



# Annual Report 2022





**CNMV Annual Report  
2022**

Comisión Nacional del Mercado de Valores

Edison, 4

28006 Madrid

Bolivia, 56

080018 Barcelona

Heros, 3

48009 Bilbao

© Comisión Nacional del Mercado de Valores

The contents of this publication may be reproduced, subject to attribution.

The CNMV publishes most of its reports and publications on the Internet at [www.cnmv.es](http://www.cnmv.es).

ISSN (digital edition): 1889-5166

Layout: Cálamo y Cran

## Abbreviations

AA. PP.	Public administration service
ABS	Asset-Backed Security
AIAF	Spanish Market in Fixed-income Securities
AIF	Alternative Investment Fund
ANCV	Spanish National Numbering Agency
APA	Approved Publication Arrangement
APR	Annual Percentage Rate
ASCRI	Spanish Venture Capital & Private Equity Association
AV	Broker
BIS	Bank for International Settlements
BME	Spanish Stock Markets and Financial Systems
CADE	Public Debt Book-entry Trading System
CC. AA.	Autonomous regions
CCP	Central Counterparty
CDS	Credit Default Swap
CFA	Atypical financial contract
CFD	Contract For Differences
CISMC	CIS Management Company
CNMV	(Spanish) National Securities Market Commission
CP	Crowdfunding Platform
CS	Customer Service
CSD	Central Securities Depository
CSRD	Central Securities Depositories Regulation
DLT	Distributed Ledger Technology
EAF	Financial advisory firm
EBA	European Banking Authority
EBITDA	Earnings Before Interest Taxes, Depreciation and Amortisation
EC	European Commission
ECA	Credit and savings institution
ECB	European Central Bank
ECR	Venture capital firm
EFAMA	European Fund and Asset Management Association
EFSM	European Financial Stabilisation Mechanism
EICC	Closed-ended collective investment company
EIOPA	Occupational Pensions Authority
EIP	Public interest entity
EMIR	European Market Infrastructure Regulation
EMU	Economic and Monetary Union
ESFS	European System of Financial Supervision
ESMA	European Securities and Markets Authority
ESRB	European Systemic Risk Board
ETF	Exchange Traded Fund
EU	European Union
EUSEF	European Social Entrepreneurship Fund
FICC	Closed-ended collective investment fund
FII	Real estate investment fund
FIN-NET	Financial Dispute Resolution Network
FINTECH	Financial Technology
FOGAIN	Investment Guarantee Fund

FRA	Forward Rate Agreement
FROB	Spanish Executive Resolution Authority
FSB	Financial Stability Board
FTA	Asset securitisation fund
FTH	Mortgage securitisation fund
GDP	Gross Domestic Product
HF	Hedge Fund
HFT	High Frequency Trading
IAGC	Annual corporate governance report
IARC	Annual report on director remuneration
IAS	International Accounting Standards
ICIS	Collective investment company/scheme
ICO	Initial Coin Offering
IF	Investment Firm / Investment Fund
IFRS	International Financial Reporting Standards
IIMV	Ibero-American Securities Market Institute
IMF	International Monetary Fund
IOSCO	International Organization of Securities Commissions
IPO	Initial Public Offering (for sale/subscription of securities)
IPP	Periodic public information
IRR	Internal Rate of Return
ISIN	International Securities Identification Number
KIID/KID	Key Investor Information Document
Latibex	Market of Latin American Securities
LEI	Legal Entity Identifier
LIIC	Spanish Collective Investment Companies Act
LMV	Spanish Securities Market Act
MAB	Alternative Stock Market
MAD	Market Abuse Directive
MAR	Market Abuse Regulation
MARF	Alternative Fixed-Income Market
MBS	Mortgage Backed Securities
MEFF	Spanish Financial Futures Market
MFP	Maximum Fee Prospectus
MiFID	Markets in Financial Instruments Directive
MiFIR	Markets in Financial Instruments Regulation
MOU	Memorandum Of Understanding
MREL	Minimum Requirement for Own Funds and Eligible Liabilities
MTF	Multilateral Trading Facility
MTS	Market for Treasury Securities
NCA	National Competent Authority
NDP	National Domestic Product
OECD	Organisation for Economic Cooperation and Development
OIS	Overnight Indexed Swaps
OTC	Over The Counter
OTF	Organised Trading Facility
PER	Price-to-Earnings Ratio
PRIIP	Packaged Retail and Insurance Based Investment Product
PUI	Loan of last resort
RAROC	Risk-Adjusted Return On Capital
REIT	Real Estate Investment Trust
RENADE	Spanish National Registry for Greenhouse Gas Emission Allowances
RFQ	Request For Quote
ROA	Return On Assets
ROE	Return On Equity
SAMMS	Advanced Secondary Market Tracking System

SAREB	Asset Management Company for Assets Arising from Bank Restructuring
SENAF	Electronic Trading Platform for Spanish Government Bonds
SEND	Electronic Debt Trading System
SEPBLAC	The Executive Service of the Commission for the Prevention of Money Laundering and Monetary Offences
SGC	Portfolio management company
SGEGR	Venture capital firm management company
SGEIC	Closed-ended investment scheme management company
SGFT	Asset securitisation fund management company
SIBE	Electronic Spanish Stock Market Interconnection System
SICAV	Open-ended collective investment company
SICC	Closed-ended collective investment company
SII	Real estate investment company
SIL	Hedge fund with legal personality
SME	Small and Medium Enterprise
SNCE	National Electronic Clearing System
SPV/SFV	Special purpose/financial vehicle
SRB	Single Resolution Board
SREP	Supervisory Review and Evaluation Process
STOR	Suspicious Transaction and Order Report
SV	Broker-dealer
T2S	Target2-Securities
TER	Total Expense Ratio
TOB	Takeover Bid
TRLMV	Recast text of the Spanish Securities Market Act
TVR	Theoretical Value of the Right
UCITS	Undertaking for Collective Investment in Transferable Securities
VCF	Venture Capital Firm / Venture Capital Fund
XBRL	Extensible Business Reporting Language





# General table of contents

<b>Abbreviations</b>	<b>5</b>
<b>Index of exhibits</b>	<b>11</b>
<b>Index of tables</b>	<b>13</b>
<b>Index of figures</b>	<b>15</b>
<b>Index of annexes</b>	<b>17</b>
<b>I Securities markets and their agents</b>	<b>19</b>
<b>I.1 Economic and financial environment</b>	<b>21</b>
I.1.1 Economic environment: leading role of central banks against inflation and the slowdown in growth	21
I.1.2 Financial environment: falling prices and increasing financial stress	26
I.1.3 Risks and uncertainties	33
<b>I.2 Markets and issuers</b>	<b>37</b>
I.2.1 Equity markets	37
I.2.2 Fixed income	54
I.2.3 Derivatives markets	62
I.2.4 Clearing, settlement and registration	66
<b>I.3 Financial institutions and investment services</b>	<b>73</b>
I.3.1 Collective investment	73
I.3.2 Provision of investment services	83
I.3.3 Venture capital firms and crowdfunding platforms	95
<b>II CNMV actions in the securities markets</b>	<b>99</b>
<b>II.1 Issuers' transparency obligations</b>	<b>101</b>
II.1.1 Financial reporting	101
II.1.2 Information on sustainability and corporate governance	105
<b>II.2 Market supervision</b>	<b>119</b>
II.2.1 Tools for detecting market abuse	120
II.2.2 Actions to supervise market abuse and correct price formation	122
II.2.3 Short selling	129
II.2.4 Supervision of the MiFID requirements imposed on infrastructures market	129
II.2.5 Benchmark indices	131
II.2.6 Clearing, settlement and registration	135
II.2.7 Market oversight actions	140
II.2.8 Spanish National Numbering Agency	140
<b>II.3 Supervision of entities</b>	<b>147</b>
II.3.1 Investment firms	147
II.3.2 Management entities, investment vehicles and depositories	155
II.3.3 Crowdfunding platforms	166
II.3.4 Cooperation in the prevention of money laundering	166
II.3.5 Investment Guarantee Fund (FOGAIN)	166
<b>II.4 Resolution of entities</b>	<b>169</b>
II.4.1 Resolution (preventive stage) of investment firms	169
II.4.2 Resolution of central counterparties (CCPs)	172

<b>II.5</b>	<b>Monitoring and actions relating to financial stability</b>	<b>179</b>
II.5.1	Introduction	179
II.5.2	Analysis of financial stability and systemic risk	180
II.5.3	Actions in relation to the AMCESFI	184
II.5.4	Actions in relation to the ESRB, IOSCO and the FSB	185
<b>II.6</b>	<b>Investor assistance</b>	<b>191</b>
II.6.1	Claims and complaints	191
II.6.2	Enquiries	193
II.6.3	Warnings about unauthorised firms	197
II.6.4	Warnings about other entities	199
II.6.5	Whistleblowing	199
II.6.6	Investor education	201
<b>II.7</b>	<b>Disciplinary action</b>	<b>207</b>
II.7.1	Disciplinary proceedings	207
II.7.2	Litigation department: judicial review of disciplinary proceedings and other actions	209
II.7.3	Complaints	211
<b>II.8</b>	<b>International cooperation and activity</b>	<b>213</b>
II.8.1	Cooperation and information sharing with foreign authorities	214
II.8.2	Participation of the CNMV in the European Securities and Markets Authority (ESMA) activities: strategy and governance, supervisory convergence and horizontal issues	216
II.8.3	IOSCO: priorities, news, participation of the CNMV	221
II.8.4	Financial Stability Board (FSB)	223
II.8.5	Instituto Iberoamericano del Mercado de Valores (Ibero-American Securities Market Institute) (IIMV)	224
<b>II.9</b>	<b>Sustainable finance</b>	<b>227</b>
II.9.1	Context and regulatory developments	227
II.9.2	CNMV actions	230
<b>II.10</b>	<b>Fintech and cybersecurity</b>	<b>235</b>
II.10.1	Fintech Portal	235
II.10.2	Sandbox	238
II.10.3	Meeting organised by the CNMV on Fintech	241
II.10.4	Advertising of crypto-assets	241
II.10.5	Cybersecurity	242
II.10.6	Laws and regulations	243
II.10.7	International activities	245
<b>III</b>	<b>CNMV Advisory Committee</b>	<b>249</b>
<b>IV</b>	<b>CNMV: organisational, financial and institutional aspects</b>	<b>255</b>
<b>IV.1</b>	<b>Strategic lines of the CNMV 2023-2024, annual objectives and performance</b>	<b>257</b>
IV.1.1	Strategic lines 2023-2024	257
IV.1.2	Fulfilment of the objectives of the 2022 Activity Plan	264
IV.1.3	Key Performance Indicators (KPIs) of the CNMV	266
<b>IV.2</b>	<b>Human resources and organisation</b>	<b>273</b>
<b>IV.3</b>	<b>Financial management</b>	<b>277</b>
IV.3.1	Income and expenses	277
IV.3.2	Fee structure	278
IV.3.3	Financial figures	279
<b>IV.4</b>	<b>Report by the Internal Control Body</b>	<b>285</b>
<b>Annexes</b>		<b>287</b>
<b>Statistical annexes I: markets and issuers</b>		<b>289</b>
<b>Statistical annexes II: financial institutions and investment services</b>		<b>301</b>
<b>Statistical annexes III: regulation and supervision</b>		<b>313</b>
<b>Legislative annexes</b>		<b>319</b>
<b>Annex on CNMV Organisation</b>		<b>343</b>

## Index of exhibits

1	Monetary policy tightening and its impact on fixed income markets	30
2	The episodes of banking crises that marked the start of 2023	34
3	Consolidation of alternative markets: BME Growth and MARF	50
4	Impact of the new tax regime established by the Corporate Tax Law on the registration of SICAVs	78
5	Adaptation to the European Regulation on crowdfunding service providers	97
6	New directive on corporate sustainability reporting (CSRD)	108
7	Code of good practices for investors	117
8	Climate benchmarks and ESG as a lever to promote Sustainable Development Goals	133
9	Supervisory work on activity linked to natural gas and electricity products cleared by the CCP during the recent energy crisis and the conflict in Ukraine	136
10	Measures to promote the attractiveness of capital markets in the European Union (Listing Act)	142
11	<i>Ex-post</i> cost disclosure obligations (Annual cost report)	148
12	Review of the first phase of the implementation of sustainability regulations at CISs	158
13	The “Create and Grow” Law	162
14	CNMV Circular 3/2022, of 21 July, on the CIS prospectus and the registration of the KIID	165
15	New powers of the CNMV as the resolution authority for central counterparties	173
16	Work carried out by the FSB in connection with OEFs (open-end funds)	188
17	Volunteer Programme: the social dimension of the CNMV’s activity	204
18	The crypto-asset market, regulatory development and actions of the authorities	236
19	The sandbox and DLT-based market infrastructures	240
20	The New Securities Market and Investment Services Act	259
21	Survey among investors and other users of the information generated by the CNMV	263
22	Investor education and investor protection as part of the Action Plan against Financial Fraud	265



## Index of tables

I.1.1.1	Key variables of the Spanish economy (growth rates)	24
I.1.1.2	Profit/(loss) by sector: non-financial listed companies	25
I.1.2.1	Performance of the main stock market indices	28
E1.1	Performance of medium and long-term fixed income yields	31
E1.2	Yield of investment funds by type	32
I.2.1.1	Market capitalisation and trading on national regulated markets as a percentage of nominal GDP	38
I.2.1.2	Number of companies listed on the Spanish stock markets	39
I.2.1.3	Capitalisation of equity on Spanish stock markets	40
I.2.1.4	Number of listed companies and capitalisation by sector	41
I.2.1.5	Capital increases and IPOs	43
I.2.1.6	Total trading in Spanish equities admitted to trading on Spanish stock markets	44
I.2.1.7	Trading in equities on markets operated by BME	45
I.2.1.8	Trading on BME by type of trade	46
I.2.1.9	Short positions	46
I.2.1.10	Takeover bids	47
I.2.1.11	Companies listed on Latibex, by country	48
I.2.1.12	Companies listed on BME MTF Equity, by segment	49
I.2.2.1	Issues and outstanding balances: breakdown by issuer	55
I.2.2.2	Gross issues by the public administration service	56
I.2.2.3	Public debt. Total trading by instrument and transaction	56
I.2.2.4	Trading in public debt in Spanish trading venues	57
I.2.2.5	Gross private fixed income issues registered in Spain	59
I.2.2.6	Gross private fixed income issued by Spanish issuers abroad	60
I.2.2.7	Admission to the MARF	60
I.2.2.8	Total trading of private fixed income instruments issued by Spanish companies	61
I.2.3.1	Trading on European financial derivatives markets	62
I.2.3.2	Trading on MEFF Exchange	63
I.2.3.3	Number of members of MEFF Exchange	64
I.2.3.4	Trading on organised trading facilities (OTFs)	65
I.2.3.5	Warrant issues filed with the CNMV	66
I.2.3.6	Trading in warrants on the continuous market	66
I.2.4.1	Iberclear ARCO. Registration activity	67
I.2.4.2	Iberclear. Transactions settled ARCO	68
I.2.4.3	Iberclear. ARCO settlement incidents	69
I.2.4.4	Number of members of BME Clearing by segment	70
I.2.4.5	Activity in BME Clearing Energía	70
I.2.4.6	Activity in BME Clearing Renta Variable	71
I.2.4.7	Activity in BME Clearing Repo	71
I.3.1.1	Breakdown of investment fund assets	76
I.3.1.2	Registrations and deregistrations of entities in 2022	77
I.3.1.3	Breakdown of investment company assets	79
I.3.1.4	Income statements of CISMCS	82
I.3.1.5	Profit before tax, number of loss-making entities and amount of losses	82
I.3.2.1	Income of credit institutions from the provision of securities services and marketing of non-bank financial products	84
I.3.2.2	Fees received for investment services. 2022	85
I.3.2.3	Registrations and deregistrations of entities	86
I.3.2.4	Income statement for broker-dealers	88
I.3.2.5	Profit/(loss) before tax, number of loss-making broker-dealers and amount of losses before tax	90
I.3.2.6	Income statement for brokers	91
I.3.2.7	Profit/(loss) before tax, number of loss-making brokers and amount of losses before tax	92
I.3.2.8	Financial advisory firms: number of contracts and volume of assets under advisory services	93
I.3.3.1	Registrations and deregistrations in 2022	96

I.3.3.2	Number of registered crowdfunding platforms and crowdfunding service providers	97
II.1.1.1	Summary of issuers' annual financial reports received by the CNMV	102
II.1.2.1	NFIS received by the CNMV	106
E6.1	Sustainability standards	108
E6.2	Sustainability standards	109
II.1.2.3	Number of notifications on significant shareholders' voting rights	112
II.1.2.4	Most relevant significant shareholders	113
II.1.2.5	Number of treasury stock notifications by final percentage declared	113
II.2.1	Number of trades and volume traded	120
II.2.2.1	Disclosures of inside and significant information	122
II.2.2.2	Temporary suspensions of trading	123
II.2.2.3	Number of notifications received by the CNMV	126
II.2.5.1	Benchmark administrators authorised by or registered with the CNMV	131
II.2.7.1	Numbers assigned to issues by the ANCV in 2021 and 2022	141
II.2.7.2	Enquiries addressed by the ANCV	142
II.3.1.1	Supervision of credit institutions: deficiency letters sent out by the CNMV in 2022	147
II.3.2.1	Supervision of CIs and venture capital firms by the CNMV in 2022	164
II.3.5.1	Changes in number of entities belonging to FOGAIN	167
II.4.1.1	Resolution plans for investment firms approved up to year-end 2022	170
II.4.1.2	Guidelines of the European Banking Authority adopted by the CNMV in matters of resolution	171
II.4.2.1	Level 2 developments of the CCP resolution regulation	176
II.5.2.1	Average gross leverage of AIFs (December 2022)	184
II.6.1.1	Claims and complaints processed, by type of resolution	192
II.6.1.2	Reasons for claims and complaints concluded in 2022	193
II.6.2.1	Number of enquiries by channel	194
II.7.1.1	Proceedings initiated and concluded	208
II.7.1.2	Number of infringements of each type addressed in disciplinary proceedings	209
II.7.1.3	Penalties imposed	209
II.7.2.1	Cases in which the CNMV participated in 2022	210
II.8.1	Number of meetings in which the CNMV participated in 2022	214
II.8.1.1	Collaboration actions	215
II.8.2.1	ESMA guidelines	220
II.10.1.1	Enquiries received on the Fintech Portal	235
III.1	Types of issues referred to the Advisory committee	252
III.2	Actions of the CNMV Advisory Committee in 2022	252
IV.1.3.1	Performance indicators	267
IV.1.3.2	Activity indicators	268
IV.2.1	CNMV staff: composition by professional category	273
IV.2.2	Breakdown of staff by CNMV departments	274
IV.3.2.1	CNMV fee income	278

## Index of figures

I.1.1.1	GDP: annual change	22
I.1.1.2	Price indices	22
I.1.1.3	Key policy rates	23
I.1.1.4	Households	26
I.1.2.1	Spanish financial markets stress indicator	27
I.1.2.2	Sector performance on the Madrid Stock Exchange	29
I.1.2.3	10-year government bond yields	29
I.1.2.4	Spanish debt asset risk premiums	30
E3.1	Companies listed on BME Growth, by type (2009-2022)	51
E3.2	Companies admitted to trading on BME Growth, by type (2009-2022)	52
E3.3	Volume issued on MARF (2013-2022)	53
I.3.1.1	Investment funds: breakdown of assets	75
I.3.1.2	Assets of foreign CISs marketed in Spain	81
I.3.2.1	Broker-dealers that are members of the stock exchange: brokered volume and average fees on equities in regulated Spanish markets	89
I.3.2.2	Surplus equity over minimum requirements for broker-dealers and brokers	92
II.1.1.1	Reasons for requests for information sent to issuers (excluding securitisation funds and bank asset funds)	103
II.1.2.1	Opinions on NFIS	106
II.1.2.2	Number of notifications registered annually (2012-2022)	111
II.1.2.3	Notifications submitted late	112
II.1.2.4	Female directors as a percentage of the total number of directors	115
II.1.2.5	Remuneration by item	116
E9.1	Spanish electricity and natural gas: reference prices of the main expiries	137
E9.2	Evolution of the open position in the energy segment	138
II.5.2.1	Heat map: summary by markets and risk categories	181
II.5.2.2	Level of NBFi involvement in financial risks. 2021	182
II.6.2.1	Subjects of enquiries	195
II.6.3.1	Number of warnings about unauthorised firms from EU Member States and the United Kingdom	197
II.6.3.2	Number of warnings issued by the CNMV on unregistered entities	198
IV.2.1	Employee training, by type	274
IV.2.2	Percentage of workforce participation in language programmes 2021/2022	275





# Index of annexes

## Statistical annexes I: markets and issuers 289

I.1	Capital increases and initial public offerings	289
I.2	Capital increases and public offerings in 2022: cash amount	289
I.3	Companies delisted in 2022	291
I.4	Sector indices in the Madrid and Barcelona stock exchanges	291
I.5	Concentration of capitalisation by sector	292
I.6	Concentration of equity stock market trading	292
I.7	Percentage of capitalisation by sector and the largest companies in each sector with respect to the overall market	293
I.8	Capitalisation and trading volume of Ibex 35 companies	294
I.9	Takeover bids authorised in 2022	295
I.10	Companies listed on Latibex by sector	295
I.11	Net issues made by public administration service	296
I.12	Number of issuers and issuances filed with the CNMV. Breakdown by instrument	296
I.13	Main fixed income issuers registered with the CNMV in 2022	297
I.14	Main fixed income issuers registered with the CNMV in 2022. Breakdown by instrument	297
I.15	Commercial paper issuers: largest outstanding balances at 31 December 2022	298
I.16	Main issuers of securitisation bonds in 2022	298
I.17	Securitisation bonds, by type of asset securitised	299
I.18	Proprietary trading on AIAF	299

## Statistical annexes II: financial institutions and investment services 301

II.1	Number, unitholders, assets and breakdown of changes in assets of securities and real estate investment funds	301
II.2	Fund portfolio: weight in the outstanding balance of Spanish securities	302
II.3	Expenses charged to financial investment funds	302
II.4	Yields and net subscriptions of investment funds	303
II.5	Foreign CISs marketed in Spain	304
II.6	CIS management companies (CISMCs) and management companies of closed-ended collective investment schemes: registrations and deregistrations in 2022	305
II.7	Foreign investment firms with community passport: home Member State	306
II.8	Broker-dealers and brokers, and financial advisory firms and foreign investment firms with branches: registrations and deregistrations in 2022	307
II.9	Broker-dealers and brokers, and financial advisory firms. Changes of control in 2022	308
II.10	Spanish investment firms with community passport: host Member State	308
II.11	Spanish financial advisory firms with community passport: host Member State	310
II.12	Foreign credit institutions authorised to provide investment services in Spain: home Member State	310

## Statistical annexes III: regulation and supervision 313

III.1	Number of significant shareholders of Ibex 35 companies	313
III.2	Resolution of disciplinary proceedings in 2022	314
III.3	List of judicial rulings on contentious-administrative appeals against penalties in 2022	316

<b>Legislative annexes</b>		<b>319</b>
A	Spanish legislation	319
A.1	Spanish National Securities Market Commission (CNMV)	319
A.2	Transposition of European regulations	322
A.3	Other standards	329
B	European legislation	337
B.7	Guidelines, decisions and recommendations of ESMA/EBA	341

<b>Annex on CNMV Organisation</b>		<b>343</b>
	Composition of the CNMV Board at 31 May 2023	343
	Composition of the CNMV Executive Committee at 31 May 2023	343
	Composition of the CNMV Advisory Committee at 31 May 2023	344
	CNMV organisational structure	346

# I Securities markets and their agents



## 1.1 Economic and financial environment

The economic and financial environment influences the savings and investment flows of the agents in the financial system and determines the evolution of important aspects within the scope of supervision of the CNMV, in particular, of financial markets and their infrastructures and the different financial intermediaries and investment agents. The economic environment of 2022 was shaped by the worsening of global inflation that began in 2021 and the appearance of new geopolitical risks and uncertainties, which gave rise to a significant shift in monetary policy in the main economies and a deterioration of global growth prospects.

### 1.1.1 Economic environment: leading role of central banks against inflation and the slowdown in growth

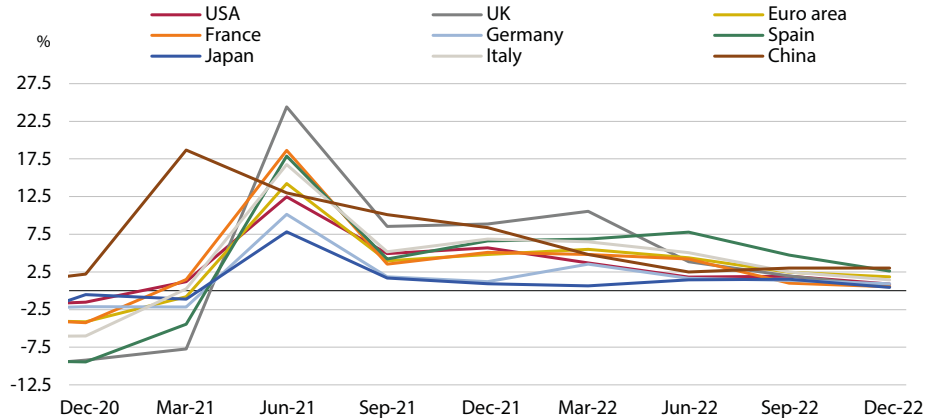
2022 was marked by the Russian invasion of Ukraine, which aggravated the rise in inflation that began in 2021, giving rise to the most aggressive and most rapid shift in monetary policy in recent times. The increase in interest rates caused significant falls in the prices of most financial assets, in a context of deteriorating economic growth prospects, which slowed globally from 6.2% in 2021 to 3.4% in 2022.

The slowdown in growth was somewhat sharper in the advanced economies (from 5.4% to 2.7%) compared with the emerging markets (from 6.7% to 4.0%), although differences were observed within these groups. This is explained by the differences in countries' exposures to the consequences of the war, especially in aspects such as energy dependence, their recovery after the pandemic, and the varying impact of high inflation and monetary and fiscal policy measures.

Thus, the US economy grew by 2.1% in 2022, well below the rate of close to 6% seen in the previous year, and the euro area reported growth of 3.5%, compared with 5.3% in 2021. Within the euro area, GDP growth in the largest economies fluctuated between 1.9% in Germany and 5.5% in Spain. Among emerging economies, the slowdown of the Chinese economy stands out – which went from growth of 8.4% in 2021 to 3% in 2022, due to its “zero Covid” policy, and the Latin American region, which went from growth of 7% to 4%.

**GDP: annual change<sup>1</sup>**

FIGURE I.1.1.1

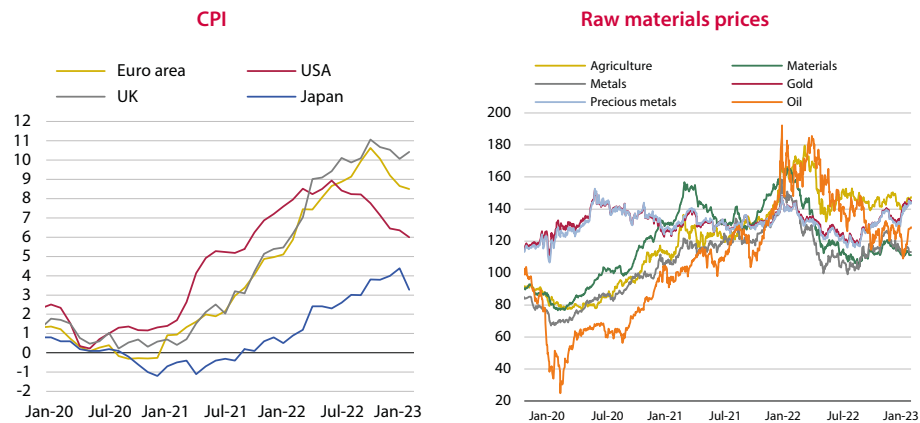


Source: Refinitiv Datastream. (1) Year-on-year GDP rates are shown for each quarter in all economies except China, for which YTD rates are shown in year-on-year terms.

The outbreak of Russia’s war in Ukraine in early 2022 intensified inflationary pressures<sup>1</sup> in all economic regions, with figures close to or above 10%, which in most cases had not been recorded since the 1980s (see Figure I.1.1.2). The rise in prices, initially linked to energy raw materials, eventually spread to most other raw materials and later to the prices of other goods and services.<sup>2</sup> At the end of 2022, year-on-year inflation fell slightly on the back of the moderation in energy prices, but core rates continued to rise, increasing the risk of additional price rises linked to second round effects and the de-anchoring of agents’ inflation expectations (the second of these has not yet occurred).

**Price indices**

FIGURE I.1.1.2



Source: Refinitiv Datastream. Data to 11 April.

The monetary policy tightening, which put an end to the low interest rates seen in recent years, was faster and more pronounced in the United Kingdom and in United States. The Bank of England was the first central bank to start the process of

1 In addition to rising raw materials prices, inflationary pressures were influenced to global factors, including the recovery in demand associated with the reopening of the economy after the health crisis and distortions in global production and logistics chains.  
2 Despite these widespread effects, some differences between countries were also observed: in the United States, for example, the rise in inflation tended to reflect demand pressures and increased stress in the labour market, while in Europe countries were more exposed to higher energy raw materials prices.

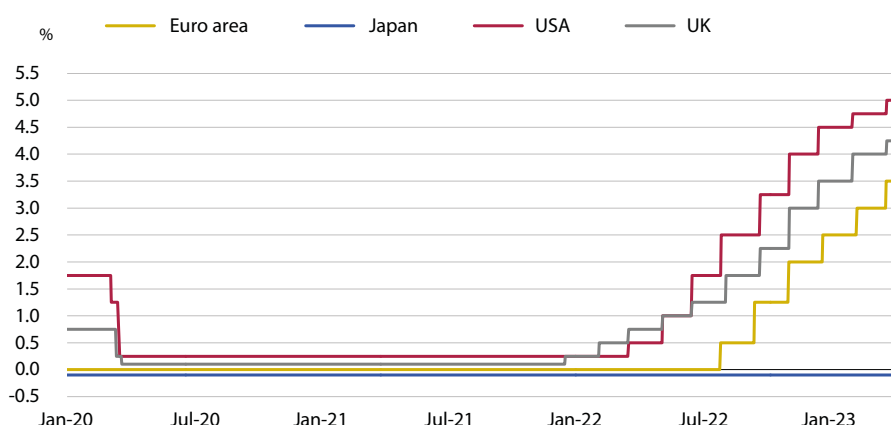
normalising its monetary policy tone, raising its official interest rate as early as December 2021. Throughout 2022, it raised this benchmark a further nine times, to stand at 3.5% at the end of the year. The Federal Reserve System approved seven increases in 2022, increasing its official interest rate by 4.25 percentage points (pp) to a range of 4.25-4.50% (see Figure I.1.1.3).

**The European Central Bank (ECB), which did not raise its official interest rates until the end of July 2022, agreed to implement four further increases in the remainder of the year.** Thus, at the end of 2022 the interest rate on main refinancing operations stood at 2.50%, the marginal credit facility rate was 2.75% and the deposit facility rate was 2%.<sup>3</sup> Although the rate rises were fairly significant over the year, with increases of up to 75 basis points (bp), in the last few months a slight slowdown was observed in the pace and the scale of these rises.<sup>4</sup>

In Japan, the official interest rates did not change, but at its last meeting of the year the monetary authority decided to extend the fluctuation limits on the 10-year government bond yield, which was considered a first step towards a possible shift in its monetary policy.

### Key policy rates

FIGURE I.1.1.3



Source: Refinitiv Datastream. Data to 11 April.

**The Spanish economy grew at 5.5% in 2022, the same rate as in 2021 and above the euro area average, with a slowing trend in the second half of the year.** Economic growth in Spain outstripped that of other countries in its environment, as it was less exposed to Russia's war in Ukraine and some economic sectors that had been hard hit by the COVID-19 pandemic forged a stronger recovery. The composition of growth was more evenly balanced between domestic and foreign demand compared with the previous year, with contributions of 3.1 pp and 2.4 pp

3 The central banks of the main economies (with the exception of Japan) raised their official interest rates twice up to mid-April 2023. In the United States a slowdown was observed, with two rises of 25 bp, putting its rates in the range of 4.75-5%. In the United Kingdom and in the euro area, rates were increased by 75 bp and 100 bp respectively, so that in the former the reference rate stood at 4%, and in the latter the rate on main refinancing operations remained at 3.5%, the marginal credit facility rate was 3.75% and the deposit facility rate was 3%.

4 In 2023 (with data up to 11 April), the Federal Reserve System has made two additional 25 bp increases in its official interest rates, the Bank of England has made two further increases, one of 50 bp and another of 25 bp, and the ECB has implemented a 50 bp rise

respectively. In terms of domestic demand, it is worth noting the slowdown in private consumption (from 6% in 2021 to 4.4% in 2022), which was significantly affected by the rise in inflation and the greater dynamism of gross fixed capital formation, which went from 0.9% to 4.6% in the same period. The good performance of the foreign sector also stands out, particularly exports, which increased at a significant rate, in line with the previous year (above 14%). In terms of supply, and also in the context of a significant slowdown in the last two quarters of last year, the increase in gross added value in the services sector (6.5% on average in 2022) stands out, driven by the subsectors linked to trade, transport and hospitality, and the industrial sector (3%, less than in 2021).

**The Spanish economy was able to create employment at a significant rate throughout 2022.** The number of employed persons (full-time equivalent jobs) increased by 693,800 in the year as a whole, 3.8% more than in 2021. Consequently, the annual average unemployment rate fell from 14.8% to 12.9%, albeit marking a slight upward trend in the second half of the year.

### Key variables of the Spanish economy (growth rates)

TABLE I.1.1.1

%	2018	2019	2020	2021	2022
GDP	2.3	2.0	-11.3	5.5	5.5
Private consumption	1.7	1.1	-12.2	6.0	4.4
Public consumption	2.3	1.9	3.5	2.9	-0.7
Gross fixed capital formation, of which:	6.3	4.5	-9.7	0.9	4.6
Construction	9.5	7.2	-10.2	-3.7	4.7
Capital goods <sup>1</sup>	4.6	2.4	-12.6	6.5	4.1
Exports	1.7	2.2	-19.9	14.4	14.4
Imports	3.9	1.3	-14.9	13.9	7.9
Foreign sector (contribution to growth, pp)	-0.6	0.4	-2.2	0.3	2.4
Employment <sup>2</sup>	2.2	3.3	-6.8	6.6	3.8
Unemployment rate (% active population)	15.3	14.1	15.5	14.8	12.9
Consumer price index	1.7	0.7	-0.3	3.1	8.4
Current account balance (% GDP)	1.9	2.1	0.6	1.0	0.6
Public administrations balance (% GDP)	-2.6	-3.1	-10.1	-6.9	-4.8

Source: Refinitiv Datastream. Annual change unless otherwise stated. (1) This includes "Machinery, capital goods, weapons systems and biological resources". (2) Full-time equivalent (FTE) jobs.

**After the high reached in July, inflation fell to 5.7% at the end of the year.** In the first part of the year the inflation rate rose to 10.8%. However, the decrease in the energy component prompted a fall to 5.7% in December. By contrast, the underlying rate continued to rise over the year and stood at 7% in December (from 2.1% at the end of 2021). In terms of the harmonised consumer price index, the drop in inflation in Spain meant that the inflation differential with the euro area turned negative from September and widened in subsequent months to reach -3.7 pp in December. This trend can mainly be attributed to the stronger and earlier decline in energy inflation in Spain. The most recent data continue to reflect the downward trend of the general indicator (which stood at 4.1% in April) and point to some reversal of the upward trend marked by the underlying rate (6.6% in April).



The margins of non-financial listed companies improved in aggregate terms in 2022. However, significant differences were observed between sectors and also within them. The aggregate profit for the year of these companies was €30.81 billion in 2022 – a slight increase of 0.5% compared with the figure for 2021 (see Table I.1.1.2). By sector, the profits of energy companies rose (39.2%), driven by the increase in the price of energy raw materials, in addition to those of industrial companies (26.5%). By contrast, aggregate profits declined for trade and services companies (-24.1%), and for construction and real estate firms (-55.7%). The individual analysis of companies' profit and loss accounts reveals that the decrease in profits reported by trade and services companies can be attributed almost entirely to a single company,<sup>5</sup> while for companies in the real estate sector the drop in profits was of a more general nature. Corporate debt increased by 4.2% in 2022 (to €276.34 billion), but the even larger increase in the equity of these entities led to a reduction in their leverage ratio from 1.01 in 2021 to 0.97 in 2022.

### Profit/(loss) by sector: non-financial listed companies

TABLE I.1.1.2

Millions of euros

	Operating profit		Profit before tax		(Consolidated) profit for the year	
	2021	2022	2021	2022	2021	2022
	Energy	17,591.9	23,649.4	16,366.77	22,246.58	11,446.88
Manufacturing	7389.3	9,459.3	6,620.28	8,427.36	4,894.71	6,193.14
Trade and services	11494.0	9,968.0	8,359.05	7,132.77	7,385.90	5,609.58
Construction and real estate	5,780.1	5,364.4	3,796.36	3,533.72	6,930.69	3,072.38
<b>Aggregate total</b>	<b>42,255.3</b>	<b>48,441.0</b>	<b>35,142.5</b>	<b>41,340.4</b>	<b>30,658.2</b>	<b>30,806.1</b>

Source: CNMV.

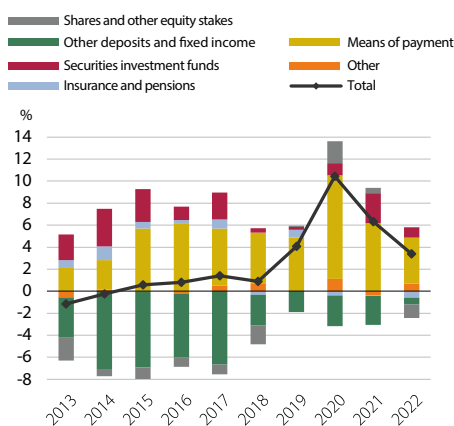
### Household savings declined further in 2022, reaching pre-pandemic levels.

This fall, which brought the savings rate down to 7.2% of household disposable income for the year as a whole, can be explained by various factors; most notably, the impact of inflation on consumption (to the detriment of savings), the impact of the rise in interest rates on indebted households and spending decisions that were postponed when the pandemic started. The savings rate of Spanish households remains below the average for the euro area, although the latter has also shown a downward trend since March 2021 (see Figure I.1.1.4). In parallel to the decline in savings, there was also a drop in the acquisition of financial assets (3.4% of GDP compared with 6% a year earlier), with a pattern that was relatively similar to that of previous years. However, data for the second part of the year show two trends that are worth highlighting: i) some reallocation is beginning to be observed from sight to term deposits, which are more attractive in the context of higher interest rates, and ii) household investment in investment funds (while not substantial) stands out in comparison with the disinvestment in most other financial assets.

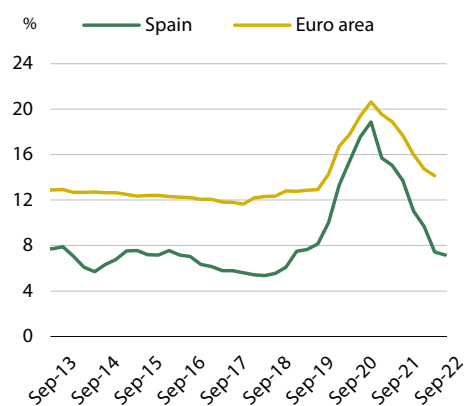
## Households

FIGURE I.1.1.4

### Net acquisition of financial assets (% of GDP)



### Savings (% of disposable income)



Source: Refinitiv Datastream and Bank of Spain.

## I.1.2 Financial environment: falling prices and increasing financial stress

In a context of waning growth expectations and high uncertainty, the prices of most financial assets fell. In the fixed income markets, the interest rates on debt assets increased notably in all the maturities along the curve and, to a lesser extent, in risk premiums. The equity markets presented significant price falls, especially in the US indices, as well as transitory episodes of volatility throughout the year. However, in the last few months of 2022, most stock markets reported gains, which strengthened during the early weeks of 2023.

The rise in quoted prices in 2023 was interrupted at the beginning of March by the uncertainty created by the resolution or acquisition of several banks in the United States and Europe. In the United States<sup>6</sup> the resolution of Silicon Valley Bank (SVB) and in Europe the acquisition of the Swiss bank Credit Suisse by UBS triggered increased risk aversion among investors, falls in quoted prices and volatility spikes. Despite this turmoil, the general equity indices showed significant rises in 2023<sup>7</sup> up to the closing date of this report.<sup>8</sup>

The Spanish financial markets stress indicator increased over the course of 2022, although there were some ups and downs.<sup>9</sup> At the start of the year the stress level

6 The banks that experienced difficulties in the United States were Silvergate Bank, SVB, Signature Bank and First Republic Bank.

7 This is not the case for some banks, especially in the United States.

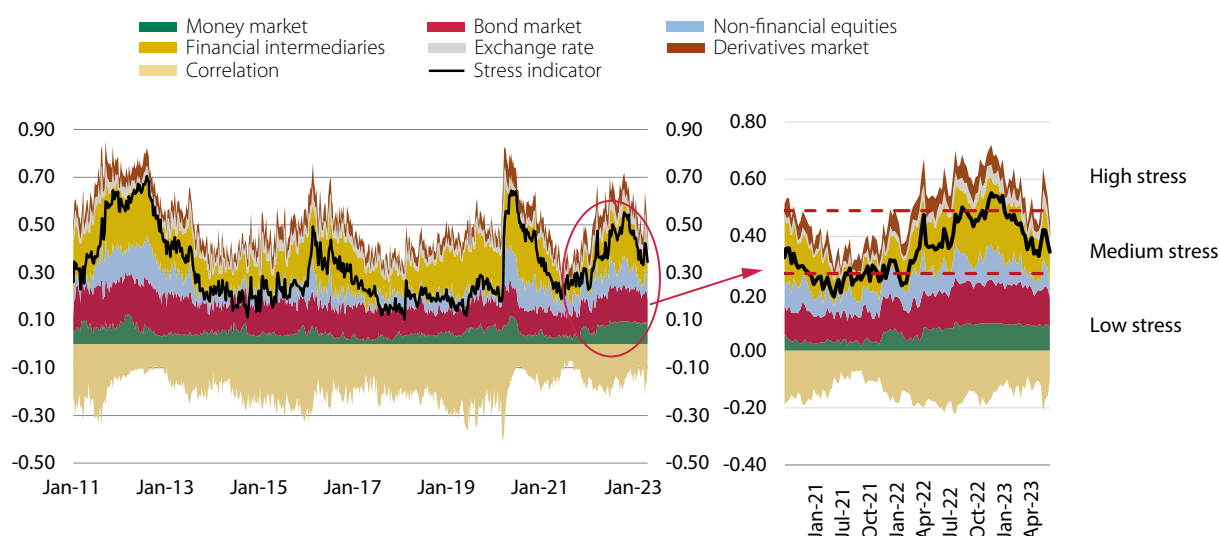
8 11 April 2023.

9 The stress indicator calculated by the CNMV provides a real-time measure of systemic risk in the Spanish financial system that ranges from zero to one. To do this, it evaluates stress in six segments of the financial system and makes an aggregate, obtaining a single figure that takes into account the correlation among these segments. Econometric estimates indicate that index values below 0.27 correspond to periods of low stress, while scores between 0.27 and 0.49 correspond to periods of medium stress, and values above 0.49 indicate periods of high stress. For further details on recent movements in this indicator and its components, see the Financial Stability Note, and the CNMV's statistical series (market stress indicators) available at <http://www.cnmv.es/portal/menu/Publicaciones-Estadisticas-Investigacion.aspx>. For more information on the methodology of this index, see Cambón, M.I. and Estévez, L. (2016). "A Spanish Financial Market Stress Index (FMSI)". *Spanish Review of Financial Economics*, Vol. 14, No. 1, pp. 23-41 or CNMV Working Paper No. 60 ([http://www.cnmv.es/DocPortal/Publicaciones/MONO-GRAFIAS/Monografia\\_60\\_en.pdf](http://www.cnmv.es/DocPortal/Publicaciones/MONO-GRAFIAS/Monografia_60_en.pdf)).

increased significantly as a result of the high level of uncertainty that followed Russia's invasion of Ukraine. Thus, at the beginning of March it stood at a value of 0.47. Subsequently, a period of declines was observed that lasted for several weeks until the end of the summer, when there was a sharp increase in the risks perceived by the markets, which caused the indicator to mark a new annual high (0.55) in October. This value indicates a high risk level. At the end of the year, the stress indicator fell to 0.47, with the most stressed segments being those related to the fixed income markets (bond market [0.70] and money market [0.64]) and financial intermediaries (0.67). The rises in the indicator seen throughout the year were triggered by the fall in the prices of all classes of financial assets, as well as the occasional episodes of volatility and increases in some risk premiums. In 2023, the indicator continued to moderate until the beginning of March, when the banking sector turmoil in the United States and Switzerland prompted a temporary rise to 0.42 (latest data: 0.34 on 7 April 2023).

Spanish financial markets stress indicator

FIGURE I.1.2.1



Source: CNMV. Data to 7 April.

**The stock market indices of advanced economies experienced significant declines throughout the year.** Although significant gains were made in the last few months of 2022 – albeit unevenly across regions (see Table I.1.2.1), these were not sufficient to offset the previous declines. In the United States, where the rate hikes were also faster and more intense, the largest falls were observed in 2022 (ranging from 8.8% for the Dow Jones and 33.1% for the Nasdaq Composite). In Europe, the annual declines were smaller, ranging from 5.6% for the Ibex 35 and 13.3% for the Mib 30, with the British FTSE 100 index, which rose 0.9% in the year. In Japan, the declines were also smaller (ranging from 5.1% for the Topix to 9.4% for the Nikkei 225). Trading volumes varied among jurisdictions, marking increases in the United States and some European markets, and declines in others.<sup>10</sup>

10 Among the international markets, trading volumes showed the strongest growth in the United States, with a rise of 6.3% during the year. In the European markets, Euronext reported an 8.2% increase in trading volumes, while the London stock market saw a decline of 11%, the Spanish market lost 4.2% and the German market was down 14.7%.

The stock markets in most regions have shown significant revaluations so far in 2023,<sup>11</sup> despite the banking sector turmoil in March. This turmoil reduced their accumulated gains, but did not eliminate them entirely. Thus, in Europe, revaluations ranged from 4.5% for the FT 100 and 16.1% for the Mib 30 (12.3% for the Ibex 35) and in United States, a wider variation range was observed (between 1.6% for the Dow Jones and 15% for the Nasdaq).

Performance of the main stock market indices<sup>1</sup>

TABLE I.1.2.1

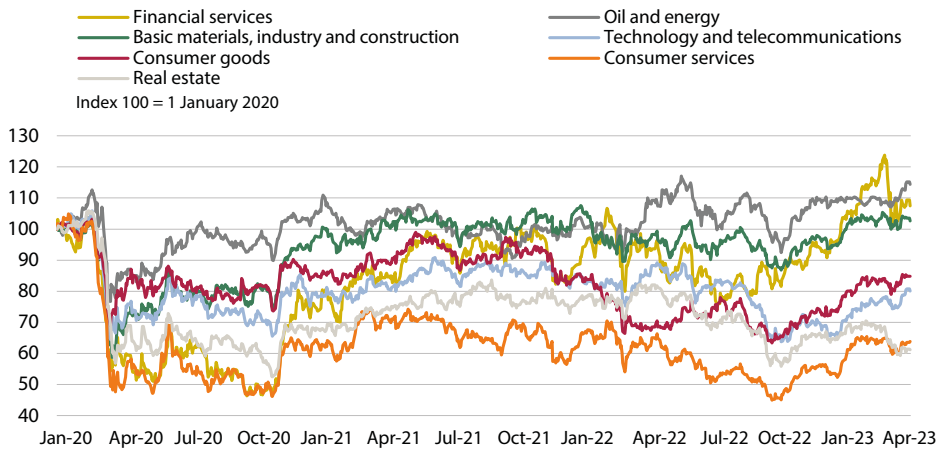
%	2019	2020	2021	2022	Mar-22	Jun-22	Sep-22	Dec-22
<b>World</b>								
MSCI World	25.2	14.1	20.1	-19.5	-5.5	-16.6	-6.6	9.4
<b>Euro area</b>								
Eurostoxx 50	24.8	-5.1	21.0	-11.7	-9.2	-11.5	-4.0	14.3
Euronext 100	24.9	-3.6	23.4	-9.6	-6.7	-9.8	-2.8	10.6
Dax 30	25.5	3.5	15.8	-12.3	-9.3	-11.3	-5.2	14.9
Cac 40	26.4	-7.1	28.9	-9.5	-6.9	-11.1	-2.7	12.3
Mib 30	28.3	-5.4	23.0	-13.3	-8.5	-14.9	-3.0	14.8
Ibex 35	11.8	-15.5	7.9	-5.6	-3.1	-4.1	-9.0	11.7
<b>United Kingdom</b>								
FTSE 100	12.1	-14.3	14.3	0.9	1.8	-4.6	-3.8	8.1
<b>United States</b>								
Dow Jones	22.3	7.2	18.7	-8.8	-4.6	-11.3	-6.7	15.4
S&P 500	28.9	16.3	26.9	-19.4	-4.9	-16.4	-5.3	7.1
Nasdaq-Cpte	35.2	43.6	21.4	-33.1	-9.1	-22.4	-4.1	-1.0
<b>Japan</b>								
Nikkei 225	18.2	16.0	4.9	-9.4	-3.4	-5.1	-1.7	0.6
Topix	15.2	4.8	10.4	-5.1	-2.3	-3.9	-1.9	3.0

Source: Refinitiv Datastream. (1) In local currency. Data up to 31 December.

