

1. Members of the board of directors (including the board's chairman and vice-chairman); and
2. Chairs and members of committees emerging from the board of directors.

- **Senior Management**

The following positions, and the like:

1. Chief Executive Officer/ Managing Director/ General Director (his/her deputy);
2. Branch Manager;
3. Chief Financial Officer;
4. Chief Risk Officer;
5. Director of Internal Audit;
6. Chief Compliance Officer;
7. Director of Anti-Money Laundering and Counter-Terrorist Financing;
8. Director of Legal Affairs;
9. Director of Governance/ Secretary of Board of Directors;
10. Director of Information Security/ Cyber Security;
11. Director of Information Technology;
12. Chief Operating Officer; and
13. Any other executive positions directly reporting to the Chief Executive Officer/Managing Director/General Manager, held by non-Saudis.

Appendix (6)

Senior Positions in Payment and Fintech Companies Operating in Saudi Arabia that Require SAMA's Written Non-objection

- **Board of Directors:**

1. Members of the board of directors (including the board's chairman and vice-chairman); and
2. Chairs and members of committees emerging from the board of directors.

- **Senior Management:**

The following positions, and the like:

1. Chief Executive Officer/ Managing Director/ General Director (his/her deputy);
2. Chief Financial Officer;
3. Chief Risk Officer;
4. Director of Internal Audit;
5. Chief Compliance Officer;
6. Director of Anti-Money Laundering and Counter-Terrorist Financing;
7. Director of Human Resources;
8. Director of Credit;
9. Director of Legal Affairs;
10. Director of Governance/Secretary of Board of Directors;
11. Director of Information Security/ Cyber Security;
12. Director of Information Technology; and
13. Any other executive positions directly reporting to the Chief Executive Officer/Managing Director/General Manager.

Appendix (A)

List of Members of Board of Directors of *(name of the financial institution)* for the Current Term Ending on...

No.	Name	Nationality	ID/Iqama No.	Membership Status (Executive, Non-Executive, Independent)	No. of Terms	Committee Membership	E-mail	Phone No.	Extension No.	Mobile No.	Notes
1											

List of Members of ... Committee at *(name of the financial institution)* for the Current Term Ending on...

No.	Name	Nationality	ID/Iqama No.	Membership Status (Executive, Non-Executive, Independent)	No. of Terms	Membership Start Date	E-mail	Phone No.	Extension No.	Mobile No.	Notes
1											

List of Senior Management Position Holders at *(name of the financial institution)*

No.	Name	Nationality	ID/Iqama No.	Position		Appointment/Interim Appointment	Term of Appointment/Interim Appointment	Start Date of Job	Date of Joining the Financial Institution	E-mail	Phone No.	Extension No.	Mobile No.	Notes
				Title	Sector									
1														

Appendix (B)
Documents Required to Obtain SAMA’s Written Non-objection for Senior Positions

Where the position requires SAMA’s prior written non-objection, the Financial Institution shall submit a request to SAMA requiring so in accordance with the method specified in **Appendix (C)** herein, along with the following documents:

No.	Documents	Attached	
		Yes	No
1	A scanned PDF Copy of the Financial Institution’s letter signed by the CEO or the Board’s Chairman.		
2.	A scanned PDF copy of the Fit and Proper Form completed and signed by the candidate for the Senior Position and certified by the Financial Institution. The requirements stipulated in such Form shall also be fulfilled.		
3	A digital WORD copy of the Fit and Proper Form completed.		
4	A copy of the results of the Fit and Proper Assessment conducted by the Financial Institution, along with any assessment-related documents.		
5	A copy of the results of the Fit and Proper Assessment conducted by the concerned committees of the Financial Institution for each nomination request relating to the chief compliance officer, chief risk officer or director of internal audit.		
6	An updated copy of the candidate’s CV.		
7	Copies of the verified official academic certificates.		
8	For Saudis, a copy of the passport and a copy of the national ID.		
9	For non-Saudis, a copy of the passport and a copy of the resident identity (Iqama).		
10	Organizational Structure of the Financial Institution, and the position.		
11	Job description for the position.		
12	Replacement plan for non-Saudis, covering the provisions of Article (3) hereof.		
13	Any other documents SAMA deems necessary.		

Appendix (C)
Requesting SAMA’s Written Non-objection on Appointment to Senior Positions

1. The Financial Institution shall send the requests for SAMA’s non-objection on the nomination, appointment, interim appointment or the renewal of interim appointment term for Senior Positions to the following emails:

No.	Sector	E-mail
A	Banks and Credit Bureau Companies	FPBANKING@SAMA.GOV.SA
B	Insurance/Reinsurance Companies and Insurance Service Providers	IC.Fit@SAMA.GOV.SA
C	Finance/Refinance Companies and Contract Registration Companies	FPPINANCE@SAMA.GOV.SA
D	Money Changers	MoneyExchLic@SAMA.GOV.SA
E	Payment and Fintech Companies	FPPayments@SAMA.GOV.SA

2. The request for non-objection shall be accompanied by digital copies of documents identified in Appendix (B).

Fit and Proper Form

SEP 2019

Fit and Proper Form can be accessed via the following link:

<http://www.sama.gov.sa/en-us/finance/pages/financeforms.aspx>