

Employment in Financial Services

Contributing Editor

Louise Skinner at Morgan Lewis & Bockius

03. What documents should be put in place when engaging employees within the financial services industry? Are any particular contractual documents required?

Netherlands

Author: *Sjoerd Remers*
at Lexence

All employees must provide identity documentation and required diplomas to the financial services sector employer (including relevant Wft diploma(s), see question 4).

Before entering into an employment agreement, almost all financial services sector companies require a certificate of conduct (VOG). A VOG is a document by which the Dutch minister of legal protection declares that a candidate's (judicial) past does not constitute an obstacle to fulfilling a specific task or position. When assessing a VOG application, the Dutch minister of legal protection checks whether a candidate has criminal offences to his name that pose a risk to the position or purpose for which he is applying for the VOG.

Last updated on 16/04/2024

04. Do any categories of employee need to have special certification in order to undertake duties for financial services employers? If so, what are the requirements that apply?

Netherlands

Author: *Sjoerd Remers*

at Lexence

According to Dutch law, financial services sector companies must guarantee the quality of their services. This means, among other things, that they must have skilled employees for the subjects on which they advise. After all, the consumer must be able to trust that an employee has the right knowledge and skills to provide appropriate advice.

Therefore, all financial services sector employees with substantive customer contact must have up-to-date professional competence at all times. This means that employees must be skilled, aware of current developments in their field, and can apply these in their work. The obligation to maintain up-to-date professional competence at all times is an open standard. Financial services companies may, therefore, decide for themselves how to implement this standard.

There is, however, a mandatory Wft diploma requirement for employees who provide financial advice. Which products and services an employee may provide advice on depends on the specific Wft diplomas he or she has obtained (after passing an exam). A Wft diploma is valid for a definite period (with a maximum of three years). To renew a Wft diploma, an employee must pass a new exam.

Furthermore, all candidates who will (co-)determine the policy of a financial services company must also be assessed by local authorities and will be tested for reliability and suitability.

Last updated on 16/04/2024

05. Do any categories of employee have enhanced responsibilities under the applicable regulatory regime?



Netherlands

Author: *Sjoerd Remers*
at Lexence

The reliability, propriety and fitness of (supervisory) directors and executives in the financial services sector, as well as employees in an integrity-sensitive position, must be “beyond doubt”. This is also assessed by local authorities.

Last updated on 16/04/2024

06. Is there a register of financial services employees that individuals will need to be listed on to undertake particular business activities? If so, what are the steps required for registration?



Netherlands

Author: *Sjoerd Remers*
at Lexence

There is no mandatory register for Dutch financial services employees.

Companies in the financial sector, however, must have a licence to provide financial services. Local regulators are responsible for the issuance of such licences. Companies in the financial sector with a license are published by the local regulator on a public register.

Last updated on 16/04/2024

08. Are there particular training requirements for employees in the financial services sector?



Netherlands

Author: *Sjoerd Remers*
at Lexence

Please see question 4.

Last updated on 16/04/2024

09. Is there a particular code of conduct and/or are there other regulations regarding standards of behaviour that financial services employees are expected to adhere to?



Netherlands

Author: *Sjoerd Remers*
at Lexence

Under Dutch law, financial services companies must maintain integrity and ensure safety, stability and integrity within their company. This also means that financial services companies must prevent their employees from committing criminal offences, other violations of the law or socially inappropriate behaviour that undermines confidence in the financial services sector or financial markets. For these reasons, it is common to implement company-specific codes of conduct.

There are many statutory general regulations and standards of behaviour that financial services employees are expected to adhere to. Moreover, all industries have their own specific industry-wide guidelines and codes of conduct.

An important statutory obligation for directors, (other) policymakers and employees with customer contact is to take an oath or promise before entering into employment. The oath or promise contains a declaration that – among other things – the employee will perform his or her duties with care and integrity, will put customer interests first and will make every effort to maintain and promote confidence in the financial services sector.

In addition to the oath or promise as mentioned above, there is also the “banker's oath”. This oath goes further than the oath or promise mentioned above and is mandatory for all employees who work for banks.

Breaching guidelines, codes of conduct or the statutory oath could lead to disciplinary sanctions being

taken by the company itself (such as termination of the employment contract) or by disciplinary supervisors (such as a reprimand or a fine).

Last updated on 16/04/2024

10. Are there any circumstances in which notifications relating to the employee or their conduct will need to be made to local or international regulators?

Netherlands

Author: *Sjoerd Remers*
at Lexence

Financial services companies must report to local regulators any behaviour or event that poses a serious threat to the ethical conduct of the business of the company or may affect the reliability of policymakers, sound and controlled business operations and continuity.

Furthermore, there are several local disciplinary authorities where reports can be made about financial services employees who fail to comply with Dutch law, guidelines and rules of conduct.

Last updated on 16/04/2024

11. Are there any particular requirements that employers should implement with respect to the prevention of wrongdoing, for example, related to whistleblowing or the prevention of harassment?

Netherlands

Author: *Sjoerd Remers*
at Lexence

Financial services companies must create a safe and healthy work environment. Furthermore, financial services sector companies have a statutory responsibility to protect consumers from unethical, unprofessional and negligent behaviour and services. In this regard, it is advisable (and common) to implement an internal code of conduct.

Under Dutch law, financial services companies must set up an internal reporting procedure (with specific requirements) where suspected misconduct can be reported.

Last updated on 16/04/2024

12. Are there any particular rules or protocols that

apply when terminating the employment of an employee in the financial services sector, including where a settlement agreement is entered into?



Netherlands

Author: *Sjoerd Remers*
at Lexence

There are no particular rules or protocols that apply when terminating the employment of financial services employees.

Please see question 7 for more information on severance payments.

Last updated on 16/04/2024

13. Are there any particular rules that apply in relation to the use of post-termination restrictive covenants for employees in the financial services sector?



Netherlands

Author: *Sjoerd Remers*
at Lexence

There are no particular rules that apply concerning the use of post-termination restrictive covenants for financial services employees.

Last updated on 16/04/2024

Contributors



Netherlands

Sjoerd Remers
Lexence