All sectors making up the IGBM, with the exception of financial services and the oil and energy sector, showed price declines in 2022. In general terms, the largest falls occurred in the first and third quarters of the year, although there were significant differences between sectors. In the last few months of the year, all sectors recorded significant increases, but in most cases these were not sufficient to offset the falls seen in the rest of the year. Thus, for 2022 as a whole, the greatest losses were recorded by companies in the technology and telecommunications sector (-22.8%), due to the normalisation of consumption habits, which had been altered during the pandemic, real estate service companies (-16%) and consumer services companies (-15.9%). By contrast, the improved performance of the financial services sector in the last few months of the year (favoured by the ECB's interest rate hikes), and the oil and energy sector, led to an annual revaluation of 17.3% and 13.6% for each sector, respectively. As shown in the figure below, the market turmoil in March 2023 mainly affected quoted prices in the financial services sector, which includes banks.

## Sector performance on the Madrid Stock Exchange

FIGURE I.1.2.2



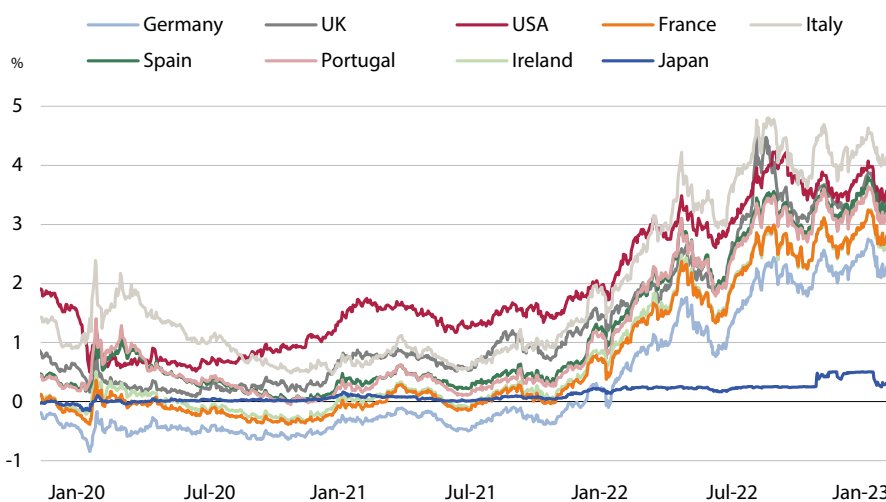
Source: Refinitiv Datastream. Data to 11 April.

The performance of the debt markets was shaped by the contractionary monetary policy, with increases in the interest rates of assets all along the curve. In the United States, the increases were significant and larger at the shorter end of the curve, with rises of more than 450 bp in 3-month assets, for instance. In the euro area, the higher yield on longer-term assets stands out, which for sovereign debt marked the end of the era of zero or negative interest rates observed in recent years. Between December 2021 and December 2022, there were increases ranging from 274 bp to 350 bp in the interest rates of the 10-year public debt in the different economies, reaching levels of 2.56% in Germany and 4.69% in Italy. In Spain, the increase was 305 bp to 3.65%, the highest level since 2014 (see Figure I.1.2.3). In the United States and the United Kingdom the year-end figure was just under 4%.

The upward trend in interest rates continued in 2023 until it was reversed by the banking sector turmoil. Thus, the US 10-year sovereign bond yield declined by 40 bp in 2023 (up to 11 April) and in the euro area the decreases ranged from 20 bp (Ireland) to 53 bp (Italy). The yield on the Spanish sovereign bond lost 29 bp, to stand at 3.36%.

## 10-year government bond yields

FIGURE I.1.2.3

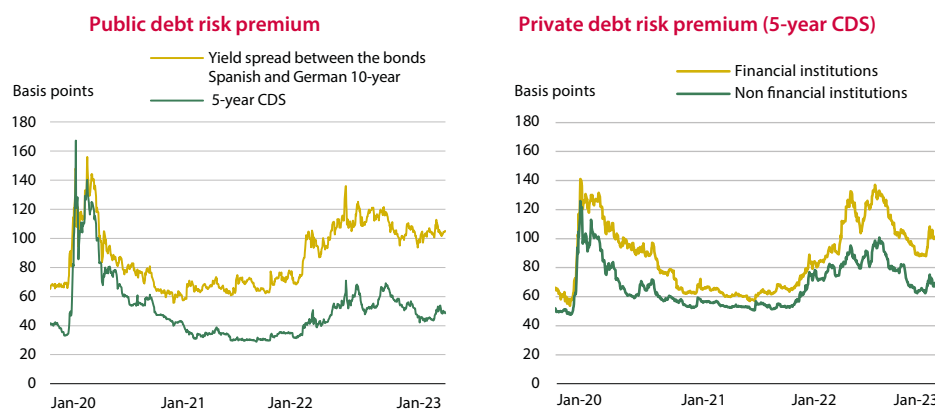


Source: Refinitiv Datastream. Data to 11 April.

The risk premiums of the Spanish public and private sectors increased in the first half of the year, while in the second half they followed a somewhat more irregular trend, barely changing between the beginning and the end of the year. The tightening of monetary policy in the euro area, in a context of declining activity and high inflation, gave rise to increased risk premiums in some EU economies in June, which led the European monetary authority to call an extraordinary meeting of its Governing Council. At this meeting it was agreed to design a tool to ensure the correct transmission of monetary policy and avoid market fragmentation: this tool is known as the TPI (Transmission Protection Instrument). The announcement of the creation of this mechanism caused risk premiums, which had increased significantly in May and June, to stabilise and in most cases they closed the year at levels that were slightly higher than those seen at the start. The annual balance shows increases of between 13 bp (Ireland) and 77 bp (Italy), which brought risk premiums to levels ranging from 35 bp (the Netherlands) to 213 bp (Italy). In Spain, the increase was 31 bp and the sovereign risk premium ended the year at 109 bp.

### Spanish debt asset risk premiums

FIGURE I.1.2.4



Source: Refinitiv Datastream. Data to 11 April.

### Monetary policy tightening and its impact on fixed income markets

EXHIBIT 1

The monetary policy decisions taken by the world's main central banks in 2022 were driven by the fight against rising prices, which were exacerbated by the energy crisis triggered by Russia's invasion of Ukraine. The Bank of England and the Federal Reserve System made the first rate hikes and in the euro area, after the inflation rate increased from 5% to more than 8.5% in the first half of the year, the European Central Bank (ECB) made its first increase in July. Further increases were seen in the second half of 2022, but these were smaller. At the end of the year, the ECB had increased its interest rate on main refinancing operations to 2.5% after four consecutive hikes,<sup>1</sup> the highest level since 2008, while the Federal Reserve System keep its rate in the range of 4.25% to 4.5% and the Bank of England's rate was 3.5%.

The debt markets had already anticipated the shift in monetary policy and an upward trend in asset returns was observed from early in the year, which gained traction from the second quarter. Thus, interest rates on both corporate and public debt increased in most sections of the curve, pushing the rates on the longest dated segments to their highest level in more than five years.<sup>2</sup> The Spanish sovereign debt yield reached 3% or higher for all maturities along the curve after the 3-year term, a trend which was also seen in corporate debt rates.

The higher return required by the market on debt assets caused their prices to fall. As an example, a 10-year bond that pays an annual coupon of 1% will lose value if rates increase to 2% because investors will only be willing to buy this bond in the secondary market if the return they obtain is equivalent to the 2% they would get from a newly issued bond. As a consequence, the bond that accrues a 1% coupon will have to be sold on the secondary market at a price that is substantially lower than the issue price, so that the buyer can offset the lower coupon received with the gain obtained from the difference between its acquisition price and the amount to be received on redemption. This is especially relevant for assets with longer maturities, since the loss of yield via interest over more years will have to be offset by a lower acquisition price. In other words, the loss of value increases as the maturity of the asset increases. In the case of the 10-year bond in the example, each percentage point (pp) of additional yield required for the asset would cause a loss of more than 9% in its market value, so if the return required by the market increases by more than 2 pp (which is what happened in most fixed income assets in 2022) the loss in value will be close to 20%.

In 2022, all fixed income assets gradually lost value as interest rates rose and the return required by the market for debt assets increased. Table E1.1 shows the evolution of the yields on Spanish public and private debt throughout 2022 and reflects increases in yields that ranged between 250 bp and 300 bp in all maturities and asset types.

### Performance of medium and long-term fixed income yields<sup>1</sup>

TABLE E1.1

	Dec-19	Dec-20	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22
<b>Public sector fixed income</b>							
3 años	-0.29	-0.53	-0.46	0.20	1.58	2.05	2.54
5 años	-0.06	-0.42	-0.18	0.56	1.99	2.35	2.71
10 años	0.45	0.05	0.43	1.27	2.65	3.00	3.18
<b>Private fixed income</b>							
3 year	0.20	-0.20	0.12	0.49	1.26	2.15	3.07
5 year	0.23	-0.13	0.13	0.78	1.50	1.94	2.93
10 year	0.79	0.41	0.56	1.46	2.35	3.73	3.11

Source: Refinitiv Datastream, Refinitiv Eikon and CNMV. (1) Monthly average of daily data.

The data on the evolution of interest rates show that the loss in value in 2022 was especially relevant for portfolios with a significant proportion of fixed income assets, particularly for those with assets of longer average maturities, such as some categories of investment funds, institutions under the supervision of the CNMV.

Available data on the performance of these institutions in 2022 show that the different categories of fixed income investment funds presented negative returns<sup>3</sup> at least in the first three quarters of the year. As shown in Table E1.2, the negative returns were larger in categories with longer maturities, such as euro fixed income and international fixed income funds. In these two categories the negative return was even higher than 3% in some quarters. In all categories of fixed income funds, managers reduced the average maturity of their portfolios (measured through duration) throughout the year to mitigate the losses caused by the rise in interest rates, but the duration was reduced to the greatest extent in those containing assets with longer maturities. Data for the fourth quarter of 2022 were somewhat more positive due, in part, to the prospect of a slowdown in the pace of central bank monetary tightening. However, at the date of writing this report, this perspective remains subject to a high degree of uncertainty due to one-off crises that affected banks in the United States and Europe in March, which have further complicated the decisions of central banks.

Yield of investment funds by type<sup>1, 2</sup>

TABLE E1.2

	2021		2022			Duration <sup>3</sup> (IV-21)	Duration <sup>3</sup> (IV-22)
	IV	I	II	III	IV		
CaixaBank monetary return (M)	-0.13	-0.18	-0.34	-0.32	0.26	0.24	0.19
CaixaBank Master fixed income public debt 3-7 (RFE)	-0.74	-3.39	-2.99	-3.23	-1.73	4.60	4.08
CaixaBank Master fixed income public debt 1-3 (RFE)	-0.30	-0.85	-1.19	-1.59	-0.77	1.65	1.71
Caixabank Master euro private fixed income (RFE)	-0.61	-4.39	-6.71	-2.48	1.15	5.48	4.27
Caixabank Master short-term fixed income (RFCP)	-0.15	-0.13	-0.29	-0.33	0.16	1.02	0.75

Source: CNMV. (1) Funds with assets of more than €3 billion. In total, assets were (at December 2022) €21.34 billion, which represents 21.6% of the total of these four categories and 6.9% of all investment funds. (2) Quarterly returns weighted by average assets. (3) Weighted average modified duration of the fixed income portfolio.

- 1 The ECB raised its rates by a total of 75 bp at the Governing Council meetings held in September and October, and by 50 bp at its meetings held in July and December.
- 2 In the case of Spanish debt, 10-year rates reached their highest level since the second half of 2014, while the German 10-year rate stood at values unseen since the first half of that year.
- 3 The medium and long-term fixed income investment fund categories presented one of the worst performances over the 2022 financial year.



### I.1.3 Risks and uncertainties

An International Monetary Fund (IMF) forecast published in April 2023 points to a slowdown in global growth from 3.4% in 2022 to 2.8% in 2023, and a slight recovery to 3% in 2024. The forecast in this report includes a slight deterioration of economic growth forecasts for 2023 and 2024 with respect to the previous publication in January (-0.1 pp in both years). Likewise, both the increase in GDP registered in 2022 and the projected figure are lower than the average observed between 2000 and 2019 (3.8%). In a scenario in which economic activity is affected by the sharp rises in interest rates implemented by central banks, Russia's war in Ukraine and the growing geo-economic fragmentation, the institution forecasts growth of 1.3 % in 2023 and 1.4% in 2024 for advanced economies (2.7% in 2022), and 3.9% and 4.2% for emerging economies in the same years (4% in 2022). Spanish economic growth is also expected to slow from 5.5% in 2022 to 1.5% in 2023 and 2% in 2024, but to remain somewhat more dynamic than for the euro area as a whole (0.8% and 1.4%). In addition, GDP growth expectations for Spain saw the highest upward revision of all countries in its environment (four tenths of a percent more than in January).

The level of uncertainty surrounding these forecasts has increased even more since March, as a result of the turmoil sparked by certain banking entities. Although it is possible to identify risks that could have an upward or downward impact on growth expectations, the latter are more numerous and more varied, and have a higher probability of occurrence. The upward risks derive mainly from possible stagnant demand that has not been met since the pandemic and the possibility of a disinflation process taking place that is more severe than initially expected. Downside risks would be as follows:

- **Persistently high inflation.** The increase in core inflation rates and the general rise in prices in the different economies have increased the probability that the medium-term inflation expectations of agents are not aligned with the objectives of central banks, potentially giving rise to new second-round effects in prices that could lead to a more prolonged inflationary spiral.
- **Depreciation of financial assets.** A scenario of higher inflation could increase uncertainty, subdue growth expectations and give rise to falls in the prices of financial assets.
- **Increased uncertainty associated with the banking sector.** The appearance of financial vulnerabilities in other banks, as well as the possibility of contagion to other sectors, could once again increase the risk aversion of agents and give rise to episodes of financial market turmoil.
- **Vulnerabilities associated with high levels of indebtedness.** A significant tightening of financing conditions for agents could uncover the financial vulnerabilities of the most indebted agents and those which need financing and have lower income levels.
- **Slowdown in the recovery of the Chinese economy.** The main vulnerabilities of the Asian economy are linked to the evolution of the real estate market and the possible resurgence of infections in a population which still has a low level of immunity. Both these factors could reduce demand in the economy and give rise to new problems in supply chains.

- **Escalation of Russia's war in Ukraine** and a general rise in geopolitical fragmentation. Uncertainty surrounding how the war will end is very high, therefore, fresh increases in energy prices and in some food prices cannot be ruled out.

**The Spanish economy will continue to grow at above average European rates, although its performance is not without risks.** All the elements of uncertainty listed above can potentially affect the Spanish economy, albeit with varying degrees of severity. The risk relating to the high level of indebtedness of agents (in the public and private sector) at a time of rising financing costs stands out. The consequences of these higher financing costs together with rising inflation may significantly affect agents' consumption and savings-investment decisions. On a more positive note, the services sectors, whose activity had deteriorated significantly during the pandemic, could continue to perform well. It is also worth noting the support provided by the Next Generation EU funds.

### The episodes of banking crises that marked the start of 2023

EXHIBIT 2

In early March 2023, liquidity and solvency problems came to light in several regional and mid-sized banks in the United States, and later in a bank in Switzerland, which gave rise to an episode of turmoil in the international financial markets, with significant drops in share prices, especially in the banking sector, along with spikes in volatility. The bank sector indices experienced notable declines (of between 14% and 25%)<sup>1</sup> in a few days.

In the United States, the resolution of Silicon Valley Bank (SVB) and Signature Bank (SB), which were placed under the control of the Federal Deposit Insurance Corporation (FDIC), was followed by the problems experienced by First Republic Bank (which was eventually acquired by J.P. Morgan). In the middle of the month, the quoted price of the European bank Credit Suisse plummeted, and the entity was eventually acquired by UBS, after the intervention of the Swiss authorities, which supported the acquisition. There was also a loss of confidence in Deutsche Bank, something that had happened previously and was reflected in the increase in quoted price of the institution's CDS.<sup>2</sup> The decline in the quoted prices of these banks from December 2022 to the moment that confidence in them was lost in 2023 ranged from 32.9% (Credit Suisse) to 97.6% (Signature Bank).

The collapse or loss of confidence in certain banks was due to a variety of factors. In the United States, the main factors were the materialisation of interest rate risk in their fixed income portfolios after the sharp increase in interest rates. In addition to the easing of the oversight of non-systemic banks and deficiencies in the management of institutions, as well as in supervision itself. It should also be noted that the liabilities of these entities had significant exposure to the technology sector, with a high concentration of corporate deposits from technology companies that quickly withdrew their deposits when signs of bank weakness emerged, which amplified the imbalances and mistrust of these entities despite the measures announced by the US authorities. Meanwhile, Credit Suisse had management and restructuring problems in its business model, particularly in relation to the investment banking business, which accentuated the loss of confidence of its depositors.

One particular catalyst of the banking crisis was the high level of digitisation of investors, which, in cases of great uncertainty, means that information is rapidly disseminated through social networks and withdrawals of bank deposits occur more quickly (which can lead to a “bank panic”) especially given the ease with which remote transactions can be performed. In the United States, it was also observed that part of the withdrawals of bank deposits were used to invest in monetary funds, since they are sometimes perceived as substitutes for these assets.

In Europe, one of the main elements of uncertainty derived from the treatment of Credit Suisse’s CoCos as a result of the acquisition, which was interpreted as an alteration of the theoretically established priority order in a resolution framework (according to which more debt of a more subordinated nature should not take losses before capital). This caused a significant upset in the market for these assets, until the European authorities (the European Central Bank [ECB], the European Banking Authority [EBA] and the Single Resolution Board [SRB]) reiterated the conditions for the absorption of losses for such assets in the euro area.

The different supervisory and regulatory authorities reacted swiftly and decisively on observing the first signs of weakness, although their actions were not exempt from criticism due to the nature and scope of some of the measures applied (for example, the extension of the coverage of the deposit guarantee fund to include all deposits without limitation in the United States) and succeeded in curbing the crisis, whose scope was nowhere near those of previous banking crises.

Possibly one of the most important effects of these episodes was the tightening of bank financing conditions, which could negatively affect the supply of credit in the future. The current perception is that this is not a general crisis, but one which has a limited scope. However, a seed of mistrust has been planted among agents and may give rise to new episodes of turmoil if vulnerabilities in other entities become known. Likewise, analyses are being carried out in different international forums reflecting on the advisability of reviewing banking regulations on a global scale. The evaluation of the risks associated with these episodes must be carried out both in the banking and non-banking spheres, although no relevant vulnerabilities associated with this crisis have yet been observed in the latter. In Europe, it is also worth noting that the transposition into EU regulations of the last link of the international banking regulatory reform, known as Basel III, is still pending.

- 
- 1 In March, the banking sector saw falls of 14% in the case of the European Stoxx 600 Banks index, and of 19% and 25% in the case of the US Dow Jones Banks and Nasdaq Banks indices, respectively (which have a larger weighting of regional and medium-sized banks).
  - 2 The quoted price of Deutsche Bank’s CDS doubled in a few sessions, after the Credit Suisse bailout, to reach 204 bp; its highest level in the last five years.



## I.2 Markets and issuers

In 2022, the financing of companies through the markets continued to be mainly supported by debt issues, which have become an increasingly common financing mechanism for large and small companies alike. The quoted prices of financial assets – equities and fixed income – presented losses in 2022 in a context of high inflation, rapidly tightening monetary policy and a high level of uncertainty.

### I.2.1 Equity markets

#### Overview

**The performance of the national and international financial markets was conditioned by the scenario of economic uncertainty, rising interest rates and lower growth (with the prospect of recession in some areas).** Most of the international stock markets ended 2022 with losses, which were more significant in the US markets. In Europe, with the exception of the British FT 100 index, which rose by 0.9%, all the major indices posted losses, which ranged from 5.6% for the Ixex 35 to 13.3% for the Mib 30. In the United States, the falls ranged from 8.8% for the broader Dow Jones index to 33.1% for the Nasdaq technology index, while in Japan the Nikkei 225 dropped 9.4%. In contrast to recent years, the greatest falls corresponded to technology companies, while the best performances were seen in oil companies and in the commodities sector, banks, companies in the energy sector and in the traditional economy. Likewise, volatility indicators, which increased significantly after Russia's invasion of Ukraine, remained at moderate levels for much of the year.

**The capitalisation of the main international equity markets declined with respect to the size of their economies as a result of the fall in quoted prices but also due to the increase in GDP in all areas, and, above all, to the inflation-induced increase in the value of the latter.** In addition, trading volumes, measured in the same terms, showed a similar performance, which was more pronounced in the US, Chinese and German markets (see Table I.2.1.1).

## Market capitalisation and trading on national regulated markets as a percentage of nominal GDP

TABLE I.2.1.1

	Market capitalisation <sup>1</sup>		Trading volume	
	2021	2022	2021	2022
United States <sup>2</sup>	227.2	158.3	247.5	225.0
Canada	166.6	135.4	112.7	111.8
China <sup>3</sup>	110.6	89.2	244.5	197.5
Japan	138.6	127.3	134.4	138.6
London Stock Exchange	115.9	99.9	48.6	46.8
Euronext <sup>4</sup>	144.8	116.0	55.1	55.3
Germany	61.9	45.6	47.2	37.2
Italy <sup>5</sup>	43.2	32.8	34.4	29.7
Spain	52.7	44.1	30.2	26.5

Source: World Federation of Exchanges, London Stock Exchange Group, Borsa Italiana, Eurostat, governments of the United States, Canada, China, United Kingdom and Japan, and the CNMV. (1) In local currency, the market capitalisation figures correspond to the last working session of the year. (2) The numerator is the combined total of the NYSE, Euronext US and Nasdaq. (3) Includes data from the Hong Kong, Shanghai and Shenzhen stock markets, as well as the GDP of the People's Republic of China and Hong Kong. (4) The denominator is the sum of the nominal GDP of France, the Netherlands, Belgium, Portugal and Ireland. (5) Although Borsa Italiana was integrated into the LSE Group in 2021, the ratios of capitalisation and trading to GDP corresponding to each country are provided separately.

### Listed companies and capitalisation

Although the number of IPOs increased in Europe in 2022,<sup>1</sup> they remain scarce in most world markets, including Europe and Spain. This phenomenon, which has become entrenched in recent years, poses a challenge for companies and for economic growth. A dynamic stock market favours alternative methods to bank financing. However, the market uncertainties in recent years, as well as competition from other financing formats such as own debt or private capital – the latter has fewer transparency obligations – have discouraged many companies from launching IPOs or have led others to cancel their plans to access the stock market, as the valuation expectations established by the companies in question cannot be met.

In this environment, the Spanish stock markets ended 2022 with 130 companies admitted to trading, four fewer than in 2021 and the lowest number of listed companies in the last two decades.<sup>2</sup> Likewise, the companies listed on the BME MTF Equity and Latibex multilateral trading systems (MTFs) stood at 1,346 and 19, respectively, at the end of the year. In the first of these MTFs, there was a very significant drop in the number of open-ended collective investment schemes (SICAVs) owing to the change in their tax regime (see Exhibit 4), but these continued to

1 These included the German company Porsche, which went public with a valuation of more than €9 billion.

2 The number of companies whose shares were admitted to trading at the end of 2011 was 165, which decreased to 138 at the end of 2020.

account for the largest segment in the MTF.<sup>3</sup> Two companies were included in the continuous market: the renewable energy company Opdenenergy Holding<sup>4</sup> through a new listing, and the health services company Atrys Health, which came from the alternative market, BME Growth. By contrast, six delistings were recorded:<sup>5</sup> five from the continuous market and one from the open outcry market.<sup>6</sup> One of the companies was delisted from the continuous market following the corresponding takeover bid (Zardoya Otis), three by agreement with the CNMV as they were in the process of liquidation (Abengoa, Codere and Coemac) and one after being delisted in its source market (Reno de Medici).

**Number of companies listed on the Spanish stock markets<sup>1</sup>**

TABLE I.2.1.2

	All markets	Electronic market			Open outcry
		Total	National	Foreign	
Listed at 31/12/21	134	124	117	7	10
Listed at 31/12/22	130	121	115	6	9
<b>New listings in 2022</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>0</b>
New listings	1	1	1	0	0
Listings due to merger	0	0	0	0	0
Change of market	1	1	1	0	0
<b>Delistings in 2022</b>	<b>6</b>	<b>5</b>	<b>4</b>	<b>1</b>	<b>0</b>
Delistings	6	5	4	1	0
Delistings due to merger	0	0	0	0	0
Change of market	0	0	0	0	1
<b>Net change in 2022</b>	<b>-4</b>	<b>-3</b>	<b>-2</b>	<b>-1</b>	<b>0</b>

Source: CNMV. (1) Totals do not include BME MTF Equity, Latibex or ETFs.

**The capitalisation of the Spanish stock markets fell by 8.2% in 2022, to close to €585.60 billion, slightly above the €579 billion seen in 2020 in the midst of the pandemic.** With the exception of 2020, this is the lowest value recorded since 2013<sup>7</sup> and owes to both in the fall in the quoted prices of companies<sup>8</sup> and, to a lesser extent, to capital redemptions<sup>9</sup> and the effect of the delisting of the companies mentioned above.

3 Of the 1,376 companies registered with BME MTF Equity at the end of 2022, 1,173 were SICAVs (at the end of 2021 the number of registered companies of this type was 2,283). See Table 1.2.1.12 for further details of the companies listed in this MTF and their performance.

4 Opdenenergy Holding joined the market through an initial public offering.

5 For further details on the delisted companies, see Annex I.3.

6 Finanzas e Inversiones Valencianas was delisted when the purchase order made by the company itself was settled.

7 Capitalisation in the 2013 financial year was €570.03 billion.

8 The most representative indices of the Spanish securities markets, the Ibex 35 and the IGBM, lost 5.6% and 4.8% respectively.

9 A significant number of companies redeemed treasury shares or undertook buy-back programmes.

Amounts in millions of euros

	2019	2020	2021	2022	% change 22/21
<b>All markets</b>	<b>666,943.2</b>	<b>579,163.7</b>	<b>638,177.7</b>	<b>585,976.2</b>	<b>-8.2</b>
Electronic market	665,757.8	578,110.1	636,858.4	584,748.3	-8.2
National	664,393.4	576,622.7	634,591.2	583,297.7	-8.1
Foreign <sup>2</sup>	1,364.5	1,487.4	2,267.2	1,450.6	-36.0
Open outcry <sup>3</sup>	1,154.2	1,053.6	1,319.3	1,227.9	-6.9
Madrid	69.8	30.9	23.1	32.8	42.0
Barcelona	1,036.5	955.9	1,258.7	1,201.5	-4.5
Bilbao	32.9	20.6	19.2	0.0	-100.0
Valencia	80.4	76.0	76.0	0.0	-100.0

Source: CNMV. (1) Only includes the capitalisation of companies that were traded at some time during the year. Excludes Latibex, BME MTF Equity and ETFs. (2) The capitalisation of foreign companies listed on Spanish markets is based on the number of shares registered by Iberclear. (3) The market capitalisation of companies traded by open outcry in more than one market has been included in the figures for each market at the price for that market, but only once in the total for all markets.

**Quoted prices in sectors represented on the Spanish stock market mostly declined, with the exception of the financial sector and the oil and energy sector.** This was due to the rise in interest rates, inflation and economic slowdown driven by Russia's war in Ukraine and higher energy prices. The performance between sectors and between securities varied according to the effect of the rise in interest rates and inflation on the company's accounts, as well as the effect of the lower economic activity on its businesses. The greatest falls in percentage terms were seen in the technology and telecommunications sector (-22.8%) and, to a lesser extent, real estate service companies (-16%), followed by services and consumer goods companies (-15.9% and -14.2%, respectively). The largest revaluations was seen in the financial sector (7.9%) followed by oil and energy (5.2%).

**In largest increase in capitalisation in 2022 was marked by the banking sector followed by the oil sector,** with both sectors showing two consecutive years of notable increases. Banks benefited from higher margins due to the rise in interest rates, while the oil sector benefited from rising oil and energy prices as a result of Russia's war in Ukraine. The capitalisation of the financial sector grew by 5.8%, while that of non-financial companies as a whole dropped by 5% (see Table I.2.1.4 and Annexes I.5 and I.7). As observed in the 2021 financial year, the end of the pandemic and the improved economic situation led to a certain return to the value structure prior to the health crisis, with most Spanish companies in traditional sectors such as banks, energy and oil companies, in addition to construction and textile companies, recovering in terms of capitalisation. However, new sectors and companies engaged in renewable energy and technology continued to gain weight.

**The declines in capitalisation were concentrated in companies in the telecommunications sector, and to a lesser extent, in the consumer goods and services sector.** Telecommunications companies continued to feel the effects of strong competition in the sector, in addition to the increase in the cost of debt, while services and consumer goods firms, while were benefiting from a notable recovery after the pandemic, were weighed down by the prospect of an economic slowdown. Capitalisation also decreased in the rest of the sectors, with the most significant loss in value seen in companies in the chemicals and pharmaceuticals sectors, companies in the



metal-mechanical sector and energy firms. Finally, the fall in the value of small-cap companies was greater than that of large companies, in contrast to the growth witnessed in recent years, when they presented a better relative performance.

Securities markets  
and their agents  
Markets and issuers

## Number of listed companies and capitalisation by sector<sup>1</sup>

TABLE I.2.1.4

Amounts in millions of euros

Sector	2021	2022	2021	2022	% change 22/21
Oil	1	1	15,939.9	21,568.1	35.3
Energy	11	11	145,998.5	141,068.2	-3.4
Mining & basic metals	8	8	7,409.9	6,140.2	-17.1
Cement and construction materials	3	2	3,794.2	3,627.5	-4.4
Chemicals and pharmaceuticals	7	7	18,527.5	13,035.1	-29.6
Textiles and paper	7	7	90,368.3	78,956.7	-12.6
Metal-mechanical	15	14	10,256.5	5,881.0	-42.7
Food	10	10	7,192.8	6,473.5	-10.0
Construction	8	8	43,690.9	41,590.0	-4.8
Real estate companies and SOCIMIs (Spanish REITs)	17	16	13,909.4	11,634.2	-16.4
Transport and communication	5	5	88,647.4	69,034.1	-22.1
Other non-financial	27	25	62,378.6	49,330.8	-20.9
<b>Total non-financial sector</b>	<b>119</b>	<b>115</b>	<b>471,929.4</b>	<b>448,339.5</b>	<b>-5.0</b>
Banks	8	8	115,556.0	124,364.9	7.6
Insurance	3	3	10,910.9	10,243.2	-6.1
Portfolio companies	4	4	3,597.0	3,028.5	-15.8
<b>Total financial sector</b>	<b>15</b>	<b>15</b>	<b>130,063.9</b>	<b>137,636.7</b>	<b>5.8</b>
<b>Total</b>	<b>134</b>	<b>130</b>	<b>638,177.7</b>	<b>585,976.2</b>	<b>-8.2</b>

Source: CNMV. (1) Includes only the capitalisation of companies that were traded at some time during the year. Excludes Latibex, BME MTF Equity and ETFs. The capitalisation of foreign companies listed on Spanish markets is based on the number of shares registered by Iberclear.

The level of market concentration was similar to that of the previous year. As in the past four years, seven stocks once again accounted for more than half the market capitalisation, although they were not the same seven as in previous years.<sup>10</sup> Furthermore, the three largest stocks<sup>11</sup> continued to account for around one third of total capitalisation, while the number of stocks needed to reach 75% of total capitalisation remained at 15. The number of Spanish securities included in the European Eurostoxx 50 index remained at four (Banco Santander, BBVA, Iberdrola and Inditex), reflecting the weight of banks and companies in large traditional sectors in the Spanish markets, compared with other European markets where there is a greater representation of large companies from different sectors.

10 Cellnex was excluded from the list of the seven largest companies by market value and CaixaBank was included.

11 By capitalisation, the largest stocks were Inditex, Iberdrola and Banco Santander, in that order.

## Admissions to trading, issues and IPOs

In 2022, there was a significant decline in the use of the stock market as a means of financing Spanish and European companies alike. Although the number of capital increases carried out during the year increased to 56,<sup>12</sup> five more than in 2021, the funds raised fell significantly to stand at €6.78 billion, 68.3% less than in the previous year and the lowest amount seen in the last ten years (see Annexes I.1 and I.2 for further details). 47% of the capital increases were aimed at raising funds<sup>13</sup> compared with 64% in the previous year, while the remaining 53% were bonus issues.

Thus, the amount of capital increases to raise funds fell significantly to €3.19 billion, less than a quarter of the funds raised in 2021 and the lowest volume seen in the last ten years. Most of the capital increases were small and were carried out by non-financial companies in different sectors that brought in new shareholders through the contribution of funds for new projects. There were very few traditional fund-raising transactions with preemptive rights, while accelerated book builds and capital increases through non-monetary contributions stood out. Notably, Cellnex Telecom<sup>14</sup> carried out a transaction of this type for over €1.35 billion, accounting for more than 42% of the total cash volume raised.

The bonus issues (15) were scrip dividend transactions. In addition to the smaller number of transactions (four fewer), the volume of these transactions also decreased (€1.86 billion, see Table I.2.1.5). Thus, the improved economic environment led more companies to opt for the traditional format of remunerating their shareholders through cash payments to the detriment of dividends paid in the form of shares.

The negative performance of the stock markets over a large part of the year, coupled with the economic uncertainties, discouraged investment flows into equities and IPOs, for which reason almost all transactions made by companies to go public were either cancelled or postponed. Thus, while some companies had demonstrated their intention to go public at the beginning of the year, Russia's invasion of Ukraine, alongside with the rise in economic uncertainty and the fall in asset prices on the markets led to most transactions being cancelled. Even so, as discussed in the section above, the IPO of the renewable energy company, Opdenenergy Holding, took place for €200 million, and it joined the companies in the same sector that had gone public in 2021.<sup>15</sup>

---

12 Corresponding to 27 companies listed on the Spanish stock exchanges, six fewer than in 2021.

13 The volume of capital increases to raise funds was the lowest it has been in recent years.

14 Cellnex Telecom carried out capital increases in the previous three years with preemptive rights for large amounts.

15 In 2021, renewable energy companies Acciona Energía and Grupo Ecoener joined the market.

## Capital increases and IPOs<sup>1</sup>

TABLE I.2.1.5

Amounts in millions of euros

	2019	2020	2021	2022	% change 22/21
<b>Capital increases with fund-raising</b>	<b>8,240.6</b>	<b>8,903.1</b>	<b>13,673.2</b>	<b>3,186.4</b>	<b>-76.7</b>
With preemptive rights	4,729.8	6,837.1	7,060.4	254.2	-96.4
Without preemptive rights (IPOs) <sup>2</sup>	10.0	150.1	100.0	200.0	100.0
Of which, increases	10.0	0.0	0.0	0.0	-
Accelerated book builds	500.0	750.0	0.0	913.5	-
Capital increases through non-monetary contributions <sup>3</sup>	2,034.2	233.0	3,525.3	1,381.2	-60.8
Capital increases via conversion	354.9	162.4	109.5	81.6	-25.5
Other	611.8	770.3	2,878.1	355.9	-87.6
<b>Bonus issues</b>	<b>1,565.4</b>	<b>6,194.9</b>	<b>5,478.1</b>	<b>3,591.5</b>	<b>-34.4</b>
Of which, scrip dividends	1,564.1	6,193.1	5,451.8	3,590.0	-34.2
<b>Total capital increases</b>	<b>9,806.0</b>	<b>15,098.2</b>	<b>21,351.5</b>	<b>6,777.9</b>	<b>-68.3</b>
<b>Initial Public Offerings (IPOs)</b>	<b>733.7</b>	<b>0.0</b>	<b>2,200.2</b>	<b>0.0</b>	<b>-100.0</b>
Of which, increases	0.0	0.0	0.0	0.0	-

Source: CNMV. (1) Does not include data from BME MTF Equity, ETFs or Latibex. (2) IPOs (for subscription of shares) (3) Capital increases through non-monetary contributions have been accounted for at their market value.

## Trading

The trading of Spanish equities admitted to trading on the stock exchanges recovered slightly in 2022 to stand at €738.57 billion (6.4% more than in 2021), although this figure was still low compared with the preceding years. More recently, the downward trend in trading of Spanish securities was interrupted in 2022 as high levels of uncertainty and greater volatility played in favour of certain types of trading formats, as well as prompting investors to adjust their portfolios.<sup>16</sup>

In this context, decreases were observed in the trading of Spanish securities in the market operated by BME (-4.6%), which was offset by the growth in trading in competing venues (18.9%). The volume traded on BME was €351.80 billion,<sup>17</sup> compared with €386.55 billion through other trading venues.<sup>18</sup> Consequently, BME's share of trading in Spanish securities fell to 48% of the total (53.5% in 2021 and 53.9% in 2020).<sup>19</sup> These figures seem to indicate that the offshoring of trading, which had eased in 2021, gathered pace in 2022. The offshoring of trading is a phenomenon that has been taking place in recent years in most of the large European trading centres in favour of alternative venues. This process, which began slightly later in Spain, is estimated to have reached a level similar to that of other benchmark markets in our environment in recent quarters.

16 2022 was characterised by an environment of moderate volatility (21.85%), which had increased compared with the figure seen in 2021 (14.19%). This prompted an increase in algorithmic trading and high frequency trading (HFT).

17 The lowest trading volume since 1999.

18 These figures include trading subject to market or MTF rules (lit plus dark) and are obtained from CNMV and Bloomberg.

19 These percentages were 85%, 80%, 72%, 68%, 62% and 57.4% in 2014, 2015, 2016, 2017, 2018 and 2019 respectively. Some alternative estimates of BME's share in trading, published by BME and estimated by Liquidmetrix, place this share at 66.9% in 2022.

## Total trading in Spanish equities admitted to trading on Spanish stock markets<sup>1</sup>

TABLE I.2.1.6

Amounts in millions of euros

	2018	2019	2020	2021	2022	% change 22/21
<b>Total</b>	<b>931,019.3</b>	<b>806,217.3</b>	<b>780,697.4</b>	<b>693,796.1</b>	<b>738,572.6</b>	<b>6.4</b>
<b>Admitted to SIBE electronic platform</b>	<b>930,607.1</b>	<b>805,826.6</b>	<b>780,341.0</b>	<b>693,636.7</b>	<b>738,353.6</b>	<b>6.4</b>
BME	579,810.4	460,267.4	418,512.6	368,608.5	351,801.8	-4.6
Cboe Equities Europe <sup>2</sup>	278,361.0	256,772.5	275,682.4	238,466.3	297,465.9	24.7
Turquoise	42,883.4	30,550.6	23,242.2	23,101.3	19,474.6	-15.7
Other <sup>3</sup>	29,552.2	58,236.1	62,903.8	63,460.6	69,611.0	9.7
<b>Open outcry</b>	<b>8.2</b>	<b>6.2</b>	<b>2.5</b>	<b>7.5</b>	<b>8.3</b>	<b>10.5</b>
<b>Secondary market</b>	<b>0.8</b>	<b>0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-</b>
<b>ETFs<sup>4</sup></b>	<b>403.2</b>	<b>384.3</b>	<b>353.9</b>	<b>151.9</b>	<b>211.0</b>	<b>38.9</b>

Source: Bloomberg and CNMV. (1) Includes trading subject to market or MTF rules (lit plus dark) of equity instruments admitted to trading on Spanish official secondary markets and identified by means of an ISIN issued in Spain; therefore, foreign securities admitted to trading in these markets whose ISIN is not issued in Spain are not included. (2) Includes trading that until 2020 was carried out through Chi-X and BATS, which moved to Amsterdam in January 2021 as a result of Brexit. (3) Calculated as the difference between the amount traded of the EU Composite calculated by Bloomberg for each share and the amount traded for the markets and MTFs included in the table, and hence includes trading on other regulated markets and MTFs and systems. (4) Only ETFs with a Spanish ISIN.

As regards the distribution of trading among BME's rival venues, Cboe Equities once again stood out for its high volume. Cboe Equities has been operating out of Amsterdam since January 2021<sup>20</sup> with a single order book and with a trading volume that exceeded €297 billion in 2022 – accounting for 77% of the market share of alternative trading venues and 40.3%<sup>21</sup> of total trading in Spanish equities admitted to trading on the official Spanish markets. These figures, are higher than the figures seen 2021 and firmly establish Cboe Equities as BME's main competitor.<sup>22</sup> The weight of its other competitors in total trading decreased: Turquoise to 5%<sup>23</sup> and "other" venues<sup>24</sup> to 18%, although the latter registered an increase in volumes traded in absolute terms.

The downward trend in trading carried out by systematic internalisers observed in 2021 continued in 2022,<sup>25</sup> and trading through these venues currently accounts for just over one third of the volume seen just a few years ago.<sup>26</sup> This trend marks significant progress in meeting the objectives established in MiFID II to increase transparency in the market and redirect part of the trading that is not subject to non-discretionary market rules (for example, that carried out by systematic internalisers) into trading venues where it would be subject to such rules.

20 As a consequence of Brexit.

21 In 2021, trading accounted for almost 73% of the market share of alternative trading venues, 32% of the total traded in BME's rival venues, and 34.5% of the total traded.

22 Trading carried out by CBOE Equities Europe represents 84.6% of the volume traded by BME, compared to 64.7% in 2021.

23 In 2021 and 2020 this accounted for 7.1% and 6.4%, respectively.

24 In 2021, it accounted for 19.5%.

25 In 2022, it was less than 5.4% of total trading (with total trading defined as the sum of trading subject to non-discretionary market rules and trading carried out by systematic internalisers), lower than the 6.5% seen in 2021.

26 In 2018-2020 it was close to 15%.

## Trading on regulated markets operated by BME

Securities markets  
and their agents  
Markets and issuers

Trading of equities in the markets operated by BME was once again entirely concentrated in SIBE, the Spanish Stock Exchange Interconnection System, more commonly known as the electronic trading platform or the continuous market (see Table I.2.1.7). Trading on the open-outcry market remained negligible and trading on the two MTFs (BME MTF and Latibex) combined accounted for just over 1% of the total volume traded on SIBE. The amount traded on SIBE fell by 4.4% to stand at €358.18 billion<sup>27</sup> in 2022. The number of trades fell by 13.7% to almost 39 million – slightly higher than the 37.2 million in 2019<sup>28</sup> – which raised the average amount per transaction to €9,309, an increase of 11%. This increase could be an indication of a decline in retail investor activity in the market in 2022.<sup>29</sup>

All the trading formats in the continuous market, with the exception of trades made through orders, showed declines in 2022. As shown in Table I.2.1.8, trades made through orders increased by 4.2%, while the largest decreases occurred in block and off-hours trading. Furthermore, stock market trading remained concentrated in a small number of securities. In 2022, seven stocks were needed to account for 50% of the amount traded on SIBE and 15 were needed to account for 75% (the same as in 2021). Trading remained concentrated in large companies, although it was also more widely distributed among medium-sized companies, so 32 securities are needed to cover 90% of market trading (in 2021 this figure was 28 securities). The most frequently traded securities were the same<sup>30</sup> as in the previous year: Banco Santander, Iberdrola, BBVA, Repsol and Inditex, all of which are components of the Spanish Ixex 35 index and the European Eurostoxx 50 index (except for Repsol in the latter) (see Annexes I.6 and I.8).

## Trading in equities on markets operated by BME

TABLE I.2.1.7

Amounts in millions of euros

	2019	2020	2021	2022	% change 22/21
<b>Total</b>	<b>469,621.2</b>	<b>429,338.7</b>	<b>378,144.4</b>	<b>362,116.5</b>	<b>-4.2</b>
<b>Official markets</b>	<b>465,470.4</b>	<b>425,340.0</b>	<b>374,536.3</b>	<b>358,185.8</b>	<b>-4.4</b>
<b>SIBE</b>	<b>465,464.0</b>	<b>425,337.5</b>	<b>374,528.8</b>	<b>358,177.5</b>	<b>-4.4</b>
of which ETFs	1,718.8	2,551.1	1,556.0	1,604.8	3.1
<b>Open outcry</b>	<b>6.2</b>	<b>2.5</b>	<b>7.5</b>	<b>8.2</b>	<b>10.2</b>
Madrid	0.8	0.1	0.1	0.6	717.9
Bilbao	2.1	0.0	0.0	0.0	-
Barcelona	3.2	2.4	7.4	7.6	3.4
Valencia	0.1	0.0	0.0	0.0	-
<b>Secondary market</b>	<b>0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-</b>
<b>BME MTF Equity</b>	<b>4,014.4</b>	<b>3,919.2</b>	<b>3,559.2</b>	<b>3,837.3</b>	<b>7.8</b>
<b>Latibex</b>	<b>136.4</b>	<b>79.4</b>	<b>48.9</b>	<b>93.4</b>	<b>90.9</b>

Source: CNMV.

27 This figure includes trading carried out by ETFs, which amounted to €1.61 million and is the lowest volume seen since 1999.

28 Retail investor activity grew strongly in 2020 following the outbreak of the pandemic.

29 The CNMV publishes information on the behaviour of retail investors in the market on its website in the form of a dashboard or scorecard, which currently covers the period 2019-2021. Microsoft Power BI.

30 Although its position in the ranking of the most frequently traded securities changed. In 2021, the order of trading was as follows: Banco Santander, Iberdrola, Inditex, BBVA and Repsol.

## Trading on BME by type of trade<sup>1</sup>

TABLE I.2.1.8

Amounts in millions of euros

	2018	2019	2020	2021	2022	% change 22/21
In session	552,826.8	450,575.7	405,120.5	355,841.2	342,364.3	-3.8
Orders	300,217.8	258,242.2	278,516.1	237,430.5	247,439.8	4.2
Applications	48,644.1	38,888.0	42,666.5	40,006.0	35,058.8	-12.4
Block trades	203,965.0	153,445.5	83,938.0	78,404.7	59,865.7	-23.6
Off-hours	1,667.3	3,098.1	4,174.3	4,889.5	3,873.0	-20.8
Other types	28,833.5	10,071.5	13,491.6	12,241.7	10,335.4	-15.6

Source: CNMV. (1) Does not include data for Latibex, BME MTF Equity or ETFs.

### Short positions

The aggregate position of short sales according to information received by the CNMV decreased in 2022 to 0.62% of total capitalisation of the continuous market at the year-end, its lowest level in the past five years. At the end of the year, four securities had short positions of greater than 5% (one more than in 2021) and there were net short positions greater than 2% of their individual capitalisation in ten securities (nine at year-end 2021). Some of the largest individual positions were held by companies in the energy, renewable energy, construction and tourism sectors.

### Short positions

TABLE I.2.1.9

	% short positions/ capitalisation <sup>1</sup>	Number of companies with short positions > 2% <sup>2</sup>	Number of companies with short positions > 5% <sup>2</sup>
2018	0.84	12	5
2019	0.66	14	1
2020	0.73	17	3
2021	0.75	9	3
2022	0.62	10	4

Source: CNMV. (1) The figure for aggregate net short positions consists of the sum at the end of each reference year of the individual positions declared equal to or greater than 0.5% plus the sum of all positions equal to or greater than 0.2% and less than 0.5% for all securities included in SIBE. (2) Number of companies whose aggregate net short positions at the end of each reference year were greater than 2% and 5%, respectively, of their capital (the sum of the individual positions declared equal to or greater than 0.5% plus the sum of all positions equal to or greater than 0.2% and less than 0.5%).

### Takeover bids

In 2022, four takeover bids were authorised for a potential amount of €6.75 billion, 14% less than in the previous year. The two voluntary takeover bids for Zardoya Otis and Siemens Gamesa Renewable Energy – launched by their respective controlling shareholders – accounted for more than 80% of the total amount and in both cases the payment of a price in cash, which was considered a fair price, was justified through separate valuation reports. A list of the takeover bids authorised in 2022 can be found in Annex I.9.

Both in the takeover bids for Zardoya Otis and Siemens Gamesa Renewable Energy, and in the voluntary takeover bid for Mediaset España Comunicación, the bidders sought to increase their stake to 100% of the capital, while the partial voluntary takeover bid for Metrovacesa was addressed to a maximum of 24% of the shares, although in no case was the control threshold (30%) reached in conjunction with the previous interest. The takeover bid for Mediaset España Comunicación had a mixed consideration combining a cash settlement and a share swap, and the takeover bid for Metrovacesa was made through a cash payment. These two offers were not subject to the consideration of fair price.

As the takeover bid for Zardoya Otis was announced before the end of the two-year period from when the extraordinary circumstances deriving from the pandemic that led to the application from March 2020 of Article 137 of the recast text of the Securities Market Act, these requirements were applied for the last time (cash payment, at least as an alternative, and validation through an independent expert's report).

Likewise, none of the four bids authorised in 2022 required prior approval for foreign investment by the Council of Ministers,<sup>31</sup> as these sectors are not included in the regulations or the affected companies were previously controlled by their respective bidders.

The result of the voluntary takeover bid for Zardoya Otis allowed the bidder to carry out a sell-out, acquiring all the shares, which resulted in their delisting, while in the voluntary takeover bid for Siemens Gamesa Renewable Energy the bidder was able to delist the shares through the exception procedure set out in the regulations.<sup>32</sup>

## Takeover bids

TABLE I.2.1.10

Amounts in millions of euros

	2018	2019	2020	2021	2022
<b>Authorised<sup>1</sup></b>					
Number	6	7	2	5	4
Potential amount	23,842	1,571	5,807	7,863	6,752
Potential amount plus agreements prior to acquisition <sup>2</sup>	25,298	1,589	5,807	7,863	6,752
<b>Completed<sup>3</sup></b>					
Number	6	7	2	5	4
Amount	19,582	840	5,210	5,213	5,270
Amount plus agreements prior to acquisition <sup>2</sup>	21,038	858	5,210	5,213	5,270

Source: CNMV. In cases where the consideration has been adjusted for dividends, all amounts are calculated on the basis of this adjusted consideration. (1) Authorised during the year. (2) Potential amount of takeover bids plus cash volume of acquisitions agreed prior to each bid. (3) All bids authorised during the year, even if completed in the following year, except where the bid was unsuccessful or was withdrawn. Does not include the amounts for squeeze-outs.

31 Article 7 bis of Law 19/2003, of 4 July, on the legal regime of capital movements and economic transactions with foreign countries.

32 Article 82 of the recast text of the Securities Market Act and Article 11(d) of Royal Decree 1066/2007 of 27 July, on the regime governing takeover bids.

## Multilateral trading facilities

### Latibex

The market value of Latin American stocks<sup>33</sup> traded on Latibex, which are quoted in euros, rose by 16.5% in 2022, to stand at €228.50 million. This amount represents less than 0.1% of the capitalisation of the companies traded in Latin America and a very small part of the total number of shares admitted to trading of these companies in their home markets. Almost the entire balance registered with Iberclear, as well as the trades, corresponded to Brazilian companies, with the rest of the companies accounting for negligible values. Likewise, trading on Latibex practically doubled, reaching €93.3 million, but remained at a very low level.

### Companies listed on Latibex, by country

TABLE I.2.1.11

Amounts in millions of euros

Country	Number of companies		Traded securities at market price <sup>1</sup>			Trading volume		
	2021	2022	2021	2022	% change 22/21	2021	2022	% change 22/21
Argentina	2	1	1.2	1.2	0.4	0.1	0.2	62.6
Brazil	11	11	136.1	225.4	65.5	39.8	86.4	117.5
Colombia	0	1	0.0	0.0	-	0.0	0.0	-
Mexico	5	5	57.9	1.3	-97.8	9.0	6.4	-28.6
Peru	1	1	0.9	0.7	-22.8	0.1	0.3	308.0
<b>Total</b>	<b>19</b>	<b>19</b>	<b>196.1</b>	<b>228.5</b>	<b>16.5</b>	<b>48.9</b>	<b>93.4</b>	<b>90.9</b>

Source: CNMV. (1) Securities deposited in Iberclear.

### BME MTF Equity

BME MTF Equity is structured in three segments: BME Growth, BME CIS and BME venture capital firms. BME Growth is intended for SMEs in expansion and has the category of “growth market”.<sup>34</sup>

BME Growth had a total of 56 growth companies admitted to trading at the end of 2022 and 79 listed public limited companies for investment in the real estate market (SOCIMIs or Spanish REITs), with a total capitalisation of €20.70 billion. Listed growth companies increased in number (six more, to 56)<sup>35</sup> and capitalisation (15.9% more, to €5.98 billion),<sup>36</sup> reaching an all-time high in both cases, although trading volumes fell by 15.4% to €681 million. The companies joining

33 The FTSE Latibex All-Share and FTSE Latibex Top indices posted revaluations of 10.7% and 7.8%, respectively, which came on top of the gains of 5.8% and 13.5% seen in 2021.

34 This new category has been established as part of the Capital Markets Union (CMU) initiative, with the aim of boosting the financing of smaller companies through their presence in financial markets and aligning the quality and transparency standards of European growth markets.

35 Ten companies were included in the market and four were delisted.

36 The indices of this market, Ibex Growth Market 15 and Ibex Growth Market All-Share, lost 2.1% and 0.9% in 2022, respectively.



the market were mainly in the renewable energy and technology sectors, although companies from the health and retail sectors were also included. Likewise, the number of SOCIMIs (Spanish REITs)<sup>37</sup> increased by two to make a total of 79, with a total valuation of more than €14.70 billion. Trading volumes also fell to just over €100 million.

Securities markets  
and their agents  
Markets and issuers

The number of open-ended collective investment schemes (SICAVs) fell by almost half (1,110 companies were deregistered, from 2,283 down to 1,173) after the entry into force of a particularly relevant tax change; therefore the capitalisation of this segment dropped by 40.3%, to €17.40 billion.

### Companies listed on BME MTF Equity, by segment

TABLE I.2.1.12

Amounts in millions of euros

	Number of companies		Market capitalisation <sup>1</sup>			Trading volume		
	2021	2022	2021	2022	% change 22/21	2021	2022	% change 22/21
<b>BME Growth</b>								
Growth companies	50	56	5,153.4	5,975.3	15.9	805.1	681.2	-15.4
SOCIMIs (Spanish REITs)	77	79	13,846.3	14,710.6	6.2	129.0	106.4	-17.5
<b>BME CISs</b>								
SICAVs	2,283	1,173	29,137.8	17,385.1	-40.3	2,330.1	2,897.1	24.3
<b>BME hedge funds with legal personality-venture capital firms</b>								
Hedge funds and venture capital firms	22	38	519.4	999.4	92.4	272.4	152.5	-44.0
<b>Total</b>	<b>2,432</b>	<b>1,346</b>	<b>48,656.9</b>	<b>39,070.4</b>	<b>-19.7</b>	<b>3,536.5</b>	<b>3,837.3</b>	<b>8.5</b>

Source: CNMV. (1) Includes only the value of those entities for which there was trading during the year.

### Exchange traded funds (ETFs) on the Spanish stock markets

ETF activity fell to its lowest levels since it was first introduced in 2006. Trading in ETFs stood at €1.61 billion and its assets at €221.40 million, belonging to five funds, the same as in 2020. The different taxation regime for transfers, which is less advantageous than the regime for unlisted investment funds, seems to be the reason why this market has not developed in Spain.

37 Five companies were incorporated and another three were delisted. SOCIMIs are the Spanish version of real estate investment vehicles (REITs) existing in other countries and are characterised by having a favourable tax regime.

### Consolidation of alternative markets: BME Growth and MARF

EXHIBIT 3

Europe and particularly Spain are economies in which small and medium-sized companies make up the largest part of the business fabric.<sup>1</sup> The smaller relative size of these companies is usually an impediment for accessing financing through the capital markets and therefore they almost exclusively tend to resort to bank financing.<sup>2</sup> This makes them financially more vulnerable, since they are dependent on the supply of credit and the health of financial institutions. As stated in the justification for the Capital Markets Union, a financing “monoculture” generates a business fabric that is more fragile to disturbances from this single source and the European (and Spanish) economies must move towards diversification, which necessarily implies assigning greater importance to the market. In addition, the cost of capital is currently increasing at a lower rate than the cost of bank financing, so the possibility of obtaining financing from the markets and not only through banks would help to reduce financing costs and be beneficial for the efficiency and profitability of companies.

It should also be noted that the financial crisis of 2008, which gave rise to major problems in the banking sector, highlighted the difficulties faced by these companies to obtain financing in situations where traditional banking channels are restricted. With the objective of ensuring that smaller companies can access a broad group of investors and obtain financing and funds for their projects in the medium and long term, various markets have been developed at an international level in recent years that are specifically targeted at these businesses.<sup>3</sup>

These alternative markets are specifically designed for this type of company, as they have both processes and lower costs that adapt to their specific characteristics, in a more flexible regulatory environment. It is common for them to have trading models and specific disclosure regimes that take into account the particularities of these companies. The supervisory powers of the national authorities are also often less extensive than the powers they have with respect to regulated markets. In the CNMV, for example, these powers are limited to supervising market abuse and it has no powers in the area of financial statements.

The first part of this process saw the creation of alternative equity markets,<sup>4</sup> including the Alternative Stock Market (MAB) – currently BME Growth –, which was set up by BME in 2008. Subsequently, alternative fixed income markets were developed, such as the Spanish Alternative Fixed Income Market (MARF), which was created in 2013. This exhibit describes the evolution of both alternative markets in Spain.

The MAB started operating in July 2009, with two companies. Since then, it has been joined by more than 170 companies from different sectors and areas of activity. At the end of 2022, it had 135 registered companies, of which 56 were growth companies and 79 were listed real estate investment companies (SOCIMIs), with a total capitalisation of more than €20.60 billion. The market is intended for companies from any sector, although most of the listed companies belong to the technology, health, biotechnology, telecommunications, engineering and renewable energy sectors. Since its creation, it has undergone periods of ups and downs, growing significantly from its creation until

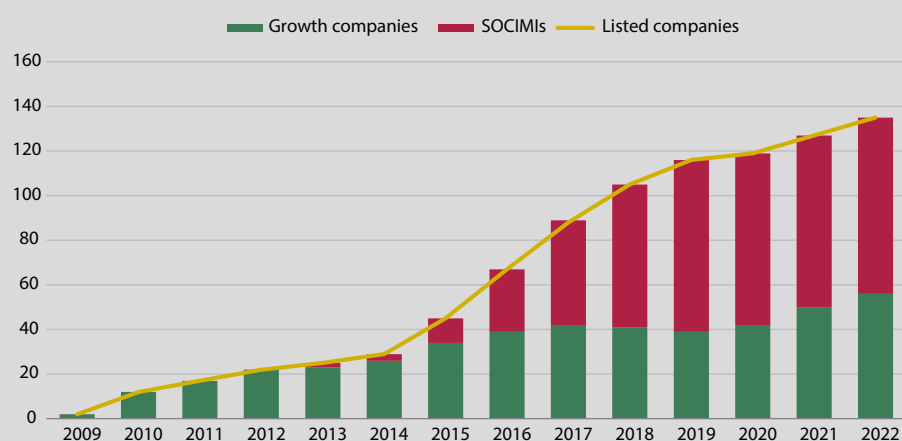
2015, when the difficulties faced by some of the companies listed<sup>5</sup> on the market sparked uncertainty among investors and caused upsets that weighed on its growth and consolidation. There were some success stories – such as companies that managed move over to the regulated market<sup>6</sup> –, but there were also negative cases where companies left the market. The creation of a specific segment for SOCIMIs from the end of 2013 gave the market some stability in a scenario of growth in the real estate market and sector operators.

At the end of 2020, after receiving recognition as an SME Growth Market<sup>7</sup> under European regulations, the MAB became BME Growth. This gave the market a boost and it is now experiencing a fresh period of growth driven by the recovery in investor confidence and the interest in companies from innovative sectors, as well as the need for companies – especially in the most innovative sectors, such as technology and renewable energy – to obtain funds to finance their growth plans. As mentioned above, this market includes growth companies and SOCIMIs. The former have been part of the market since its launch and their number has increased progressively until the latter were incorporated in 2013 and began to drive the growth of the market on the back of certain tax and regulatory advantages,<sup>8</sup> which obliges these entities to be listed in one of the markets recognised under the regulation.

Thus, in a few years the number of SOCIMIs surpassed the number of growth companies and continued to lead the expansion of the market due to the financial difficulties that affected some growth companies from 2015 onwards, which subdued investors' interest and discouraged companies of this type from joining the market (see Figures E3.1 and E3.2).

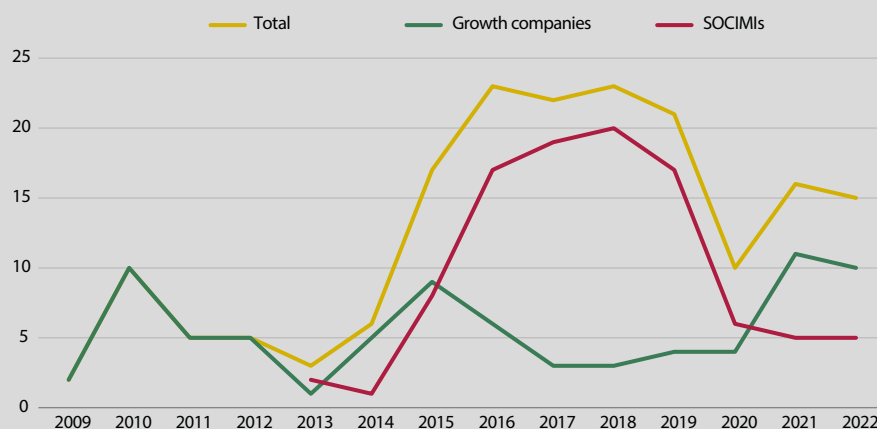
Companies listed on BME Growth, by type (2009-2022)

FIGURE E3.1



Source: BME Annual data on the number of companies.

Companies admitted to trading on BME Growth, by type (2009-2022) FIGURE E3.2



Source: BME Annual data on the number of companies.

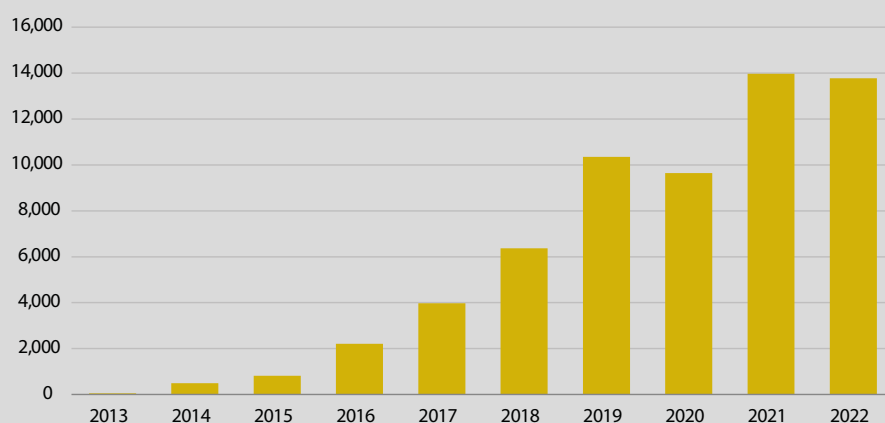
The MARF started operating in October 2013, in the midst of the financial crisis, with the aim of providing SMEs with an alternative financing mechanism to traditional bank financing through the issuance of debt securities. The MARF was an initiative of the Ministry of Economy to provide financing for Spanish SMEs, in line with other markets of this type that existed in other European countries, within the framework of the Memorandum of Understanding (MoU) for the programme to help the Spanish financial sector, which established the need to promote non-bank financial intermediation. Since its creation, this market has made it possible to channel more than €60 billion in financial resources to more than 150 issuers of different sectors, size and origin through different debt instruments such as commercial paper, bonds and securitisation bonds. Green bonds and project bonds are also included.

The market got off to a relatively slow start<sup>9</sup> in the midst of the credit crisis, with more than half of its issuance aimed at medium-term debt, but it became more dynamic from 2016 onwards following the incorporation of numerous commercial paper issues, which have continued to increase and now account for more than three quarters of the amount issued on the market. In 2019, total issuance already exceeded €10 billion and in the last two years it has reached values close to €14 billion, of which more than €10 billion corresponded to commercial paper (see Figure E3.3). Thus, this market has become an important source of working capital financing for its issuers, which include companies of different sizes: large companies such as El Corte Inglés or Gestamp, as well as medium-sized companies such as Pikolin or La Sirena. There is also a great variety in terms of the sectors the issuers belong to, in contrast to traditional debt markets, where financial institutions and large companies in the energy, public services and construction sectors predominate.

Despite being a market that is less than ten years old, data corroborate its success as a flexible and useful financing mechanism for SMEs, and also as an interesting investment option for qualified investors, so it is expected to continue to grow in the coming years as part of the financial disintermediation process to provide financing for companies, helping them grow and making them less dependent on bank financing. Likewise, although their relative

Volume issued on MARF (2013-2022)

FIGURE E3.3



Source: CNMV. Annual data in millions of euros.

weight with respect to commercial paper is still small, the issuance of other types of instruments is becoming increasingly common.

From the creation of the MAB in 2008 to the current BME Growth, which the MARF joined in 2013, both markets have gone through different stages to reach the period of consolidation and subsequent expansion in which they currently find themselves. There is no doubt that both markets have become a relevant source of financing and resources for a significant number of companies, allowing them to carry out their growth projects. In addition, their prospects seem promising, taking into account the large number of SMEs existing in Spain, which will undoubtedly contribute to their development. This is evidenced by the experience of other European alternative markets such as those in the United Kingdom and Nordic countries.

- 1 In the European Union, more than 99.5% of companies are SMEs (with either less than 250 workers and a turnover of less than €50 million, or a balance sheet size that does not exceed €43 million). These companies generate around 66% of employment and 57% of GAV. In Spain, this phenomenon is somewhat more pronounced in terms of the number of companies and their contribution to GAV, at 99.9% and 62% of GDP, respectively (they employ six out of ten workers).
- 2 Usually the financing they obtain is for limited amounts over the short and medium term and involves the provision of guarantees.
- 3 These types of markets tend to have fewer processes and lower costs, in addition to a more flexible regulation under the MiFID II Directive. They also have institutional investors, who have a better understanding of the needs and challenges faced by SMEs.
- 4 The first alternative market in Europe was the Alternative Investment Market (AIM), created by the London Stock Exchange in 1995, while the first market of this type specifically for fixed income was the "Nordic ABM" created by the Oslo Stock Exchange in 2005.
- 5 Such as the fraud that took place at Gowex, the disappearance of Bodaclik, Diario Negocio and Vousse (Clínicas Hedonai) and the difficulties facing Zinkia, some of the most significant companies in the early years of the market.
- 6 Such as MásMóvil, Grenergy Renovables, Artificial Intelligence Structures and Atrys Health.
- 7 MiFID II introduces this new category of markets under the framework of Capital Markets Union with the aim of providing financing to smaller companies to facilitate their growth through the financial markets.
- 8 Law 26/2012 obliges SOCIMIs to be listed on a regulated market or a Spanish or European MTF within two years of acquiring this status.
- 9 The first debt issuance in this market was made by the construction company Copasa, which placed €50 million in 7-year bonds in December 2013.

## I.2.2 Fixed income

### Overview

The debt markets in Spain evolved in a context marked by the shift in European Central Bank (ECB) monetary policy – after several years of a broadly expansive tone, it tightened sharply in the middle of the year. In addition to concluding its asset purchase programmes,<sup>38</sup> the ECB made four increases in its official interest rates during the second half of the year, to put the rate on main refinancing operations at 2.5% at the end of the year,<sup>39</sup> the highest level seen since 2008. These increases fed through to all other fixed income assets, to a differing extent depending on their maturities and other factors such as credit risk.

The public administration service registered net issuance of €78.29 billion in 2022, which implied a 6.3% increase in outstanding debt. Despite this increase, the weight of total public debt (including loans) with respect to GDP fell to 113.1% in 2022,<sup>40</sup> 5.2 percentage points (pp) below its weight at the end of 2021. The strong increase in GDP in nominal terms (10.1% more than in 2021)<sup>41</sup> helped to dilute the weight of public debt vis-a-vis GDP. The increase in the balance of outstanding public debt was 3.8% for the euro area as a whole, 2.5 pp lower than in Spain.

Gross issues by Spanish private sector issuers increased in 2022. However, net issues were negative, which contributed to the drop in outstanding debt in this segment. Financial institutions issued a total of €164.67 billion in 2022, 6.3% more than in 2021. However, maturities and repayments exceeded this figure by €27.39 billion, which caused a 4.2% decrease in the outstanding balance of debt. Similarly, gross issuance by non-financial companies was €61.49 billion, 10% more than in 2021. Even so, this figure was still €6.27 billion lower than that of maturities and repayments, which translated into a 5.1% decrease in the outstanding balance of its debt. This performance contrasts with that of European private issuers, which increased their outstanding debt by 6.9%, in the case of financial institutions, and 0.6%, in the case of non-financial companies. This difference could be due to Spanish financial issuers obtaining financing at a lower cost through bank deposits, which could have led them to resort less to market financing.

Short-term issues, particularly of commercial paper, have been gaining weight in recent years in new private issues, accounting for almost 40% in 2022. This has contributed to the decrease in the average life of outstanding debt and the high volume of annual maturities.

---

38 The PEPP (Pandemic Emergency Purchase Programme) ended in June, and the PSPP (Public Asset Purchase Programme) ended in July. Initially, the reinvestment of maturities continued. In December, the ECB announced its decision to only partially reinvest maturities as of March 2023, with the intention of reducing its asset portfolio by €15 billion a month up to June 2023. The volume of reinvestment from this date onwards would be decided at later date.

39 The marginal lending rate and the deposit facility rate increased to 2.75% and 2%, respectively.

40 Advance data published by the Bank of Spain and calculated according to the Excessive Deficit Protocol, which includes, in addition to the issued debt, other liabilities such as loans.

41 According to advance data published by the Spanish National Statistics Institute (INE) in January 2023

## Issues and outstanding balances: breakdown by issuer

TABLE I.2.2.1

Nominal amounts in millions of euros

	Amount <sup>1</sup>			Pro memoria: euro area		
	2021	2022	% change 22/21	2021	2022	% change 22/21
<b>Gross issues<sup>2</sup></b>	<b>493,190</b>	<b>495,577</b>	<b>5.4</b>	<b>8,059,951</b>	<b>9,055,031</b>	<b>12.3</b>
Public administration service	282,383	269,414	-4.6	3,119,868	3,033,696	-2.8
Financial institutions	154,930	164,671	6.3	4,308,087	5,294,720	22.9
Non-financial companies	55,876	61,492	10.0	631,996	726,615	15.0
<b>Net issues<sup>2</sup></b>	<b>91,136</b>	<b>44,635</b>	<b>-51.0</b>	<b>1,009,451</b>	<b>853,466</b>	<b>-15.5</b>
Public administration service	64,904	78,289	20.6	536,624	388,762	-27.6
Financial institutions	12,694	-27,388	-315.7	395,594	454,696	14.9
Non-financial companies	13,538	-6,267	-146.3	77,233	10,008	-87.0
<b>Outstanding balances<sup>3, 4</sup></b>	<b>1,983,177</b>	<b>2,028,957</b>	<b>2.3</b>	<b>20,038,866</b>	<b>20,997,498</b>	<b>4.8</b>
Public administration service	1,245,071	1,323,353	6.3	10,227,055	10,613,855	3.8
Financial institutions	596,259	570,947	-4.2	8,192,972	8,755,074	6.9
Non-financial companies	141,847	134,658	-5.1	1,618,807	1,628,546	0.6

Source: Bank of Spain, CNMV and ECB. Data on the public administration service in this table are not directly comparable with the data drawn up according to the Excessive Deficit Protocol, mainly because the latter methodology includes all liabilities held by the public administration service in cash and deposits, debt securities and loans; it also excludes portfolio securities held by the public administration service itself and includes currency swaps. Data from the Management Company for Assets arising from Bank Restructuring (SAREB) are included in the public administration sector in accordance with the reclassification established by Eurostat. (1) Includes issues made by Spanish companies in Spain and abroad. (2) For currency issues made by the public administration service, the equivalent value in euros is considered, applying the average exchange rate of the month published by the ECB. For currency issues of financial institutions and non-financial companies, the value in euros is obtained by applying the exchange rate of the last day of the month published by the ECB. (3) and (4) Outstanding balances cannot be adjusted with net issues because currency issues are converted to euros applying a different time criteria for the exchange rate.

### Public sector debt

**The Spanish public administration service was forced to cover its financing needs in a scenario of escalating interest rates.** The yield on assets at 3, 6 and 12 months ended the year at 1.49%, 2.16% and 2.47% respectively (December average), which represents an increase of between 226 and 307 basis points (bp) compared with the end of 2021. On a longer-term horizon, the yield on the 10-year sovereign bond increased by 305 bp in 2022, to 3.65%, its highest level since 2014.

**Against this backdrop, the Spanish public administration service reduced its gross issuance by 4.6% in 2022 compared with 2021, but this reduction was compatible with a 6.3% increase in the outstanding balance.** The long average life of public debt (more than eight years) means lower annual maturities and, despite the drop in gross issuance, it exceeded the volume of repayments and maturities by €78.29 billion. The decrease in gross issues was sharper in short-term government assets (-18.4%) and in debt issued by the autonomous regions (-60.8%), while long-term government issues increased by 6.1%.

## Gross issues by the public administration service

TABLE I.2.2.2

Nominal amounts in millions of euros

	2019	2020	2021	2022	% change 22/21
<b>Central government</b>	<b>214,827</b>	<b>296,965</b>	<b>279,893</b>	<b>266,370</b>	<b>-3.0</b>
Short-term	71,897	90,808	101,603	82,859	-18.4
Long-term	142,930	206,157	178,290	183,511	6.1
<b>Autonomous regions</b>	<b>6,845</b>	<b>6,394</b>	<b>7,768</b>	<b>3,044</b>	<b>-60.8</b>
Short-term	541	878	501	208	-58.5
Long-term	6,304	5,516	7,267	2,836	-61.0
<b>Local authorities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>
Short-term	0	0	0	0	-
Long-term	0	0	0	0	-
<b>Total public administration service</b>	<b>221,672</b>	<b>303,359</b>	<b>287,661</b>	<b>269,414</b>	<b>-4.6</b>

Source: Bank of Spain and CNMV.

In 2022, the downward trend in Spanish public debt trading seen in recent years continued, albeit at a slower rate. The volume of Spanish public debt traded in 2022 stood at €1.96 trillion, which is 1.5 times the outstanding debt balance. This volume, which includes all transactions executed in Spanish and foreign trading venues as well as bilateral trades and over-the-counter (OTC) transactions, was 4.9% lower than the figure for 2021. As shown in Table I.2.2.3, the trading volume has fallen substantially (by close to 50%) over the last four years. The ECB's mass bond purchase programme during this period would have likely caused a significant drop in the outstanding balance of Spanish public debt. The percentage of Spanish debt on the ECB's balance sheet remains high (moving from 42% in 2021 to 41% in 2022),<sup>42</sup> which could help explain the decline in trading activity in recent years.

## Public debt. Total trading by instrument and transaction<sup>1</sup>

TABLE I.2.2.3

Amounts in millions of euros

	2019	2020	2021	2022	% change 22/21
<b>Treasury bills</b>	<b>414,396</b>	<b>318,676</b>	<b>269,011</b>	<b>264,815</b>	<b>-1.6</b>
Spot	412,731	316,459	268,854	262,061	-2.5
Term	1,665	2,217	157	2,754	1,651.0
<b>Non-stripped government bonds</b>	<b>3,249,497</b>	<b>2,771,733</b>	<b>1,784,689</b>	<b>1,682,251</b>	<b>-5.7</b>
Spot	3,205,979	2,696,745	1,720,971	1,628,076	-5.4
Term	43,519	74,987	63,717	54,175	-15.0
<b>Stripped government principal and coupons</b>	<b>17,863</b>	<b>7,267</b>	<b>5,333</b>	<b>11,484</b>	<b>115.3</b>
Spot	16,620	7,258	5,320	9,342	75.6
Term	1,243	9	13	2,142	16,426.0
<b>Total</b>	<b>3,681,756</b>	<b>3,097,676</b>	<b>2,059,033</b>	<b>1,958,550</b>	<b>-4.9</b>

Source: Bank of Spain and CNMV. (1) Includes OTC transactions. Does not include simultaneous transactions or repos.



The trading volume of Spanish public debt executed through Spanish trading venues decreased by 15.7% in 2022. The variation in trading volume was not distributed evenly among all the Spanish venues. Thus, the AIAF regulated market, through the SEND platform, experienced the largest fall (-76.6%), following a similar decline in the previous year. This implies a significant loss market share in the last two years, from trading a volume of €111.45 billion in 2020 (16% of the total traded in Spanish venues) to €6.35 billion in 2022 (1.3% of the total). SENAF registered the second largest fall, with a trading volume of €100.43 billion in 2022, 42.6% less than in 2021.

Finally, Spanish organised trading facilities (OTFs) also saw a decrease in the volume of public debt transactions executed through their platforms in 2022, with the exception of Tradition España OTF. CAPI OTF and CIMD OTF registered decreases of 8.9% and 11.6% in trading volumes of Spanish public debt, standing at €112.37 billion and €216.54 billion respectively. By contrast, the new OTF authorised to operate in 2021, Tradition España (TEUR) saw a significant rise in activity in 2022, from an insignificant volume (€68 million) in 2021 to €45.24 billion traded in 2022.

### Trading in public debt<sup>1</sup> in Spanish trading venues

TABLE I.2.2.4

Nominal amounts in millions of euros

Venue	Place of debt issue	2019	2020	2021	2022	% change 22/21
AIAF	Total	158,531	140,339	47,485	18,676	-60.7
	Spain	118,503	111,454	27,184	6,354	-76.6
	Abroad	40,028	28,885	20,301	12,322	-39.3
<b>MTFs</b>						
SENAF		150,623	120,686	174,933	100,432	-42.6
Dowgate	Total	-	1,090	7,522	7,867	4.6
	Spain	-	73	192	376	95.2
	Abroad	-	1,090	7,522	7,492	2.2
<b>OTFs<sup>2</sup></b>						
CAPI	Total	139,548	180,150	164,224	154,841	-5.7
	Spain	120,900	170,940	123,324	112,372	-8.9
	Abroad	18,648	9,210	40,900	42,470	3.8
CIMD	Total	340,927	370,596	301,523	259,854	-13.8
	Spain	265,014	293,736	245,029	216,540	-11.6
	Abroad	75,913	76,860	56,494	43,315	-23.3
TEUR	Total	-	-	12,730	882,737	6,834.5
	Spain	-	-	68	45,241	66,431.1
	Abroad	-	-	12,662	837,496	6,514.4
<b>Total</b>	<b>Spain</b>	<b>655,040</b>	<b>696,889</b>	<b>570,730</b>	<b>481,314</b>	<b>-15.7</b>
	<b>Abroad</b>	<b>134,589</b>	<b>115,972</b>	<b>137,687</b>	<b>943,095</b>	<b>585.0</b>

Source: CNMV. (1) This table presents the total trading of public debt assets carried out in Spanish trading venues. Includes issues made in Spain and abroad. (2) Organised trading facility.

In terms of public debt issued abroad, Spanish venues traded a total of €943.10 billion in 2022, six times more than the volume traded in 2021. This strong increase was due mainly to the new OTF, Tradition España, which in its first year went from trading €12.66 billion in 2021 to €837.50 billion in 2022 (see Table I.2.2.4).

### Private debt

The yields on private fixed income assets evolved in 2022 in line with those of public debt, conditioned by the monetary policy tightening. In addition, the risk premiums of Spanish private sector issuers, obtained from the average price of the 5-year CDS, reached highs of 137 bp for financial institutions and 100 bp for non-financial companies in 2022. At the end of the year, the average risk premium for financial institutions stood at 104 bp (64.4 bp at the end of 2021) and that of non-financial companies was 82 bp (53.4 bp at the end of 2021).

Private debt issues made in Spain amounted to €112.84 billion in 2022, nearly 20% higher than in 2021. This increase can be explained by the strong rise commercial paper issuance, which practically doubled in volume between 2021 and 2022, to stand at €39.53 billion (see Table I.2.2.5). The information collected in the year suggests that the measures set out in Law 5/2021 and others adopted by the CNMV to simplify and expedite the issuance process seem to have had a positive effect on the amount of commercial paper issues on Spanish markets. The amount of long-term issues registered with the CNMV was close to €60 billion, practically the same figure as in 2021, with some reallocation being observed in favour of covered bonds and securitisation bonds (which accounted for 87% of long-term debt issues), to the detriment of issues of simple bonds and regional covered bonds (which accounted for only 10% of long-term debt issues). The securitised assets were mainly mortgage loans (70% of the total securitisation bonds) and auto loans (22% of the total). Bond issues admitted to trading on MARF stood at €13.73 billion, -3.9% less than in 2021.

In 2022, Spanish issuers made fewer fixed income issues abroad (down 8.1% compared with 2021) with a total volume of €113.25 billion. The decrease can be attributed to the drop in long-term issues (-20.5%), while commercial paper issues increased slightly (3.8%).

Total short-term issues in 2022 (in Spain and abroad) were higher than the amount of long-term issues. Commercial paper issues made abroad totalled €65.01 billion which, on top of the volume of commercial paper issues registered in Spain (both with the CNMV and MARF), makes for a total of €117.50 billion. Long-term issues registered in Spain and abroad amounted to €107.83 billion.

## Gross private fixed income issues registered in Spain

TABLE I.2.2.5

Nominal amounts in millions of euros

CNMV					% change
	2019	2020	2021	2022	22/21
<b>Long-term<sup>1</sup></b>	<b>52,305</b>	<b>80,753</b>	<b>59,914</b>	<b>59,583</b>	<b>-0.6</b>
Non-convertible bonds	9,101	5,545	4,180	2,249	-46.2
Subordinated debt	950	500	750	500	-33.3
Convertible bonds	0	0	0	1,800	-
Covered bonds	22,933	22,960	28,700	31,350	9.2
Regional covered bonds	1,300	9,150	5,500	3,540	-35.6
Securitisation bonds	16,471	35,081	18,376	20,645	12.3
Preference shares	1,000	1,750	2,335	0	-100
Other issues	1,500	6,266	823	0	-100
<b>Short-term<sup>2</sup></b>	<b>15,085</b>	<b>22,301</b>	<b>20,180</b>	<b>39,525</b>	<b>95.9</b>
Commercial paper	15,085	22,301	20,180	39,525	95.9
Asset securitisation	0	0	0	0	-
<b>Total</b>	<b>67,390</b>	<b>103,054</b>	<b>80,094</b>	<b>99,108</b>	<b>23.7</b>
<b>Admitted to the MARF</b>	<b>10,347.6</b>	<b>9,584.0</b>	<b>14,284.7</b>	<b>13,733.6</b>	<b>-3.9</b>
<b>TOTAL (CNMV and MARF)</b>	<b>77,737.2</b>	<b>112,637.7</b>	<b>94,378.3</b>	<b>112,841.4</b>	<b>19.6</b>

Source: CNMV. (1) This heading only considers the issues of private sector entities and excludes for all years of the table the issues made by SAREB (Spain's "bad bank"), which, according to Eurostat's criteria, must now be considered a public administration service. In 2022, the amount of debt issuance of this company registered with the CNMV stood at €25.28 billion. (2) The figures for commercial paper issues correspond to the amounts placed.

The volume of sustainable debt issues (ESG) made by Spanish private sector issuers stood at €15.03 billion in 2022, 10.4% more than in 2021. If the public administration service is included, issuances of this type of debt would stand at €20.86 billion, which represents a decrease of 10% compared with the figures for 2021. In the private sector, 73% of the issues were green bond issues, 17% and 7% were social and sustainable bond issues, respectively, and the remainder corresponded to debt linked to sustainability. Financial institutions made 69% of the issues and the remainder were made by the corporate sector. Within the corporate sector, it is worth noting the increase in issues made by energy companies and utilities and the decline in issues made by real estate and construction companies. More than 80% of ESG issues were still carried out in foreign markets.

Finally, it is worth noting the increase in issues made by subsidiaries of Spanish companies abroad, with a total of €82.84 billion in 2022, 19% more than in 2021. The increase was mainly due to the subsidiaries of financial institutions, which registered an increase of 44.7% with respect to the previous year, to €58.75 billion. By contrast, the subsidiaries of non-financial companies reduced their issues abroad by 17%, to €24.09 billion.

## Gross private fixed income issued by Spanish issuers abroad

TABLE I.2.2.6

Nominal amounts in millions of euros

	2019	2020	2021	2022	% change 22/21
<b>Long-term</b>	<b>53,234</b>	<b>46,122</b>	<b>60,644</b>	<b>48,241</b>	<b>-20.5</b>
Preference shares	3,070	1,850	3,820	0	-100.0
Subordinated bonds	1,755	0	1,350	0	-100.0
Bonds	48,409	44,272	55,474	48,241	-13.0
Securitisation bonds	0	0	0	0	-
<b>Short-term</b>	<b>47,087</b>	<b>44,078</b>	<b>62,606</b>	<b>65,007</b>	<b>3.8</b>
Commercial paper	47,087	44,078	62,606	65,007	3.8
Asset securitisation	0	0	0	0	-
<b>Total</b>	<b>100,321</b>	<b>90,201</b>	<b>123,250</b>	<b>113,248</b>	<b>-8.1</b>
<b>Pro memoria: gross issues of subsidiaries of Spanish companies in the rest of the world</b>					
Financial institutions	57,449	42,063	40,597	58,750	44.7
Non-financial companies	34,893	28,678	29,036	24,093	-17.0
<b>Total</b>	<b>92,342</b>	<b>70,741</b>	<b>69,633</b>	<b>82,843</b>	<b>19.0</b>

Source: Bank of Spain.

The MARF shored up its position in the commercial paper market, admitting to trading new issues worth €12.97 billion, 23.8% more than in 2021. However, long-term issues were less dynamic, registering €666 million in 2022, compared to €3.48 billion in 2021. As a whole, the market registered a slight fall of 3.9%. The number of issuers continued to increase and stood at 93 at the end of the year.

## Admission to the MARF<sup>1</sup>

TABLE I.2.2.7

Nominal amounts in millions of euros

	2019	2020	2021	2022	% change 22/21
Non-convertible bonds	303.1	445.3	503.0	119.0	-84.6
Securitisation bonds	363.5	199.2	2,982.5	547.3	-82.0
Covered bonds	0.0	350.0	0.0	100.0	-
Preference shares	82.0	0.0	0.0	0	-
Commercial paper	9,599.0	8,589.5	10,479.0	12,967.3	23.8
<b>Total</b>	<b>10,347.6</b>	<b>9,584.0</b>	<b>13,964.5</b>	<b>13,733.6</b>	<b>-3.9</b>
<b>Number of issuers</b>	<b>58</b>	<b>62</b>	<b>85</b>	<b>93</b>	<b>4.5</b>

Source: CNMV. (1) Transactions not registered with the CNMV.

In 2022, private fixed income trading partially recovered the amount it lost in 2021, with total volume growing by 18.4%. This increase was mainly due to the growth in OTC bilateral trading (30%), as trading in other multilateral trading systems (MTFs and OTFs) and systematic internalisers (SIs) increased at a more subdued pace (9.7% overall). While the increase in bilateral OTC trading in 2022 was lower than the increases seen in 2019 and 2020, it broke the trend observed since the entry into force of MiFID II, characterised by the loss of weight of the OTC format in favour of MTFs and SIs. In 2022, the weight of OTC trading in total trading was 44.9% compared with 40.5% in 2021.

The three main MTFs (Bloomberg Trading Facility, MarketAxess NL and Tradeweb EU) traded a total volume of €91.37 billion in 2022, 10.3% more than in 2021. Bloomberg Trading Facility saw the highest volume traded once again, with €68.60 billion traded mainly through its Dutch subsidiary (BV) following a significant transfer of the activity carried out before Brexit by the group's subsidiary in the United Kingdom. Finally, Table I.2.2.8 includes the SIs with the largest trading volumes, among which BNP Paribas, S.A. stands out, with a volume of €12.30 billion, almost four times the volume recorded in 2021. The two Spanish SIs (Banco Santander and BBVA) saw a reduction in activity in 2022, particularly Banco Santander, which went from trading €9.12 billion in 2021 to trading €2.09 billion in 2022. The table also includes, under the heading "Other trading systems", the €107 million traded through AIAF (compared with €174 million in 2021), as well as the €178 million traded through CAPI OTF (61 in 2021) and the €34 million traded through TEUR OTF.

**Total trading of private fixed income instruments issued by Spanish companies<sup>1</sup>**

TABLE I.2.2.8

Amounts in millions of euros

	2019	2020	2021	2022	% change 22/21
Bilateral trading (OTC)	172,581	157,323	99,899	131,003	31.1
Bloomberg Trading Facility Limited (MTF)	96,873	81,937	4,104	5,933	44.5
Bloomberg Trading Facility BV (MTF)	2,026	16,352	63,652	62,663	-1.5
Marketaxess <sup>2</sup> , NL, B.V. (MTF)	12,342	13,426	8,485	11,805	39.1
Tradeweb <sup>2</sup> EU, B.V. (MTF)	16,973	13,412	6,619	10,965	65.7
BNP, S.A. – Systematic internaliser (SI)	-	-	3,270.8	12,295.3	275.9
Banco Santander, S.A. – Systematic internaliser (SI)	2,439	11,196	9,124	2,093	-77.1
BBVA, S.A. – Systematic internaliser (SI)	7,308	10,822	4,205	3,556	-15.4
HSBC – Systematic internaliser (SI)	10,073	9,897	1,569	6,111	289.6
Barclays Bank Ireland PLC (SI)	-	-	6,565	5,052	-23.0
Citigroup Global Markets Europe AG (SI)	-	-	4,247	3,187	-25.0
Other trading systems <sup>3</sup>	95,480	102,187	34,936	37,290	6.7
<b>Total</b>	<b>416,095</b>	<b>416,553</b>	<b>246,675</b>	<b>291,953</b>	<b>18.4</b>

Source: CNMV. (1) Data estimated from information contained in Transaction Reporting. Includes private fixed income assets issued by Spanish companies both in Spain and abroad. (2) Figures for 2019 and 2020 include the volume traded through the London subsidiary, while in 2021 and 2022 the volume reflected is that traded through the Dutch subsidiary (B.V.). (3) This heading includes the sum of the volume traded in other trading systems other than those identified, whether they are regulated markets (including AIAF in Spain, trading on which was €107 million), other multilateral trading facilities (including MARF), organised trading facilities (including CAPI OTF, CIMD OTF and TEUR OTF registered in Spain) and other systematic internalisers.

## I.2.3 Derivatives markets

### Overview

The aggregate volume of derivatives contracts traded in international markets reached a total of 83.85 billion in 2022 (34% more than in 2021), its fifth consecutive historical record. This was due to the strong growth in financial derivatives, mainly on shares and exchange rates, which offset the drop in commodity derivatives. Likewise, growth was concentrated in options, which stood at 54.53 billion contracts (63.7% more than in 2021), while futures contracts traded remained largely stable (29.32 billion contracts).

The largest growth in trading by number of contracts was once again in the Asia-Pacific area, with an increase of 65.7%, led by India,<sup>43</sup> while figures in Europe fell for the second consecutive year (-11.9%). By volume of registered contracts, the Asia-Pacific region stood out, accounting for more than half of the market with 50.63 billion contracts, followed by North America with 16.81 billion contracts (one fifth of the world market). In Europe, trading fell by 2.8%, to 4.80 billion contracts,<sup>44</sup> with the Eurex and ICE Futures Europe markets standing out for their size.

### Trading on European financial derivatives markets

TABLE I.2.3.1

Thousands of contracts

	2020	2021	2022	% change 22/21
Eurex	1,861,416	1,703,293	1,955,730	14.8
ICE Futures Europe	1,079,753	1,114,374	1,071,137	-3.9
Euronext	175,583	164,051	151,563	-7.6
Nasdaq Exchange Nordic Markets	76,534	65,882	74,681	13.4
MEFF	36,709	30,982	31,026	0.1

Source: Eurex, Futures Industry Association and CNMV.

### MEFF Exchange

The number of financial derivatives contracts traded on MEFF remained at levels similar to those seen in the previous year, which are low in historical terms. The stagnation of trading in this market can be attributed to the moderate levels of volatility existing in the market, but above all to competition from other trading venues. Even so, trading in index contracts improved slightly (by 2.6%), while trading in equity contracts was largely unchanged. Likewise, there was no trading in contracts with sovereign debt underlyings.<sup>45</sup> Among Ibx 35 derivatives, trading in futures contracts (which accounts for most of the activity) recovered slightly

<sup>43</sup> The Indian derivatives market, the National Stock Exchange of India, grew by 120.9% in 2022, to over 38 million contracts.

<sup>44</sup> This figure represents 5.7% of the global market by number of contracts, compared with 8.7% and 12% in 2021 and 2022 respectively.

<sup>45</sup> All contracts with underlying Spanish sovereign debt are traded through Eurex.

(+3%), while trading in options fell once again, continuing the trend seen in the past few years. For derivatives on shares, the growth in share option contracts (6.6%) was sufficient to offset most of the fall in the number of futures contracts on shares (-9.5%).

Securities markets  
and their agents  
Markets and issuers

Trading remained concentrated in a small number of underlyings, which were also the securities most frequently traded on the continuous market. In the case of futures on shares, two single underlyings (Banco de Santander and to a lesser extent Telefónica) accounted for almost 94% of market trading, while in the options segment, five underlyings (Iberdrola, Banco Santander, Telefónica, Repsol and BBVA) accounted for 91%<sup>46</sup> of total trading.

### Trading on MEFF Exchange<sup>1</sup>

TABLE I.2.3.2

Number of contracts

	2019	2020	2021	2022	% change 22/21
<b>Contracts on Ibex 35</b>	<b>6,625,993</b>	<b>6,395,357</b>	<b>5,547,599</b>	<b>5,693,086</b>	<b>2.6</b>
Futures on Ibex 35 <sup>2</sup>	6,256,231	6,151,704	5,398,675	5,558,674	3.0
Plus	5,965,905	5,905,782	5,260,568	5,445,516	3.5
Mini <sup>2</sup>	145,489	154,351	92,657	93,450	0.9
Micro	-	-	-	-	-
Dividend impact	144,831	91,571	45,450	19,708	-56.6
Sector	6	0	0	0	-
Options on Ibex 35 <sup>2</sup>	369,762	243,653	148,924	134,412	-9.7
<b>Contracts on shares</b>	<b>32,841,027</b>	<b>30,313,892</b>	<b>25,434,719</b>	<b>25,333,109</b>	<b>-0.4</b>
Futures on shares	15,298,027	10,968,411	11,346,047	10,313,726	-9.5
Futures on dividends	758,700	130,055	2,100	12,550	497.6
Futures on dividends plus	-	7,752	20,800	13,510	-35.0
Options on shares	16,784,300	19,207,674	14,065,772	14,993,323	6.6
<b>Total</b>	<b>39,467,020</b>	<b>36,709,249</b>	<b>30,982,318</b>	<b>31,026,195</b>	<b>0.1</b>

Source: CNMV. (1) The differences in the nominal value of the various products make it impossible to compare them based on the number of contracts traded. However, the trends in trading over time in each type of product can be tracked. (2) In the case of Mini futures and options, the number of contracts traded is calculated by dividing by ten so as to standardise the individual size of the contract relative to those of the Ibex 35 Plus future (using one euro as the multiplier of the index used to calculate the nominal value of the contract in the first two cases and ten euros in the latter case).

Additionally, at year-end 2022, MEFF Exchange had a total of 86 market members, one fewer than in the previous year. The financial derivatives sector had 53 members, the energy derivatives sector had 41 and the currency derivatives sector had five.<sup>47</sup>

46 In 2021, cumulative trading with the same underlyings represented 92% of the total.

47 Entities may participate in more than one segment.

## Number of members of MEFF Exchange

TABLE I.2.3.3

Segment	Traders	Proprietary traders	Total entities	Change 22/21
Financial derivatives	42	11	53	0
Energy	8	33	41	4
Forex	5	0	5	0
<b>Total entities<sup>1</sup></b>	<b>55</b>	<b>42</b>	<b>86</b>	<b>4</b>
<b>Change 22/21</b>	<b>-1</b>	<b>4</b>	<b>4</b>	<b>-</b>

Source: MEFF Exchange and CNMV. (1) The total is lower than the sum of members in each segment as there are entities that participate in more than one segment.

## MEFF Power

Contracts traded on MEFF Power<sup>48</sup> represented an underlying energy volume of 9.4 TWh, almost two thirds less than in 2021. This sharp decline in activity affected contracts of all sizes except for daily contracts (10.1%) and was even accentuated in the comparison with the second half of each year, in line with observations for other trading venues in the European Union in which derivatives equivalent to those of MEFF Power are registered.

Thus, the impact of any changes in the price calculation in the Spanish electricity spot market as of 15 June 2022 must be taken into account. The “Iberian exception” implied a specific change in the economic results of the settlement of Spanish electricity derivatives with respect to what would have occurred if the methodology for calculating the settlement price of the contracts at the time they were traded and their market price was determined had been applied.

The amount of the transactions carried out through MEFF Power also fell year-on-year, albeit mitigated by the rise in prices. Thus, the decrease in the amount traded was 23.5%, to €1.78 billion, due to the strong rise in the average price of the contracts registered in 2022 (116.9%, from €85.9/MWh to €186.2/MWh).

## Organised trading facilities (OTFs)

Derivatives trading volumes in OTFs<sup>49</sup> increased considerably in 2022 after a new facility, Tradition Spain OTF, started operating. As a result, the downward trend in trading volumes of financial derivatives in OTFs, which began in 2020 and which had intensified in 2021, was reversed in 2022. The volume traded

48 MEFF Power is MEFF’s energy derivatives segment, in which are recorded derivative contracts with financial settlement against the daily average of the Spanish electricity spot market (SPEL) prices, calculated by the Iberian Electricity Market Operator with settlement periods that can be daily, weekly, monthly, quarterly or annual.

49 An organised trading facility (OTF) is a type of trading venue introduced by MiFID II, on which only fixed income instruments and derivatives can be traded and where, unlike regulated markets and MTFs, trading can be conducted in accordance with discretionary rules. In Spain, the CNMV has authorised three OTFs of this type: CAPI OTF (managed by CM Capital Markets Brokerage, AV, S.A.), CIMD OTF (managed by CIMD, SV, S.A. belonging to Grupo CIMD Corretaje e Información Monetaria y de Divisas, S.A.) and Tradition España OTF (managed by Tradition Financial Services España SV, S.A.). All three OTFs trade financial and currency derivatives, while CIMD OTF also trades energy derivatives.



increased to €1.25 billion, almost four times the amount recorded in the previous year (€340.72 billion), while the number of trades more than doubled to 4,326.<sup>50</sup> The growth in activity extended to all types of contracts, although it was greater for interest rate derivatives, which increased by 430% in 2022 and became the most frequently traded instrument, accounting for 54% of the total cash volume (46% in 2021).

### Trading on organised trading facilities (OTFs)

TABLE I.2.3.4

Financial derivatives segment	Number of trades	Cash amount (millions of euros)
Financial derivatives <sup>1</sup>	2,377	670,339
FX derivatives <sup>2</sup>	1,949	580,401
<b>Total</b>	<b>4,326</b>	<b>1,250,740</b>
Energy derivatives segment	42	90.30

Source: CNMV. (1) Trades on swaps, basis swaps, futures on interest rate indices and overnight indexed swaps. (2) Trades on foreign exchange futures.

OTF activity in the energy derivatives segment<sup>51</sup> dropped significantly in 2022. Although the number of trades was similar to the number observed in 2021 (-2.4%), the underlying energy volume traded decreased considerably from 640.075 MWh in 2021 to 393.544 MWh (-39%). Even so, the increase in the average price per MWh (€229.5 in 2022 compared with €80.2 in 2021) caused the effective volume trade to increase from €51.3 million to €90.3 million (+76%).

### Warrants and certificates market

The volume of warrants issue filed with the CNMV (7,383) recovered further in 2022, while premiums more than doubled to €5.23 billion. In both cases, the figures were the highest seen in recent years. The rise in premiums can be attributed to the wide range of issues, warrant types and available underlyings, which extended to all contracts. The highest premiums were seen in contracts whose underlyings were shares and indices, but the highest growth rates corresponded to contracts with currency and commodity underlyings (see Table I.2.3.5). The number of issuers fell to two.<sup>52</sup>

50 In 2021, there were 1,961 transactions.

51 Where swaps are traded with financial settlement against the daily average of the spot market price of Spanish base load electricity (SPEL) and Italian (ITEL) (base and peak load) electricity spot markets.

52 The entities issuing warrants were Société Générale and BNP Paribas.

## Warrant issues filed with the CNMV

TABLE I.2.3.5

Amounts in thousands of euros

	Number		Amount of premium					Other <sup>2</sup>
	Issuers	Issues	Total	Shares	Indices <sup>1</sup>	Currencies	Commodities	
2018	5	5,231	2,084,891	818,952	1,160,478	48,767	56,695	-
2019	6	5,496	1,837,678	901,350	809,259	42,694	84,375	-
2020	5	3,081	1,167,724	445,662	673,963	24,797	23,302	-
2021	3	4,581	2,142,675	792,780	1,258,604	4,210	87,081	-
2022	2	7,383	5,232,962	1,595,873	3,014,199	18,200	493,600	111,090

Source: CNMV. (1) Includes baskets of securities and indices. (2) Warrant issues on derivatives with different underlyings.

**The rise in amount of warrant premiums was accompanied by an increase in traded volumes, which more than doubled.** The increase in trading can largely be explained by the rise in the supply of available underlying assets, as well as by the slight increase in volatility in the market during the year. The volume traded, which was the highest in recent years, was largely concentrated in warrants on indices, which tripled, while trading of warrants on shares decreased. In addition, the strong growth in the trading of warrants on commodities stands out, driven by the high volatility of this underlying.

## Trading in warrants on the continuous market

TABLE I.2.3.6

Premiums traded, in thousands of euros

	Premiums traded by type of underlying					
	Number of issues <sup>1</sup>	Indices <sup>2</sup>	Shares	Currencies <sup>3</sup>	Commodities	Total
2018	4,191	317,881	133,863	1,390	3,542	456,676
2019	3,627	186,620	100,818	543	3,182	291,163
2020	3,328	161,714	147,125	2,067	8,795	319,700
2021	3,003	143,403	141,487	497	3,779	289,167
2022	3,958	436,788	112,391	1,341	49,099	599,619

Source: CNMV. (1) The number includes the issues that recorded trading in each period. (2) Includes baskets of securities and indices. (3) Includes warrants on fixed income in the years in which these were traded.

## I.2.4 Clearing, settlement and registration

Iberclear provides the initial registration service (notary service), the provision and maintenance of securities accounts (central maintenance service) and manages the ARCO securities settlement system (settlement service), as well as other related ancillary services.

**Among the central securities depositories (CSDs) authorised to provide services on securities issued under Spanish law, Iberclear (Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal) is the most active.** According to the latest available data for 2021 provided by ESMA, 91% of the total value of issues carried out by Spanish entities was initially registered with Iberclear (with no significant changes compared with 2020), which

settled 74% of the total value of the related transactions (78% in 2020). The remaining activity was mainly carried out in the central depositories of the Clearstream and Euroclear groups.

At 31 December 2022 Iberclear had 64 participating entities. This figure includes the CSDs linked as investors in Iberclear and the central counterparties. The variation compared with 2020, when there 63 participating entities at the year-end, can be attributed to the registration of the Swiss CSD SIX SIS as a participating entity.

### Registration activity

At the end of 2022, the number of issues registered with Iberclear was 8,431 (9.2% more than the end of the previous year), which led to a nominal amount of €1.87 trillion (an increase of 1.2%). Public debt issues explain the increase in the total outstanding nominal balance. The increase in the number of issues was due to issues of other securities (i.e. securities other than public or corporate debt securities), which stood at 14.9%. Above all, it was due to the greater number of outstanding issues of warrants (as mentioned above), which more than offset the decrease in the number of outstanding issues of SICAVs (-615).

#### Iberclear ARCO. Registration activity

TABLE I.2.4.1

Amounts in millions of euros

Securities registered	2021	2022	% change 22/21
<b>Number of issues</b>	<b>7,721</b>	<b>8,431</b>	<b>9.2</b>
Public sector debt	563	547	-2.8
Corporate debt	1,963	1,917	-2.3
Other securities	5,195	5,967	14.9
<b>Nominal balance registered</b>	<b>1,841,701</b>	<b>1,864,703</b>	<b>1.2</b>
Public sector debt	1,238,915	1,323,830	6.9
Corporate debt	474,673	430,973	-9.2
Other securities	128,113	109,901	-14.2

Source: Iberclear and CNMV.

### Settlement activity

Settlement activity overall decreased compared with 2021, both measured by the number of trades (-8.9%) and in terms of their amount (-16.6%). Without differentiating between types of assets, the variation in the settlement of transactions originating from central counterparties (CCPs) was smaller (-2.3%: transactions, -0.2%: amount) and the drop was largely due to the decline in bilateral transactions (-11.1%: transactions, -24.9%: amount).

By type of asset, the total number of sovereign debt transactions increased slightly (3.9%), in contrast to the sharp decline in the amount settled (-18%). The first figure was a result of the increase in the number of trades instructed by clearing houses, while the drop in the amount settled was due to the 26.7% fall in the amount of bilateral transactions settled. In the latter segment, the greatest decreases occurred in repo and collateral management transactions.

The number of equity transactions settled fell by 11.5% compared with 2021, with the amount settled increasing by 3.9%. The variation in the amount settled can be explained by the increase in the amount settled deriving from CCPs. The decrease in the number of transactions was driven by bilateral activity (-13%). The greatest reductions in the number of transactions were seen in securities loans, transfers of titles without exchange of ownership<sup>53</sup> and above all the decrease in automatic sweeps carried out by Iberclear linked to a special financial intermediary liquidation procedure. The three types of transactions described (loans, transfers and financial intermediary sweeps) are usually recorded as payment-free transactions.

## Iberclear. Transactions settled ARCO

TABLE I.2.4.2

Amounts in millions of euros

	2021		2022	
	No. of transactions	Amount	No. of transactions	Amount
<b>Transactions from CCPs</b>	<b>2,418,214</b>	<b>9,751,342</b>	<b>2,362,202</b>	<b>9,729,989</b>
Sovereign debt	463,668	9,225,519	517,423	9,138,894
Corporate debt	-	-	-	-
Equity	1,954,546	525,823	1,844,779	591,096
<b>Bilateral and platform trades</b>	<b>7,340,691</b>	<b>19,333,206</b>	<b>6,524,863</b>	<b>14,519,835</b>
Sovereign debt	1,098,363	18,159,244	1,105,289	13,305,902
Corporate debt	73,691	130,766	72,150	174,438
Equity	6,168,637	1,043,196	5,347,424	1,039,495
<b>Total</b>	<b>9,758,905</b>	<b>29,084,547</b>	<b>8,887,064</b>	<b>24,249,824</b>

Source: Iberclear and CNMV.

The settlement inefficiency ratios in 2022 were at levels similar to those of 2021 in all categories: 5.8% for the number of transactions and 4.1% for the amount (compared with 6% and 3.7% respectively in the previous year). The overall trend was due to the slight decline in sovereign debt figures (with no changes in the rate of failed trades by number of transactions, which remained at 3.5%, and a higher figure in terms of the amount, 3.7% compared with 3.1% in 2021), and to the notable improvement in the amount of equities settled, where the rate of failed trades was 9.7% in 2022 compared with 14.5% in 2021. Equity figures were unchanged measured by the number of transactions, with failed trades standing at 6.4%. The improvement in the amount traded in equities occurred mainly after the entry into force of the settlement discipline regime on 1 February 2022, which had a significant impact on bilateral transactions. The unchanged rate of failed trades in the equities segment measured by the number of transactions must be evaluated taking into account the notable decrease in automatic sweeps in the financial intermediary account, whose special characteristics mean that settlement cannot fail (these transactions cannot be measured in terms of their amount, since they are payment-free).

53 In 2022 there were no mergers between participating entities that gave rise to a reduction their number (as in 2021) and that could have sparked numerous transactions of this nature.

Failed clearing house transactions that were resolved by buy-ins or cash settlement continued to account for a small percentage of those instructed by CCPs. These were less 0.01% in terms of both transactions and the amount settled. According to both criteria, the figures for 2022 were approximately 30% lower compared with 2021.

### Iberclear. ARCO settlement incidents

TABLE I.2.4.3

Amounts in millions of euros

	2021		2022	
	Number of transactions	Amount	Number of transactions	Amount
Sovereign debt	54,193	839,209	56,982	833,397
Corporate debt	3,717	5,361	4,671	6,030
Equity	523,509	227,993	457,024	158,527
<b>Total failed trades</b>	<b>581,419</b>	<b>1,072,563</b>	<b>518,677</b>	<b>997,954</b>
Buy-ins and settlement in cash	187	4	128	3

Source: Iberclear and CNMV.

In February 2022, the settlement discipline regime regulated by the CSDR Regulation entered into force. The main aspect of this regime (now that the deadline for the imposition of mandatory buy-ins has been delayed) is the daily penalty imposed on the counterparty responsible for the failed settlement of matched instructions. According to the data submitted by Iberclear in compliance with the aforementioned regulation, just over one million penalties were imposed (the sum of the daily number of settlement instructions penalised) for a total amount of just under €94 million.

### BME Clearing

The number of BME Clearing members increased by one in 2022, to stand at 188. As shown in Table I.2.4.4, which reflects the distribution of active members of BME Clearing, differentiating by segment and by type of member, there were new additions in the energy and equity segment (two members respectively), while three members were deregistered in the financial derivatives segment. The repo and IRS segments had the same members as in the previous year, standing at 24 and nine respectively.

## Number of members of BME Clearing by segment

TABLE I.2.4.4

Segment	Clearing			Non clearing			Total entities	Change 22/21
	General	Individual	Indiv. especial	Non clearing	Ordinary	Proprietary		
BME Clearing Derivados	8	23	-	11	0	9	51	-3
FX sub-segment	-	6	-	-	-	-	6	-
BME Clearing Energía	5	2	-	-	-	43	50	2
BME Clearing Repo	1	23	-	-	-	-	24	0
BME Clearing Swap	-	9	-	-	-	-	9	-
BME Clearing Renta Variable	7	13	2	5	21	-	48	2
Total entities	21	76	2	16	21	52	188	1
Change 2021	-1	2	1	-1	-	-	1	-

Source: BME Clearing and CNMV.

### BME Clearing Derivados

At BME Clearing Derivados, where transactions on financial derivatives traded on the MEFF Exchange are cleared, three entities were deregistered in 2022. This put the total number of members at 51 at the end of the year. In the clearing area of FX Rolling contracts, a sub-segment of financial derivatives, there were six registered members.

### BME Clearing Energía

At BME Clearing Energía, in addition to clearing electricity contracts traded on the MEFF Exchange, a clearing service has been provided for natural gas (NG) and liquefied natural gas (LNG) contracts since 24 May 2018. This service is provided for OTC futures, spot transactions and loan or deposit transactions. As shown in Table I.2.4.5, the amount traded in gas contracts fell in 2022 compared with the previous year (-€142 million), but the number of transactions increased to 338 (296 in 2021). In addition, the volume registered in electricity products fell both in terms of the cash volume (-23.45%) and the number of transactions (-33.5%). This also caused a sharp decline in the open position of both products, which at the end of the year stood at 13 TWh,<sup>54</sup> a drop of 64% compared with 2021.

### Activity in BME Clearing Energía

TABLE I.2.4.5

Nominal volume in millions of euros

	2021			2022		
	Electricity	Gas	Total	Electricity	Gas	Total
Cash volume	2,283	348	2,632	1,748	206	1,954
Number of transactions	2,871	296	3,167	1,910	338	2,248
TWh	27	9	36	11	2	13

Source: CNMV and BME Clearing.

## BME Clearing Renta Variable

The equity segment – the central counterparty service for transactions in securities traded on the stock exchange<sup>55</sup> – recorded a cash volume of €711.06 billion in 2022, 4.1% less than in 2021 (see Table I.2.4.6).

### Activity in BME Clearing Renta Variable

TABLE I.2.4.6

	2021	2022
Cash volume (millions of euros)	741,506	711,055
Number of trades	90,509,504	77,825,700

Source: CNMV and BME Clearing.

## BME Clearing Repo

The repo fixed income segment provides a central counterparty service for Spanish public debt repos, thus eliminating counterparty risk for participating entities. Despite the new offer from BME Clearing through the agreements signed with different platforms in 2018 and 2019, registered cash volume fell by 3.5%, to €99.51 billion.

### Activity in BME Clearing Repo

TABLE I.2.4.7

	2021	2022
Cash volume (millions of euros)	103,153	99,513
Number of trades	982	1,142

Source: CNMV and BME Clearing.

## BME Clearing Swap

This segment had nine clearing members at the end of the year (the same number as in 2020). All of them were individual clearers. In 2022, only one transaction was registered in this segment, for a nominal amount of €10.12 million (four transactions, for €43.89 million in 2021).

55 In September 2017, the connection of Iberclear and BME Clearing to the pan-European securities settlement platform Target2-Securities was completed.





## I.3 Financial institutions and investment services

This chapter describes movements in the activity of the main products and entities related to the provision of investment services in 2022. Overall, while the volume of investment funds' assets decreased, in an environment of falling prices, other products, such as venture capital and closed-end collective investment grew further. In the field of investment services, banking entities continued receive the largest fees for these services, while broker-dealers and brokers, whose number increased, continued to boost growth in services such as the marketing of CISs, portfolio management or financial advice, which had traditionally been less relevant. These entities are more independent from other financial groups. Finally, the sharp increase observed in 2022 in vehicles (open-ended and closed-ended) that claim to promote environmental or social values or that are aimed at sustainable investment should be noted.

### I.3.1 Collective investment

**After the significant increase in assets in 2021, 2022 was a difficult year for the collective investment industry, as the negative market performance gave rise to a considerable losses in value in the portfolios of these institutions.** Thus, the assets of Spanish vehicles as a whole decreased by 7.1% to just over €333 billion. The decrease in investment funds was 4.1%, despite the inflows of funds totalling €17 billion. In 2022, the preferred category of funds for investors was fixed income funds, with net subscriptions standing at around 15 billion. The investment volume of foreign CISs marketed in Spain, which had been growing strongly since 2012, decreased by 27.2% in 2022, thus reducing their relative weight to 37.6% of total assets of CISs marketed in Spain.

**The entry into force of Law 11/2021,<sup>1</sup> of 9 July, on measures to prevent and combat tax fraud is giving rise to significant changes in the field of open-ended collective investment companies (SICAVs).** The regulations require a minimum investment of €2,500 by at least 100 shareholders for a SICAV to be able to continue to apply the 1% tax on its profits. Thus, in 2022, 1,090 companies were deregistered, so the year closed with only 1,190. The reduction in assets was 44.3% (see Exhibit 4).

---

1 Law 11/2021 of 9 July, on measures to prevent and combat tax fraud, transposing Council Directive (EU) 2016/1164 of 12 July 2016, laying down rules against tax avoidance practices that directly affect the functioning of the internal market, amending various tax regulations and regulating gambling.

## Investment funds<sup>2</sup>

**The assets of Spanish investment funds, which grew strongly in 2021, contracted by 4.1% in 2022 to stand at €311.47 billion.** This decrease was due solely to the decline in the value of the investment portfolios of these vehicles, with a cumulative return in the year of -8.95%. This negative performance owed to the performance of the financial markets, which saw falls in the prices of most types of assets, especially in the first half of the year.<sup>3</sup> By contrast, net subscriptions made by the unitholders were positive, although lower than those of the previous year, standing at almost €17 billion compared with €27.60 billion in 2021. Net inflows of funds were observed, particularly between September and December, with a net investment of more than €8.50 billion.

**Fixed income funds showed the largest growth in assets in 2022 by far.** Although the value of these assets fell by 5.3% throughout the year, basically as a consequence of the increase in interest rates, the combined assets of the funds in this category increased by more than €10 billion, with a volume of over €98 billion at the end of the year. This increase was due to the high rate of net subscriptions, as already mentioned, which were slightly over €15 billion (see Statistical Annex II.1). Passive management funds also saw an increase in assets (albeit of a much smaller magnitude) of around €3.40 billion to almost €16 billion. It is also worth mentioning the increase in guaranteed fixed income funds, which, after more than 10 years of continuous declines,<sup>4</sup> posted assets of over €5.40 billion thanks to net inflows of funds of more than €3.30 billion.

**By contrast, the largest decline in assets was seen in mixed fixed income funds, both due to the redemptions made by investors and the negative performance of their investment portfolios.** Thus, assets in this category closed 2022 at just under €38 billion, which represents a decrease of €13 billion on the previous year, of which €9 billion corresponded to the net withdrawal of funds by unitholders.<sup>5</sup> International equity funds ended the year with a decrease in assets of around €560 billion, down to €45.60 billion. In this case, the decline was due solely to the sharp fall in the value of the investment portfolio, which marked a negative performance to the amount of over €7.40 billion. In global and mixed equity funds, the decrease was slightly less than €3.90 billion in both cases, closing the year with assets of almost €63.70 billion and €24.20 billion, respectively.

---

2 References to "Investment funds" in this chapter do not include hedge funds or funds of hedge funds.

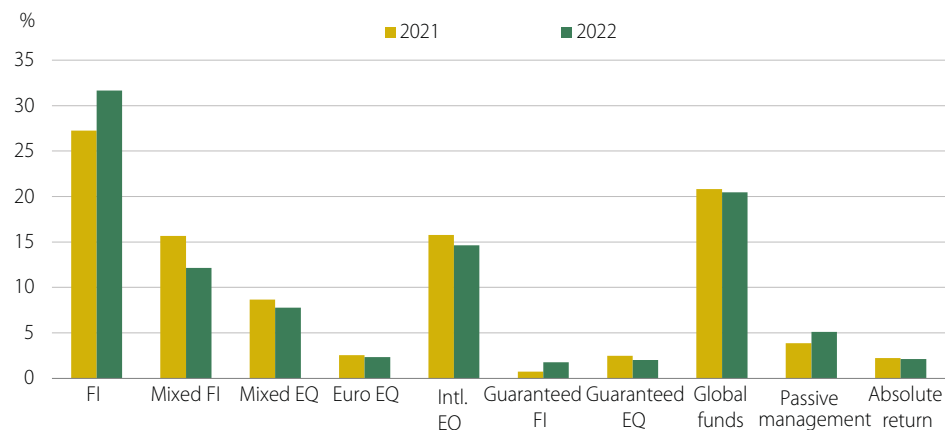
3 In the fourth quarter, the return on investment funds was in positive territory, at 1.2%.

4 Between year-end 2012 and year-end 2022, guaranteed fixed income funds lost 93.5% of their assets, which stood at just over €2.30 billion.

5 The remaining €4 billion decrease was due to the negative returns on the the portfolios of these institutions. In addition, it is worth mentioning that of the total outflows of funds, almost €3.40 billion corresponded to reallocations to other fund categories, mostly global funds.

## Investment funds: breakdown of assets

FIGURE I.3.1.1



Source: CNMV.

Unlike in 2021, these movements caused an increase in the relative weight of the categories considered to be most conservative (fixed income, guaranteed fixed income and equity funds) of 5 pp, to over 35% of total investment fund assets. By contrast, the relative importance of the highest risk formulas (euro equity and international and global funds) moved from accounting for 39.1% of total investment funds' assets in 2021 to 37.4% in 2022 (see Figure I.3.1.1). This was due to the greater loss in the value of the portfolios of these vehicles, which have a larger proportion of equities, and to lower inflows of funds.<sup>6</sup> As a consequence of these trends, the polarisation of investment observed in previous years<sup>7</sup> has become less clear-cut in the current environment of rising interest rates, thus boosting the appeal of fixed income assets.

The aggregate return on investment funds for the year as a whole was -8.95%, with negative values seen in the first three quarters, especially in the second quarter. All fund categories, without exception, posted a negative return for the year as a whole, and in all cases the loss – which corresponds to that obtained on absolute return funds – was greater than 5%. International equities (-13.1%), mixed equities (-11.4%) and global funds (-10.5%) offered the worst returns. It is worth mentioning that despite this overall decrease in the year, the fourth quarter saw a 1.2% revaluation of the portfolios of these vehicles, with all the categories moving into positive territory with the exception of guaranteed equity funds, which posted a return of -1.4%.

The variation in the distribution of the aggregate assets of investment funds in 2022 played in favour of the domestic portfolio,<sup>8</sup> breaking the trend seen in recent years. However, investment in foreign assets continued to predominate, with €232 billion,<sup>9</sup> 74.6% of total assets at the end of the financial year (see

6 Net subscriptions in the group of conservative categories exceeded €17 billion, compared with just over €5 billion in the highest risk segments.

7 Some investors sought higher risk assets as a means of obtaining returns in an environment of low interest rates, while other, more risk-averse investors, opted for more conservative formulas.

8 The domestic portfolio is made up of investments in financial instruments traded in regulated markets or MTFs located in Spain, regardless of the registered address of the issuer of the security or its currency of denomination.

9 It must be taken into account that the foreign portfolio includes all securities that have been acquired in non-domestic markets, regardless of the home market of the issuer, a factor that is especially relevant in the case of debt assets, as there is a growing tendency among Spanish issuers to carry out their issuances in foreign markets.

Table I.3.1.1). The relative weight of the domestic portfolio increased by 2 pp, but it continued to account for a relatively small proportion (18.9%, with an amount slightly less than €59 billion). Investment in fixed income assets still predominated in the domestic portfolio (71.6%) and this was also the only category to increase in value – by more than €6 billion to over €42 billion. Movements in the foreign portfolio were similar to those of the domestic portfolio: investment in fixed income assets increased, to stand at over €110 billion (15.8% more than in 2021), while investment in other CISs fell significantly (-21.8%, to €80.50 billion). By contrast, the weight of direct investment in equities in the portfolio, both domestic and foreign, was relatively small and also fell by 1 pp in 2022, to 15.2% of total investment fund assets.

### Breakdown of investment fund assets<sup>1</sup>

TABLE I.3.1.1

Amounts in millions of euros

	2021	%	2022	%	% change 22/21
<b>Assets</b>	<b>324,701</b>	<b>100.0</b>	<b>311,466</b>	<b>100.0</b>	<b>-4.1</b>
<b>Portfolio of financial investments</b>	<b>299,435</b>	<b>92.2</b>	<b>291,188</b>	<b>93.5</b>	<b>-2.8</b>
Domestic portfolio	54,717	16.9	58,740	18.9	7.4
Debt securities	35,648	11.0	42,044	13.5	17.9
Equity instruments	6,829	2.1	6,113	2.0	-10.5
Collective investment schemes	11,397	3.5	9,928	3.2	-12.9
Deposits with credit institutions	627	0.2	432	0.1	-31.1
Derivatives	169	0.1	159	0.1	-5.9
Other	47	0.0	64	0.0	36.2
Foreign portfolio	244,715	75.4	232,444	74.6	-5.0
Debt securities	95,132	29.3	110,174	35.4	15.8
Equity instruments	46,255	14.2	41,321	13.3	-10.7
Collective investment schemes	103,090	31.7	80,593	25.9	-21.8
Deposits with credit institutions A	0	0.0	0	0.0	-
Derivatives	238	0.1	356	0.1	49.6
Other	1	0.0	0	0.0	-100.0
Doubtful, delinquent or disputed investments	4	0.0	4	0.0	0.0
<b>Cash</b>	<b>23,951</b>	<b>7.4</b>	<b>18,515</b>	<b>5.9</b>	<b>-22.7</b>
<b>Net balance (debtors/creditors)</b>	<b>1,315</b>	<b>0.4</b>	<b>1,763</b>	<b>0.6</b>	<b>34.1</b>

Source: CNMV. (1) Excluding hedge funds and funds of hedge funds.

**Management companies, which had trimmed back their funds in recent years, increased their offer in 2022.** During the year, the number of vehicles increased by 32, with 143 registrations and 111 deregistrations, and the year ended with 1,452 investment funds registered with the CNMV (see Table I.3.1.2). Most of the deregistrations (105) were the result of takeovers by other CISs,<sup>10</sup> all of which were domestic vehicles. The increase in the number of vehicles, coupled with the decline in assets, led to a decrease in average assets per fund in the year, which went from €220.60 billion in 2021 to €209.90 billion in 2022.

10 In one takeover operation alone the absorbing entity was not another investment fund but a hedge fund.

CISs that availed themselves of Articles 8 and 9 of the European Disclosure Regulation<sup>11</sup> at the end of the year stood at 295,<sup>12</sup> 112 more than in 2021. These articles set out the pre-contractual disclosures that must be satisfied by financial products that promote environmental or social characteristics (Article 8) and financial products whose objective is sustainable investments (Article 9). 280 of these (272 investment funds, two hedge funds and six SICAVs) availed themselves of Article 8, and 15 (14 investment funds and one hedge fund) availed themselves of Article 9. The number of unitholders in these institutions was 7,684,549 and their assets stood at €112.77 billion, which represents 47% and 34% of the total of these vehicles, respectively.

Securities markets  
and their agents  
Financial institutions  
and investment services

## Registrations and deregistrations of entities in 2022

TABLE I.3.1.2

Type of entity	Entities registered at 31/12/21	Registrations	Deregistrations	Entities registered at 31/12/22
<b>Total financial CISs</b>	<b>3,815</b>	<b>171</b>	<b>1,311</b>	<b>2,675</b>
Investment funds	1,452	143	111	1,484
Investment firms	2,280	1	1,190	1,091
Funds of hedge funds	10	0	2	8
Hedge funds	73	27	8	92
<b>Total real estate CISs</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>4</b>
Real estate investment funds	2	0	0	2
Real estate investment firms	2	0	0	2
<b>Total foreign CISs marketed in Spain</b>	<b>1,074</b>	<b>78</b>	<b>57</b>	<b>1,095</b>
Foreign funds	416	40	30	426
Foreign firms	658	38	27	669
<b>CIS management companies</b>	<b>123</b>	<b>2</b>	<b>2</b>	<b>123</b>
<b>Depositories</b>	<b>33</b>	<b>2</b>	<b>1</b>	<b>34</b>

Source: CNMV.

The number of investment fund unitholders increased by just over 300,000 over the year to stand at 16.10 million. This increase, which was lower than in previous years, was due exclusively to the increase seen in the first quarter, in which almost half a million new unitholders were registered. However, over the remaining quarters a decrease in the number of investors was observed – albeit of no more than 100,000. By category, international equity funds saw the largest rise, with 274,680 more unitholders, followed by passive management funds, with an increase of 90,961. Unitholders in fixed income funds also increased, although to a much lesser extent than in previous years (rising by 63,176). It is worth mentioning that this category, together with international equities, accounted for just over 60% of the total number of unitholders. By contrast, mixed fixed income funds saw the largest fall in unitholders, in line with the performance of their assets: 242,825 fewer than at the end of 2021 (see Statistical Annex II.1).

11 Regulation (EU) 2019/2088 of the European Parliament and of the Council, of 27 November 2019 on the disclosure of information related to sustainability in the financial services sector (the SFDR).

12 Corresponding to a total of 304 sub-funds.

## Open-ended collective investment companies (SICAVs)

The number of SICAVs registered with the CNMV fell by 1,189 vehicles in 2022, following the entry into force of Law 11/2021 of 9 July, on measures to prevent and combat tax fraud. Thus, after 1,190 deregistrations and only one registration during the year, a total of 1,091 SICAVs were registered with the CNMV at the end of December 2022. Given that the regulatory deadline for deregistration is 30 June 2023, it is expected that many of the remaining institutions will also be wound down (for further information see Exhibit 4).

### Impact of the new tax regime established by the Corporate Tax Law on the registration of SICAVs

EXHIBIT 4

Law 11/2021 of 9 July, on measures to prevent and combat tax fraud, amended the Corporate Tax Act (LIS) imposing stricter requirements for open-ended collective investment companies (SICAVs) to avail themselves of 1% tax rate on profits, by defining the minimum number of 100 shareholders as only those with a minimum participation of €2,500 (or €12,500 in the case of SICAVs by sub-funds), based on the net asset value on the date of acquisition and requiring this condition to be met for at least three quarters of the tax period.

Likewise, the Law established a transitional regime for SICAVs that decided to wind down and go into liquidation in 2022. This allows shareholders to defer taxes on the income generated by the liquidation process, provided that they carry out the necessary procedures to ensure its cancellation in the registry before 30 June 2023 and reinvest the total liquidation amount in other CISs before 31 July 2023.

In 2022, 1,190 SICAVs were removed from the CNMV's registers, representing 52.2% of the total filed in December 2021. Further requests for deregistration are likely to be made in the first half of 2023, given that the deadline established by the tax regulations is 30 June. In accordance with the price-sensitive information disclosed by the corresponding managers regarding the decisions that have been taken or will foreseeably be taken by the decision-making bodies of the SICAVs, it is estimated that only around 445 will remain on the register, of which 358 could continue to pay the 1% tax rate, and 87 would be taxed at the standard corporate tax rate, since they would not comply with the new requirements.

**The contraction of the sector in 2022 was reflected both in its assets, which fell by 44.3%, to stand at €15.86 billion, and the number of shareholders (-62%, to 133,480).** Both average assets per SICAV and average assets per shareholder increased substantially over the year: the former stood at €14.50 million (€2 million more than in 2021), while the latter was close to €119,000 (just over €81,000 in 2021). Almost all SICAVs were listed on the BME MTF Equity market (formerly the MAB).

Domestic assets in these vehicles increased in 2022, although, as in the case of investment funds, investment in foreign assets accounted for the bulk of the assets (79% of the financial investment portfolio). In contrast to 2021, the foreign portfolio saw a reduction in weight in terms of investment in other CISs, going from representing 55.6% to 44.3% of this portfolio. Meanwhile, the weight of direct investment in fixed income and equity securities increased, standing at 18.5% and 36.9% of foreign investment, respectively. In the domestic portfolio, which experienced a notable increase in relative terms (from 13.7% to 20.9%), the distribution between the different instruments shifted in favour of investment in other CISs and fixed income (debt securities), to the detriment of equity securities (equity instruments).

Securities markets  
and their agents  
Financial institutions  
and investment services

### Breakdown of investment company assets<sup>1</sup>

TABLE I.3.1.3

Amounts in millions of euros

	2021	%	2022	%	% change 22/21
<b>Assets</b>	<b>28,502</b>	<b>100.0</b>	<b>15,864</b>	<b>100.0</b>	<b>-44.3</b>
<b>Portfolio of financial investments</b>	<b>25,730</b>	<b>90.3</b>	<b>12,350</b>	<b>77.8</b>	<b>-52.0</b>
Domestic portfolio	3,525	12.4	2,584	16.3	-26.7
Debt securities	734	2.6	774	4.9	5.4
Equity instruments	1,634	5.7	820	5.2	-49.8
Collective investment schemes	1,067	3.7	950	6.0	-11.0
Deposits with credit institutions	19	0.1	1	0.0	-94.7
Derivatives	0	0.0	0	0.0	0.0
Other	71	0.2	39	0.2	-45.1
Foreign portfolio	22,203	77.9	9,764	61.5	-56.0
Debt securities	2,684	9.4	1,807	11.4	-32.7
Equity instruments	7,158	25.1	3,605	22.7	-49.6
Collective investment schemes	12,335	43.3	4,326	27.3	-64.9
Deposits with credit institutions	0.0	0.0	0	0.0	0.0
Derivatives	8	0.0	8	0.1	0.0
Other	17	0.1	17	0.1	0.0
Doubtful, delinquent or disputed investments	2	0.0	3	0.0	50.0
<b>Intangible assets</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>0.0</b>
<b>Property, plant and equipment</b>	<b>1.0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>-100.0</b>
<b>Cash</b>	<b>2,476</b>	<b>8.7</b>	<b>2,963</b>	<b>18.7</b>	<b>19.7</b>
<b>Net balance (debtors/creditors)</b>	<b>295</b>	<b>1.0</b>	<b>551</b>	<b>3.5</b>	<b>86.8</b>
<b>Pro-memoria: Number of shareholders</b>	<b>351,617</b>	<b>-</b>	<b>133,480</b>	<b>-</b>	<b>-62.0</b>

Source: CNMV. (1) Interest included in each heading.

## Hedge funds

As in recent years, hedge fund assets continued to grow in 2022, increasing by 5.9% to €4.64 billion. Despite this increase, hedge funds in Spain, unlike other European countries, continue to have a very low weight in collective investment, with just over 1% of total assets. Hedge funds (vehicles that invest directly in financial assets) saw a 9.9% rise in assets in the year to €3.89 billion. Meanwhile the assets of funds of hedge funds (vehicles that invest in other hedge funds) decreased by 11.1% and closed the year at €741 million. The number of vehicles registered with the CNMV also increased during the year, specifically by 17, to stand at 100 at the end of December. As shown in Table I.3.1.2, this rise occurred only in the hedge funds segment, which closed the year with 92 institutions, with 27 registrations and eight deregistrations. There were two deregistrations,<sup>13</sup> of funds of hedge funds, making a total of eight vehicles registered at the end of December.

By contrast, the total number of unitholders and shareholders in these vehicles fell slightly, with only seven fewer than at the end of 2021, making a total of 14,164. Movements in both hedge funds and funds of hedge funds were almost negligible, ending the year with 8,817 and 5,347 unitholders, respectively. Hedge funds' portfolio returns were in line with the market performance over the year, marking negative figures in the first three quarters and ending the year at -7.7%. Unlike most collective investment vehicles, funds of hedge funds showed a positive return in the first nine months of 2022 and a negative return in the last three months, closing the year with an accumulated return of 3%.

## Foreign CISs marketed in Spain

The investment volume of foreign CISs marketed in Spain, which had increased continuously and by a substantial amount in the past few years, dropped significantly in 2022. Assets of these vehicles declined to €201.60 billion at the end of the year, representing an increase of 27.2% relative to year-end 2021 (see Figure I.3.1.2). As a result, the weight of foreign CISs in total of CISs marketed in Spain dropped to 37.6% (43.5% in 2021).

By contrast, the number of foreign CISs registered with the CNMV grew by 21 in 2022, and at the end of the year there were 1,095 vehicles of this type (426 funds and 669 companies). Thus, over the course of the year the number of foreign funds increased by ten (40 registrations and 30 deregistrations) and that of companies by 11 (38 registrations and 27 deregistrations). Most of the registrations corresponded to vehicles from Ireland (17 more than in 2021), standing at 248, followed by vehicles from Portugal, whose number went from zero in 2021 to six at the end of 2022. CISs from Luxembourg, which had increased notably in recent years,<sup>14</sup> decreased by three, to 498 (see Statistical Annex II.5).

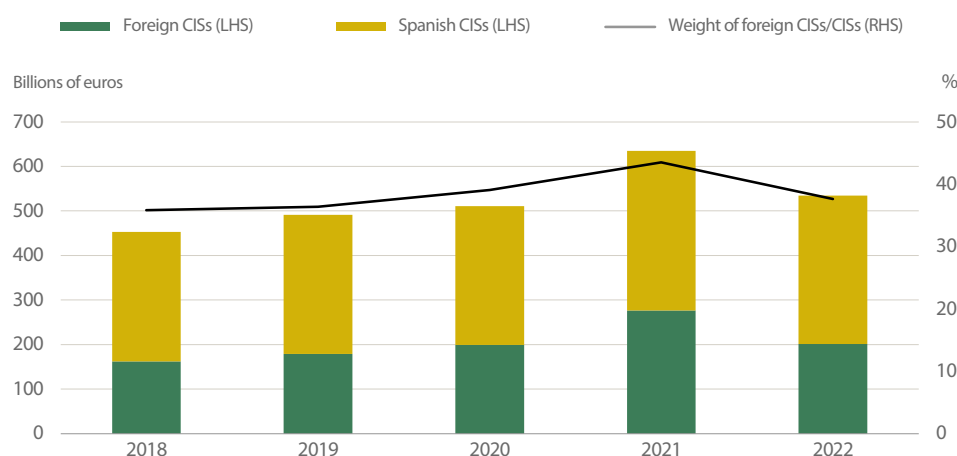
13 One of the two deregistrations corresponded to the only hedge fund with a legal personality in Spain, so at the end of 2022 there were no vehicles of this type.

14 Between 2014 and 2021 these had gone from 333 to 501 vehicles.



## Assets of foreign CISs marketed in Spain

FIGURE I.3.1.2



Source: CNMV.

## Collective investment scheme management companies (CISMCs)

At the end of 2022, the number of CISMCs registered with the CNMV remained unchanged at 123, but the volume of assets under management fell by 7.2%, to €332.60 billion.<sup>15</sup> This amount is the second highest in the last ten years and, as mentioned in previous sections, the decrease was due entirely to the drop in the value of the portfolio assets, since positive net subscriptions in year were recorded in the industry during the year. 93.7% of total assets corresponded to domestic investment funds, almost 4 pp more than the previous year, and 4.6% to SICAVs (8.2% in 2021), after the aforementioned slowdown in the sector. The management of foreign CISs, which is not included in the above figure, increased slightly in 2022: 0.7% to around €23.30 million.

**The sector also remained highly concentrated:** the three largest management companies held a combined share of 50.1% of total assets under management at year-end 2022, slightly higher than the share held at the end of 2021.

**Aggregate profit before taxes of CISMCs decreased by 15.1% in 2022, to €1.03 billion.** The drop in profits can be explained by the decrease in assets under management, which gave rise to a 5.2% fall in fee income. CIS management fees, which account for more than 84% of total fee income fell by 6.4% (the average management fee was 0.85%, very similar to that of the previous year: 0.84%). The relative stability of fees paid and operating expenses, together with the decrease in fees received are the reason for the deterioration in aggregate sector profits in 2022 (see Table I.3.1.4). The analysis of the income statement at individual level reveals that there were 26 loss-making entities at the end of the year (12 more than in 2021) and that the volume of these losses was €9.56 million, well above the €5.7 million seen in 2021.

<sup>15</sup> This figure corresponds to the information obtained from the confidential statements that Spanish CISs submit to the CNMV.

## Income statements of CISMCs

TABLE I.3.1.4

Amounts in thousands of euros

	2021	2022	Change (%)
<b>Net interest income</b>	<b>697</b>	<b>1,481</b>	<b>112.5</b>
Net fees	1,906,240	1,733,220	-9.1
Fees received	3,545,270	3,361,107	-5.2
CIS management fees	3,025,538	2,832,082	-6.4
Subscription and redemption fees	12,149	8,068	-33.6
Other	507,585	520,958	2.6
Fees paid	1,639,030	1,627,887	-0.7
Profit/(loss) from net financial investments	4,410	-1,581	-135.9
Return on equity instruments	8,603	17,500	103.4
Net exchange differences	-390	33	-108.5
Other operating income and expense, net	9,851	6,157	-37.5
<b>Gross margin</b>	<b>1,929,411</b>	<b>1,756,810</b>	<b>-8.9</b>
Operating costs	661,509	664,380	0.4
Personnel	384,542	366,762	-4.6
General expenses	276,967	297,618	7.5
Depreciation, amortisation and other provisions, net	52,997	56,085	5.8
Impairment losses on financial assets, net	-1,313	3,586	-
<b>Net operating profit</b>	<b>1,216,218</b>	<b>1,032,759</b>	<b>-15.1</b>
Other gains and losses	1,866	1,271	-31.9
<b>Profit before tax</b>	<b>1,218,084</b>	<b>1,034,030</b>	<b>-15.1</b>
Tax on income	-344,123	-292,314	-15.1
<b>Profit from continuing operations</b>	<b>873,961</b>	<b>741,716</b>	<b>-15.1</b>
Profit from discontinued operations	1	6	-
<b>Net profit for the year</b>	<b>873,962</b>	<b>741,722</b>	<b>-15.1</b>

Source: CNMV.

## Profit before tax, number of loss-making entities and amount of losses

TABLE I.3.1.5

Amounts in thousands of euros

	Profit before tax	Number of loss-making entities	Amount of losses
2017	754,562	19	6,630
2018	1,115,425	26	12,323
2019	969,287	21	7,839
2020	908,970	29	9,285
2021	1,218,084	14	5,675
2022	1,034,036	26	9,556

Source: CNMV.

## Depositories

In 2022, two depositories were registered with the CNMV and one was deregistered, so that at the end of the year there were 34 depositories. However, less than half of these (16) were operational, three fewer than at the end of 2021. Vehicles belonging to banking groups continued to clearly predominate in the sector, with 95.4% of total assets of CISs being deposited in these institutions at year-end 2022, virtually unchanged from 2021. The remaining 4.6% was divided among credit co-operatives, broker-dealers. 31.9% of the amount deposited in banks corresponded to branches of foreign financial institutions, with most of this amount (more than 95%) accounted for by two entities headquartered in France.

Currently, 75% of assets are deposited in entities that do not belong to the institution that manages the assets (compared with 15% in 2007), due to the professionalisation of this activity observed in recent years. In December 2022, there were 16 active CISs-venture capital firm depositories and 73% of custody was concentrated in three of these.

### 1.3.2 Provision of investment services

Investment services in Spain are provided by different types of institutions: credit institutions, investment firms – including broker-dealers, brokers, portfolio management companies and financial advisory firms –, and CIS management companies (CISMCs). Credit institutions are by far the largest providers of investment services in Spain and account for the bulk of fee income in the various types of services. Broker-dealers and brokers continue to account for a fairly significant relative weight, particularly in the processing and execution of orders. It should be noted that portfolio management companies, financial advisory firms and CISMCs offer a more limited catalogue of investment services than broker-dealers and brokers.

## Credit institutions

At the end of 2022, a total of 108 Spanish credit institutions (banks, savings banks and credit cooperatives) were registered with the CNMV as being able to provide investment services, the same number as at year-end 2021.<sup>16</sup> The number of foreign credit institutions providing investment services in Spain at the end of the year stood at 458, 43 more than the previous year. This increase was partly due to the reorganisation of entities that had previously been established in the United Kingdom as a result of Brexit. 403 of these foreign entities operated under the freedom to provide services regime and 55 through branches. Almost all of them (452) were from other EU Member States (see Statistical Annex II.12).

The aggregate amount of fees received by credit institutions for the provision of securities services and the marketing of CISs saw a moderate increase of 1.3% in 2022, to stand at €6.23 billion. Table 1.3.2.1 shows the income obtained by credit institutions from the provision of securities services and the marketing of

---

16 It should be noted that in 2022, 99 of the 108 registered credit institutions can be considered to have been active in the provision of investment services.

investment funds and other non-bank financial products. Credit institutions received fees of €2.81 billion from the provision of investment services, 2.8% more than in 2021. The income obtained by the different investment services was uneven. In particular, fees for securities placement and underwriting (-32.6%) and discretionary portfolio management (-0.8%) decreased significantly. Fees for the processing and execution of orders (5.3%) and investment advice (6.8%) both increased.

Credit institutions received fees for ancillary services relating to investment of €1.48 billion, representing an increase of 19.5% compared with 2021. The increase in this item was mostly due to the higher fees for the preparation of financial reports and research.

### Income of credit institutions from the provision of securities services and marketing of non-bank financial products<sup>1</sup>

TABLE I.3.2.1

Amounts in millions of euros

	2019	2020	2021	2022	% of total fees CIs <sup>1</sup>
<b>For investment services</b>	<b>1,847</b>	<b>2,166</b>	<b>2,888</b>	<b>2,808</b>	<b>16.5</b>
Securities placement and underwriting	296	354	531	358	2.1
Processing and execution of orders	498	642	786	827	4.9
Discretionary portfolio management	479	527	725	719	4.2
Investment advice	573	644	846	904	5.3
<b>For ancillary services</b>	<b>923</b>	<b>1,055</b>	<b>1,240</b>	<b>1,481</b>	<b>8.7</b>
Administration and custody	650	651	744	749	4.4
Financial reports and research	148	234	280	548	3.2
Other ancillary services	125	169	216	183	1.1
<b>Marketing of non-bank financial products</b>	<b>4,084</b>	<b>4,009</b>	<b>4,778</b>	<b>4,934</b>	<b>29.0</b>
Collective investment schemes	1,597	1,581	2,018	1,937	11.4
Pension funds	927	972	1,134	1,200	7.0
Insurance	1,437	1,377	1,604	1,793	10.5
Other	123	80	23	5	0.0
<b>Total</b>	<b>6,854</b>	<b>7,231</b>	<b>8,906</b>	<b>9,223</b>	<b>54.1</b>
<i>Pro memoria:</i>					
<b>For securities services and marketing of CIs</b>	<b>4,367</b>	<b>4,802</b>	<b>6,146</b>	<b>6,226</b>	<b>35.1</b>
<b>Total fee income</b>	<b>14,527</b>	<b>14,595</b>	<b>16,261</b>	<b>17,039</b>	<b>100.0</b>

Source: CNMV and Bank of Spain. (1) Data corresponding to institutions registered with the CNMV to provide investment services.

**In line with the previous year, income received from the marketing of non-bank products continue to increase, up by 3.3% in 2022.** Increases were observed in income from the marketing of pension funds (5.8%) and insurance (11.8%). Meanwhile, income from the marketing of CIs and “Other” products decreased by 4.0% and 77.8% respectively, although the last item has a very small weight in absolute terms. The combined weight of income from the provision of securities services and marketing CIs as a percentage of the total amount of fees received by these institutions increased from 34.7% in 2021 to 35.1% in 2022. This occurred in an environment in which total fees received by credit institutions grew by 4.6%. The pressure of the low interest rate environment on income led to a change in the business model of credit institutions in recent year, as they sought to offset the decrease in traditional

revenues from net interest income with higher fees for banking, investment and financial services.

The comparison of the fees received by credit institutions and investment firms shows the greater weight of the former in providing investment services. As shown in Table I.3.2.2, this type of service is mostly provided by credit institutions. This is largely because a significant number of investment firms (broker-dealers and brokers) whose leading or sole shareholder was a credit institution have disappeared with their activities now taken on by the credit institutions themselves. Credit institutions clearly outstrip broker-dealers and brokers in terms of services for the processing and execution of orders, a segment in which investment firms accounted for the bulk of the fees received for many years. In recent years credit institutions have progressively gained market share in this segment, which now stands at over 70%.

### Fees received for investment services. 2022

TABLE I.3.2.2

Amounts in millions of euros

	Investment firms <sup>1</sup>	Credit institutions (CIs)	Total	% CIs/total
<b>Total investment services</b>	<b>632</b>	<b>4,564</b>	<b>5,376</b>	<b>88.3</b>
Securities placement and underwriting	9	358	367	97.5
Processing and execution of orders	285	827	1,112	74.4
Portfolio management	40	719	759	94.7
Investment advice	87	904	990	91.3
Marketing of CIs	210	1,937	2,147	90.2
<b>Total ancillary services</b>	<b>281</b>	<b>1,481</b>	<b>1,762</b>	<b>84.1</b>
Administration and custody	34	749	783	95.7
Other ancillary services	247	732	979	74.7

Source: CNMV and Bank of Spain. (1) Includes broker-dealers and brokers, financial advisory firms (EAF) and branches of foreign investment firms.

Credit institutions also outweigh investment firms in the provision of ancillary services related to investment, but less so than in the case of investment services proper. It should be noted that in the heading "Other ancillary services," investment firms received 25.3% of the total income of this market segment.

## Investment service firms

### Broker-dealers and brokers

#### Authorisation and registration

At the end of 2022, a total of 95 broker-dealers and brokers were registered with the CNMV, four more entities than at the end of 2021. This figure is in line with the positive trend in the sector in recent years, where net growth is linked to the creation of independent brokers related to foreign non-bank entities. This is reflection of the transformation of this sector, which for many years was marked by the preponderance of entities belonging to large banks.

As shown in Table I.3.2.3, nine entities were registered and five were deregistered in 2022. The registered entities included three brokers and one broker-dealer, all belonging to foreign non-bank financial groups. The remaining five were three independent brokers, one broker that belongs to a Spanish non-bank entity and one broker-dealer that was previously a broker. The deregistrations included four brokers and one broker-dealer that changed into a credit institution. Two of the deregistered brokers voluntarily ceased their activity, one became a portfolio management company and the other changed into a broker-dealer (see Statistical Annex II.8).

There were two changes of control among brokers and broker-dealers in 2022 (see Statistical Annex II.9) These changes affected one broker and an independent broker-dealer: the broker was acquired by a Spanish financial institution while the broker-dealer remained independent. The number of representatives used by investment firms increased significantly from 2,088 at the end of 2021 to 2,468 at the end of 2022.

The majority of broker-dealers and brokers that use an EU passport to operate in other EU countries do so under the freedom to provide services regime. Specifically, at the end of 2022, 55 firms were operating under this regime (two more than in the previous year, see Statistical Annex II.10), while five firms had branches in other countries, three fewer than in 2021. The list of countries in which entities operated under the branch regime changed once again. Activity was resumed France and the Netherlands, and ceased in Luxembourg.

In 2022, 65 entities authorised to operate in other Member States informed the CNMV of their intention to begin providing investment services in Spain (see Table I.3.2.3). Meanwhile, 43 firms reported that they were ceasing to operate. Most of these notifications, both for registrations and deregistrations, corresponded to entities operating under the freedom to provide services regime, which increased from 902 to 922 at the end of 2022. Following the large decline in the number of this type of firm after Brexit, Cyprus, the Netherlands and Germany have become the countries of origin of most of the entities that operate under this regime. In turn, the number of foreign firms with branches went from 41 to 43. After Brexit, it is interesting to note that at the end of 2022 only two British entities were registered as non-EU branches and one was registered under the freedom to provide services regime.

**Registrations and deregistrations of entities**

TABLE I.3.2.3

Type of entity	Entities at 31/12/21	Registrations	Deregistrations	Entities at 31/12/22
<b>Spanish entities</b>	<b>91</b>	<b>9</b>	<b>5</b>	<b>95</b>
Broker-dealers	33	2	1	34
Brokers	58	7	4	61
<b>Foreign entities</b>	<b>943</b>	<b>65</b>	<b>43</b>	<b>965</b>
With a branch	41	9	7	43
Free provision of services	902	56	36	922
<i>Pro memoria:</i>				
Representatives	2,088	767	387	2,468

Source: CNMV.

**Broker-dealers and brokers obtained total profit before tax of €109.30 million in 2022, a fall of 22.3% compared with the previous year.** The decline in profit was due to decreases in both brokers (-52.5%) and broker-dealers (-14.1%).

**40 firms ended the year with losses, seven more than in 2021.** However, the total amount of these losses was less. This was because the losses of the largest entities – investment firms – decreased by 23.2%, while those of brokers increased by 26.5% (see Tables I.3.2.5 and I.3.2.7).

**Broker-dealers saw a significant fall in income compared with the previous year** (see Table I.3.2.4). All items contributed to this decline, except for the interest margin and gains/(losses) on financial investments. The decrease in income from other products and operating charges was particularly significant (-95.2%). Fee income also fell substantially (27.8%), with a decrease in all items.

**As part of the income received from the provision of services to third parties, fees from the processing and execution of orders remained the largest component, although these fell significantly in 2022, down by 35.4%.** This decrease was largely caused by the deregistration of a foreign capital firm in August 2022 that had been very active in this investment service, which became a credit institution. The drop in activity in this service at most firms also contributed to the decrease in income. On the positive side, mention should be made of the creation of a new broker-dealer specialising in the intermediation of financial products and OTC commodity instruments. In 2022, the income received by this firm received income represented 34.3% of the total income of broker-dealers for this item.

**The decrease in income from the processing and execution of confirms the lesser importance of intermediation in the Spanish markets, where it has become a marginal activity in recent years.** For investment firms, fees for the processing and execution of orders had traditionally come from intermediation activities in the Spanish equity markets. However, in recent years this type of intermediation has been declining with respect to brokering carried out in other markets such as international equity and derivatives markets. Specifically, intermediation fees in Spanish equity markets went from accounting for 47.5% of broker-dealers' fees for the processing and execution of orders in 2018 to 7.5% in 2022. This is due to the large drop in volumes brokered in these markets in recent years (see Figure I.3.2.1). The decrease in volumes brokered is also one of the main drivers of the increase in average fees (Figure I.3.2.1).

## Income statement for broker-dealers<sup>1</sup>

TABLE I.3.2.4

Amounts in thousands of euros

	2021	2022	% change 22/21
<b>Interest margin</b>	<b>41,565</b>	<b>66,519</b>	<b>60.0</b>
<b>Net fees</b>	<b>265,790</b>	<b>191,789</b>	<b>-27.8</b>
Fees received	481,945	293,594	-39.1
Processing and execution of orders	164,293	105,849	-35.6
Issuance placement and underwriting	86,324	7,881	-90.9
Deposit and book-entry of securities	36,880	32,979	-10.6
Marketing of CISs	64,608	63,402	-1.9
Portfolio management	15,860	14,096	-11.1
Investment advice	7,944	7,937	-0.1
Other	106,036	61,450	-42.1
Fees paid	216,155	101,805	-52.9
<b>Gains/(losses) on financial investments</b>	<b>32,733</b>	<b>57,558</b>	<b>75.8</b>
Net exchange differences	972	-273	-
Other operating income and expenses	34,398	1,645	-95.2
<b>Gross margin</b>	<b>375,458</b>	<b>317,238</b>	<b>-15.5</b>
Operating costs	276,737	218,470	-21.1
Personnel	178,230	143,614	-19.4
General expenses	98,507	74,856	-24.0
Depreciation, amortisation and other charges	9,599	7,893	-17.8
Impairment losses on financial assets, net	156	836	435.9
<b>Net operating profit</b>	<b>89,966</b>	<b>90,039</b>	<b>1.2</b>
Other gains and losses	21,754	5,057	-76.8
<b>Profit before tax</b>	<b>110,720</b>	<b>95,096</b>	<b>-14.1</b>
Tax on income	17,239	12,940	-24.9
<b>Profit from continuing operations</b>	<b>93,481</b>	<b>82,156</b>	<b>-12.1</b>
<b>Profit from discontinued operations</b>	<b>-2,773</b>	<b>0</b>	<b>100.0</b>
<b>Net profit for the year</b>	<b>90,708</b>	<b>82,156</b>	<b>-9.4</b>

Source: CNMV. (1) Includes information from all firms which were included in the CNMV registries at any time during the year, not only at the year-end.

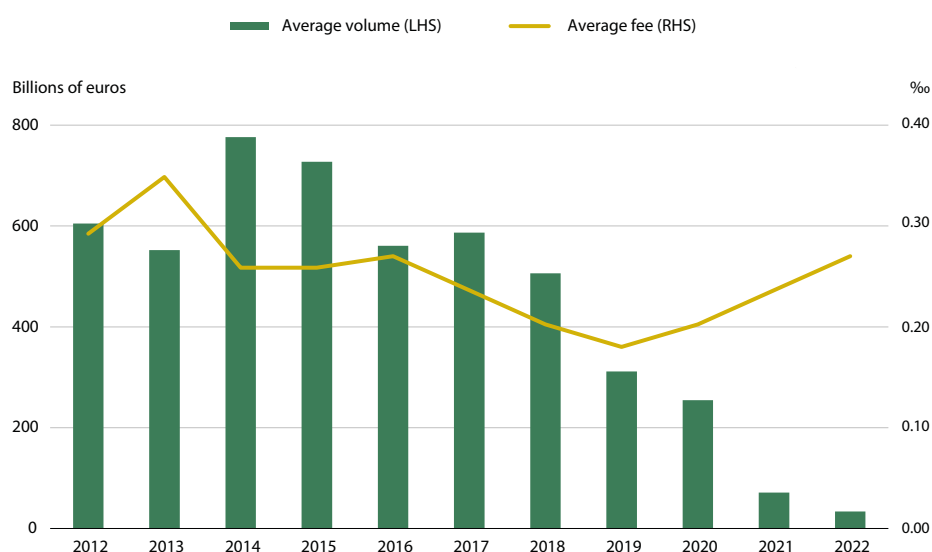
**Income from other fees also fell in 2022.** The decrease in fees for the securities placement and underwriting, for which firms received just over €7.8 million, was significant (€86.3 million in 2020). Income from portfolio management (-11.1%), deposit and book-entry of securities (-10.6%) and “Other” (-42.1%) were also lower. The decrease in fees for marketing CISs and investment advice was moderate, standing at 1.9% and 0.1%, respectively. In line with the decline in activity, especially in intermediation activity work, the fees paid were notably reduced: down 52.9%. This meant that fees paid accounted for 34.6% of the fees received, 11 pp less than in 2021.



## Broker-dealers that are members of the stock exchange: brokered volume and average fees on equities in regulated Spanish markets

FIGURE I.3.2.1

Securities markets  
and their agents  
Financial institutions  
and investment services



Source: CNMV.

**It is important to note that gains on financial investments increased by 75.8% in 2022, to stand at €57.50 million.** Despite this increase, the data show that dealing on own account by these firms is at a relatively low level compared with investment firms in other countries in our environment. It is also important to highlight the sharp fall in income from other operating income and expenses (95.2%), which stood at €1.60 million.<sup>17</sup> The reduction in income from the provision of investment services to third parties led to a 15.5% drop in the gross margin of all firms combined, to stand at €317.20 million.

**Broker-dealers' operating expenses also decreased, in line with the decline in activity in the sector.** Both components of this item saw declines: personnel expenses fell by 19.4%, while general expenses were down by 24.0%. Depreciation, amortisation and other provisions also fell (down 17.8%). These lower expenses offset the decline in the gross margin and pushed operating expenses somewhat higher (1.0%), moving from €89 million in 2021 to almost €90 million in 2022. Profit before tax fell by 14.1% to €95.10 million. A decisive contribution to this was the decrease in the amount of "Other gains and losses", which went from €21.70 million in 2021 to €5.10 million in 2022.

**Trends in the aggregate income statement in recent years reveal changes in the business model of a large number of broker-dealers.** Their traditional main business, intermediation in the securities markets, has been losing relative importance, while marketing, management and investment advice provided to third parties are gaining weight in their income statement. "Other" activities are also becoming increasingly important.

<sup>17</sup> This trend is largely due to the contribution of one large entity that was registered in 2021 but not in 2022 when it transformed into a credit institution.

As has become the norm in recent years, most of the profits in this subsector were generated by a small number of companies. Specifically, of the companies operating at the end of 2022, two broker-dealers accounted for 67.7% of the total profits of companies reporting a profit and 76.7% of the aggregate profit/(loss). This was exacerbated by the departure of a broker-dealer that became a credit institution in August 2021.

An analysis by entity shows that 12 broker-dealers posted losses before tax, two fewer than in 2022 (see Table I.3.2.5). Seven of these had already posted losses in 2021. Of these 12 companies, 11 were independent entities and one belonged to financial group. Cumulative losses stood at €14 million in 2022, lower than the figure of €18.20 million in 2021.

**Profit/(loss) before tax, number of loss-making broker-dealers and amount of losses before tax**

TABLE I.3.2.5

Amounts in thousands of euros

	Profit/(loss) before tax (total) <sup>1</sup>	Number of loss-making firms	Amount of losses before tax
<b>Broker-dealers</b>			
2019	65,011	15	31,125
2020	128,729	14	22,505
2021	110,720	14	18,163
2022	94,968	12	13,956

Source: CNMV. (1) Includes figures for all firms included in the CNMV registries at any time during the year, not only at the year-end.

All broker-dealers receive income mainly from the provision of services to third parties because they cannot carry out investment activities on their own account. While some of the brokers obtain the bulk of their income from the processing and execution of orders, most of them tend to specialise in certain services, such as marketing CISs or portfolio management. Independent entities predominate in this subsector.

Brokers' aggregate profit before tax decreased significantly in 2022, by 52.5% to €14.30 million. The decrease in profit was due less to lower income and more to the increase in costs arising from operating expenses (see Table I.3.2.6).

Net fees fell slightly compared with the previous year (down by 1.8%). In gross terms (fees received), income from the processing and execution of orders stood out, increasing by €27.50 million (up by 27.5%). Income from the marketing of CISs (3.2%) and portfolio management (2.3%) also grew, albeit moderately. However, fees received from other items all decreased. Income from investment advice services fell by 6.5%, while fees for other services ("Other") decreased by 26.3%. Income from issuance placement and underwriting and from the deposit and book-entry of securities were also lower, although in both cases the amount is an insignificant percentage of the total in the income statements of brokers. In line with the performance of fee income, fees paid to third parties by brokers fell by 3.4%. The performance of net fee income caused the aggregate gross margin to fall by 1.9%, to stand at €170.80 million.

## Income statement for brokers<sup>1</sup>

TABLE I.3.2.6

Securities markets  
and their agents  
Financial institutions  
and investment services

Amounts in thousands of euros

	2021	2022	% change 22/21
<b>Interest margin</b>	<b>454</b>	<b>960</b>	<b>111.5</b>
<b>Net fees</b>	<b>173,785</b>	<b>170,724</b>	<b>-1.8</b>
Fees received	202,233	198,293	-2.0
Processing and execution of orders	14,140	18,030	27.5
Issuance placement and underwriting	1,481	1,187	-19.9
Deposit and book-entry of securities	425	286	-32.7
Marketing of CISs	91,375	94,339	3.2
Portfolio management	22,874	23,388	2.3
Investment advice	40,142	37,547	-6.5
Other	31,896	23,516	-26.3
Fees paid	28,548	27,569	-3.4
<b>Gains/(losses) on financial investments</b>	<b>666</b>	<b>-1,479</b>	<b>-</b>
Net exchange differences	213	527	147.4
Other operating income and expenses	-989	61	-
<b>Gross margin</b>	<b>174,129</b>	<b>170,793</b>	<b>-1.9</b>
Operating costs	145,812	156,604	7.4
Personnel	97,054	100,855	3.9
General expenses	48,758	55,749	14.3
Depreciation, amortisation and other charges	2,200	4,184	90.2
Impairment losses on financial assets, net	-38	-13	-65.8
<b>Net operating profit</b>	<b>26,155</b>	<b>10,018</b>	<b>-61.7</b>
Other gains and losses	3,846	4,244	10.4
<b>Profit before tax</b>	<b>30,001</b>	<b>14,263</b>	<b>-52.5</b>
Tax on income	7,199	3,899	-45.8
<b>Profit from continuing operations</b>	<b>22,802</b>	<b>10,364</b>	<b>-54.6</b>
<b>Profit from discontinued operations</b>	<b>0</b>	<b>0</b>	<b>-</b>
<b>Net profit for the year</b>	<b>22,802</b>	<b>10,364</b>	<b>-54.6</b>

Source: CNMV. (1) Includes information from all firms which were included in the CNMV registries at any time during the year, not only at the year-end.

**Operating expenses increased by 7.4%.** This trend can be explained by the increase in both general expenses (14.3%) and personnel expenses (3.9%). The combination of higher expenses and lower income meant that the net operating profit was €10 million, much lower than the figure of €26.10 million recorded in 2021 (-61.6%). As in the previous year, “Other gains and losses” contributed €4.20 million to profit before tax.

Lastly, there was a significant increase in both the number of entities in losses (19 to 28) and the amount of the losses, which went from €10.70 million in 2021 to €13.50 million in 2022. It is important to note that 12 of the 28 loss-making brokers had already suffered losses in the previous year (see Table I.3.2.7).

### Profit/(loss) before tax, number of loss-making brokers and amount of losses before tax

TABLE I.3.2.7

Amounts in thousands of euros

	Profit before tax <sup>1</sup>	Number of loss-making firms	Amount of losses before tax
<b>Brokers</b>			
2019	10,443	22	12,780
2020	7,756	24	20,242
2021	30,001	19	10,702
2022	14,295	28	13,537

Source: CNMV. (1) Includes figures for all firms included in the CNMV registries at any time during the year, not only at the year-end.

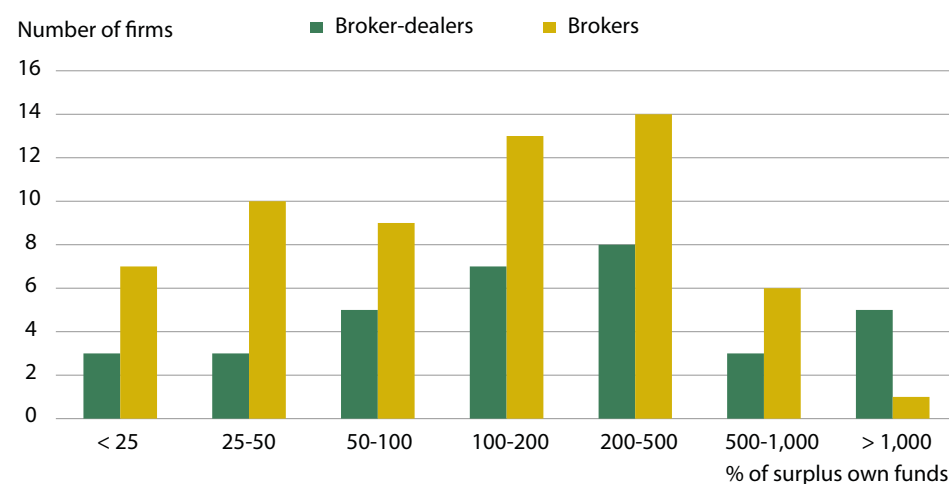
### Solvency

The sector as a whole continued to show high solvency levels in 2022, with a capital surplus of 3.6 times the capital requirement. However, this figure was considerably lower than in the previous year (-1.7 times). The decline was partly due to the solvency regulation in force, which is more proportionate and appropriate to the level of risk assumed by investment firms and requires a lower amount of own funds from most companies than the previous regulation.<sup>18</sup> In absolute terms this surplus is not very relevant, as the amounts involved are small.

As is usual, the solvency margin was generally larger in broker-dealers than in brokers. While the equity surplus for broker-dealers was around 4.3 times, it remained at 2 times for brokers. As regards the distribution of this ratio, Figure I.3.2.2 shows that at the end of 2022 most broker-dealers still had a capital surplus of more than 100%. Brokers, however, continued to show more uneven figures. In addition, two brokers and two broker-dealers closed the year with a capital deficit.

### Surplus equity over minimum requirements for broker-dealers and brokers

FIGURE I.3.2.2



Source: CNMV.

<sup>18</sup> Regulation (EU) 2019/2033 of the European Parliament and of the Council, of 27 November 2019, on the prudential requirements of investment firms and amending Regulations (EU) No. 1093/2010, (EU) No. 575/2013, (EU) No. 600/2014 and (EU) No. 806/2014.

Financial advisory firms offer their clients the sole reserved activity of investment advice for financial investments. Since the entry into force of MiFID II,<sup>19</sup> these entities have been able to offer independent or non-independent advice.

At year-end 2022, 143 financial advisory firms were registered with the CNMV, three more than in 2021. Nine new firms were registered and six were deregistered. Total assets under advisory services amounted to €18.62 billion. Of this amount, €12.10 billion corresponded to independent advice. Compared with the previous year, total assets under advisory services decreased by 4.7%. Most of the advisory service contracts signed corresponded to retail clients (96% of a total of 10,700). These contracts accounted for 54.6% of the total assets under advisory services (see Table I.3.2.8). It should be noted that, for the first time, the assets under advisory services for retail clients exceeded those of non-retail clients.

Lastly, the combined profit of these types of entities decreased significantly, from €6.40 million in 2020 to €3.70 million in 2022. The decrease was less due to lower income from fees and more to the increase in expenses of these entities. Specifically, fee income went from €56.40 million in 2021 to €56.10 million in 2022. Of this amount, fees charged directly to customers decreased from €41.50 million to €39.30 million. Income from rebates grew from €10.50 million to €12.10 million.

Financial advisory firms: number of contracts and volume of assets under advisory services

TABLE I.3.2.8

Amounts in thousands of euros

	2021	2022	% change 22/21
<b>Number of contracts</b>			
Retail clients	8,893	10,274	15.5
Non-retail clients	436	426	-2.3
<b>Total</b>	<b>9,326</b>	<b>10,700</b>	<b>14.7</b>
<b>Assets under advisory services (thousands of euros)</b>			
Retail clients	9,125,730	10,164,034	11.4
Non-retail clients	10,404,722	8,453,922	-18.7
<b>Total</b>	<b>19,530,452</b>	<b>18,617,956</b>	<b>-4.7</b>

Source: CNMV.

### Other considerations on the provision of investment services in Spain

Information on the provision of investment services in Spain is usually presented in accordance with the type of entity performing this activity. These can be credit institutions, investment firms or CISMCS, although the management of CISs is not strictly speaking an investment service from a legal point of view. However, an approach based on the business model of the entities makes it advisable to delimit more precisely which part of the business related to providing

19 Directive 2014/65 EU of the European Parliament and of the Council, of 15 May 2014, on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU.

investment services is performed by banks that may be defined as commercial banks and which part is performed by entities that may be considered to be specialised in providing investment services. The last group of entities would be formed by independent investment firms and CISMCS (that is, not subsidiaries of commercial banking groups) and by banks specialising in the provision of investment services.

**One part of this analysis consists of identifying the companies that have the legal form of a bank, but whose business model is mostly based on providing investment services.** For this purpose, the ratio of income received for the provision of investment services to the entity's total income can be taken as a reference, identifying as banks specialised in investment services any entity with a ratio of over 65%.<sup>20</sup> It is estimated that the amount of income for providing investment services corresponding to these entities in Spain as a whole was €1.20 billion in 2022. However, taking into account of the volume of fees that these entities pay as rebates to third parties, which in some cases are of a significant amount due to their specific business model, the volume of income would fall to just under €602 million (around 10.2% of total fees received by credit institutions in this business).

**In the case of non-bank financial entities (broker-dealers, brokers and CIS management companies), those belonging to a commercial banking group and which, therefore, would fall within the scope of the provision of investment services of this type of entity, have been identified.** In the field of broker-dealers and broker-dealers, these entities currently hold little relevance. This is because credit institutions have been absorbing their broker-dealers and brokers in recent years, as part of the reorganisation of the Spanish financial sector. At the end of 2022, there were four broker-dealers belonging to Spanish credit institutions whose main business was commercial banking. These accounted for 80% of the total assets of broker-dealers in 2022 and around 16% of the income received by this type of entity. In the area of CIS management companies, firms linked to commercial banks hold greater relevance as they account for 69% of fees net of rebates from CIS management activities and 72% of the total fees received by management companies as a whole.

**Taking into account all these considerations, it is estimated that in 2022 64% of the business related to the provision of investment services in Spain (including the management of CISs and measured by fees received) corresponded to traditional commercial banks or entities belonging to their groups.** The remainder corresponded to financial entities specialising in the provision of investment services that are not linked to commercial banking. This percentage is the same as that registered in 2021 and lower than the estimate for 2020 (67%). These figures reflect the continuation of the downward trend observed since 2017.

---

20 The main entities by volume of income received include Allfunds, Credit Suisse, Cecabank, Banco Inversis and Caceis Bank.

### I.3.3 Venture capital firms and crowdfunding platforms

#### *Venture capital firms and other closed-ended collective investment schemes*

In 2022, private equity and venture capital activity continued the upward trend seen of recent years and this was reflected in the number of new closed-ended collective investment schemes registered with the CNMV. 204 closed-ended investment schemes and 16 new closed-ended scheme management companies were registered,<sup>21</sup> making a total of 855 investment vehicles and 135 management companies at the end of 2022 (see Table I.3.3.1), an increase of 27.4% and 10.7%, respectively, compared with the figures for year-end 2021.

The 204 newly registered closed-ended investment schemes once again included a wide variety of legal forms and investment targets. For venture capital undertakings subject to Law 22/2014, of 12 November – venture capital funds, venture capital firms and SME venture capital funds and firms –, there were 144 registrations, seven of which were SME venture capital firms and funds. 42 European venture capital funds (EuVECA) and two European social entrepreneurship funds (EuSEF)<sup>22</sup> were also registered. As of 31 December 2022, 85 EuVECAs and eight EuSEFs were registered, which is more than double compared with the previous year. Meanwhile, registrations of closed-end collective investment entities saw notable growth during 2022 – 16 with 22 new undertakings, two of which were closed-ended collective investment companies and 14 of which were closed-ended collective investment funds. The number of these undertakings reached a new high.

The initiative of Spain's Instituto de Crédito Oficial (ICO) also stands out. This initiative is being carried out through the venture capital fund, Fond-ICO Next Tech, a joint initiative with the Ministry of Economic Affairs and Digital Transformation, through the Secretariat of State for Digitisation and Artificial Intelligence that has been launched to promote the development of innovative high-impact digital projects and raise investment in growth as part of the Digital Spain 2026 strategy, which forms part of the government's Recovery, Transformation and Resilience plan. To date, this fund has channelled public investment of €270 million to boost public-private investment of at least €540 million in companies and digital projects in Spain.

Lastly, and in relation to the disclosure of information related to sustainability in the financial services sector as contemplated in Regulation (EU) 2019/2088 of the European Parliament and of the Council, of 27 November 2019, which is also applicable to venture capital entities, it should be noted that at the end of 2022, nine schemes stated that they are financial products that promote environmental or social characteristics, in accordance with the definition in Article 8 of the regulation and 15 have sustainable investment targets, as defined in Article 9 of the regulation.

---

21 20 schemes and three scheme management companies.

22 EuVECA and the EuSEF are entities regulated under Regulation (EU) No. 345/2013 of the European Parliament and of the Council, of 17 April, on European venture capital funds and Regulation (EU) No. 346/2013 of the European Parliament and of the Council, of 17 April, on European social entrepreneurship funds.

Type of entity	Entities	Registration	Deregistrations	Entities
	registered to 31 December 2021			registered to 31 December 2022
Venture capital firms	231	84	5	310
Venture capital funds	276	53	10	319
SME venture capital firms	20	5	0	25
SME venture capital funds	13	2	1	14
European venture capital funds (EuVECA)	44	42	1	85
European social entrepreneurship funds (EuSEF)	6	2	0	8
<b>Total venture capital undertakings</b>	<b>590</b>	<b>188</b>	<b>17</b>	<b>761</b>
Closed-ended collective investment companies	38	2	2	38
Closed-ended collective investment funds	43	14	1	56
<b>Total closed-ended collective investment schemes</b>	<b>81</b>	<b>16</b>	<b>3</b>	<b>94</b>
<b>Total venture capital undertakings + closed-ended collective investment schemes</b>	<b>671</b>	<b>204</b>	<b>20</b>	<b>855</b>
<b>Management companies of closed-ended collective investment schemes</b>	<b>122</b>	<b>16</b>	<b>3</b>	<b>135</b>

Source: CNMV.

According to figures from the SPAINCAP<sup>23</sup> activity report, an association of venture capital firms in Spain, the sector ended 2022 with an investment volume of €8.74 billion, over a total of 935 operations. The sector maintained the dynamic observed in 2021. As in previous years, capital from international funds accounted for a high percentage of the total, specifically 80.7%, due in part to its leading role in large transactions (of over €100 million). Investment from Spanish fund managers accounted for the remaining 19.3% in monetary terms, and 570 transactions were carried out (61% of the total).

### Crowdfunding platforms

Activity in the field of crowdfunding platforms that still operate under Spanish regulations was very low in 2022. No further crowdfunding platforms were authorised, although one was registered and two were deregistered, so that at the end of the year 26 crowdfunding platforms were registered with the CNMV.

It should also be noted that the period for these platforms to adapt to the European regulation has been extended (see Exhibit 5). Crowdfunding platforms registered with the CNMV that have not yet been brought into line with the European regulation have one more year to do so. In 2022, the adaptation of six platforms to the European regulation was authorised, two of them having completed the adaptation process.



## Number of registered crowdfunding platforms and crowdfunding service providers

TABLE I.3.3.2

Securities markets  
and their agents  
Financial institutions  
and investment services

Platform type	Securities	Loans	Mixed	Total
Crowdfunding platforms	8	6	10	24
Crowdfunding service providers	2	0	0	2
<b>Cumulative total</b>	<b>10</b>	<b>6</b>	<b>10</b>	<b>26</b>

Source: CNMV.

## Adaptation to the European Regulation on crowdfunding service providers

EXHIBIT 5

Commission Delegated Regulation (EU) No 2022/1988 of 12 July 2022 extended the transitional period referred to in Article 48 of Regulation (EU) 2020/1503, thereby allowing authorised providers under national law to continue to provide crowdfunding services in Spain until 10 November 2023.

In 2022, the CNMV authorised six crowdfunding platforms that had been authorised under Spanish regulation (Law 5/2015, of 27 April, on the promotion of business financing) to adapt to the European regulation. Two of these completed the adaptation process in 2022 and another three did so in January 2023.

The regulatory developments that complement Regulation 2020/1503 continued over 2022. On 8 November, nine delegated regulations and four implementing regulations of the Commission were published. These regulations provide further details on the way in which service providers must comply with the requirements to carry out their activities, developing specific aspects on: i) the documentation that they must present in the authorisation process; ii) how to avoid or resolve conflicts of interest; iii) the knowledge test and assessment of the ability to bear losses of inexperienced investors; iv) the methodology for calculating the default rate of the loans offered by the platform, and v) the procedure for processing complaints.

A delegated regulation on the regulatory technical standards on credit rating and pricing, credit risk assessment, and risk management requirements is still pending publication, which will specify the information that crowdfunding service providers must supply to investors.

Furthermore, on 29 September 2022, Law 18/2022, of 28 September, on the creation and growth of companies was published, which, among other aspects, repealed Title V of Law 5/2015 on the legal regime of crowdfunding platform, replacing it with a new section. This regulatory development refers to the European regulation and establishes that the CNMV will be the competent national authority responsible for carrying out the functions and obligations provided for in said regulation. Likewise, it develops the role of crowdfunding platforms that are not harmonised under European Union law. These are the platforms that cover projects that exceed €5 million or consumer projects – crowdfunding services which European regulation excludes from its scope of application. The Law also contemplates the possibility that both of crowdfunding services providers and non-harmonised platforms may use mechanisms to group investors, an issue demanded by the sector.



## II CNMV actions in the securities markets



## II.1 Issuers' transparency obligations

Entities issuing securities admitted to trading have certain obligations to send the CNMV information addressed to the market. In particular, issuers of securities listed on a Spanish official secondary market or domiciled in the European Union when Spain is their home Member State, are obliged to file with the CNMV an annual financial report comprising their annual financial statements, audit report, management report and statements of responsibility for their content, in addition to interim six-monthly financial information.<sup>1</sup>

The annual financial report and the interim financial information are considered to be periodic regulated information, the supervision of which corresponds to the CNMV. The objective of this supervision is to boost confidence in the reliability of the financial information published by issuers. In addition to financial reporting, issuers are required to present non-financial information focusing mainly on sustainability and corporate governance.

### II.1.1 Financial reporting

#### Annual financial reporting<sup>2</sup>

The number of annual reports corresponding to the 2021 financial year received by the CNMV stood at 264, corresponding to 136 issuers (146 in 2020). This figure excludes reports from asset securitisation funds and bank asset funds and includes both individual and consolidated reports.

In 2022, 132 entities submitted their report for 2021 in European Single Electronic Format (ESEF), which is mandatory for all issuers with a fiscal year beginning on or after 1 January 2021. This new format establishes an obligation for issuers to prepare their annual financial reports in XHTML format. In addition, where consolidated financial statements prepared in accordance with IFRS are presented, the main financial statements must be labelled in accordance with IFRS taxonomy using XBRL (Extensible Business Reporting Language).

The percentage of issuers presenting unqualified audit reports remains in line with the figures seen in 2020 and 2019. In 2022, qualified audit reports for 2021 were received from four entities (two in 2020). No entity presented a disclaimer of opinion in the last three years.

---

1 Articles 118 and 119 of the recast text of the Spanish Securities Market Act approved by Royal Decree 4/2015, of 23 October.

2 Annual financial reporting is available at [www.cnmv.es](http://www.cnmv.es), in the "Companies Search" section of "Registration Files" under the heading "Annual financial reports", where the official registries of the audited annual accounts of companies that issue securities may be consulted.

Excludes securitisation funds and bank asset funds

	Financial year 2019		Financial year 2020		Financial year 2021	
	Number	%	Number	%	Number	%
<b>Reports received by the CNMV</b>	<b>277</b>	<b>100.0</b>	<b>281</b>	<b>100.0</b>	<b>264</b>	<b>100.0</b>
Individual accounts	144	52.0	145	51.6	136	51.5
Consolidated accounts	133	48.0	136	48.4	128	48.5
Special reports under Article 14 of Royal Decree 1362/2007	4	-	4	-	8	-
<b>Audit opinion</b>						
Unqualified opinion	271	97.8	277	98.6	256	97.0
Qualified opinion	6	2.2	4	1.4	8	3.0
Disclaimer of opinion or adverse opinion	0	0.0	0	0.0	0	0.0
<b>Type of qualification</b>						
Audits with exceptions	0	0.0	0	0.0	2	0.8
Audits with scope limitations	6	2.2	4	1.4	8	3.0
<b>Effects of exceptions</b>						
Effects on profit/(loss)						
Audits with positive effects	0	0.0	0	0.0	0	0.0
Audits with negative effects	0	0.0	0	0.0	2	0.8
Effects on equity						
Audits with positive effects	0	0.0	0	0.0	0	0.0
Audits with negative effects	0	0.0	0	0.0	2	0.8
<b>Nature of emphasis of matter paragraphs</b>						
Related to business continuity	21	7.6	27	9.6	13	4.9
Related to asset recovery	2	0.7	2	0.7	0	0.0
Related to COVID-19	32	11.6	10	3.6	1	0.4
Other	5	1.8	10	3.6	4	1.5

Source: CNMV.

The CNMV has the power to verify that the regulated periodic financial information has been prepared in accordance with applicable regulations. To exercise this function, the CNMV is empowered, as described in Article 234 of the recast text of the Securities Market Act to require listed entities to publish additional information, completing the disclosures provided by the issuer or indicating the corrections identified, accompanied where applicable by commitments to restate or reformulate the periodic financial information. In this process, the CNMV addresses issuers, requesting information in writing to obtain clarification or data on specific matters. Verbal requests are also sometimes made by telephone or through meetings in order to collect additional information.

Deficiency letters are a tool with which to investigate potential issues of non-compliance, but they are not always ultimately related to non-compliance with accounting regulations. Consequently, sometimes there are responses from entities that do not entail any corrective action by the CNMV.

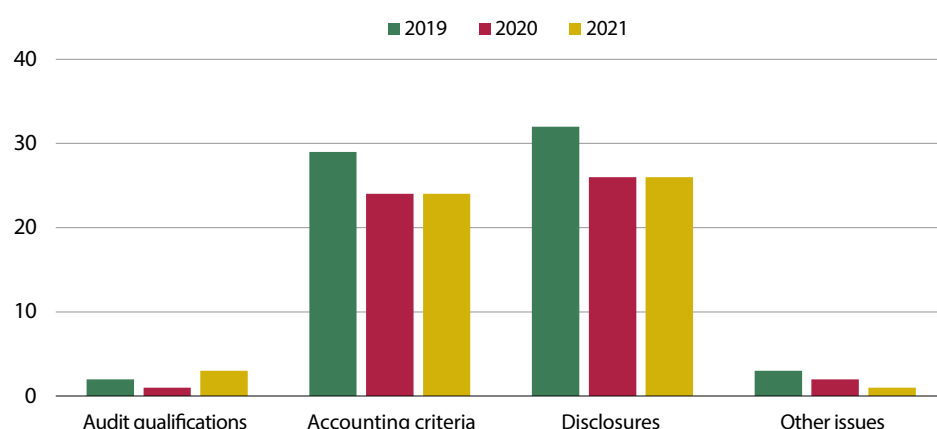
The CNMV's supervisory work on annual financial reports involves two levels of review: a formal and a substantive level. In accordance with the ESMA<sup>3</sup> Guidelines on enforcement, substantive reviews may be full or partial, with the latter type only covering certain specific aspects of the financial information.<sup>4</sup> All of the reports received are subject to a formal review of compliance with certain legal requirements. This type of review also entails other issues deriving from specific changes in applicable regulations.

The substantive review, which is more exhaustive than the formal review, is carried out on a specific number of audited annual accounts. To identify the entities that are subject to such review, a mixed selection model is applied based on risk, which takes into account factors related to financial and non-financial information, and on sampling and rotation, in accordance with ESMA's guidelines on enforcement of financial information.

Figure II.1.1.1 shows the main reasons why requests were sent to listed entities, excluding asset securitisation funds (ASFs) and bank asset funds (BAFs), in relation to the annual accounts for the years 2019 to 2021. In most cases, the accounting policy adopted was satisfactorily explained in the issuer's reply to the CNMV's deficiency letter. In others, the adjustment that would result from having applied a method more in keeping with the regulations in force, or the lack of a certain disclosure of information, would not have had a material effect on the fair presentation of the financial statements considered as a whole. However, in situations in which the method used by the entity was not consistent with the standard and the adjustment was material, the CNMV requested the reformulation or restatement of the issuer's financial statements. Similarly, in the event of material errors regarding one or more specific matters included in the financial information published by the entities, a corrective note or a future correction commitment was issued.

Reasons for requests for information sent to issuers<sup>1</sup>  
(excluding securitisation funds and bank asset funds)

FIGURE II.1.1.1



Source: CNMV. (1) Requests for information include those sent to issuers subject to formal and substantive review, excluding those relating to the NFIS, APMs or delays in sending financial information.

3 ESMA – Guidelines on enforcement of financial information. [https://www.esma.europa.eu/sites/default/files/library/esma32-50-218\\_guidelines\\_on\\_enforcement\\_of\\_financial\\_information\\_en.pdf](https://www.esma.europa.eu/sites/default/files/library/esma32-50-218_guidelines_on_enforcement_of_financial_information_en.pdf)

4 In general, the priorities defined by ESMA and by the CNMV, as well as transactions that have had a significant impact during the year.

To facilitate the dissemination of financial information, each year the CNMV publishes on its website its *Report on the CNMV's review of annual financial reports and main enforcement priorities for the following financial year*.<sup>5</sup> This report describes the most important incidents detected in the review of the annual financial statements and the main enforcement actions.

### Half-yearly periodic reporting

As described at the beginning of this section, issuers of securities listed on an official secondary market or on any other regulated market domiciled in the European Union, where Spain is the home Member State, are obliged to send financial information to the CNMV on a half-yearly basis.<sup>6</sup>

**The performance of an audit or review of this information by the auditor is voluntary.** 56.8% of issuers (59.7% in the same period of the previous year) submitted their interim financial reports for the first half of 2022<sup>7</sup> to some type of auditor review. This percentage rises to 91.2% if only Ibx 35 companies are considered (88.2% in the same period of the previous year).

When full audits were performed (in six cases), the auditor provides reasonable assurance regarding the interim financial statements, while in limited reviews (69 entities) the assurance offered is moderate. It should be noted that no qualified opinions were issued by the auditors.

### International activities related to financial reporting

In October 2022, ESMA published its common enforcement priorities for annual financial reports for 2022,<sup>8</sup> differentiating between financial information and non-financial information. ESMA, together with the national supervisors of the European Union, will pay particular attention to these areas when monitoring and assessing the application of the relevant requirements, as well as reviewing such matters as may be important for the various issuers examined. ESMA's common enforcement priorities for financial information refer to: i) climate-related matters, ii) the impacts of Russia's invasion of Ukraine, and iii) the macroeconomic environment. The CNMV also decided to include other additional priorities, which are described in the *Report on the CNMV's review of annual financial reports and main enforcement priorities for the following financial year for 2021*.<sup>9</sup> Notable among these additional priorities is a more detailed analysis of issuers' exposure to the macroeconomic environment.

---

5 This report provides more detailed information on the actions of the CNMV summarised in this section.

6 Article 119 of the recast text of the Securities Market Act, approved by Royal Decree 4/2015 of 23 October.

7 In the case of companies whose financial year does not correspond to the calendar year, the financial information for the first half-year presented in 2022 was used.

8 [https://www.esma.europa.eu/sites/default/files/library/esma32-63-1320\\_esma\\_statement\\_on\\_european\\_common\\_enforcement\\_priorities\\_for\\_2022\\_annual\\_reports.pdf](https://www.esma.europa.eu/sites/default/files/library/esma32-63-1320_esma_statement_on_european_common_enforcement_priorities_for_2022_annual_reports.pdf)

9 [https://www.cnmv.es/DocPortal/Publicaciones/Informes/IAAnual\\_2021\\_EN\\_web2en.pdf](https://www.cnmv.es/DocPortal/Publicaciones/Informes/IAAnual_2021_EN_web2en.pdf)



The CNMV actively collaborated in the preparation of various ESMA reports and comment letters on current IFRS projects. The report on supervisory activities for the 2021 annual reports, published on 30 March 2022,<sup>10</sup> stands out. This report provides a view of the supervisory work carried out on financial and non-financial information and the corresponding corrective actions in the European Union as at the end of the 2021 financial year.

Likewise, it is worth noting, among others, the letter sent by ESMA to the International Accounting Standards Board (IASB) on 24 January 2022,<sup>11</sup> in response to the review of the application of IFRS 9 (Financial Instruments), in regard to classification and measurement of financial instruments.

## II.1.2 Information on sustainability and corporate governance

### Information related to the non-financial information statement (NFIS)

The NFIS, which include sustainability information, is part of the management report and therefore of the annual report that issuers of securities in regulated markets must prepare and publish, being subject to the supervisory authority of the CNMV in accordance with Articles 122, 233 and 234 of the recast text of the Spanish Securities Market Act.

The scope of the information provided in the NFIS increased following the approval of Law 11/2018. Submission of the NFIS was made mandatory for the first time for the financial years beginning on or after 1 January 2017 for companies included in the scope of application of Royal Decree-Law (RDL) 18/2017,<sup>12</sup> which included the obligations imposed by Directive 2014/95/EU of the European Parliament and of the Council, of 22 October 2014, as regards disclosure of non-financial and diversity information<sup>13</sup> (Directive 2014/95/EU or the NFRD). Subsequently, Law 11/2018 of 28 December,<sup>14</sup> (Law 11/2018 or the Law), applicable to financial years beginning on or after 1 January 2018, amended the Commercial Code, the recast text of the Corporate Enterprises Act and the Auditing Act and repealed the aforementioned Royal Decree-Law, expanding its scope,<sup>15</sup> and increasing the content of the non-financial information to be reported by companies and requiring

---

10 [https://www.esma.europa.eu/sites/default/files/library/esma32-63-1249\\_2021\\_corporate\\_reporting\\_enforcement\\_and\\_regulatory\\_activities.pdf](https://www.esma.europa.eu/sites/default/files/library/esma32-63-1249_2021_corporate_reporting_enforcement_and_regulatory_activities.pdf)

11 [https://www.esma.europa.eu/sites/default/files/library/esma32-339-197\\_letter\\_to\\_the\\_iasb\\_on\\_rfi\\_ifrs\\_9\\_-\\_classification\\_and\\_measurement.pdf](https://www.esma.europa.eu/sites/default/files/library/esma32-339-197_letter_to_the_iasb_on_rfi_ifrs_9_-_classification_and_measurement.pdf)

12 <https://www.boe.es/boe/dias/2017/11/25/pdfs/BOE-A-2017-13643.pdf>

13 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014L0095>

14 <https://www.boe.es/boe/dias/2018/12/29/pdfs/BOE-A-2018-17989.pdf>

15 Law 11/2018 requires that the NFIS be included in the management report when the following conditions are met: i) the average number of workers employed by the group companies during the financial year is greater than 500, and ii) either it is considered a public interest entity or at the end of two consecutive financial years it meets two of the following conditions: a) total consolidated assets of over €20 million, b) net turnover of over €40 million, and c) an average number of workers employed during the year of over 250. The Transitional Provision indicates that after three years from the entry into force of the law, it will be applicable to all companies with more than 250 workers that are either considered public interest entities in accordance with auditing legislation, except for entities that are classified as SMEs in accordance with Directive 34/2013, or at the end of two consecutive financial years, meet at least one of the following conditions: i) total assets of more than €20 million, and ii) net annual turnover of more than €40 million.

that the information included in the NFIS be reviewed by an independent provider of verification services.

Of the 136 issuers that submitted individual financial statements<sup>16</sup> and the 128 that submitted consolidated statements for the 2021 financial year, 52 were required to include an NFIS in their individual management report and 102<sup>17</sup> in their consolidated management report (30% and 80% of the totals, respectively).

### NFIS received by the CNMV

TABLE II.1.2.1

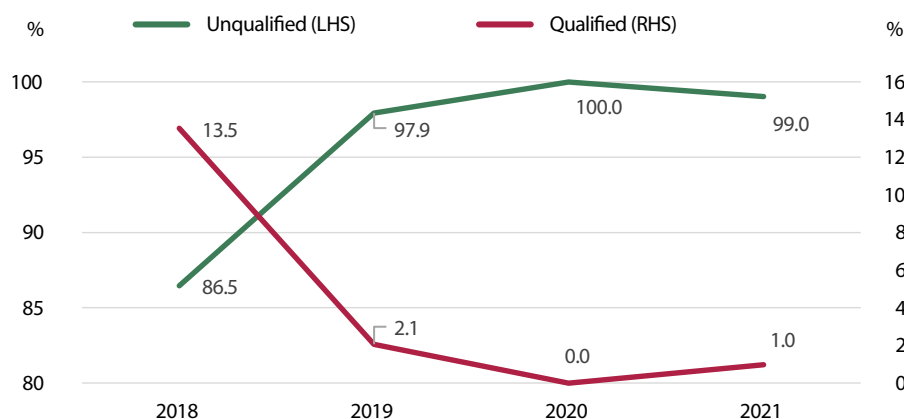
	2018	2019	2020	2021
Individual NFIS	43	45	43	52
	28%	31%	30%	30%
Consolidated NFIS	96	97	96	102
	69%	73%	71%	80%
Individual financial statements	152	144	145	136
Consolidated financial statements	140	133	136	128

Source: CNMV.

Figure II.1.2.1 shows the changes in the percentage of issuers filing unqualified or qualified audit reports. Only one issuer<sup>18</sup> filed a qualification report in 2021 (none in 2020).

### Opinions on NFIS

FIGURE II.1.2.1



Source: CNMV.

<sup>16</sup> Excluding securitisation funds and bank asset funds.

<sup>17</sup> Excluding two entities that availed themselves of the exemption option provided in Law 11/2018 as these companies and their subsidiaries are included in the consolidated management report of another company which is not subject to the NFIS obligation.

<sup>18</sup> Amrest Holdings, SE.

The percentage of issuers that presented qualifications in their verification reports in the last three years (2019, 2020 and 2021) was less than 2%. In 2018, this percentage was higher (13.5%; 13 issuers), as it was the first year in which the revision of the NFIS was mandatory and given the short period of time between the publication and the entry into force of Law 11/ 2018. The improvement in issuers' internal systems and processes in 2019 allowed them to obtain the information omitted in previous years, providing greater detail than in the previous year.

**The CNMV has powers to verify that the NFIS has been prepared in accordance with the applicable regulations.** To exercise this function, the CNMV is empowered to require listed entities to publish additional information, supplementing the disclosures provided by the issuer or including the identified corrections, accompanied by commitments to restate or reformulate the financial information where necessary.

The CNMV's enforcement work on the NFIS follows a similar approach to its work on financial disclosures, with two levels of review performed: formal and substantive. In line with the principles set out in the ESMA guidelines<sup>19</sup> on enforcement of financial information, the substantive reviews may be full or partial, with the partial reviews only covering certain specific aspects of the non-financial information.<sup>20</sup>

The CNMV describes the most notable incidents detected in the 2021 NFIS review and the main supervisory actions in its *Report on the CNMV's supervision of non-financial information and main enforcement priorities for the following financial year*,<sup>21</sup> published on its website as an independent report<sup>22</sup> for second consecutive year.

---

19 ESMA – *Guidelines on enforcement of financial information* (28/10/2014). <https://www.esma.europa.eu/sites/default/files/library/2015/11/2014-esma-1293en.pdf>

20 Basically the priorities set by ESMA and the CNMV.

21 This report provides more detailed information on the actions of the CNMV summarised in this section.

22 In previous years, this information was included as a specific section of the *Report on the CNMV's review of annual financial reports and main enforcement priorities for the following financial year*.

## New Directive on corporate sustainability reporting (CSRD)

EXHIBIT 6

Directive (EU) 2022/2464 on corporate sustainability reporting<sup>1</sup> (CSRD) was published in the *Official Journal of the European Union (OJEU)* on 16 December 2022. This directive reinforces the current rules on the disclosure of non-financial information contained in the Non-Financial Information Directive (NFRD).

The new directive expands both the number of entities required to report on sustainability<sup>2</sup> as well as the content of this information, which must take European sustainability reporting standards as a reference. In addition, it requires that said information be presented, in electronic format, in a specific section of the management report and be verified by an independent assurance provider.<sup>3</sup> This directive entered into force 20 days after its publication in the *OJEU*,<sup>4</sup> and from that time Member States have 18 months in which to incorporate it into their internal legal systems.

### European Sustainability Reporting Standards

The European Financial Reporting Advisory Group (EFRAG) submitted a first set of drafts of the **European Sustainability Reporting Standards (ESRS)** to the European Commission (EC) on 15 November 2022, which is expected to approve these standards definitively as delegated acts in June 2023, for first-time application to financial year 2024, for reports published in 2025.

### Sustainability standards

TABLE E6.1

Published		Pending publication
Cross-cutting standards		Industry-specific
ESRS 1 General requirements		Adapted to SMEs
ESRS 2 General disclosures		Adapted to companies in the EU affected by CSRD
Topical standards		
Environment	Social	Governance
ESRS E1 Climate change	ESRS S1 Own workforce	ESRS G1 Business conduct
ESRS E2 Pollution	ESRS S2 Workers in the value chain	
ESRS E3 Water and marine resources	ESRS S3 Affected communities	
ESRS E4 Biodiversity and ecosystems	ESRS S4 Consumers and end-users	
ESRS E5 Use of resources and circular economy		

Source: CNMV.

As shown in the Table E6.1, this first set of 12 drafts consists of two cross-cutting standards to all sustainability issues and ten topical standards: five on the environment, four on social issues and one on governance.

The publication of sectoral standards<sup>5</sup> and specific standards for SMEs<sup>6</sup> and entities from third countries that exceed certain thresholds is expected, although these documents have not yet been submitted to the public consultation process.

The ESRS require the provision of relevant information on sustainability-related impacts, risks and opportunities, identified using a **double materiality** analysis, although certain information can be omitted when it is not considered relevant.<sup>7</sup> Other European and international initiatives on sustainability reports<sup>8</sup> were taken into account during the preparation of these standards in order to reduce set-up costs for companies using different frameworks.

The following table shows the dates of application of the new CSRD and of the first set of ESRS:

### Sustainability standards

TABLE E6.2

When?	Who?
In 2025 for reports on 2024	Companies subject to the current Directive (NFRD)
In 2026 for reports on 2025	Large companies currently not subject to NFRD (>250 employees and/or turnover of €40 million and/or total assets of €20 million)
In 2027 for reports on 2026	Listed SMEs <sup>1</sup> (except micro-enterprises), small and non-complex credit institutions and captive insurance and reinsurance companies
In 2029 for reports on 2028	Non-European companies that generate annual turnover of €150 million in the EU and have a subsidiary or branch in the EU that exceeds certain thresholds
In 2025 for reports on 2024	Adapted to SMEs
In 2025 for reports on 2024	Adapted to SMEs

Source: CNMV. (1) Option to defer the obligation until 2028.

1 EUR-Lex - 32022L2464 - EN - EUR-Lex (europa.eu).

2 According to EU data, nearly 50,000 EU companies will be affected by this regulation, compared to the 11,700 companies currently subject to the NFRD.

3 This was already required in Spain under Law 11/2018.

4 Namely, 5 January 2023.

5 E.g. agriculture, coal, oil, gas, road transport, textiles or food and beverages.

6 For SMEs, separate and proportionate standards will be developed which will be voluntary if the company is not listed.

7 ESRS 1 requires subject companies to disclose certain information regardless of its materiality, including information on governance, strategy, impact management, risks and opportunities, and climate change-related metrics and targets.

8 Such as those of the International Sustainability Standards Board (ISSB), Task Force on Climate-related Financial Disclosures (TCFD) and Global Reporting Initiative (GRI).

With regard to the taxonomy of EU sustainable activities, the 2021 NFIS of listed entities with more than 500 employees had to provide the proportion of economic activities that were eligible and non-eligible for the objectives of mitigation of and adaptation to climate change; whereas in the 2022 NFIS, non-financial listed companies will have to disclose the proportion of economic activities aligned with the taxonomy.

### International activities relating to non-financial information

As previously mentioned, the common enforcement priorities published by ESMA in October 2022 were extended by the CNMV. ESMA's priorities included issues such as: i) climate-related issues, ii) taxonomy-related disclosures, and iii) perimeter and data quality. Details of the additional priorities included by the CNMV are provided in the *Report on the CNMV's supervision of non-financial information for 2021 and main enforcement priorities for the following financial year*.<sup>23</sup>

In April 2020, the Board of the International Organization of Securities Commissions (IOSCO) agreed to establish a Sustainable Finance Task Force (STF). This group reports to the Council and is currently chaired by the Chairperson of the CNMV. It focuses on three lines of work, one of which is related to the sustainability information disclosed by issuers. Specifically, one of its tasks will be to analyse the quality of the standards for preparing information on sustainability that the International Sustainability Standards Board (ISSB) is currently drawing up for dissemination and potential support in the application at the international level. Likewise, the regulations on assurance and auditing that are currently being developed internationally by the International Auditing and Assurance Standards Board (IAASB) and the International Code of Ethics for Professional Accountants (IESBA) will be analysed.

**At the international level, IOSCO issued two important documents in 2022.** The first, published on 15 September, highlights the work being done by the IAASB and the IESBA to develop auditing and ethics standards for the review of sustainability information,<sup>24</sup> to ensure that they are of high quality. In the second, published on 14 November, IOSCO highlights the need for issuers to provide unbiased and timely information on the impacts caused by the environment of economic uncertainty<sup>25</sup> (the impact of COVID-19, Russia's war in Ukraine, high inflation, rising interest rates, etc.), including recommendations for issuers and external audit firms and audit committees, as well as those responsible for the management of entities.

### Information on significant shareholders and treasury stock

**Notifications of significant holdings, as well as the statements of transactions on own shares by listed companies (hereinafter, notifications), are regulated by Royal Decree 1362/2007, of 19 October, developing the Securities Market Act (Law 24/1988, of 28 July), with regard to the transparency requirements regarding information on issuers whose securities are admitted to trading on an official secondary**

---

23 [https://www.cnmv.es/DocPortal/Publicaciones/Informes/EINF\\_2021.pdf](https://www.cnmv.es/DocPortal/Publicaciones/Informes/EINF_2021.pdf)

24 <https://www.iosco.org/library/pubdocs/pdf/IOSCOPD713.pdf>

25 <https://www.iosco.org/library/pubdocs/pdf/IOSCOPD720.pdf>

market or on other regulated market of the European Union (Royal Decree on Transparency).

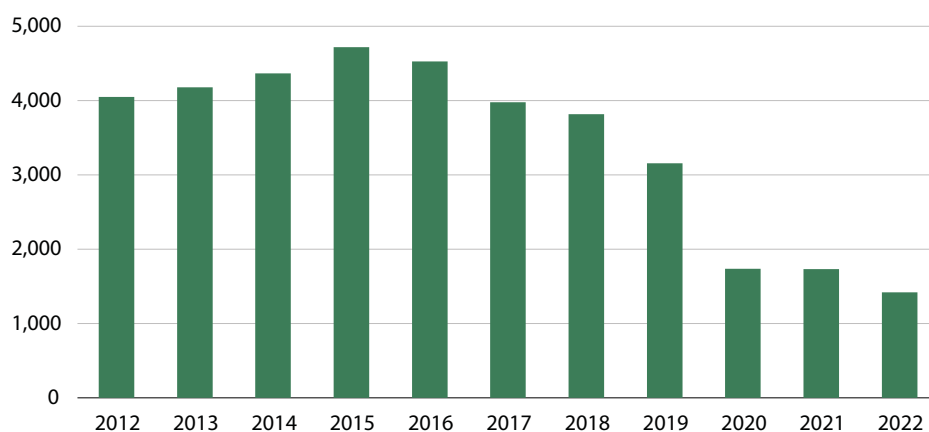
**CNMV Circular 2/2022, of 26 May, approving the models for notification of significant holdings, issuer transactions with treasury stock and market makers entered into force on 7 August 2022.** The changes in this new model 1 affect sections 6 to 9 and are designed to ensure that shareholders declare any additional voting rights corresponding to the shares with loyalty voting rights allocated to them. As at 31 December 2022, three companies had included the shares with loyalty voting rights regime in their bylaws (Grenergy, Airtificial and Audax).

Additionally, a new section 11 was included to ensure that shareholders report any dual-voting rights. Accordingly, significant shareholders must indicate the number of additional voting rights that have been attributed to them, which correspond to shares with dual-voting rights. Likewise, the number of shares that are pending recognition of the dual-voting rights and the number of additional voting rights that will correspond to said shares, once the loyalty period established in bylaws has expired must be disclosed. In addition, the date, or dates, on which the allocation of these loyalty voting rights will take place must be reported.

**Of the 1,536 notifications received in 2022, 1,505 were received through the electronic office and 95.8% were published automatically without incident.** A total of 1,418 notifications were validated in 2022, a fall of 18.2% on 2021. 85% of the notifications concerned significant shareholders (90% in 2021), while the remaining 15% were treasury stock notifications (10% in 2021).

**Number of notifications registered annually (2012-2022)**

FIGURE II.1.2.2



Source: CNMV.

### Notifications cancelled and rectified

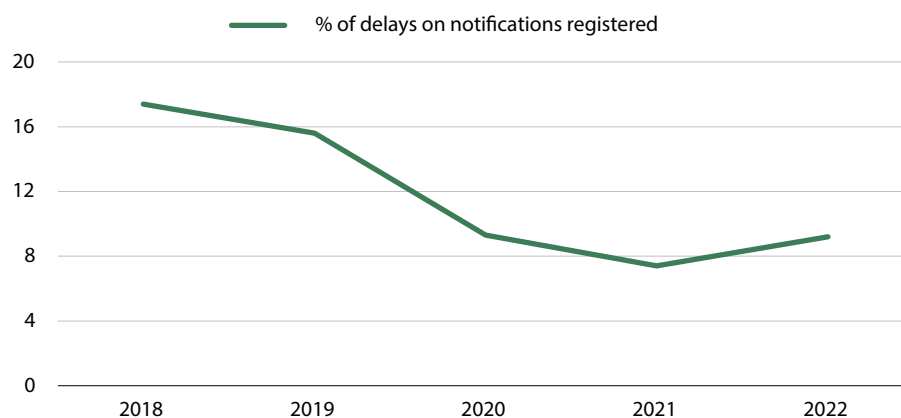
**Validated notifications accounted for 92% of those received (1,536).** The remainder were cancelled or replaced, where appropriate, by new communications. 3.3% fewer notifications were cancelled due to error than in 2021. 73% of the cancelled notifications were presented by significant shareholders, while the remaining 27% corresponded to companies' declarations of transactions with their own shares.

## Notifications submitted late

131 notifications (129 in 2021) were received after the deadline established by the regulations, equating to 9.2% of the total (7.4% in 2021) (see Figure II.1.2.3). 81% of the late notifications concerned significant shareholders. The proportion of notifications filed in 2022 with a delay of fewer than seven days was 46.6% (49.6% in 2021). Delays exceeding 90 days accounted for 22.1% of the cases (15.5% in 2021).

## Notifications submitted late

FIGURE II.1.2.3



Source: CNMV.

## Notifications by significant shareholders

In accordance with the Royal Decree on Transparency, the first notification threshold for significant shareholder voting rights is set at 3% of the share capital. If the shareholder is resident in a tax haven, this first threshold is reduced to 1% and its respective multiples. The average annual number of notifications per significant shareholder stood at 4.6 (5.7 in 2021). The 1,209 notifications received (1,562 in 2021) concerned significant shareholdings in 93 listed companies (99 in 2021) and were submitted by 262 separate shareholders (273 in 2021). Table II.1.2.3 shows a breakdown of notifications received, grouped by intervals of voting rights and by market capitalisation of the companies involved. The participation of significant shareholders who hold interests in three or more Ibex 35 companies represents 11.9% of the total voting rights of the companies in the index. If we exclude Spanish investors, the five largest international investors account for 5% of the voting rights of Ibex 35 companies.

## Number of notifications on significant shareholders' voting rights

TABLE II.1.2.3

	Total notifications	Less than 5%	Between 5 and 15%	Between 16 and 30%	Between 31 and 50%	More than 50%
Ibex 35	567	436	116	10	1	4
More than €500 million	319	240	48	16	2	13
Less than €500 million	323	174	116	19	6	8
<b>Total</b>	<b>1,209</b>	<b>850</b>	<b>280</b>	<b>45</b>	<b>9</b>	<b>25</b>
<b>% of total</b>	<b>100</b>	<b>70</b>	<b>23</b>	<b>4</b>	<b>1</b>	<b>2</b>

Source: CNMV.



## Most relevant significant shareholders

TABLE II.1.2.4

Significant shareholders	Number of companies in which they hold an interest	Average % (voting rights + FI)	Investment value (shares) at 31/12/2022 (millions of euros)	% Market capitalisation total <sup>2</sup>
Ortega Gaona, Amancio	3	23.10	45,677.7	8.64
Criteria Caixa, S.A.U.	3	20.50	15,496.4	2.93
Blackrock Inc.	20	4.50	15,396.3	2.91
Norges Bank	5	3.10	4,909.7	0.93
Sociedad Estatal de Participaciones Industriales	3	16.70	2,380.5	0.45
T. Rowe Price Associates Inc.	3	3.80	878.4	0.17
Fidelity International Limited	4	1.60	388.2	0.07
The Children's Investment Master Fund <sup>1</sup>	3	4.90	(*)	
<b>Total</b>			<b>85,127.2</b>	<b>16.10</b>

Source: CNMV. (\*) Estimated value taking into account the shares included in the last notification of significant holdings submitted. FI: financial instruments other than shares. (1) The entire position is held in financial instruments other than shares. (2) Data obtained from the 2022 ACGR. Total capitalisation = €528,724.82 million.

## Treasury stock notifications

According to the Royal Decree on Transparency, an issuer of shares admitted to trading on an official secondary market or on another regulated market domiciled in the European Union for which Spain is the home Member State is obliged to notify the CNMV of the share of voting rights in its possession when it makes acquisitions amounting to or exceeding 1% of the company's total voting rights. In 2021, the CNMV validated a total of 209 notifications of treasury stock transactions (171 in 2022) which affected 59 issuers (58 in 2021). Table II.1.2.5 shows a breakdown of notifications received in the last year, grouped by market capitalisation and percentage of final holdings of treasury stock.

## Number of treasury stock notifications by final percentage declared

TABLE II.1.2.5

	Total notifications	Less than 1%	Between 1 and 2%	Between 2 and 3%	Between 3 and 4%	Between 4 and 5%	More than 5%
Ibex 35	108	31	17	20	10	10	20
More than €500 million	58	16	21	5	6	7	3
Less than €500 million	43	22	8	5	5	2	1
<b>Total</b>	<b>209</b>	<b>69</b>	<b>46</b>	<b>30</b>	<b>21</b>	<b>19</b>	<b>24</b>

Source: CNMV.

## Shareholders' agreements and concerted actions

The Spanish Corporate Enterprises Act<sup>26</sup> requires the disclosure of any shareholder agreements affecting listed companies or their controlling shareholders. These communications are recorded as other price-sensitive information.

Shareholder agreements may regulate the exercising of voting rights or restrict the free transferability of the shares. If the first circumstance arises, the CNMV will assess the impact on notifications of significant shareholdings. The CNMV received a total of three notifications relating to shareholder agreements in 2022 (six in 2021), affecting five listed companies<sup>27</sup> (five in 2021).

The Royal Decree on Transparency provides that any agreement entered into with a third party whereby the parties use their voting rights to impose a lasting common policy in relation to the company's management or to significantly influence the course of the same must be notified as a concerted action. In 2022, one notification of a concerted action was registered relating to CIE Automotive, which affected 3.37% of its capital, compared with seven notifications registered in 2021 relating to three companies.

### Corporate governance report

Based on companies' Annual Corporate Governance Report (ACGR), the CNMV prepares and publishes on its website an annual report<sup>28</sup> in which it analyses, in aggregate terms, issuers' main corporate governance practices and disseminates a wide range of statistical data for each individual entity.<sup>29</sup> This chapter includes a summary of the most significant characteristics arising from the analysis of the ACGR referring to the 2021 financial year, published in 2022, by the 121 listed companies (125 in 2020).

### Application of the "comply or explain" principle

**The level of compliance with the new Good Governance Code was high.** On average, listed companies declared that they complied fully with 86.4% of the code's recommendations (83.7% in 2020) and partially complied with 7.3%. This increase is due to the fact that companies have largely adapted to the new practices included in the Good Governance Code following its partial review in 2020. Ibex 35 companies stated that they complied fully with 91.4% of the Good Governance Code and partially complied with an additional 4.5% of the recommendations applicable to them.

### Board of Directors and members

**The total number of Board members of listed companies amounted to 1,226 in 2021 (1,243 in 2020).** The percentage corresponding to Ibex 35 companies was 34.3% (35% in 2020). The average Board size stood at 10.2 members (9.2 in 2020), rising to 12.4 Board members in Ibex 35 companies (12.8 in 2020).

---

27 One notification of the formalisation of a shareholder agreement in Vocento and two notifications of the expiry of the shareholder agreements in Vocento and Urbas Grupo Financiero.

28 Corporate Governance Reports of issuers of securities admitted to trading on regulated markets.

29 Previous reports can be consulted at the following link: <https://www.cnmv.es/portal/publicaciones/publicacionesgn.aspx?id=21>

## Percentage of women on Boards

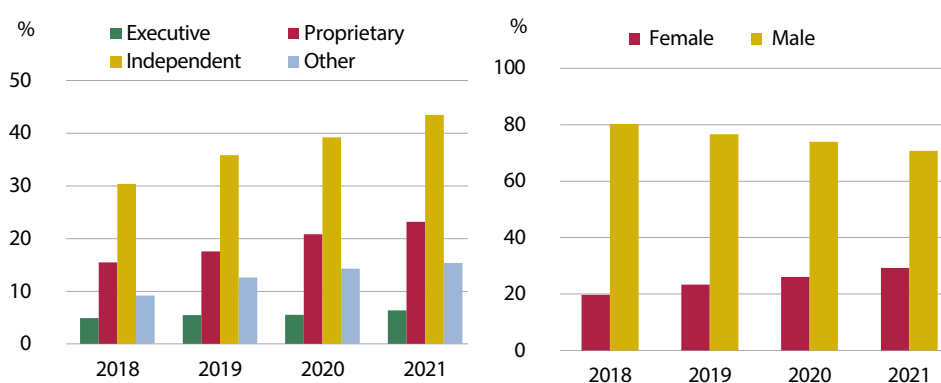
The percentage of women on Boards has increased since 2013 by 17.3 pp, to stand at 29.3% in 2021 (26.1% in 2020) and 34.2% in the Ibex 35 (31.3% in 2020). The CNMV publishes an annual document on the presence of women on the Boards of Directors and in senior management of listed companies.<sup>30</sup>

CNMV actions in the securities markets  
Issuers' transparency obligations

Figure II.1.2.4 shows how the number of female directors on Boards has evolved, by category of director. The left-hand panel shows the percentage of female directors in each of the four categories out of the total number of directors, male and female, in that category. The right-hand panel shows the percentage of men and women on the Board, without differentiating among categories.

Female directors as a percentage of the total number of directors

FIGURE II.1.2.4



Source: ACGR of companies and CNMV.

## Remuneration

Lastly, for the last nine years the CNMV has published on its website an *Annual Report on the Remuneration of Directors of Listed Companies*<sup>31</sup> (ARRD), which describes in aggregate terms the main features of the remuneration policies and practices applied to directors, obtained from the information included in the ARRD published by each listed company.

According to the ARRDs published by listed companies for 2021, the average remuneration for that year per Board and per director stood at €4.30 million and €416,000 respectively. The average remuneration per Board increased by 13.2% with respect to the previous year and the average remuneration per director by 11.2%.

The main reason for these increases is the extraordinary remuneration accrued on the vesting of savings and compensation systems. Excluding this extraordinary remuneration, the increase in the average remuneration of Boards of Directors would have been 5.2%.

30 [http://www.cnmv.es/portal/Publicaciones/Consejeras\\_Directivas.aspx?lang=en](http://www.cnmv.es/portal/Publicaciones/Consejeras_Directivas.aspx?lang=en)

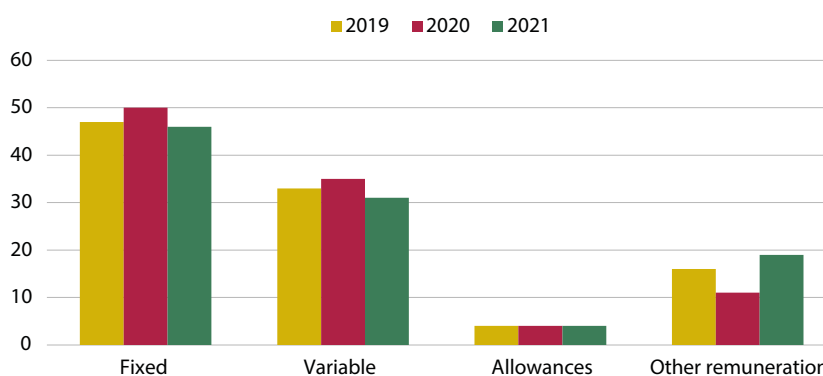
31 <http://www.cnmv.es/portal/Publicaciones/PublicacionesGN.aspx?id=46>

The average remuneration of executive directors amounted to €1.70 million and that of external directors to €167,000, 7.1% and 28.5% higher than the previous year, respectively. This increase can be partly explained by the aforementioned extraordinary remuneration.

**Fixed remuneration was the most significant component of total remuneration in 2021, accounting for 46% of the total (see Figure II.1.2.5).** Variable remuneration, including gross gains on shares or financial instruments vesting in the year, amounted to 31%; allowances constituted 4%; remuneration vesting in the year on savings schemes represented an average of 12%, and the remainder corresponded to other remuneration items, including compensation payments.

Remuneration by item

FIGURE II.1.2.5



Source: ARRDs of companies and own work.

### International corporate governance activities

The main international activity carried out in 2022 related to corporate governance was its participation in ESMA's Corporate Finance Standing Committee, collaborating on the preparation of the Call For Evidence on the application of EU Directive 2017/828 as regards the encouragement of long-term shareholder engagement, which will serve as the basis for the reports that the European Commission will publish in 2023.

In 2021, the CNMV started the preparatory work for a code of good practices for the encouragement of long-term shareholder engagement. With the collaboration of a group of experts set up for this purpose, a draft code was prepared, which was submitted for public consultation between 24 June and 16 September 2022. The final text was approved on 22 February 2023.

The most significant aspects of the code are the following:

**Scope of application**

The code is aimed at investors, including institutional investors and asset managers, based in Spain, although the principles of the code may also be voluntarily applied by such entities that have a central office outside Spain.

For the purposes of the code, institutional investors include life insurance and reinsurance companies and employment pension funds. However, given its voluntary nature, other entities (insurance and reinsurance companies in the non-life segment, other types of pension funds and pension fund management companies, holding or portfolio companies, family groups and other private investors or similar entities) may also adhere to the code.

In the service providers segment, the code will initially only apply to proxy advisors.

**Code structure**

The code has seven principles, which cover aspects such as i) the need to invest and have a long-term strategy and orientation, for which it is necessary to review and update internal governance practices and structures; ii) the importance of having appropriate knowledge of and monitoring the companies in which investors invest; iii) development and awareness of the engagement policy; iv) exercising the right to vote; v) the annual transparency of the engagement and voting actions carried out in the previous year; vi) management of conflicts of interest, and vii) remuneration policies.

Each principle is followed by an explanatory text on its scope and expectations and, when applicable, on how the principle of proportionality would be applied. This text is not prescriptive but tries to facilitate the application of each principle, taking into account the particular circumstances of each investor, manager or voting advisor, as well as the purpose and spirit of the principles themselves.

**Proportionality**

There are several aspects of the code that are designed to encourage entities of a smaller size, scale or complexity to adhere to it, to modulate the scope and nature of the obligations of any entity, regardless of size, according to the nature and absolute and relative scope of their investments, or based on the size, complexity and resources of the entities in which they invest.

## Voluntary adherence

The code proposes a principled approach in terms of engagement with the companies in which adherents invest and their exposure to sustainability risks.

Adherence to the Code is voluntary. However, the entities that have decided to voluntarily adhere to it must indicate in their annual report how they have applied the different principles of the code in the previous year, based on the criterion of proportionality and thus taking into account their particular conditions and circumstances.

It is important that the entities that have voluntarily decided to adhere to the code commit to applying each and every one of its principles. In other words, the code is based on the “comply or explain” model.

## Transitional regime

As the code is new to the Spanish market a transitional period of three years has been established, which will end on 23 February 2026, during which time the entities that decide to adhere to it may apply the “comply or explain” principle in their annual reports, indicating which principles have been applied and which have not, and in the latter case, adequately explain the reasons why they have decided not to apply them in the reporting period.

However, it is considered that Principle 6, on the policy for managing conflicts of interest, must be applied from the outset, as it is inherent to the operations of any investor or manager.

Entities deciding to make avail themselves of the transitional period must show a public commitment to apply all the principles for the entire period, and must publish a plan and a specific adaptation schedule to achieve this, explaining the level of progress they have made in each of the three years.

Investors, managers and proxy advisors who so wish may adhere to the code by writing to the CNMV. A list of all member entities and a link to the website of each entity will be published on the CNMV’s website, in which they must have visibly and clearly publish their implementation and voting policies, as well as the rest of the information necessary to comply with the code.

## II.2 Market supervision

The CNMV's market supervision work consists of a multitude of tasks, including the following: the detection of market abuse and the correct formation of prices; the supervision of the obligations imposed on short sales; supervision of MiFID requirements imposed on market infrastructures; actions on reference indices; supervision in the field of clearing, settlement and registration; the codification function of financial instruments, and investigations to identify practices contrary to the integrity of the markets.

The CNMV's supervisory agenda was shaped by the macroeconomic situation, legislative reforms and market participants' initiatives. Movements in energy prices compelled the authority to conduct enhanced monitoring of the central counterparty (CCP) activity. Furthermore, the increase in the risk of cyberattacks prompted an in-depth review of compliance by Spanish infrastructures with the CPMI-IOSCO guidelines.

An important legislative reform in this sector was the harmonisation within the EU of the settlement discipline regime for securities transactions. The work of the settlement reform group – set up at the request of the CNMV and with its participation, and directed by Iberclear – was also completed in 2022. In addition, throughout the year, the CNMV contributed to the review of Directive 2014/65/EU of the European Parliament and of the Council, of 15 May 2014, on markets in financial instruments (MiFID II) and Regulation (EU) No. 600/2014 of the European Parliament and of the Council of the same name (MiFIR).

Other developments of continued importance for the institution in 2022 were the improvement of the data quality, the integration of the BME and SIX groups and work on benchmark indices, in which the CNMV continued to carry out its supervisory work and registered a new administrator.

### Summary of market activity and supervision

**Although the number of transactions carried out in the markets under the supervision of the CNMV fell in 2022 (down by 12%), there was a very significant increase in the cash amount traded (up by 60.1%).** This can be explained mostly by the entry of a new organised trading facility (OTF) Tradition España OTF, in which fixed income instruments and derivatives are traded. Also considering the decrease in the number of trades and in the cash amount for settlement and clearing (see Table II.2.1), the total number of trades and the total related cash amount decreased by 12.4% and 11.5% respectively in 2022 compared with the previous year.

Markets	Number of trades (in thousands)			Nominal/cash amount (in millions of euros)		
	2021	2022	% change 22/21	2021	2022	% change 22/21
Equity	44,666	38,400	-14.03	378,144	362,122	-4.24
Fixed income	61	53	-14.10	709,132	983,714	38.70
Regulated market	11	7	-32.80	47,620	18,783	-60.60
MTFs	27	14	-50.50	182,509	108,510	-42.60
OTF	23	32	35.05	479,003	856,609	78.80
Derivatives	3,682	4,164	13.09	837,516	1,736,262	107.31
<b>Total markets</b>	<b>48,409</b>	<b>42,617</b>	<b>-11.96</b>	<b>1,924,792</b>	<b>3,082,098</b>	<b>60.13</b>
Settlement	9,759	8,887	-8.90	29,084,547	24,249,824	-16.60
Clearing	94,122	81,900	-13.00	1,329,059	1,287,233	-3.15
<b>Total</b>	<b>152,290</b>	<b>133,404</b>	<b>-12.40</b>	<b>32,338,398</b>	<b>28,619,155</b>	<b>-11.50</b>

Source: CNMV.

The Securities Market Act empowers the CNMV to require market participants under its supervision to provide necessary information in the course of its investigations or to carry out or cease certain behaviours. In 2022, the CNMV sent 215 requests for information relating to its supervision of market activities (181 in 2021).

## II.2.1 Tools for detecting market abuse

**One of the main aims of secondary market supervision is the detection and prevention of potential market abuse.** To this end, the CNMV uses various sources of information, particularly the daily reporting of transactions in financial instruments carried out by investment firms, credit institutions and, in certain circumstances, the markets. The information contained in this reporting feeds into an electronic alarm system designed to detect potential cases of market abuse. Another important source of information is the reporting by entities of suspicious transactions.

**In the first few months of 2023, the development of the first phase of the new system for detecting signs of potential market abuse in transactions carried out, known as FARO, was completed.** This system was developed internally by the CNMV, which adapted it to the new MiFID II regulatory framework, and replaces a previous system acquired from a combination of external firms.

### Daily reporting of transactions (MiFIR)

**One of the main sources of information used by the CNMV to detect indications of market abuse is the daily reporting of transactions in financial instruments executed by investment firms, credit institutions and, in certain circumstances, the markets.** In 2022, the CNMV continued to provide support for entities dealing with incidents and to respond to the most frequent queries presented. It also encouraged entities to comply with these reporting obligations in a timely and appropriate manner. The quality assessments carried out by the CNMV translate into bilateral contacts with the entities to correct specific errors and, in some cases, may lead to disciplinary proceedings if negligence in the management of this reporting



is detected. In addition, the reporting of transactions carried out by other entities was reviewed, which gave rise to 11 requests for information that related to the insufficient quality in the content of the reports and the failure to report transactions.

**In 2022, the CNMV received over 202 million reports (down by 27.6% compared with 2021), including corrected documents.** The number of entities required to report to the CNMV stood at 183 on average, and reports were also received from some markets referring to members or participants that were not subject to MiFID. The decrease in the reports received was due the overall drop in transactions. This also had an impact on the number of reports forwarded by the CNMV to the competent authorities of other Member States: 208 million reports, which is significantly lower than the figure of 292 million seen in 2021. However, it should be noted that the same report may be forwarded to more than one competent authority. In addition, over 256 million reports were received from the competent authorities of other EU Member States (6% up on the previous year).

### Financial instruments reference data system (FIRDS)

**After five years of reporting to the European Securities and Markets Authority (ESMA), the FIRDS, Spanish trading venues and systematic internalisers regularly and correctly submit the reference data for the financial instruments traded on their systems.** The FIRDS is an essential supervisory tool for the detection and investigation of conduct that is likely to constitute market abuse, as it is the database used to validate the communication of transactions executed in accordance with Article 26 of the MiFIR Regulation. Furthermore, the information submitted to the FIRDS can be compared with the information sent to ESMA's FITRS transparency system, so that the periodic calculations can be carried out in a more comprehensive and accurate manner. These calculations are needed for the application of various MiFID rules.

**The CNMV monitors the reference data for financial instruments traded through Spanish trading venues or systemic internalisers** using the information provided by ESMA, focusing on fundamental data (issuer LEI, CFI, expiration date, etc.) and basic data to make transparency calculations (FITRS).

**At the end of 2022, there were six regulated markets, five multilateral trading facilities, three organised trading facilities and six systematic internalisers registered with the FIRDS.** 25 different market codes report, while the active instruments in the ESMA database whose relevant competent authority was the CNMV, amounted to 150,734.

### Reporting of suspicious transactions

**The number of STORs (suspicious transaction and order reports) received in 2022 remained stable compared to 2021, standing at 282.** As usual, most of them referred to the potential or attempted use of inside information. In addition, six reports were received relating to issues other than market abuse. It is worth noting the increase in reports concerning derivatives instruments, to the detriment of reports concerning shares, although the latter remain the majority, and fixed income instruments. Only one of the reports received made reference to more than one instrument. The increase in reports received from other regulators stood out, which

reflects the growing complexity and interrelationship between European Union stock markets. These accounted for just over 35% of the total received. 22% of the reports were communications sent by the CNMV to other regulators, a slightly lower percentage than in the previous year. Lastly, 174 STORs were received from financial institutions, while only seven came from the markets, the same as in the previous year.

## II.2.2 Actions to supervise market abuse and correct price formation

### Publication by issuers of inside information

In order to maintain the integrity of the market and correct price formation, the CNMV continuously monitors compliance with the publication of inside information by issuers. It is for issuers to decide whether information is inside information and therefore whether it must be published as soon as possible. On the other hand, if the conditions exist that justify a delay in publication, the issuer must actively monitor the fulfilment of these conditions so as to be able to react quickly if the confidentiality of the information is breached.

In 2022 the total number of disclosures of inside information and other significant information stood at 5,188 (8.5% less than in 2021).

### Disclosures of inside and significant information

TABLE II.2.2.1

Type	2021		2022	
	Inside information	Significant information	Inside information	Significant information
<b>Financial instruments</b>	<b>140</b>	<b>3,622</b>	<b>114</b>	<b>3,384</b>
Public offerings (for sale or subscription)	13	23	3	5
Block trades	23	–	13	–
Trading suspensions and resumptions	15	34	24	20
Credit ratings	17	48	6	33
Securitisation funds	6	2,329	2	1,991
Other financial instruments	66	1,188	66	1,335
<b>Business and financial position</b>	<b>341</b>	<b>1,603</b>	<b>280</b>	<b>1,460</b>
Earnings information	143	–	117	–
Insolvency proceedings	16	–	13	–
Other business and financial position	182	1,603	150	1,460
<b>Corporate transactions</b>	<b>103</b>	<b>201</b>	<b>68</b>	<b>123</b>
Other corporate transactions	103	201	68	123
<b>Corporate governance and official notices</b>	<b>20</b>	<b>249</b>	<b>22</b>	<b>221</b>
Other corporate governance	20	249	22	221
<b>Total</b>	<b>604</b>	<b>5,675</b>	<b>484</b>	<b>5,188</b>

Source: CNMV.

## Temporary suspensions of trading

In 2022, the numbers of suspensions of trading and affected issuers were in line with those of the previous year.

## Market soundings

Market sounding prior to the sale of a significant share package is an action that normally entails a significant number of entities accessing inside information. The CNMV therefore checks to make sure that this practice complies with the conditions established in the Market Abuse Regulation.

### Temporary suspensions of trading

TABLE II.2.2.2

	2021	2022
Number of issuers suspended	10	9
Number of suspensions	10	12
Due to the need to disclose price-sensitive information	5	10
Due to expiry of acceptance period for delisting bids	5	2
Other	0	0

Source: CNMV.

The Market Abuse Regulation and its implementing standards define what is understood by market sounding and indicate the obligations that must be met so that disclosure of inside information made in the course of a market sounding is deemed to have been made in the normal exercise of a person's employment, profession or functions and does not therefore constitute the unlawful disclosure of inside information.

These obligations affect the requirements for both the market participant who reports the information as part of a market sounding exercise and the party who receives it. The requirements refer to aspects such as the assessment of the nature of the inside information transmitted or the need to prepare and keep records of that information, and to keep records of the potential investors the market participant disclosing the information is in contact with.

The CNMV carries out various supervisory actions for accelerated bookbuilds to assess their suitability for the procedure provided for market soundings, in accordance with Article 11 of the Market Abuse Regulation and its implementing regulations.

Six accelerated bookbuilds of large blocks of shares were carried out in 2022, affecting six issuing companies (11 in 2021 and seven in 2020). The purpose of the bookbuilds made in 2022 was twofold as they aimed both to reduce indebtedness and the corresponding interest expenses and to raise funds for business plans (such as accelerating business growth and development, undertaking new projects related to energy storage, accelerating the momentum of content distribution activities or introducing products in potential new markets). Others were carried out with the objective of diversifying the shareholder base of an entity, reducing the participation of a significant shareholder, increasing free float to improve liquidity and managing derivatives hedging transactions on the company's shares.

Two of the transactions involved the placement of shares previously owned by a shareholder or group controlling the issuer and four concerned shares issued as part of a capital increase. The placements ranged between approximately 3.64% and 16.35% of share capital (both amounts prior to the corresponding capital increase). In the rest of the transactions that did not involve capital increases, the amounts placed ranged between approximately 3.6% and 5% of the share capital. In one case, the size of the bookbuild was increased compared with the amount initially reported, with the increase being notified at the close of the market in the same session in which the bookbuild process was announced. Discounts on prices ranged from approximately 7.16% to 9.99%.

**All accelerated bookbuilds were announced when the market was closed.** In one case, the result of the transaction was reported on the day of its announcement and in five cases its completion was communicated the following day, in all cases before the start of the trading session.

### Treasury stock transactions: buyback programmes

The purchase of treasury stock through a buyback programme or an accepted market practice (e.g. liquidity contracts) avoids the risk of market abuse that the purchase and sale of treasury stock would imply for an issuer not using one of these two safe options.

**There is an upward trend in the number of buyback programme in force, which has increased from 20 in 2018 to 46 in 2021 and 57 in 2022.** Growing momentum can also be seen in terms of the number of issuers that, for purposes other than those covered by the regulations, adhere to the same operational and transparency conditions that the regulation requires for buyback programmes, despite not having the benefit of a safe haven.

**In 2022, 57 buyback programmes, corresponding to 37 different issuers, were in force, of which 17 executed various programmes during the period.** The maximum aggregate investment amount of the programmes in force in 2022, according to the announcements made by the issuers at the start of these programmes, totalled €11.01 billion, with an average per programme of €196.60 million. With regard to the maximum number of shares to be acquired announced at the start of the programme, the average size of the programmes was 2.89% of the capital.

For the programmes that started in 2022 – and also based on the announcements made at the beginning of said programmes – the maximum aggregate investment announced was €8.96 billion, the average investment per programme was €235.70 million and the average size was 2.58% of the capital.

**Three of these 57 programmes met two or three of the possible objectives set out in the Market Abuse Regulation at the same time.** Of the 54 programmes with only one stated objective, 38 were executed for the amortisation of treasury shares, 15 to meet the obligations set out in the company's incentive plans and one to comply with the obligations inherent to debt instruments convertible into shares.

Additionally, two of the three buyback programmes that were executed for several of the purposes contemplated in the regulation were carried out with the objective of reducing capital through the amortisation of treasury shares and delivering shares

to executives as part of the issuer's remuneration system, and the third was executed to meet the three objectives set out in the regulations.

Issuers' increased awareness of the risks of trading treasury shares outside the safety of buyback programmes has resulted in a significant increase in these programmes subject to the corresponding delegated regulation among BME Growth issuers. Specifically, nine issuers with shares traded on this multilateral trading facility carried out a buyback programme in 2022.

### **Treasury stock transactions: liquidity contracts**

The CNMV continuously supervises compliance with the conditions imposed by the regulations for the application of the two safe havens for treasury stock transactions and provides assistance on the interpretation of both systems to issuers and financial intermediaries that execute transactions on their own account. At year-end 2022, 42 issuers had liquidity contracts in force, compared to the 37 that used this accepted market practice at the end of the previous year.

### **Changes in the composition of the Ibex 35**

The CNMV's supervision of changes in the composition of the Ibex 35 index centres on analysing whether such changes have been made in compliance with the technical rules of the index and whether there are any distortions in market trading that could influence whether a share stays in, joins or is removed from the index. In its first ordinary review in June, the Ibex 35 Technical Advisory Committee agreed to include the shares of Acciona Energía and Sacyr in the index and to exclude the shares of Almirall and CIE Automotiva. In its second ordinary review in December, the Committee decided to include the shares of Logista in the index and exclude those of Pharma Mar. Additionally, at an extraordinary meeting of the Technical Advisory Committee, held on 19 December 2022, a decision was made to replace Siemens Gamesa with Unicaja Banco.

### **Transactions made by managers and related parties**

In 2022, 2,273 notifications of transactions made by managers and related parties were registered, 0.4% fewer than in 2021. The number of queries addressed fell for the second consecutive year, with those relating to the interpretation of the regulations, doubts over how to report certain situations and notification errors standing out. 23 cancellation requests due to error were registered, which represents an increase of 4.2% compared to the previous year and less than 1% of total notifications registered.

## Number of notifications received by the CNMV

TABLE II.2.2.3

	2021	2022	% change 22/21
NOD procedure Reporting of transactions made by managers and related parties	2,282	2,273	-0.39
Memorandum: other electronic notifications			
NNA procedure Reporting of algorithmic trading activities	18	25	38.90
NAI procedure Reporting of systematic internaliser activity	12	11	-8.30

Source: CNMV.

## Fixed income markets

### Supervisory actions and market news

As in previous years, in 2022, the CNMV continued to supervise the fixed income markets continued to identify potential situations of market abuse. In particular, the transactions carried out during the periods in which situations likely to affect the securities prices, the information contained in the suspicions transaction reports (STOR) received and the alerts generated through the alarm system were analysed.

In 2022, issues were admitted to trading on the Alternative Fixed Income Market (MARF) for a total amount of €13.76 billion, marking a decrease of 1.5% compared with the previous year, despite the 23.8% increase in corporate commercial paper. The outstanding balance fell by 15.4%, to stand at €8.16 billion. It is worth noting the 34.9% decrease in the balance of securitisation funds, mainly due to the redemption of €1.47 billion of CaixaBank securities.

The CNMV monitors the quarterly transparency assessments carried out by ESMA on the quantitative and reference data it receives from trading venues belonging to the European Union for each ISIN code admitted to trading. The average compliance level of the newly created Spanish fixed income trading venues improved significantly with respect to the previous year, from 88.9% to 99.7%, which is on par with the rest of the Spanish trading venues. In general terms, the assessments show that the level of compliance of Spanish trading venues, with an average of 99.8%, exceeds the European Union average, which stands at 97.5%.

### Credit ratings

The CNMV continued to actively cooperate with ESMA on the implementing regulations for credit rating agencies as well as disciplinary procedures, in addition to authorisations and rejections of new agencies in Europe.

In 2022, the approval and publication of the amended guidelines for the scope of application of the Regulation on credit rating agencies (CRA regulation) stood out. These guidelines refer to the obligations set out in Article 2 of the Regulation, which provide additional clarification for paragraphs 14 and 15 of the 2013 guidelines, specifically in relation to private credit ratings. Private credit ratings are

issued in response to an individual request, provided solely to the person who commissioned them, and are not intended for public disclosure or distribution via subscription.

**In line with the tasks carried out in 2022, ESMA sent a letter to the European Commission assessing the conclusions obtained with regard to the inclusion of environmental, social and governance (ESG) factors in the rating methodologies of credit rating agencies.** According to its assessment, ESMA considers that there are two main issues that need to be addressed to ensure: i) that ESG factors are included in a more systematic manner in agencies' credit methodologies, and ii) that investors have greater transparency about this inclusion. To meet these objectives, the authority proposes to review the current CRAR level 2 measure on methodologies and the CRAR level 1 measure on the disclosure of CRA methodologies.

### Ongoing legislative reforms

**Although discussions between co-legislators are still ongoing, and thus no definitive texts are available, it is expected that the amendment MiFID and MiFIR will affect the current structure of the fixed income markets.** The transparency regime will be amended, both for orders and quoted prices before trading and for trades that have already been executed. In general, the objective is to achieve greater harmonisation within the European Union and to simplify the system. Sovereign debt could be treated differently, allowing the issuer's competent authority to choose which deferral system to apply in the publication of prices or volumes at their discretion.

**The planned amendment of the regulations on consolidated tape providers (CTPs) is also relevant.** At the time of writing this report, there are several private initiatives in the European Union that suggest that various organisations would be able to apply to set up a CTP for bonds, which would make it easier to consult the consolidated tape, which is currently split between different trading venues and approved publication arrangements (APAs).

Lastly, it should be noted that the system for systematic internalisers of instruments other than equities is the subject of discussion in the regulatory review.

### Derivatives markets

**Several actions were carried out as part of the supervision of derivatives markets.** These were aimed at the prevention and detection of market abuse practices, as well as the continuous monitoring of the functioning and operations of these markets, some of which are described below.

### Regulated markets

**Operations on MEFF Exchange was once again continuously monitored.** Volumes, prices, volatilities, open positions, traded strategies and roll-overs of positions, as well as the accounts with the highest concentration of positions in the nearest expiry and the performance of the Ibex 35 during the calculation period for the settlement price on expiry of the futures contract during the expiry weeks, among others, were reviewed daily.

Daily analysis was also carried out for trading in the FX-Rolling segment, with monitoring trading levels in each of the available currency pairs and also in the MEFF Power segment, for which the daily price analysis of the different delivery dates was especially relevant, given the unusual circumstances affecting the energy markets.

Likewise, the usual supervisory actions were carried out on warrants traded on the stock exchanges, with an analysis of the trades performed and a review of different aspects of the operations, such as compliance with obligations by specialists, disclosures of information by issuers, the new warrant issues, along with their settlement, cancellation and threshold touches, etc.

**With regard to the detection of situations of market abuse involving derivatives instruments, the focus remained on the transactions carried out on dates close to those in which situations that were likely to affect the securities price occurred.** The situations analysed with regard to potential situations of market abuse came from suspicious transaction reports received, automatic alarms and the monitoring of the daily transactions on the derivatives markets as mentioned above.

### Organised trading facilities (OTFs)

**In 2022, the monitoring of the new OTF authorised in Spain in 2021 stood out.** After receiving the necessary authorisations from the CNMV, at the end of 2021 the organised trading facility, Tradition España OTF started operations. Fixed income securities and derivatives are traded on this facility. Derivatives trading in the new OTF began in February 2022 and from that moment on, its activity was monitored in a similar manner to the monitoring carried out on other existing markets of the same type. There are now three OTFs in Spain with that trade in derivatives: CAPI OTF, CIMD and Tradition Spain OTF.

### Position limits and ancillary activities in commodity derivatives

Directive (EU) 2021/338 of the European Parliament and of the Council, of 16 February 2021, amending Directive 2014/65/EU as regards information requirements, product governance and position limits, and Directives 2013/36/EU and (EU) 2019/878 as regards their application to investment firms to help the recovery from the COVID-19 crisis introduced changes with regard to position limits and ancillary activities in commodity derivatives.

**In regard to position limits, the scope of application was substantially reduced.** Thus, after this amendment, position limits only apply to derivatives contracts with an agricultural underlying and to “critical or significant” contracts, i.e. contracts that have an open position of more than 300,000 lots. Likewise, positions in commodities indices and those held in securitised derivatives with commodity underlyings are excluded.

**Changes were also made that facilitate compliance with the criteria to qualify for the ancillary activities exemption and the obligation of entities to notify their competent authority of their adherence thereto was eliminated.** The ancillary activities exemption allows entities to trade on their own account in commodity derivatives or emission rights or derivatives of these, and to provide investment services in such financial instruments, without the need to become an investment firm, provided that certain requirements are met.



As established in Directive (EU) 2021/238, the Member States were required to transpose the legal, regulatory and administrative provisions necessary to comply with this directive before 28 November 2021, and these provisions would apply 28 February 2022. However, this transposition has not yet occurred in Spain.

### II.2.3 Short selling

**Another significant part of the CNMV's supervisory work concerns compliance with the obligations imposed by Regulation (EU) No. 236/2012 of the European Parliament and of the Council, of 14 March 2012, on short selling and certain aspects of credit default swaps.**

These obligations, which are applicable to holders of net short positions, refer to disclosure obligations to the competent authority and to publication obligations when the respective thresholds are exceeded.

### Transparency regime

**In 2022, the notification threshold change was amended.** On 31 January 2022, Commission Delegated Regulation (EU) 2022/27 of 27 September amending Regulation (EU) 236/2012 on short selling, came into force, permanently establishing the threshold for notification at 0.1% of the share capital (previously 0.2%). The publication threshold, 0.5% of the share capital, was not changed.

**Thus, in 2022, 6,917 notifications of net short positions in shares were received (50% more than in 2021 and 12% more than in 2020),** corresponding to notifications from 205 entities (161 in 2021), the vast majority of which are funds domiciled in the United States and the United Kingdom, as in previous years. At year-end, net short positions were held on 70 issuers (57 in 2021), and net short positions were registered on 85 issuers at some point during the year (84 in 2021).

### II.2.4 Supervision of the MiFID requirements imposed on infrastructures market

#### Electronic trading

**In 2022, the CNMV drew up its first Supervision Plan for compliance with the requirements of MiFID II and its development regulations on algorithmic trading for members of Spanish regulated markets domiciled in Spain.** The first phase of this supervisory exercise was a study of the nature, scale and complexity of algorithmic trading carried out by Spanish entities. Once this phase had been completed, the work focused on the analysis, for a sample of entities, of compliance with the specific obligations of Delegated Regulation (EU) 2017/589, encompassing the aspects that regulate the development, implementation, supervision and governance of algorithmic trading systems.

**Discussions were held with European competent authorities that had previously developed plans of the same nature in order to share their supervisory experience.** While the task has not yet been completed, preliminary data suggest that in general the entities subject to supervision tend to carry out more algorithmic

trading on stock exchanges compared with other trading venues, execution algorithms are primarily used to manage client transactions and there is an incipient use of artificial intelligence to optimise execution processes. Another characteristic is the use of systems provided by other financial institutions for group structures or systems developed previously by various technology providers.

**In addition to the above, the CNMV carried out its usual supervision of electronic trading in Spanish trading venues.** Supervisory tasks included several annual reviews, such as the report submitted to ESMA on the volatility management mechanisms and parameters applied by trading venues, in accordance with Articles 18 and 48 of the MiFID, having been reviewed by the CNMV, as well as supervision of the tick size system following the update of the annual transparency calculations published by ESMA on 1 March 2022.

The CNMV also reviewed various aspects of the algorithmic trading system established in Article 48 of the MiFID and several commission delegated regulations, supervision of which had begun in previous years (agreements and plans for market making, the order-to-trade ratio (OTR) and system capacity, in addition to self-assessments of compliance with Article 48 of the MiFID carried out by trading venues, etc.).

**Supervision of algorithmic trading notifications carried out in accordance with Article 17 of MiFID II continued (22 at the end of 2022).** In some cases, a notification or an amendment of a notification that had already been submitted was requested. There were three new registrations for algorithmic trading, 17 amendments made to previous notifications and two deregistrations (although one of the registrations and one of the deregistrations were related, since it was due to a change of name of the entity in question). The number of reporting entities at the end of 2022 stood at 84, of which three, according to their reports, offer direct electronic market access (DEA) services.

**The number of systematic internalisers remained unchanged at 11.** Notifications made by systematic internalisers did not give rise to changes in the number of internalisers, since no registrations or deregistrations were notified in 2022, only changes to previous notifications.

### **Supervision of ESMA guidelines on the provision of market data**

Directive 2014/65 and Regulation (EU) No. 648/2012 (MiFID II and MiFIR, respectively) contained various provisions intended to ensure that market data are made available to market participants in an easily accessible and non-discriminatory manner and that the average cost of market data is reduced, thus making it accessible to a broader range of market participants. ESMA drew up its guidelines on market data in order to establish consistent supervision practices across the European system and guarantee the common application of these obligations set out in MiFID II and MiFIR.

**In its 2022 Activity Plan, the CNMV included a review of compliance with ESMA guidelines by Spanish trading infrastructures.** This decision came about after the entry into force of these guidelines on 1 January 2022 and given the importance of the dissemination of market data as an essential tool for price formation and to promote fair and efficient markets.

The CNMV addressed this supervisory action in 2022, covering the relevant aspects of the guidelines, such as the comprehensibility and accessibility requirements of market data policies, the provision of market data based on cost, the obligation to provide market data on non-discriminatory terms, user fees, the obligation to maintain dissociated data, transparency obligations and the obligation to provide market data free of charge 15 minutes after its publication.

## II.2.5 Benchmark indices

In the area of benchmarks, the CNMV carries out actions to supervise and monitor the benchmark reforms at a global level, accompanied by dissemination and coordination actions aimed at facilitating the knowledge and adaptation of the Spanish financial industry to the new reform paradigms.

### Supervision of index administrators, contributors and users

The supervision of benchmarks is a competence that has been entrusted to the CNMV since 2016.<sup>1</sup> The task includes the supervision of administrators, as well as their authorisation and registration, the supervision of the entities that contribute to the calculation of crucial indices and of users of the benchmarks.

In 2022, the CNMV registered one new index administrator. This new administrator is Servicios Financieros Experimentales (SERFIEX), S.A., which was filed in ESMA's register as an administrator of non-significant indices. Thus, there are now three Spanish administrators registered with ESMA.

**Benchmark administrators authorised by or registered with the CNMV** TABLE II.2.5.1

Administrator	Date of authorisation or registration	Type
Analistas Financieros Internacionales, S.A. (AFI)	18 July 2019	Non-significant benchmark administrator
Sociedad de Bolsas, S.A.	14 November 2019	Non-significant benchmark administrator
Servicios Financieros Experimentales (SERFIEX) S.A.	15 November 2022	Non-significant benchmark administrator

Source: CNMV.

1 "The regulation also confers on the Bank of Spain oversight, inspection and disciplinary functions relating to compliance with the following obligations of supervised entities: i) those of contributors of input data for benchmarks prepared by the Bank of Spain, and ii) those relating to the use of benchmarks in financial contracts applicable to entities subject to Bank of Spain supervision in the area of transparency and customer protection".

**Supervision focused on monitoring compliance with the new climate index requirements for benchmark administrator.** The BMR Regulation requests EU benchmark administrators to make an effort to market one or more climate transition benchmarks from January 2022. Although there are three administrators in the EU that provide benchmark indices, none of these are currently labelled EU climate benchmarks.

**The objective of supervising index users was to review compliance with the obligations established in Articles 28.2 and 29 of the BMR Regulation.** In 2022, the CNMV completed the review it had started the previous year of the application by the supervised entities of the obligations to have an action plans in the event that the index varies significantly or ceases to exist, and to clearly and prominently state in the corresponding prospectus that the index is produced by an ESMA-registered administrator.

**The supervision of Euribor contributors involved both a review of the internal and external audits of each entity, and a follow-up of daily contributions.** Although the Euribor administrator is supervised by ESMA, the contributions made by Spanish entities are subject to the supervision of the CNMV. The review of the second round of internal and external audits carried out by the Spanish entities contributing to the Euribor did not reveal any significant incidents. In 2022, the CNMV began a process of permanently monitoring of the daily contributions made by Spanish entities to the calculation of the Euribor. The scenario of interest rate rises has made this monitoring particularly relevant in order to verify the reasonableness of these contributions and to ensure they are in line with the methodologies approved by each of the contributing entities.

In 2022, the 12-month Euribor, which is the rate most commonly used in Spain to set the interest rate on mortgage loans, saw a cumulative rise of 3.79 percentage points. This was due to expectations of rises and actual rises in interest rates made by the European Central Bank – due to inflationary tensions – and the relative worsening of banking risk.

**The CNMV has been a member of the Euribor college, whose Chairpersonship was passed over to ESMA in 2022, since it was first created.** The college met three times in 2022 to discuss aspects related to supervision. In particular, the work carried out by the administrator to increase the number of banks that make up the panel of entities that contribute to its calculation was addressed.

**In 2022, the CNMV made an analysis of the effectiveness of climate and sustainability indices in meeting the objectives for which they were created.** This work identified some factors that hinder their development and put forward measures to improve their effectiveness. The main conclusions of this report, which will be published in the first months of 2023, are summarised in Exhibit 8.

Benchmarks are a tool that is increasingly used by the financial and asset management industry to align investment objectives and asset selection, as well as to measure and monitor their performance, giving them a clear role in mobilising financial resources towards a more sustainable economy.

These functions make them a key lever in a virtuous circle that aligns the investment community with long-term sustainability considerations, allowing companies in the real economy to adhere to these objective, encouraging them to include sustainability in their business and strategy and to improve transparency with regard to this topic, thus providing them with access to the indices and allowing them to obtain financing in the markets.

As a result, the range of available indices has continued to grow, driven in recent years by the creation of indices that take into account environmental, social and governance (ESG) factors. According to data from the Index Industry Association, sustainability indices – those that somehow integrate ESG factors into their construction – increased by 55% in 2022 across the world, with ESG fixed income indices leading the way.<sup>1</sup>

In recognition of this role, the European benchmark regulation amended in 2019 to create two new benchmark labels that consider the carbon footprint of component assets – the EU Climate Transition benchmarks (CTB) and the EU Paris-aligned benchmarks (PAB) –, in addition to improving and harmonising the transparency of the indices that consider or pursue ESG-related targets.

More than three years after its approval, it can be observed that the inconsistencies between the Taxonomy and Disclosure Regulations (SFDR) and benchmark regulations (BMR) significantly restrict the use of climate benchmarks in products subject to the SFDR. At the same time, the rapid growth and wide variety of indices available on the market have raised concerns about possible greenwashing or greenbleaching practices.

Therefore, European institutions expect to progress in implementing the taxonomy and harmonised disclosure standards so that the transparency obligations of indices are consistent with those of investment product providers. A new label for benchmarks is also being considered, which could either cover all ESG factors or be developed thematically, as a complement to the current climate benchmark labels, which would then be expanded to facilitate the feasibility and effectiveness of these tools.

Improving the regulation of the indices themselves, introducing common supervisory standards and defining effective supervisory responses to ensure consistent and comparable ESG disclosure by administrators will also contribute to the reduction of voluntary or involuntary practices related to ESG-washing.

While there has been remarkable progress in recent years in terms of regulation, especially in the EU (which is the leading jurisdiction in this area), there is still some way to go to make the tools available to provide access to transition finance truly effective.

- 
- 1 Index Industry Association (2022). Sixth Annual Index Industry Association Benchmark Survey Reveals Continuing Record Breaking ESG Growth, Multi-Asset Expansion by Index Providers Globally. 1 de noviembre.

As regards regulation, the CNMV adopted the ESMA guidelines on methodology, oversight function and record keeping requirements, which seek to ensure that requirements on transparency, record keeping and the suitability of the oversight function to address substantial changes in methodology, or the use of an alternative methodology in exceptional circumstances, are applied in the same way by all benchmark administrators.

### International activities

The CNMV is part of different international fora and working groups. At the European community level, the CNMV is a member of the ESMA benchmark network (BMR Network), which held eight meetings in 2022. The CNMV's participation in work related to the regulation of climate indices and the transparency of ESG indices stands out.

In terms of European regulation, the CNMV contributed, among others, to the work on the EC public consultation on the regime applicable to the use of third-country benchmarks.

The CNMV is also a member of the Benchmark Task Force of the International Organization of Securities Commissions (IOSCO), which monitors the development of the global index reform. In 2022, this group focused on monitoring and analysing the credit-sensitive rates that have emerged as an alternative to the risk-free rate (e.g. SOFR) which have been proposed to replace the Libor index in US dollars. As there is a risk that these rates could replicate some of the weaknesses of the Libor, the group carried out a review of its compliance with the IOSCO *Principles for financial benchmarks*,<sup>2</sup> the results of which will be presented in early 2023.

### Monitoring the global benchmark reform

Given its importance for the Spanish markets, the CNMV continuously monitors the global benchmark reform. Since the G20 entrusted the Financial Stability Board (FSB) with the leadership of the benchmark reform in 2013, the transition to alternative rates identified as strong substitutes – mainly overnight or near risk-free rates, which are considered more representative of the unsecured money market – has taken place in an orderly manner.

**Two of the leading global interest rate benchmarks, the Eonia and the Libor, have ceased to be published since the start of 2022** for the euro, Japanese yen, pound sterling, Swiss franc and US dollar (in the latter case only for some terms), while others will continue to be published until 30 June 2023.

In the euro area, the Eonia has been replaced by the €STR, which has been calculated and published by the ECB since October 2019. The disappearance of Libor means that the market must move towards alternative rates that, according to the recommendations of the FSB, must be based on risk-free rates: SONIA as a replacement for the GBP Libor references, SOFR for the USD Libor, SARON for references in Swiss francs, TONA for Libor in Japanese yen and the €STR for Libor in euro.

**The CNMV held an information session for Spanish and Latin American entities on the transition of USD Libor.** In collaboration with the Libor supervisory authority, the United Kingdom Financial Conduct Authority (FCA), and the United States Federal Reserve System, the CNMV organised this session, which took place on 5 April 2022 in virtual format, to facilitate the transition for Spanish entities and raise awareness of the decisions surrounding the disappearance of the index and its replacement by the SOFR in Latin America.

**In November 2022, the CNMV issued a statement on the decision of the Libor supervisor to continue publishing the index for a certain time using a synthetic methodology.** The purpose of this decision is to facilitate the transition of contracts that could not be adapted before the date on which the index would cease to be published.

## II.2.6 Clearing, settlement and registration

### Central securities depository

**Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal (Iberclear) is supervised by the CNMV,** which is the competent authority responsible for authorising, supervising and sanctioning Central Securities Depositories (CSDs) in Spain.

**A large part of the supervisory activity performed during the year focused on reviewing the application of EU regulations.** In particular, the annual evaluation of the systems, strategies, processes and mechanisms applied by CSDs under Article 22 of the Central Securities Depositories Regulation (CSDR) was carried out. The CNMV will shortly send the CSD domiciled in Spain (Iberclear) the conclusions and recommendations resulting from the 2022 review and evaluation.

**Within the framework of the CSDR, the CNMV continued to assess the applications submitted by foreign CSDs to operate under the freedom to provide services regime.** The purpose of the assessments carried out by the CNMV under Article 23 of the Regulation is to verify that the procedures that the CSD employs or intends to employ allow users to comply with the national legislation referred to in Article 49.1 of the EU Regulation. Similarly, the information for the calculation of the indicators with which to determine the relevant currencies in which the settlement takes place and the significant importance of a CSD for a host Member State was reviewed.



**The CNMV also continued to supervise the efficiency of the system.** The CNMV continued to monitor participating entities and transactions that have the greatest impact on inefficiency figures, occasionally asking entities to take measures or to ask their clients to do so, to achieve the settlement of significant transactions that weigh on efficiency on certain settlement days. Furthermore, the monthly and annual efficiency data submitted by Iberclear have been received and analysed since the CSDR settlement discipline regime entered into force in February 2022.

### Central counterparty

**A large part of the supervision of BME Clearing in 2022 corresponded to the verification of compliance by the CCP with the requirements established by EU regulations.** In particular, compliance with Regulation (EU) No. 648/2012, of the European Parliament and of the Council, of 4 July 2012, on OTC derivatives, central counterparties and trade repositories (EMIR) was verified. The CNMV also included the Principles for Financial Market Infrastructures (PFMI) issued by CPMI-IOSCO in 2012 in its supervisory actions. In addition, the CNMV is currently reviewing the entire operational risk governance process. Thus, the authority receives communications and analyses the operational incidents that occur in the CCP on a monthly basis.

**In 2022, the CNMV made an in-depth analysis of the participation requirements of BME Clearing,** in particular, the participation requirements of the CCP and the way in which the CCP continuously monitors compliance with certain member requirements in accordance with Article 37 of EMIR and with the PFMI of CPMI-IOSCO.

**The CNMV stepped up its supervision work in 2022 due to the tensions observed in the energy markets.** As a consequence of the increase in prices and the volatility of the underlying assets cleared in the energy segment in 2021 and 2022 (particularly in February-March and August-September 2022) due to the effects of Russia's invasion of Ukraine, the CNMV carried out an in-depth review, focusing on the risk management measures adopted by the CCP to deal with increasing credit exposures, potential liquidity tensions and the coverage capacity of the guarantee model.

**In addition, BME Clearing implemented additional measures to strengthen intraday risk controls in the energy segment after December 2021.** These special measures have enabled BME Clearing to deal with extreme fluctuations and anticipate possible financial disturbances affecting its members.

#### **Supervisory work on activity linked to natural gas and electricity products cleared by the CCP during the recent energy crisis and the conflict in Ukraine**

EXHIBIT 9

##### **Impact of the energy crisis and the conflict in Ukraine on central counterparties (CCPs)**

BME Clearing clears various types of contracts in the energy segment (futures, swaps) linked to the price of electricity and natural gas traded on MEFF and OTC respectively, with daily, monthly, quarterly and annual expiry dates (and also seasonal expiry dates in the case of natural gas). Electricity contracts account for approximately 80% of the segment's open position (natural gas: 20%), based on average data for 2022.

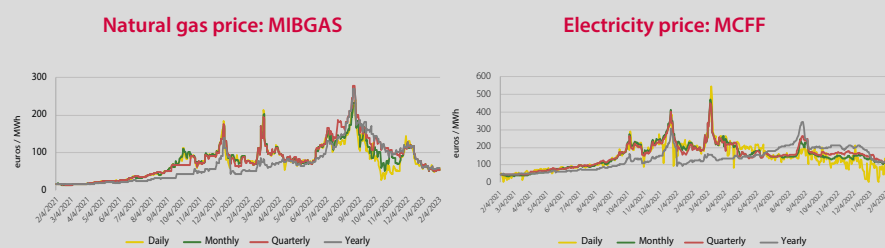


In 2021, raw materials and energy prices rose steadily, partly due to the readjustments in supply and demand after the COVID-19 pandemic and also to the measures taken to discourage the use of more polluting technologies for electricity production. This trend was exacerbated by Russia's invasion of Ukraine and the subsequent war at the beginning of 2022, particularly after the significant increase in the price of basic energy raw materials, such as gas and oil, of which Russia is one of the world's largest producers, which also sparked greater price volatility.

In these circumstances, the prices of the contracts cleared by BME Clearing marked a clear upward trend in 2022, especially in the first quarter when the conflict began, although there was also a very significant upturn at the end of August, when the prices of some contracts, especially natural gas, exceeded all previous highs.

### Spanish electricity and natural gas: reference prices of the main expiries

FIGURE E9.1



Source: MIGBAS (natural gas) and MEFF (electricity).

Thus, in 2022 the prices of the Spanish electricity contracts reached levels that were approximately eight times higher than those recorded at the end of 2020. Natural gas contracts saw a similar trend. In the first days of Russia's invasion of Ukraine, prices surged, to trade at levels that were nine or ten times higher than those at the end of 2020 and almost 15 times higher than the closing price of 2020 at the end of August 2022.

Throughout this period of uncertainty and especially at the beginning of the year, EU CCPs, through their corresponding supervisory bodies, informed their respective colleges (of which the CNMV forms part) of their risk management procedures in view of the volatile environment, as well as the impact on requests for collateral and the results of model validation tests. There were no relevant incidents during the entire period.

### Supervision of BME Clearing and evolution of margin calls

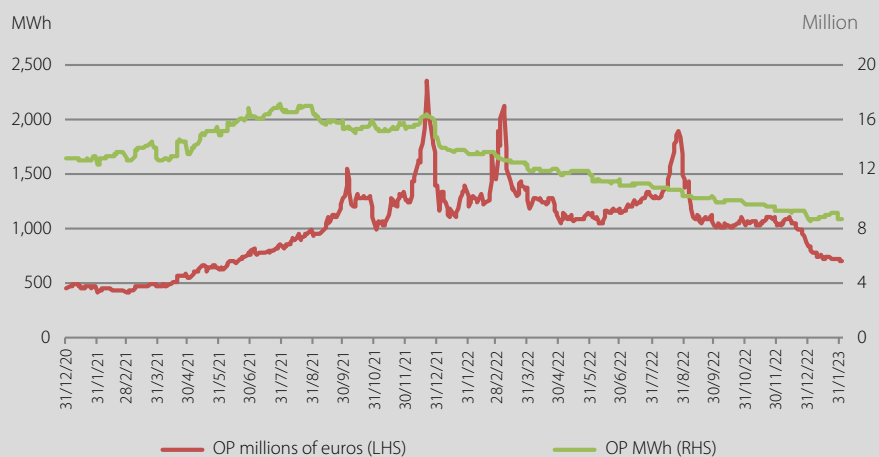
Before the start of 2022, the ECC had activated various additional protection mechanisms in the energy segment that were already in force during Russia's invasion of Ukraine, although they have been reinforced or expanded since then.

There were no incidents in the deposit of additional collateral requested from members, due to the increase in initial margins at the close of the session caused by the increase in price volatility or to the increase in intraday or

extraordinary calls. In fact, some members deposited surplus or additional collateral on their own initiative in order to reduce the operational burden in the face of potential extraordinary margin calls. The open position of energy forecast to be delivered (MWh) decreased throughout 2022.

### Evolution of the open position in the energy segment

FIGURE E9.2



Source: CNMV based on BME data.

In this scenario of rising prices and high volatility, margins in the energy segment increased considerably. It should be noted that CCPs need to calibrate their risk management framework to achieve a balance between the following objectives:

- Compliance with EMIR minimum coverage requirements.
- Maintaining a level of collateral that is conservative and as stable as possible so as not to spark extraordinary margin requirements that could cause liquidity tensions or potential defaults.
- Maintaining a reasonable level of loss mutualisation (the use of resources of non-defaulting members).
- Compliance with the risk appetite levels established by the CCP, considering the other risks.

The CNMV considers that BME Clearing achieved a suitable balanced in the alignment of all these elements, taking into account the volatility of energy prices.

### Impact of the “Iberian exception”

In June 2022, a regulation entered into force for a period of 12 months, according to which the formula for calculating daily electricity prices in MIBEL (in Spain and Portugal) included a cap on gas prices (of between 40 and 50 €/MWh). In this new scenario, the CNMV kept a very active line of communication

open with BME Clearing to gauge the impacts of the measure. Lastly, the Iberian market has seen lower price and volatility levels than those observed in other European markets.

### **Liquidity tensions in non-financial participants and acceptance of bank guarantees**

Although the trend marked by volatility was biased towards moderation, there was a sharp upturn at the end of August, which triggered extraordinary requests for collateral across European CCPs. This rekindled the discussions that had previously taken place on about the impact of the guarantee deposit on non-financial participants in the energy markets. Thus, the European Commission requested the European Securities and Markets Authority (ESMA) to evaluate a raft of measures aimed at alleviating these tensions, including the easing of CCP collateral acceptance criteria. Specifically, to temporarily allow clearing members that are not financial institutions to deposit bank guarantees that are not fully secured by collateral as collateral under certain circumstances. This proposal was eventually approved through Delegated Regulation 2022/2311, allowing such bank guarantees to be deposited as collateral until November 2023. However, this option is available only to clearing members, which means that in markets with an indirect clearing model, such as Spain, the effects of the measure have been largely imperceptible.

### **Regulatory actions in progress**

On 22 December 2022, Regulation 2022/2578 was published with the aim of introducing a mechanism known as the Market Correction Mechanism (MCM), which will limit the prices at which natural gas contracts that refer to the Title Transfer Facility (TTF) can be traded in the regulated markets. The measure entered into force on 15 February 2023 and the CNMV has already initiated the corresponding follow-up actions in coordination with ESMA and other authorities.

Lastly, the available resources of BME Clearing in the equity segment were reviewed on dates with large clearing volumes, for example, on quarterly expiry dates, on which the CCP requests additional margins on dates close to the expiry of the contracts.

### **Other obligations under EMIR**

In 2022, the CNMV continued its work of supervising compliance by Spanish entities with the reporting obligations deriving from EMIR, participating in exercises coordinated by ESMA to assess the quality of the information reported at European level and carrying out specific analyses. As part of EMIR compliance, the CNMV also analyses the exemption requests provided in the Regulation with respect to certain intragroup transactions: centralised clearing, collateral exchanges or reporting to trade repositories.

## II.2.7 Market oversight actions

One of the CNMV's key market supervision tasks is to carry out exhaustive investigations into situations in which there could be conduct contrary to the integrity of these markets. In 2022 of nine disciplinary proceedings were opened as a result of various actions, which can be summarised as follows:

- **Communication or use of inside information:** generally in regard to the acquisition of shares by persons related to directors of companies in possession of strategic or corporate information before such information became available on the market. One specific case related to transactions on shares made by persons related to issuers during the period before the financial information was published.
- **Market manipulation practices.** The different types of manipulation included the following: the purchase of shares by an issuer, which gave said issuer a position of dominance and allowed them to increase prices to keep the share price at a certain level; purchase and sale orders for the shares made by an issuer seconds before the resolution of an auction, which sparked changes in the equilibrium prices, monopolising trading and marking the prices in the auction in which they participated.
- **The failure of a market member to report client transactions as suspicious,** even though the mechanisms, systems and procedures implemented by the market member had triggered a warning about the client's operations.

Additionally, the CNMV Executive Committee decided to refer the concerted action of a significant shareholder and other individuals in the shares of an issuer for prosecution, for intervening in trading for most of 2020, holding a dominant position in the demand that created supports in the quoted price, causing it to be placed in maintenance channels and, in some sessions, making purchases of shares to set the price at a certain level.

## II.2.8 Spanish National Numbering Agency

The CNMV is responsible for numbering financial instruments through the Spanish National Numbering Agency (ANCV). Its main function is to assign and manage international securities identification numbers (ISIN)<sup>3</sup> and the classification of financial instruments (CFI),<sup>4</sup> facilitating their dissemination and use among users. It also assigns the Financial Instrument Short Name (FISN).<sup>5</sup> In Spain, the ISIN code is used as the primary identifier in securities trading, clearing and settlement. In its role as ANCV, the CNMV is a founder and full member of the Association of National Numbering Agencies (ANNA), which at year-end 2022 had a total of 120 full member countries and 20 associates.

As part of its international activity, the ANCV participates in various international working groups and management bodies, such as WG2: ISIN Quality and

---

3 International Securities Identification Number: ISO standard 6166.

4 Classification of Financial Instruments: ISO standard 10962.

5 Financial Instrument Short Name: ISO standard 18774.

Guidelines, which belongs to ANNA. This group comprises representatives from several national agencies and is responsible for drawing up common rules and criteria for ISIN allocation worldwide, as well as for CFI and FISN codes. The ANCV also contributes to the preparation and review of the ISO standards through its Technical Subcommittee 8 (SC8).<sup>6</sup>

In regard to the activity of the ANCV in 2022, the number of securities and financial instruments numbered in the year stood at 88,241, an increase of 8.2% compared with 2021 (see Table II.2.7.1). The increase can be explained in part by the change in the criteria for numbering derivatives (options, futures and electricity swaps) that occurred at the end of 2021. The number of issues of equity instruments increased by 28.9%, mostly in the collective investment and venture capital segments. Meanwhile, the number of fixed income issues increased by 20.2% due to the increase in private fixed income, mainly bonds and commercial paper. There were no issues of warrants and the issuance of structured products fell significantly (42.3%).

Numbers assigned to issues by the ANCV in 2021 and 2022

TABLE II.2.7.1

	2021	2022	% change 22/21
<b>Equity</b>	<b>699</b>	<b>901</b>	<b>28.9</b>
Shares	146	141	-3.4
Shares and holdings of CIS and venture capital undertakings	553	760	37.4
<b>Fixed income</b>	<b>1,145</b>	<b>1,376</b>	<b>20.2</b>
Public sector fixed income	80	44	-45.0
Treasury bills	12	12	0.0
Total bonds and commercial paper	68	32	-52.9
Private fixed income	1,065	1,332	25.1
Long-term bonds	16	7	-56.3
Medium-term bonds	17	10	-41.2
Securitisation bonds	59	65	10.2
Commercial paper	833	1,129	35.5
Securitised commercial paper	47	51	8.5
Covered bonds	20	27	35.0
Structured products	71	41	-42.3
Additional Tier 1 financial instruments	2	2	0.0
<b>Subscription/assignment rights</b>	<b>25</b>	<b>26</b>	<b>4.0</b>
<b>Warrants and certificates</b>	<b>120</b>	<b>0</b>	<b>-100.0</b>
<b>Options</b>	<b>76,896</b>	<b>82,073</b>	<b>6.7</b>
<b>Futures</b>	<b>1,936</b>	<b>2,215</b>	<b>14.4</b>
Electricity swaps	723	1,650	128.2
<b>Total</b>	<b>81,544</b>	<b>88,241</b>	<b>8.2</b>

Source: CNMV.

6 SC8 is responsible for the standards on baseline data for financial instruments and is a subcommittee of the ISO Technical Committee 68.

At the end of the year, the number of active securities and other financial instruments with an ISIN code in the ANCV database was 81,021. The deregistration of a large number of ISIN codes of shares of open-ended collective investment companies (SICAVs) following their decisions to wind-down or transform in light of the recent tax changes for companies in the sector stands out (see Exhibit 4).

A similar number of enquiries were addressed by the ANCV in 2022 as in the previous year (just over 300), although those pertaining to foreign codes were around 68% lower.

### Enquiries addressed by the ANCV

TABLE II.2.7.2

	2021	2022	% change 22/21
Enquiries about Spanish codes	283	296	4.6
Enquiries about foreign codes	31	10	- 67.7
<b>Total enquiries</b>	<b>314</b>	<b>306</b>	<b>-2.5</b>

Source: CNMV.

### Measures to promote the attractiveness of capital markets in the European Union (Listing Act)

EXHIBIT 10

As part of the main objective of Capital Markets Union (CMU) of improving access to alternative financing sources to bank financing for companies in the European Union (EU), between November 2021 and February 2022, the European Commission carried out a public consultation, based on a draft standard known as the Listing Act,<sup>1</sup> on how the attractiveness of the capital markets for companies in the EU could be increased and, in particular, how to improve the access to small and medium-sized enterprises (SMEs) to these markets. The consultation referred to the amendment of several regulations currently in force: the Regulation on the prospectus,<sup>2</sup> the Market Abuse Regulation<sup>3</sup> (MAR), the Markets in Financial Instruments Directive (MiFID II)<sup>4</sup> and the Listing Directive,<sup>5</sup> in addition to other potential areas for improvement in area of shares with multiple voting rights, corporate governance and SPAC.<sup>6</sup>

Based on the results of this public consultation and other initiatives of the European Commission in this matter, particularly for SMEs,<sup>7</sup> on 7 December 2022, the European Commission published two regulatory proposals that affect both the primary and secondary securities markets: i) a proposed regulation<sup>8</sup> to amend the Regulation on the prospectus, the MAR and MiFIR,<sup>9</sup> and ii) a proposal for a Directive<sup>10</sup> to amend MiFID II and to repeal the Listing Directive. The overall objective of this initiative is to make adjustments in the EU regulatory framework to reduce regulatory and compliance costs for companies that wish to be listed or are already listed, with a view to streamlining the process, at the same time ensuring an adequate level of investor protection and market integrity. The main amendments proposed are as follows:

## Primary market reform

- **Increase the number of public offerings of securities and admissions to trading on regulated markets that are exempt from the obligation to previously approve and publish a prospectus.**

A sole threshold is proposed for the EU as a whole whereby public offers of up to €12 million would be exempt from the obligation to provide a prospectus, compared with the current situation in which issuers may choose whether to publish one or not, according to which every Member State may set a threshold of between €1 million and €8 million.

Additionally, for fungible securities with securities already admitted to trading, new exemption rules are included whereby, under certain conditions, issuers would be exempt from the obligation to publish a prospectus and to be admitted to trading on regulated markets. The main effect of this measure would be that many secondary issues would be exempt from the obligation to publish a prospectus and, in some cases, the publication of a ten-page summary document would suffice, which would not be subject to the approval of the national competent authority. This exemption would be based on the assumption that as these secondary issues belong to issuers that have already issued securities that are listed on a regulated market, they are already subject to compliance with certain disclosure obligations.

- **Delete the simplified prospectus formats in the current prospectus regulation** (the prospectus for secondary issues, the EU growth prospectus and the now lapsed EU recovery prospectus). These will be replaced by: i) a new standardised and more simplified prospectus known as the EU Follow-on Prospectus, intended mainly for secondary issues that are not exempt from the obligation to publish a prospectus, and ii) the EU Growth Issuance Document.
- **Harmonise all prospectuses approved in the EU**, among other items, in terms of: i) language (the issuer may opt to prepare its prospectuses only in English as the default language in the field of international finance, with the exception of the summary note), and the prospectuses must be published only in electronic format; ii) order and content (a pre-established order has been set, the content standardised and makes incorporation by reference becomes a legal requirement), and iii) length, whereby share prospectuses will have a maximum length of 300 pages (excluding the summary note, reference information and any pro forma information), the EU Follow-on prospectuses will have a length of 50 pages and the EU Growth Issuance Document will have a length of 75 pages.
  - **Review some provisions on the examination and approval of prospectuses by competent national authorities (NCAs)**, in order to encourage convergence and streamline the process.
  - **Amend the equivalence regime applicable to prospectuses from third countries** so that they can be accepted in the EU.

Additionally, the European Commission has agreed on a proposal for a directive that repeals the Listing Directive, in order to streamline and clarify the requirements for listing shares on EU regulated markets, integrating them into MiFID II. The proposal aims to grant greater flexibility to issuers, reducing the minimum free float requirement from 25% to 10% and keeping the minimum market capitalisation requirement of €1 million unchanged.

#### Reform of the market abuse regime

- **Elimination of certain cases in which issuers are obliged to publish inside information (processes in stages)** and clarification of the types of information and when the information should be disseminated.

For processes carried out over time in different stages, it is proposed that the obligation to disseminate inside information under Article 17.1 of the MAR should not include the intermediate stages of the process, only the final event or result that is achieved at the end of the process. It is not proposed to amend the definition of inside information described in Article 7 of the MAR. Thus, the prohibition on the use or transmission of inside information under Article 14 of the MAR would continue to affect the intermediate stages of the process. Consequently, issuers should ensure the confidentiality of the information during the different stages of the process until it is disseminated at the very end. In the event of a leak, issuers would be obliged to immediately disseminate any inside information that has been disclosed.

In addition to the reform of processes carried out in stages, the proposal would enable the European Commission to prepare, through a delegated act, a **non-exhaustive list of inside information** that the issuer would be obliged to disseminate in compliance with Article 17 of the MAR, indicating when it is expected to be disseminated.

- **Clarification of the conditions under which issuers can delay the disclosure of inside information** and changes in the time period in which the issuer must notify the competent authority of said delay.

The proposal would imply an amendment of Article 17.4 of the MAR, replacing the current general condition that stipulates that the delay must not be misleading for investors with a list of specific conditions that must be met by the inside information whose disclosure is intended to be delayed. In addition, it is proposed to bring forward the deadline on which the delay must be notified to the authority; after the reform, the notification should take place when the issuer makes the decision to delay the publication, which does not imply that the authority has to authorise the delay.

- **Changes to the market sounding processes carried out prior to a securities placement.**

It is proposed that the entity that is going to carry out the placement must evaluate whether it considers that the information to be transmitted to potential investors constitutes inside information. This decision and the reasons behind it must be documented. The requirements of the



market sounding regime established under Article 11 of the MAR would be an option for the entity that communicates the information on the planned placement; if this entity chooses to comply with the regime, the market soundings will benefit from a safe haven.

- **Reform of the insider list regime for all issuers** in line with the objective of reducing administrative burdens set out in Regulation (EU) 2019/2115.

The proposal would amend Article 18 of the MAR, in such a way that all issuers would be required to create and maintain only one insider list, which would include all persons with regular access to inside information due to their functions or position in the issuer. However, third parties acting on behalf of the issuer such as auditors, lawyers, ratings agencies, etc., should create, update and submit to the competent authorities (at their request) their own insider lists following the guidelines of the current Article 18 of the MAR.

Notwithstanding the foregoing, for issuers whose financial instruments have been admitted to trading on a regulated market for at least five years, Member States would be able to request a specific insider list for each event or transaction that is classified as inside information (current system).

- **Raise the threshold for notifications of transactions by persons with management responsibilities and parties close to them, and extend the exceptions to the prohibition of operating in a restricted period.**

It is proposed to amend Article 19 of the MAR, increasing the cash threshold of transactions from which the notification obligation is applicable (from €5,000 to €20,000). Member States would be empowered to increase said threshold from €20,000 to €50,000. Lastly, it is proposed to include in the exceptions to the prohibition of trading of the PDMR<sup>11</sup> in closed periods, the remuneration packages of financial instruments other than shares and transactions in which the PDMR does not make the investment decision.

### Reform of the SME regime

The Listing Act also contains proposals a series of measures aimed at SMEs, which are articulated through amendments to MiFID II. The most significant of these relate to the possibility of grouping execution costs (re-bundling) and financial analysis (research) for issuers with a market capitalisation of less than €10,000 million (compared with the current figure of €1,000 million) and the regulation of analysis sponsored by the issuers themselves.

### Status of the legislative process

At the end of January 2023, the meetings of the EU Council group began to prepare their proposals. The objectives of this reform would be aligned with

the strategic lines of the CNMV, one of which is the promotion of the Spanish stock markets. However, the CNMV shares ESMA's concern (expressed to the co-legislators in a public letter in March 2023) about the insider list reform, which could generate significant risks. As usual, the CNMV will collaborate actively throughout the process of drawing up this legislation, offering its technical assistance to the General Secretariat of the Treasury and International Financing.

- 1 *Targeted consultation on the listing act: making public capital markets more attractive for EU companies and facilitating access to capital for SMEs.*
- 2 Regulation (EU) 2017/1129 of the European Parliament and of the Council, of 14 June 2017, on the prospectus to be published when securities are offered to the public or admitted to trading, and repealing Directive 2003/71/EC.
- 3 Regulation (EU) No. 596/2014 of the European Parliament and of the Council, of 16 April 2014, on market abuse (Market Abuse Regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC.
- 4 Directive 2014/65 EU of the European Parliament and of the Council, of 15 May 2014, on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU.
- 5 Directive 2001/34/EC of the European Parliament and of the Council, of 28 May 2001, on the admission of securities to official stock exchange listing and on information to be published on those securities.
- 6 Special purpose acquisition companies.
- 7 Such as the May 2021 Technical Expert Stakeholder Group on SMEs (TESG) Final Report: *Empowering EU capital markets for SMEs - Making listing cool again.*
- 8 Proposal for a Regulation amending Regulations 2017/1129, 596/2014 and 600/2014 to make the European Union's public capital markets more attractive to companies and to facilitate access to capital for small and medium-sized companies.
- 9 Regulation on markets in financial instruments (MiFIR), Regulation (EU) No. 600/2014 of the European Parliament and of the Council, of 15 May 2014, on markets in financial instruments and amending Regulation (EU) No. 648/2012.
- 10 Proposal for a Directive of the European Parliament and of the Council amending Directive 2014/65/EU to make the European Union's public capital markets more attractive for companies and to facilitate access to capital for small and medium-sized companies and repealing the Directive 2001/34/EC.
- 11 Person discharging managerial responsibilities.

## II.3 Supervision of entities

In supervising entities, the CNMV carries out many and varied actions, both remotely and on-site, using a wide variety of tools.

In 2022, this activity took the form, among others, of actions carried out in coordination with the European securities supervisor – the European Securities and Markets Authority (ESMA) – focused on *ex post* disclosure obligations for clients about the cost of investment products and services, or of actions related to transactions carried out through agents by credit institutions and investment firms.

### II.3.1 Investment firms

As a result of these supervisory actions, the CNMV sent out a total of 1,231 requests for additional information to supervised entities in 2022, similar to those sent out in previous years. Of these, 1,051 originated from remote supervision and 180 from on-site supervision. A small percentage of supervisory actions conclude with the proposal of reasoned reports that give rise to disciplinary proceedings. For further information, see Chapter II.7.

#### Supervision of credit institutions: deficiency letters sent out by the CNMV in 2022

TABLE II.3.1.1

Type of deficiency letter	On-site	Remote	Total
For late filing of information	6	191	197
Requests for information	75	317	392
Corrective measures or recommendations	34	135	169
Other notifications	65	408	473
<b>Total</b>	<b>180</b>	<b>1,051</b>	<b>1,231</b>

Source: CNMV.

#### Rules of conduct and organisational requirements

The CNMV took part in a common supervisory action coordinated by ESMA on *ex post* disclosure obligations for clients relating to the costs of investment products and services. Such exercises seek to achieve proper supervisory convergence between the different European authorities and detect issues that require some type of joint response at a European level (such as the preparation of Q&A documents or guidelines). Exhibit 11 provides details of the action carried out in the 2022 financial year and the conclusions obtained.

### **Ex-post cost disclosure obligations (Annual cost report)**

EXHIBIT 11

In 2022, the CNMV took part in a **common supervisory action coordinated by the European Securities and Markets Authority (ESMA) on ex post information disclosure obligations on costs and expenses for clients of a sample of credit institutions and investment firms**, in the context of the MiFID regulation. These types of common supervisory action, which have been carried out periodically over several years, promotes supervisory convergence and investor protection in the European Union. On this occasion, the objective of the work consisted of reviewing the annual cost reports sent to clients, in addition to an analysis of the design of the report and the procedures that allow the costs incurred by clients in year to be identified. The main conclusions for the Spanish entities analysed were as follows:

- No significant delays were observed in the submission of annual reports.
- The reports generally include the minimum data indicated in the standard (total cost, aggregate costs of products and services, and payments received from third parties, all in euros and as a percentage). In only one case the report was clearly deficient because it only included the costs of the service, but not the costs of the product or all the incentives. In some cases, entities were required to make adjustments to their reporting models due to incidents such as not adding up or showing the total costs, not including all items in the total, or not aggregating the costs of products and services separately.
- With regard to the level of disclosure and additional details provided, most entities chose to include some additional disclosures in the models normally sent to their clients (breakdowns of cost items, by families or even by instruments). Although the standard gives entities flexibility when designing their models, it highlights the importance of providing aggregate data to allow the client to understand the total cost. Providing a large volume of data, that have not been requested by the client, can lead to an information overload. In this case, to improve the clarity of the reports, it is noted that aggregated information should be prioritised, and placed in a prominent position at the beginning of the document.
- In general, the reports show payments received from third parties (incentives) separately, as required by the standard, but the manner in which they are presented is confusing in some cases. Thus, while some entities deduct the amounts they receive from managers from the costs charged to the fund, to show them as a separate item, others have opted to present them as part of the cost of the product and also separately as payments received from third parties.

Since the standard does not establish a specific format, entities can choose between various presentation models. However, they must ensure that they comply with the requirement to report the costs related to the product and those related to the service they provide separately. Therefore, in cases where entities choose to show incentives as part of the product cost, it must be indicated to the client that the figure includes the amounts received by the entity as remuneration for the services it provides on a regular basis, in a sufficiently clear manner and in a visible location (a text note at the end of the document would not be sufficient). Likewise, it must be ensured that any incentives received are always included in the total cost figure.

- Most entities include some type of information to illustrate the impact of costs on their profitability, but in some cases this requirement was not met and certain incidents were observed concerning the figures shown that affected the comparability of cost and profitability data. For example, non-comparable periods (when the performance for the calendar year of an instrument is shown when the costs refer to a shorter period) or data is shown that did not refer to the same set of instruments (for example, the performance of the client's non-MiFID instruments), as well as errors in the method used to calculate profitability. In addition, to provide a comparison with the total cost figure, profitability must be presented in aggregated form for the set of client positions.

In the identification of costs incurred, entities were found to have committed errors by not including certain costs: for example, not including the costs of products showing no balance at the end of the year, or not including certain investment fund costs (transaction costs, performance fees or product costs in ETFs), or particularly notable errors such as not including the cost of currency conversion in some types of transactions (e.g. currency transactions with CIS or clients with foreign currency accounts).

In some cases, deficiencies were also found in the procedures applied to identify implicit costs, as only the margins charged by the entity were disclosed, which had a relevant impact on some entities' structured bonds. This deficiency could also affect non-structured fixed income instruments, where entities do not generally consider the possibility that there are costs included in the price offered by the counterparties or in the market execution price. In recent years, entities have been observed to attempt to establish the fair value of the financial instrument, thereby allowing them to calculate the implicit costs. However, for these purposes, it should be remembered that subcontracting this task does not in itself ensure due compliance with the obligations and that the entity must assume responsibility for the outcome of the delegated task, and carry out the pertinent reviews of the methodology used.

Other errors observed included not adding VAT to the cost of services or errors in percentage data calculations.

In view of the incidents observed, the CNMV has urged entities to improve the data quality controls they have set up, considering it advisable to carry out an in-depth review of a sample of reports before the general submission to rule out errors.<sup>1</sup>

---

1 This action has not been concluded by ESMA. The assessment of the information submitted by the different national authorities and the decision on the actions to be carried out are pending.

**Following the amendments made to European regulations, in recent years the CNMV has carried out various actions relating to transactions carried out by credit institutions and investment firms through agents.** This is an area of supervisory interest, as it can be a source of risk for entities and investors when they do not have suitable control procedures in place. The main objective of these actions was to review the control procedures established by entities to assess their agents, in the hiring phase and in their work, as well as in the training and remuneration of agents. These actions uncovered several incidents (described below), which have largely already been resolved by the entities.

The remuneration received by agents is generally 100% variable. Therefore, entities must be able to manage the obvious conflicts of interest that derive from this situation to ensure that their agents act honestly, impartially and professionally, in accordance with the best interests of their clients.

A remuneration scheme must be implemented that is based on the principle of neutrality, ensuring that it does not favour some products over others of the same type, that it does not include accelerators and does include both qualitative and quantitative criteria to encourage compliance with the rules of conduct.

In the area of training requirements, there have been some cases where agents do not have the required training to be able to inform and advise clients without supervision, where there are too many agents under the supervision of one manager. Cases have also been detected there are no continuous training procedures that include the periodic evaluation of agents to ensure that they have sufficient training and experience to provide investment advice.

The CNMV also identified the need to provide greater details of the advice criteria and methodologies used by agents, implementing control systems to verify that they reasonably comply with the centralised indications given by entities.

Having suitable and sufficiently far-reaching control procedures for the network of agents is also of especially relevant.

Lastly, it is common for entities to use a client introducer, who collaborates with the entity and receives remuneration for referring clients but is not registered as an agent. In these cases, the entities were reminded that the marketing of investment services and activities and the acquisition of clients are reserved activities that can only be carried out by firms that are authorised to provide investment services or their agents.

The CNMV carried out other actions related to compliance with the rules of conduct, including the following:

- Work was carried out on an action concerning over-the-counter (OTC) currency derivatives transactions made by clients, in which relevant incidents were detected with regard to the information provided to clients about the products and their purpose, and with respect to the obligation that the products should be in the clients' interest. These incidents affected retail and professional clients alike.
- The marketing of several alternative investment funds and venture capital vehicles was reviewed, in which deficiencies were detected in the cost information delivered to clients; situations in which it was not considered appropriate for the entity to determine that the product was suitable for the client based on the information collected about their experience and knowledge, in addition to several some cases where the product had been distributed among retail customers even though the entity knew that they did not have appropriate knowledge to acquire such products.

It should be noted that it is increasingly common for some specific supervisory actions related to compliance with the rules of conduct to be initiated as a result of complaints of infringements and other communications received by the CNMV.

**In the ordinary supervisory work carried out in 2022, significant deficiencies were uncovered in some entities, such as requiring insufficient margins to operate with listed derivatives, – much lower than those requested in the derivatives market – or the use of closing positions with a narrow price variation margin.** Several investment firms incorrectly reported information to FOGAIN in regard to the calculation of contributions, which required the amounts contributed to the fund to be rectified. Various breaches of the rules of conduct were also identified, which led to reports being issues with proposals of disciplinary proceedings for various matters. These included the non-application of the regulations on incentives in portfolio management; insufficient organisational structures the same person being involved in own-account operations, portfolio management and client transactions, sometimes representing an agent of the entity while failing to properly manage the corresponding conflicts of interest; incorrect registration of client orders, their supporting documents and transactions; and the handling of clients' of temporary balances.

**At European level, the work carried out by ESMA is particularly relevant in two areas: i) the European Commission's retail investor strategy, and ii) new developments on sustainable finance,** in which the CNMV has been actively involved.

**In 2020, the European Commission announced the launch of a retail investor strategy** to help these investors benefit as much possible from the capital markets. The strategy, which is currently at an advanced phase, is based on the view that investors must have properly protection, receive unbiased advice and fair treatment, be able to benefit from an open market with a variety of financial services and competitive products, in addition to information on these products that can be easily understood and compared. Furthermore, European regulations should reflect ongoing developments on digitisation and sustainability, as well as the growing need to save for retirement.

Since then, the European Commission has carried out several actions to assess different regulatory options:

- It has launched two consultations to obtain market opinion. One of these consultations, carried out in 2021, had a very broad scope, addressing issues such as financial education, digital innovation, customer information requirements, suitability and appropriateness assessments, customer classification, inducements and quality of advice, product complexity, powers of intervention and sustainable investment. The second, conducted in 2022, focused on the suitability and appropriateness assessment, and proposed a new evaluation scheme.
- In 2021, the CNMV asked ESMA for technical advice on aspects concerning customer information, digital information, and digital tools and channels.

ESMA published its advice in April 2022<sup>1</sup> and the main proposals in regard to customer disclosure obligations were as follows: i) to draw up a list of key information that would make it easy for investors to identify key characteristics of financial products or services at a glance; ii) ensure that disclosures are visible and identifiable by clients and not diluted among contractual documents and various marketing material; iii) develop a standard format for the disclosure of information on costs and charges; iv) develop guidelines for marketing communications and advertising to include any new media formats used by entities; and v) establish guidelines on the requirements that digital information should meet.

With regard to robo advisors, ESMA considers that the current regulatory framework is not a barrier to the development of these business models. Additionally, it recommends banning receipt of payment for directing client orders to trading venues, given the concerns over investor protection that this practice generates. Lastly, with regard to a legislative proposal on sharing customer data, ESMA recommends carefully considering all potential risks and benefits.

- In 2020, a study was requested by an external provider on the different disclosure regimes for clients, advice and inducements, which was published in July 2022.<sup>2</sup> The work carried out included a sample of documents, mystery shopping and a consumer survey, in addition to interviews with regulators, consumer associations and industry representatives. It included an analysis of the situation (strengths and weaknesses) but did not propose any concrete solutions.

With regard to disclosures, the study noted that on the negative side the current documents are not very attractive for investors, they fail to make the most complex products easy to understand and are frequently delivered late in the sale process. Furthermore, customers are not encouraged to read them, which restricts their use. Their content is considered to be relevant and the item with the lowest score is cost information (which is difficult to understand and compare between different types of products).

---

1 [https://www.esma.europa.eu/sites/default/files/library/esma35-42-1227\\_final\\_report\\_on\\_technical\\_advice\\_on\\_ec\\_retail\\_investments\\_strategy.pdf](https://www.esma.europa.eu/sites/default/files/library/esma35-42-1227_final_report_on_technical_advice_on_ec_retail_investments_strategy.pdf)

2 *Disclosure, inducements, and suitability rules for retail investors study.*



In terms of inducements, the limited effectiveness of transparency stands out. In addition to the fact that information on inducements is not easy to find, it also does not appear to be relevant for consumers, who do not understand the concept or are more focused on the total cost.

In terms of advice, the study indicates that the quality varies widely and that it is often provided late in the sale process, and therefore it does not guide investors or propose products, but rather to confirm choices that have already made. Furthermore, the different types of customers with different needs or preferences regarding to advice should also be noted. Many investors prefer to invest without seeking advice, and the number of customers making use of automated tools has grown.

**ESMA has also dedicated significant resources to issues deriving from the new sustainability regulation.**

Regulation (EU) 2021/1253, of 21 April 2021,<sup>3</sup> as regards the integration of sustainability factors, risks and preferences into certain organisational requirements and operating conditions for investment firms entered into force on 2 August 2022.

Under this Regulation, investment firms must integrate clients' sustainability preferences into the suitability assessment process when providing investment advice or discretionary portfolio management services.

In order to develop these changes with regard to suitability, ESMA reviewed the Guidelines on certain aspects of the MiFID II suitability requirements and published its Final Report on the guidelines on 23 September 2022, although they will not enter into force until they have been translated into all official EU languages (3 October 2022).

Delegated Directive (EU) 2017/593 was also amended in regard to the integration of sustainability factors into product governance obligations. ESMA has also amended the guidelines on product governance requirements under MiFID II, which will be published shortly.

The CNMV has taken part in this work carried out by ESMA. Chapter II.9 on sustainable finance provides details the actions undertaken by the CNMV in regard to the new sustainability obligations.

### **Supervision and monitoring of the activity carried out by entities under the freedom to provide services regime**

**In 2018, ESMA implemented product intervention measures across the European Union which affected contracts for difference (CFDs) that are marketed to retail investors.** These measures were basically the following:

- The establishment of a minimum initial margin based on the underlyings of the instruments.

---

3 This amended Delegated Regulation (EU) 2017/565.

- Position closure protection in the event the client's position were to fall below half of the initial margin.
- Protection against negative balances.
- A ban on providing investors with monetary or non-monetary benefits for marketing these instruments.
- The dissemination of risk warnings about the complex nature of the instruments and the possibility that they may experience rapid losses due to their leverage, including the percentage of retail investors who lose money when trading these instruments.

In 2019, the CNMV and the other national supervisors implemented indefinite measures that had a content similar to that of ESMA's measures in 2018, which they replaced.

**A long time after these measures were established, the supervisory actions carried out have uncovered a gradual increase in the marketing of CFDs among retail investors.** The number of investors in these products to suffer losses remains very high, frequently above 75%. Very aggressive marketing practices have also been identified to attract investors for whom the product unsuitable, as well as deficiencies in the information provided to them on the characteristics and risks of the product. Therefore, the CNMV is working to implement additional measures for CFDs to those established in 2019, specifically:

- A ban on advertising CFDs and their use in the sponsorship of events and organisations, and in brand advertising.
- Restrictions on the remuneration policies for personnel directly or indirectly involved in the marketing of these products.
- Deposits made by investors using credit cards.

In addition, for leveraged products other than CFDs, this initiative contemplates minimum margins and position closure protection similar to that established for CFDs in 2018 and 2019.

**In 2022, the activity carried out by European entities under the freedom to provide services regime – without an establishment – over which the CNMV, as host supervisor, does not have supervisory powers but collaborates with the home country supervisor, continued to be monitored.** This is essential to make it easier for Spanish investors who invest in these European entities to obtain the minimum guarantees of protection and information established by the regulations. The marketing practices used – usually through call centres that make insistent and aggressive calls to retail investors – and the type of product marketed are not suitable for these investors and make it difficult to ensure proper customer protection. This year, around twenty letters were sent to other European supervisors referring to entities under the freedom to provide services regime, and for five of these entities, the CNMV published on its online register information about some type of limitation to their activity or clarifying information on their passporting services.

Likewise, work was carried out in 2022 on the analysis of new intervention measures for CFDs and other leveraged products in addition to those established in 2019, an issue for which a public consultation was published in November 2022<sup>4</sup> to obtain the opinions of stakeholders, with a deadline of 31 January 2023.

## Prudential requirements

### **New solvency regulations applicable to investment firms: Regulation (EU) 2019/2033 and Directive (EU) 2019/2034.**

In June 2021, investment firms began to apply the new EU solvency standards, which represented a substantial change compared with the previous regime.<sup>5</sup> In 2022, the process of transposing the directive and adapting Spanish regulations was not completed, but is expected to be concluded in 2023.

In 2022, the process begun in 2021 to publish second-level European prudential regulations, as well as various guidelines of the European Banking Authority (EBA) continued. These have been implemented by the CNMV and three guidelines for remuneration obligations<sup>6</sup> stand out.

In 2022, prudential supervision work was carried out on entities, based on the periodic information they submitted to the CNMV. Procedures for sending this information to the EBA were also implemented.

## II.3.2 Management entities, investment vehicles and depositories

**The supervision of management entities and collective investment vehicles managed basically involved the performance of preventive analyses.** The purpose of these analyses is to ensure that the management companies of these vehicles properly fulfil their obligations, that conflicts of interest are properly resolved and that unitholders and shareholders receive sufficient information about their investments. The main reviews carried out in 2022 on collective investment schemes (CIS) and venture capital firms are described below.

**In 2020, ESMA identified as a Union Strategic Supervision Priority (USSP) the costs and returns of investment products offered to retail investors.** This priority was renewed in 2021. In this context, and in the area of CISs, the CNMV participated together with the rest of the EU NCAs in a Common Supervisory Action (CSA) to analyse the procedures put in place by managers for setting fees and costs. The CSA resulted in a final report published by ESMA setting out the conclusions reached<sup>7</sup> and in June 2022 a communication from the CNMV (Communication from the CNMV on the process of setting prices in CISs and venture capital firms)<sup>8</sup> on the

---

4 <https://www.cnmv.es/WebServices/VerDocumento/Ver?t=%7bd780e8f6-d811-4c70-b1ba-52d031c29475%7d>

5 Directive 2013/36/EU and Regulation (EU) No. 575/2013, as it is mainly aimed at credit institutions.

6 Guidelines EBA/GL/2021/13 on remuneration policies, guidelines EBA/GL/2022/08 regarding high earners and guidelines EBA/GL/2022/07 on the benchmarking exercises on remuneration practices and the gender pay gap.

7 [https://www.esma.europa.eu/sites/default/files/library/esma34-45-1673\\_final\\_report\\_on\\_the\\_2021\\_csa\\_on\\_costs\\_and\\_fees.pdf](https://www.esma.europa.eu/sites/default/files/library/esma34-45-1673_final_report_on_the_2021_csa_on_costs_and_fees.pdf)

8 <https://www.cnmv.es/WebServices/VerDocumento/Ver?t=%7b4f4d691a-1fe0-408e-9d01-6cbb-0f019643%7d>

need for management companies, of both CISs and closed-end collective investment entities, to have a structured procedure in place for setting prices and costs for the vehicles under management.

The CSA was aimed at fund managers of undertakings for collective investment in transferable securities (UCITS) with the objective of determining the degree of compliance with UCITS regulations in regard to costs and the *Supervisory briefing on the supervision of costs in UCITS and AIF*<sup>9</sup> of ESMA, published in June 2020, which aims to encourage convergence in the supervision of costs in UCITS and alternative investment funds (AIF).

**In general terms, the CSA concluded that Spanish entities were not charging undue costs to the UCITS and that the level of transparency was considered to be adequate.** It should be noted that in Spain there is a specific regulation governing the costs that can be charged to CISs, which is largely included in Article 5 of the CIS Regulation,<sup>10</sup> in addition to manuals for completing periodic public information<sup>11</sup> and confidential statements,<sup>12</sup> and the publication of Q&A documents by the CNMV<sup>13</sup> addressing specific issues of costs attributable to CISs.

**The analysis in Spain detected a lack of a specific formal pricing procedure in most Spanish managers.** However, it was observed that, despite the lack of this specific procedure, in the vast majority of cases managers carry out pricing using an interdisciplinary process. Thus, to set their management fees, managers mainly take into account the assets in which the fund invests and the complexity of their management, their expected return and competitive prices for similar products.

**Meanwhile, Spanish management companies carry out sufficiently regular controls to verify the costs charged to the funds and their calculation, and on the clarity and accuracy of the periodic information they publish on this issue.** It was observed that undue costs are not generally being charged to Spanish UCITS and that the level of transparency for investors is sufficient.

**Overall, ESMA concluded that there is a satisfactory level of compliance with European regulations on costs and fees, although there is also room for improvement.** In particular, it considers that European managers need to further the development of a structured formal pricing process in line with the aforementioned supervisory briefing. Additionally, some divergences were observed as regards what the industry and the national authorities consider to be due or undue costs for CISs. In some cases, the lack of specific measures to mitigate conflicts of interest between related parties was identified. It was also noted that smaller managers generally set higher prices, although it was recognised that this may be partly due to the lack of economies of scale. This, coupled with the fact that they generally have a less

---

9 *Supervisory briefing on the supervision of costs in UCITS and AIFs.*

10 Royal Decree 1082/2012, of 13 July, approving the implementing regulations of Law 35/2003 of 4 November on Collective Investment Schemes.

11 CNMV Circular 4/2008, of 11 September, on the content of the quarterly, half-yearly and annual reports of collective investment schemes and their statements of position (amending CNMV Circulars 6/2008, of 26 November, 4/2011, of 16 November, 1/2012, of 26 July, 2/2013, of 9 May, 4/2016, of 29 June, and 5/2018, of 26 November).

12 CNMV Circular 3/2008, of 11 September, on accounting standards, annual accounts and confidential information statements of collective investment schemes.

13 Q&A on the regulations of CISs, venture capital firms and other closed-ended collective investment vehicles (last updated on 25 May 2022).

structured pricing procedure, or none at all, puts them at higher risk of charging investors undue costs. Lastly, ESMA underlined the importance of compensating unitholders in cases in which undue or miscalculated costs are charged that are detrimental to investors.

**In view of these conclusions, the CNMV, in its statement,** reminded managers that it is considered good practice, in relation to the fees and expenses to be borne by the managed vehicles, to develop and periodically review (at least once a year) a structured formal pricing process that takes into account the points set out in the supervisory briefing, with the aim of preventing undue costs being charged to managed vehicles.

Lastly, in regard to the follow-up of the previous actions, the CNMV will continue its analysis of the pricing procedures for the services received by UCITS and, in particular, the management fees charged to them.

**In 2022, the USSP of costs was replaced by a USSP of transparency in the field of sustainability (ESG disclosures).** The motivation for this new USSP was the growing demand for sustainability-related financial products and the need to ensure the transparency and comprehensibility of sustainability disclosures in key segments of the sustainable finance value chain, as well as to address the risk of greenwashing. In line with this European supervisory priority, the CNMV has already included as an objective in its Activity Plan for 2022 the adaptation of Spanish fund managers to the new European sustainability regulations.<sup>14</sup> The purpose of this objective was to find out the implementation status of the aforementioned standard and to monitor it in different phases. The first of these phases was carried out in 2022 and focused on: i) an analysis of the consistency of the funds prospectuses under Articles 8 and 9 of the Disclosure Regulation (Articles 5 and 6 of the Taxonomy Regulation) with the portfolios reported in the confidential financial statements; ii) an analysis of the content of the management report for the 2021 financial year of the funds under Articles 8 and 9 of the Disclosure Regulation; and iii) an analysis of the information on the web pages of the funds under Articles 8 and 9 of the Disclosure Regulation.

---

14 Mainly Regulation (EU) 2019/2088 of the European Parliament and of the Council, of 27 November 2019, on sustainability-related disclosures in the financial services sector (SFDR); and Regulation (EU) 2020/852 of the European Parliament and of the Council, of 18 June 2020, on the establishment of a framework to facilitate sustainable investment (Taxonomy Regulation).

## Review of the first phase of the implementation of sustainability regulations at CIs

EXHIBIT 12

In March 2021, Regulation (EU) 2019/2088 of the European Parliament and of the Council, of 27 November 2019, on sustainability-related disclosures in the financial services sector (SFDR) entered into force. Under this regulation participants in financial markets (including investment fund managers) and financial advisors must disclose certain information on environmental, social and governance (ESG) risks and factors when making their investment and advisory decisions. For market participants, the regulation establishes transparency obligations both at entity level and at financial product level (e.g. investment funds).

In line with the Activity Plan for 2022, the CNMV has carried out a review of the funds that promote ESG characteristics (known as Article 8 funds under SFDR) and of the funds with a sustainable investment target (known as Article 9 funds under SFDR), which is the first phase of the supervisory analysis of this matter in the area of investment funds.

For financial products, the SFDR includes transparency obligations relating to the pre-contractual and periodic disclosures that must be provided, as well as those that must appear on the entities' websites. The CNMV's analysis has focused on reviewing the content of the web pages of all the Article 8 and 9 fund managers, as well as the content of their management reports for 2021 (published in April 2022), also evaluating the consistency between the portfolios of the funds analysed and the information in their prospectuses and on their websites. The analysis was carried out on a sample of Article 8 and 9 funds registered in March 2022.

**Characteristics of Article 8 funds.** It was observed that in general the ESG characteristics promoted by the funds, as well as the valuation criteria for the selection of investments, are described in an overly generic and imprecise manner (fight against climate change, respect for human rights, gender diversity, employee health and safety, etc.), except for certain "thematic" funds. Therefore, greater accuracy, clarity and specification of the ESG characteristics that the fund will promote would be desirable, as this would help to measure the achievement of the established targets. The annex on sustainability in the prospectus (mandatory from 1 January 2023, the date of entry into force of the SFDR, Delegated Regulation 2022/1288) must provide details of the sustainability indicators used to measure the achievement of each of the ESG characteristics promoted.

**As far as investment selection is concerned,** in addition to the financial criteria, managers establish extra-financial selection criteria (exclusionary and evaluative). For the exclusionary criteria, exclusion policies are generally applied, with different nuances and specificities, with the aim of eliminating or reducing investment in one or more controversial sectors such as tobacco, weapons, alcohol, gambling, etc., although on many occasions sectors related to fossil fuels that can negatively affect the environment are also excluded, to varying degrees depending on the manager.

With regard to the **methodologies and sustainability indicators used to measure the achievement of the promoted ESG characteristics**, in addition to exclusionary criteria, for **equities**, 93% of managers have opted for ESG ratings granted by third parties, of which 69% set a minimum rating required for the selection of assets (best in class strategy). Part of the **private fixed income investment** assessment corresponds to “green” or “social” debt, while the remainder is governed by the same criteria as equities. **Investment in public debt** is sometimes made on the basis of ESG ratings for States from different agencies and sometimes they take into account the scores obtained in certain indices (such as the United Nations Human Development Index) or ratings of internal reports prepared by the management companies based on indicators from the World Bank, the United Nations (UN) and other international organisations.

These strategies are in line with those indicated by the European Commission in its Q&A document of 14 July 2021, in which it stresses that the SFDR does not establish minimum application criteria or thresholds, or suitable strategies or methodologies. Additionally, although the standard does not require a minimum percentage of investments to meet ESG characteristics, four fifths of the sample of funds analysed establish a percentage of 50%, and one fifth establish a percentage of between 70% and 90%.

**Characteristics of Article 9 funds.** 86% of the Spanish funds registered in accordance with Article 9 established the UN Sustainable Development Goals (SDGs) as investment selection criteria and only 25% selected the specific SDGs on which they aimed to have a positive impact, while the rest of the funds refer to the 17 SDGs generically. Thus, **when selecting investments, more specification would be desirable in order to identify the SDGs and the most relevant goals they aim to have an impact on, in addition to the indicators or metrics used.** It should also be noted that, in general, issuers report the metrics and parameters on the specific SDGs on which they have the greatest impact but do not quantify the others.

**Transparency in website disclosures.** Article 10 of the SFDR states that for each Article 8 and 9 fund, the manager must provide on its website a description of the ESG characteristics (Article 8 funds) and sustainable investment target (Article 9 funds), the methodologies used to evaluate and measure these ESG characteristics, or the impact of the sustainable investments, as well as the asset selection criteria, sustainability indicators and data providers applied.

In the analysis, it was observed that the information published on the websites could be improved, given that only 30% of managers included all the information requested. For most of the management companies in which incidents were detected, there was missing information about the methodology used and the data providers and, on occasion, they did not provide information on the other aspects, although this can be found in the prospectus published on their website.



It should be clarified that **entities must publish all the sections of the website included in the SFDR delegated regulation separately**, even any potential cross-overs with the prospectus annex. In addition, **it is recommended to identify the providers in cases where the management company makes relevant use of the metrics, scores or ratings** offered by a specific data provider. Furthermore, **management companies that use their own methodologies** to assess and measure the promoted environmental and social characteristics or sustainable investment targets **should provide details of the key aspects of these methodologies**.

With regard to the funds that use the SDGs as investment selection criteria, it is recommended to provide sufficient details of their methodology to allow their implementation and subsequent reporting in the annual report to be clearly understood, including some examples to facilitate this.

**Transparency in the annual report.** The information reviewed referred to the 2021 financial year, at which time the only applicable standard was the SFDR, which includes few specifications on this issue – as for Article 8 funds it only indicates that the extent to which the ESG characteristics have been complied with must be reported and for Article 9 funds, the overall sustainability impact measured by sustainability indicators.

Thus, it should be noted that following the entry into force of the SFDR Delegated Regulation on 1 January 2023, sustainability-related disclosures referring to the 2022 financial year, which will be published in April 2023, will be more detailed and must be provided in the annex on sustainability in the annual report (published alongside the annual financial statements). A letter was sent out to management companies to notify them of the special supervisory interest in certain aspects of this annex.

In the analysis, it was observed that the ratings issued by some agencies are designed to compare companies within the same sector, while others allow for both intra- and cross-sector comparison. This affects the way in which the performance of the sustainability indicators is presented in the annual report, given that if intra-sector ratings are used the CNMV **does not consider it appropriate to provide an average rating at portfolio level, but that it should be broken down by sector/economic activity/industry**. Additionally, it is recommended that the information on ESG ratings also be broken down into the corresponding environmental, social and governance pillars. Therefore, it is important that entities use the best way to present the performance of ESG ratings when these are chosen as sustainability indicators, so that the information offered to the investor is relevant and consistent.

**Analysis of the consistency of the portfolios with the information included in the prospectus and the website.** In the review carried out, no relevant inconsistencies were detected between the information in the real portfolios and the information in the prospectuses and websites of the funds analysed, so it can be concluded that the part of the portfolio that promotes ESG characteristics or that makes sustainable investments meets the criteria and “sustainability indicators” (mostly ESG ratings) set out in the prospectuses and disclosed on their websites.



**Upcoming supervisory actions in the area of sustainability.** The CNMV will participate in the design and execution of the common supervisory action carried out by ESMA on sustainability in collective investment institutions in transferable securities (UCITS) and alternative investment funds (AIF) as indicated in its Activity Plan for 2023, which may be complemented with one-off domestic analyses if these become relevant.

**In addition, CIS liquidity monitoring tasks have continued.** These included monitoring of trends in redemptions, as well as identification and analysis of the CISs with significant exposures to assets that could present lower levels of liquidity. In this regard, it is also worth noting the actions carried out at the beginning of 2022 on the impact on a small number of funds of **the war that has followed the Russian invasion of Ukraine**, specifically, in regard to maintaining equity assets and foreign funds that had been suspended on their portfolios. Also, in line with the CNMV's Activity Plan, a common supervisory action (CSA) coordinated by ESMA on policies and procedures for the valuation of assets with low levels of liquidity was completed.

**Additionally, due to the growing number of retail investors active in the area of venture capital firms, an analysis of compliance with the rules of conduct in the placement of these institutions was carried out.** The analysis looked at client classification procedures, the suitability assessment and compliance with the other regulatory requirements in each case (minimum investment, risk assumption signature, etc.).

**Likewise, given the relevance of transparency for investor protection, another analysis was carried out of the content of the key investor information document (KIID) in accordance with PRIIP regulations for recently-registered vehicles.** Some of the deficiencies detected in these analyses were as follows: a lack of suitable client classification procedures, especially with regard to the requirements for qualification as a retail investor; failure to perform a suitability assessment; no proof of delivery of the PRIIP KIID prior to subscription, or deficiencies in its content. In some sections such as "investment targets" and "type of investor", the information provided was not very detailed and the profitability and cost tables did not follow the regulation models. All these deficiencies were addressed in the letters sent out.

**During the year, inspections of entities that manage alternative investment vehicles for retail customers increased,** with a special focus on the marketing of products, governance, internal procedures and sufficiency of resources, and the functions of external advisers.

Lastly, it should be noted that these actions will continue to be carried out in view of the expected increase in retail investors in venture capital firms following the amendments approved by Law 18/2022 of 28 September, on the creation and business growth (the "Create and Grow" Law).<sup>15</sup>

---

15 <https://www.boe.es/eli/es/l/2022/09/28/18/con>

## The “Create and Grow” Law

EXHIBIT 13

Chapter VI of Law 18/2022 of 28 September, on the creation and growth of companies (the “Create and Grow” Law) introduces a set of reforms that seek to promote and improve collective investment and venture capital activity in Spain. The main novelties are the following:

The Venture Capital Law (Law 22/2014) includes a new category of “closed-ended collective investment schemes of loans” (*entidades de inversión colectiva de tipo cerrado de préstamos*), whose principal purpose is to invest in bills, loans, credit and commercial paper commonly used in the course of trade. Likewise, additional requirements are established for their management companies to ensure proper credit risk management. Venture capital entities can also invest up to 20% of total computable assets in these assets.

Furthermore, the marketing regime for venture capital entities to retail investors has been made more flexible. Thus, as an alternative to the requirement of an initial investment of €100,000, venture capital entities can be marketed to this type of investor, as long as they access the investment through the recommendation of an entity authorised to provide the advisory service, and that, if their financial assets do not exceed €500,000, the minimum investment will be €10,000 and will still not represent more than 10% of their assets.

The reform also includes, as part of the main purpose of venture capital, investment in financial entities whose activity is mainly supported by the application of technology to new business models, applications, processes or products (Fintech companies). In addition, the SME venture capital funds have been brought into line with European venture capital funds (EuVECA), so that the requirement for companies involved in this activity to have a maximum of 250 employees has been raised to 499. The initial outlay of venture capital firms has also been reduced from 50% to 25% of the committed capital.

The diversification regime for venture capital entities has also been made more flexible, “investable assets” have been defined the denominator of the diversification coefficients and European long-term investment funds have been explicitly included in the Spanish standard under Regulation (EU) 2015/760. Management companies of closed-end collective investment schemes can be set up in the form of a limited liability company (SRL), which has also been included in CIS law for management companies of this type of institution.

Additionally, Law 28/2022 of 21 December, to promote the ecosystem of emerging companies,<sup>1</sup> regulates the tax classification (as work income) of the remuneration obtained for the successful management of venture capital entities (known as “carried interest”), while establishing the tax treatment of this remuneration, in line with the regulations of other countries in our environment (with the inclusion in the tax base of 50% of its amount when certain requirements are met). All this with the aim of promoting the development of venture capital as a channelling mechanism for business financing of special relevance, with the aim of promoting entrepreneurship, innovation and economic activity.

Lastly, in the CIS Law (Law 35/2003) other measures have been included to improve the competitiveness of the sector, such as the elimination of the obligation to produce a quarterly report, which is now optional, or the establishment of telematic means as a default form of communication with unitholders and shareholders, unless they do not provide the necessary information to do this or state in writing their preference to receive communications in physical format.

---

1 <https://www.boe.es/eli/es/l/2022/12/21/28>

**Additionally, following the approval of Law 11/2021, there were substantial amendments to the tax regime for open-ended collective investment companies (SICAVs), with effect from 1 January 2022.** Specifically, to be eligible for the tax benefit of paying 1% tax on profits, a requirement was introduced whereby, for the definition of the minimum number of 100 shareholders, only those with a minimum participation of €2,500 (€12,500 for SICAVs by sub-funds) were permitted. Also, the SICAV could continue to adhere to the 1% tax regime, provided the process of dissolution with liquidation was implemented in 2022.

These tax changes could generate conflicts of interest in all SICAVs that continued to account for tax at 1% in 2022 but had to eventually apply the general rate of 25% (as they did not meet the above requirements). Thus, according to the 2022 Activity Plan, recurring actions were carried out by the CNMV. First, the Boards of Directors of the SICAVs were urged to adopt the pertinent decisions as soon as possible, with subsequent monitoring of those that had not implemented an agreement at the beginning of 2022. Additionally, it was verified that companies adhering to the 1% tax rate complied with the newly established requirements. It was also verified that the necessary transparency was being provided for investors (through the publication of price-sensitive information and updates to prospectuses) and, lastly, for SICAVs that were going to be liquidated and that held relevant positions in illiquid assets, it was verified that conflicts of interest were not occurring as a result of valuation incidents affecting these positions.

**The supervision of CIS and venture capital firm depositories in 2022 continued in alignment with previous years and it is only worth noting the increasing concentration and specialisation of the sector (the assets in the custody of entities outside the management group is increasing).** The CNMV's supervision of depository activity involves an analysis of the supervision and surveillance reports on the management companies that the depositories must carry out every six months for CISs and annually for venture capital firms, as well as the relevant incidents detected by the depositories, which they must immediately report to the CNMV. Special attention is being paid to ensure that venture capital firm depositories have suitable procedures in place for monitoring and recording assets.

In relation to the concentration and specialisation in CIS depositories mentioned above, the CNMV sent a questionnaire to the management companies to verify their role in the choice of the depository used, which, in accordance with the regulation, must be governed by criteria that are objective and in the exclusive interest of investors.

## Supervision of CISs and venture capital firms by the CNMV in 2022

TABLE II.3.2.1

Type of deficiency letter	Remote	On-site	Total
For late filing of information	547	0	547
Requests for information	73	42	115
Corrective measures or recommendations	365	27	392
Other notifications	307	39	346
<b>Total</b>	<b>1,292</b>	<b>108</b>	<b>1,400</b>

Source: CNMV.

### Other actions

The CNMV once again updated the Q&A document on CIS regulations and published an additional document with questions and answers relating to the new regulations on sustainability. In the first document, a new question was added about compensation/penalties under the new regulations on discipline and securities settlement, to clarify that any compensation received must be attributed to the CIS and any penalties incurred can in no case be passed on to the CIS. A question about the definition of subscriptions was also changes at a client's initiative. In relation to the Q&A document on the new European disclosure regulation on financial sustainability, some questions were modified, especially with regard to the denominations of sustainable funds, and to clarify the allocation system for sustainability-related expenses.

Lastly, at EU level, two important initiatives stand out:

- i) **Reform of Directive 2011/61/EU of the European Parliament and of the Council, of 8 June 2011, on Alternative Investment Fund Managers.** After the publication of the European Commission's proposal to reform this directive in November 2021, the work of the co-legislators continued in 2022. The initial proposal addressed several aspects of the reform: definition of liquidity management tools available to managers; creation of a specific regime for loan funds; criteria on the delegation of functions and more information for national supervisors on delegation agreements; improvement of the confidential information models that are sent to European supervisors; and the possibility that the depository of an alternative investment fund may be located in a country other than the country in which the fund is domiciled. Some of these reforms, such as the criteria for liquidity management tools, delegations and confidential information disclosures, were transferred to Directive 2009/65/EC of the European Parliament and of the Council, of 13 July 2009, which coordinates the legal, regulatory and administrative provisions for certain collective investment undertakings in transferable securities (UCITS), otherwise known as the "UCITS Directive". The reform is expected to be approved in 2023.
- ii) **Reform of Regulation (EU) 2015/760 of the European Parliament and of the Council, of 29 April 2015, on European long-term investment funds (ELTIF).** In November 2021, the Commission presented a proposal amending the ELTIF Regulation with a view to increasing the attractiveness of these long-term investment vehicles and increasing their number. Key changes involve differentiating between ELTIFs marketed to professional investors and those to which retail investors may have access; flexibility of limits and coefficients; removal

of barriers preventing the access of retail investors to ELTIFs, and the establishment of an optional liquidity window mechanism for redemptions, for cases in which investors need to withdraw from the fund early. This reform has advanced at a faster pace than the reform of Directive 2011/61 and is expected to be approved in the first few months of 2023.

### CNMV Circular 3/2022, of 21 July, on the CIS prospectus and the registration of the KIID

EXHIBIT 14

Circular 3/2022<sup>1</sup> replaces Circular 2/2013 of May 9, on Key Investor Information Document (KIID) and the CIS prospectus, although much of the content is unchanged. The new Circular is required following the application to collective investment institutions (CISs) as of 1 January 2023, of Regulation (EU) No. 1286/2014 of the European Parliament and of the Council, of 26 November 2014, on key information documents for packaged retail and insurance-based investment products (PRIIPs)<sup>2</sup> (PRIIP Regulation).

The main objectives of the circular are as follows:

- To align the Spanish CIS regulation in terms of its content, format and reasons for updating the KIID with the PRIIP Regulation, thereby eliminating all references to these issues from the circular as the regulation will now be directly applicable.
- To regulate, among other aspects, the format, content and presentation of the CIS prospectus, the reasons for and manner in which any updates must be made, and the manner in which it is submitted to the CNMV for registration – of both of the prospectus and of KIID as regulated according to the above regulation.

To simplify the content of the CIS prospectus, avoiding duplication with other regulatory documents and aligning it with those of other countries in our environment. To do this, information that is not required under Directive 2009/65/EC, of 13 July 2009, on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (the UCITS directive), and that is already included in the PRIIP, such as the indicator of current expenses, the profitability scenarios of structured CISs, or the synthetic risk indicator, is eliminated.

Circular 3/2022 entered into force on 1 January 2023, however, an additional period of one month was established for entities to submit their KIID to the CNMV for registration. The CIS prospectuses that had already been registered on the date of entry into force of the circular were updated *ex officio* by the CNMV to comply with the provisions of the regulation.

1 <https://www.boe.es/eli/es/cir/2022/07/21/3>

2 <https://www.boe.es/doue/2014/352/L00001-00023.pdf>

### II.3.3 Crowdfunding platforms

#### Supervision of the situation of, and activity carried out by, crowdfunding platforms (CPs)

In addition to the monitoring of the financial situation of certain supervised crowdfunding platforms, the actions carried out to analyse the platforms that have published estimated returns on capital projects of a real estate nature are noteworthy. It is considered that this information should only be provided, where appropriate, when it is based on reasonable assumptions backed up by objective data – which is not easy – and, in any case, with the publication of different income and of expense scenarios corresponding to different market conditions, which refer to favourable, moderate or unfavourable market situations. In October 2022, the relevant criteria were published in the document entitled *Questions and Answers intended for FinTech companies on activities and services that may be related to the CNMV* (Question 3.16).

With the entry into force of Regulation (EU) 2020/1503 of the European Parliament and of the Council, of 7 October 2020, regarding on European crowdfunding service providers for business, which contemplates a transitional regime until November 2023, supervision of the activity of the crowdfunding platforms will continue to be based on the analysis of the audited annual accounts and the special auditor's report, where appropriate, and information on the activity and financial situation of the entities that the crowdfunding platforms submit to the CNMV on an annual basis.

#### II.3.4 Cooperation in the prevention of money laundering

In 2022, the CNMV continued to collaborate with the money laundering authorities, in accordance with the provisions of the Spanish Securities Market Act, providing information on various issues deriving mainly from requests from other bodies and information on the creation of European supervisory colleges for the prevention of money laundering.

A new collaboration agreement signed with the Commission for the prevention of money laundering and monetary offences is planned to replace the agreement signed with SEPBLAC in 2003, which expired at the end of 2020, and which will foreseeably be signed in the first half of 2023, when the staff assigned to the CNMV's Money Laundering Prevention Unit will be incorporated, who will carry out the supervision actions that are planned for this area.

#### II.3.5 Investment Guarantee Fund (FOGAIN)

At the end of 2022, the number of entities participating in FOGAIN amounted to 186 (see Table II.3.5.1). In 2022 the total number of entities belonging to FOGAIN increased by ten (five broker-dealers/brokers and five CIS management companies).

## Changes in number of entities belonging to FOGAIN

TABLE II.3.5.1

Securities markets  
and their agents  
Supervision of entities

Type of entity	2018	2019	2020	2021	2022
Broker-dealers/brokers	91	94	95	91	96
Portfolio management companies	1	1	1	0	0
CIS management companies	73	81	80	80	85
Closed-ended investment scheme management companies	2	2	3	3	3
Branches	-	-	-	2	2
<b>Total</b>	<b>167</b>	<b>178</b>	<b>179</b>	<b>176</b>	<b>186</b>

Source: CNMV.

At the end of 2022, FOGAIN's assets stood at €123.07 million. In line with the security and liquidity criteria set out in its regulations, the fund continued to invest its assets in public debt and bank deposits. In 2022 (as a novelty compared to 2021) the Bank of Spain was added as a custodial entity in which approximately €68.68 million of assets were held at the end of the year.





## II.4 Resolution of entities

Under certain circumstances of non-viability of a financial institution, intervention by the corresponding resolution authority may be necessary to ensure the continuity of its critical functions and to maintain financial stability.

Preventive planning for the eventual resolution of a financial institution is essential to understand the organisation, business model and operations of the entity, with the ultimate goal of identifying and managing any obstacles to its resolution and the measures that, if the need were to arise, could be applied. The CNMV exercises powers of resolution over investment services companies and, since 2022, it is also the competent authority with powers of resolution over central counterparties.

### II.4.1 Resolution (preventive stage) of investment firms

**The CNMV, as the resolution authority for investment firms, must prepare and approve, following a report from the Fund for Orderly Bank Restructuring (FROB) and the competent supervisor, the resolution plan of each investment firm or group subject to supervision on a consolidated basis.** The resolution plan is the fundamental element of planning, at individual or group level, in which the strategy and actions to be followed in the event that the entity reaches a situation of non-viability are described.

**In the 2022 planning cycle, 14 resolution plans were prepared,** nine of which were approved in the year, while the approval process for the remaining five will be completed in 2023. The 22 initial plans approved up to the end of 2022 (see Table II.4.1.1) correspond to 26 entities registered with the CNMV that are subject by the CNMV to the obligation to prepare a resolution plan in accordance with the regulations resolution (four entities form part of banking groups, which are integrated into the resolution plan for the group, so the CNMV does not draw up an individual plan). Of these 22 plans, three are group plans, which include six subject entities in total. In addition, a plan was approved in January 2023 for one of the entities, so it was not included in the 22 plans referred to above.

Thus, the total number of resolution plans approved – both initial plans and updates – since the CNMV assumed preventive resolution functions for investments firms is 49 (see Table II.4.1.1).

**As part of its preventive resolution functions for investment firms, the CNMV must also report the recovery plans prepared by the entities.** In 2022, 17 recovery plans were reported, and in all cases it was concluded that the planned measures did not negatively affect the resolvability of the entities.

**Resolution plans for investment firms approved up to year-end 2022** TABLE II.4.1.1

<b>Plans approved in 2022</b>			
	<b>Number of initial plans</b>	<b>First update</b>	<b>Second update</b>
Individual	-	1	3
Group	1	3	1
<b>Total</b>	<b>1</b>	<b>4</b>	<b>4</b>
<b>Accumulated up to the end of 2022</b>			
	<b>Number of initial plans</b>	<b>First update</b>	<b>Second update</b>
Individual	5	5	4
Group	17	16	2
<b>Total</b>	<b>22</b>	<b>21</b>	<b>6</b>

Source: CNMV.

**Updates to resolution plans are produced in a shorter format than their original version.** This format refers to the initial plan for the aspects that do not need to be mentioned in the update. In all cases, it was considered that the entities analysed met the criteria to benefit from simplified obligations, since considering their size and the activities they carry out, their non-viability would not have a systemic impact.

**The strategy defined in all cases is that the entities will be resolved, in a situation of non-viability, through liquidation.** Taking into account the size, activity and interconnections of the entities, it is considered that liquidation in accordance with the ordinary bankruptcy procedure would not jeopardise any of the objectives of the resolution. In addition, in all cases it was estimated that there were no substantial obstacles to the resolvability of the entities. When entities carry out custody activity and hold customer cash temporarily, it is verified that they have formalized agreements with third parties to guarantee, as required by the regulation, that in the event of difficulties the positions can be transferred.

**During the preparation of the resolution plan, the CNMV also sets the minimum requirement for own funds and eligible liabilities (MREL) that each entity must meet.** Its purpose is to make sure that entities have sufficient own funds and eligible liabilities to absorb the losses that exist at the time of non-viability and to recapitalize themselves in the event of resolution, allowing the entity to continue operating. For entities whose strategy is bankruptcy liquidation, the MREL requirement only includes the volume necessary to absorb losses which is the same as the capital requirement required of the entity by its competent supervisor. The preventive resolution authority may impose an MREL requirement that is higher than the capital decision made by the supervisory authority, if it considers it is justified to fully absorb the losses that the entity is expected to incur, although to date the CNMV has not deemed it necessary to make use of this power.

**The CNMV has started a process to automate resolution plans.** In a first phase, part of the quantitative content has been automated, as well as the status of the plans. In a second phase, it is planned to digitise other aspects.

**Institutional cooperation between the CNMV and the FROB, in addition to the participation of the FROB Governing Committee in the CNMV has been articulated through the collaboration committee created by virtue of the collaboration agreement signed between both institutions.** This committee, which held two meetings in 2022, was established to strengthen cooperation between both organisations and the exchange of relevant information for the exercise of their respective powers, such as that related to the work plans of both authorities, in matters recovery and resolution, participation in international forums and ongoing regulatory projects.

**In terms of resolution regulations, the CNMV has implemented two guidelines of the European Banking Authority (EBA).** Specifically:

- The guidelines on improving resolvability for entities and resolution authorities (Guide EBA/GL/2022/01), which specify actions to improve the resolvability of entities and groups.
- The guidelines on the equivalence of confidentiality regimes (Guide EBA/GL/2022/04), which recognise certain confidentiality and professional secrecy regimes that apply to the authorities of third countries for a set of European directives, including the Directive on the resolution of banks and investment firms,<sup>1</sup> in order to facilitate cooperation with these authorities.

Thus, the guidelines adopted by the CNMV in the matters of resolution for investment firms to date are the following:

---

#### **Guidelines of the European Banking Authority adopted by the CNMV in matters of resolution**

TABLE II.4.1.2

- Guidelines on measures to reduce or eliminate obstacles to resolvability (EBA/GL/2014/11).
- Guidelines on the interpretation of the circumstances under which an institution shall be considered as ‘failing or likely to fail’ pursuant to Article 32(6) of Directive 2014/59/EU (EBA/GL/2015/07).
- Guidelines on simplified obligations pursuant to Article 4(5) of Directive 2014/59/EU (EBA/GL/2015/16).
- Guidelines on the minimum criteria to be fulfilled by a business reorganisation plan (EBA/GL/2015/21).
- Guidelines on the provision of information in summary or collective form for the purposes of Article 84(3) of Directive 2014/59/EU (EBA/GL/2016/03).
- Guidelines on improving resolvability for institutions and resolution authorities (EBA/GL/2022/01).
- Guidelines on the equivalence of confidentiality regimes (EBA/GL/2022/04).

---

Source: CNMV.

#### **International activities**

**In the exercise of its resolution powers, the CNMV is present in various forums and working groups internationally.** At the EU level, the CNMV is a member of the Resolution Committee (ResCo) of the EBA, which held five virtual meetings in 2022. Work in which the CNMV took part included the analysis of cross holdings of

---

1 Directive 2014/59/EU of the European Parliament and of the Council, of 15 May 2014, establishing a framework for the recovery and resolution of credit institutions and investment firms.

eligible instruments under MREL; transparency improvements in resolution scenarios; and the preparation of joint criteria of the European supervisory authorities in regard to supervisory independence.

The CNMV also participates in different working subgroups set up by EBA-ResCo: the Resolution Planning and Preparation Subgroup and the Resolution Execution Subgroup. Each of these groups met up to seven times in 2022. The participation of the CNMV in the work carried out by the Resolution Execution Subgroup to improve the interaction between the resolution regulatory framework and securities market regulations stands out, the results of which have been included in the proposal to amend the Market Abuse regulation presented by the European Commission on 7 December as part of the development of Capital Markets Union.

#### II.4.2 Resolution of central counterparties (CCPs)

**Effective resolution regimes and the availability of suitable resources for the resolution of CCPs are still key for financial stability.** The progress made in implementing the reforms agreed upon after the 2008 financial crisis has promoted the use of CCPs, but has also increased their systemic importance. Despite the progress made in improving the resilience and resolvability of CCPs, the Financial Stability Board (FSB) considers it essential to keep up the momentum and to continue to work on the resolvability of CCPs – including the adequacy of the resources available for their eventual resolution.

**The European regulation governing CCPs is based on the principles adopted internationally after the global financial crisis.** As a result of the effective application of the European Regulation on recovery and resolution of central counterparties (hereinafter the European Regulation on R&R of CCPs)<sup>2</sup> in August 2022, all CCPs across the world considered by the FSB to be systemic in more than one jurisdiction (among them, Spain's BME Clearing) have a recovery and resolution framework that is aligned with the international standards approved by the FSB after the global financial crisis.

**The designation of the CNMV as the resolution authority and the forthcoming approval of the technical implementation of the regulation will supplement the resolution regime in Spain.** In 2022, the CNMV was designated the competent authority in Spain to exercise the resolution powers over CCPs and, therefore, to exercise the powers and competences established in the European CCP R&R Regulation (see Exhibit 15).

---

2 Regulation (EU) 2021/23 of the European Parliament and of the Council, of 16 December 2020, on a framework for the recovery and resolution of central counterparties.

As of 12 August 2022, Regulation (EU) 2021/23 of the European Parliament and of the Council, of 16 December 2020, on a **framework for the recovery and resolution of central counterparties** (hereinafter, the regulation), which supplements a resolution framework in the European Union that is aligned with the principles of the Financial Stability Board (FSB) with regard to the effective resolution of financial institutions.

The CNMV has been designated the resolution authority for central counterparties (CCPs). BME Clearing is the entity authorised by the CNMV to operate as a CCP in Spain. The entity is included in the register of authorised CCPs in the European Union held by the European Securities and Markets Authority (ESMA) and is one of the 13 CCPs worldwide that are considered to be systemic CCPs in more than one jurisdiction.

The designation of the CNMV as a resolution authority implies that the authority has assumed the resolution and sanctioning competencies set out in the regulation. Unlike the institutional regime followed in the Banking Union, the power to decide and manage the resolution of a CCP lies with the authorities of the Member States, not with the European Resolution Board.

Although CCPs are closely interrelated with the banking sector, they are entities with very different risk, management and business profiles. The regulation and supervision of CCPs corresponds to the securities markets, with the CNMV also being the competent authority for the of authorisation, registration and supervision of CCPs in Spain.

In recent years, the CNMV has carried out a series of preparatory tasks before taking on its new powers as a CCP resolution authority. The CNMV's organisational structure guarantees the hierarchical and functional independence of the supervision and resolution areas, as well as the necessary knowledge, technical capacity and resources, as required by regulation.

Work on CCP resolution planning and the assessment of resolvability began in 2017 and, in 2018, the BME Clearing Crisis Management Group (CMG) was created, in compliance with FSB principles, to ensure coordination and cooperation with the supervisory and resolution authorities by members of the CCP, both in Spain and abroad.

The application of Regulation (EU) 2021/23 requires the adoption of actions that affect the CNMV as a resolution authority, among which the following stand out:

- Preparation of internal regulations to avoid conflicts of interest between the functional areas of resolution and supervision, as well as the rules relating to professional secrecy and the exchange of information between the different functional areas.

- Creation of a college of resolution authorities, chaired by the CNMV, tasked with deciding on the resolution plan prepared by the CNMV and guaranteeing cooperation and coordination with the authorities that are members of the college and, where appropriate, with the authorities of third countries.
- Drawing up of a list of potential appraisers who meet the established independence requirements. This list will be reviewed periodically. The purpose of this measure is to ensure the availability of a sufficient number of people or entities trained to carry out the necessary assessments in the event of resolution and to facilitate their availability and contracting in times of stress.
- Preparation of a resolution plan that establishes the measures that the resolution authority may adopt in the event that the CCP becomes non-viable or potentially non-viable. Resolution planning is an ongoing process that involves reviewing and evaluating the entity's situation and the conditions that can affect its effectiveness. Once the first plan has been drawn up, it must be reviewed and updated at least annually. The plan must be consulted on with the supervisory authority and drawn up in coordination with the college of resolution authorities.

The resolution plan must contain at a minimum:

- A description of how the critical functions of the CCP may be legally and economically separated.
- An estimate of the time frame for the implementation of each important aspect of the plan.
- A detailed description of the resolvability assessment and a description of the measures needed to address or remove the identified obstacles to resolvability.
- A description of the processes employed to establish the value and marketability of the CCP's critical functions and assets.
- A detailed description of the different resolution strategies that could be applied based on the different possible scenarios and their related time frames.

In its role as resolution authority, the CNMV must also examine the recovery plan of the CCP to establish whether it contains measures that could negatively affect its resolvability and, where appropriate, formulate the corresponding recommendations to the supervisory authority.

Lastly, at European Union level, in 2023 ESMA created a resolution committee (ESMA CCP-ResCo) made up of the designated resolution authorities of each Member State. Among other tasks, this committee will be in charge of preparing the decisions entrusted to ESMA and promoting the preparation and coordination of resolution plans and designing methods for resolving non-viable CCPs.<sup>1</sup>

---

1 [https://www.esma.europa.eu/sites/default/files/2023-03/ESMA91-372-2226\\_Terms\\_of\\_Reference\\_CCPRC.pdf](https://www.esma.europa.eu/sites/default/files/2023-03/ESMA91-372-2226_Terms_of_Reference_CCPRC.pdf)

The CNMV held an international conference in 2022 with the aim of raising awareness and promoting debate on the implications of the new regulation with the financial industry, competent authorities and academics.<sup>3</sup> The conference, held on 21 June, was attended by representatives of Spanish, European and international authorities (the CNMV, the Ministry of Economy and Digital Transformation, the FSB, CMPI-IOSCO and ESMA) as well as the financial industry and academics. In addition to discussing the new CCP recovery and resolution framework created by Regulation (EU) 2021/23 – including the international context, FSB priorities, ongoing work and ESMA's role in that framework – the challenges facing CCPs from the new operational risks and their treatment in the aforementioned regulation, as well as the possible repercussions on financial stability of the application of CCP resolution tools were addressed.

The CNMV also published a study of the impact on financial stability of the application of resolution tools in scenarios of member fails, operational fails and systemic crises. This work enriches the Spanish CCP resolution plan and is a continuation of the plan published in 2021 on CCP resolution.

In 2022, progress was made in planning the resolution of the CCP, analysing the availability of financial resources and their treatment in situations of business continuity, recovery and resolution. This analysis was based on four scenarios – two for member default loss and two for other non-default loss situations – in lines with those used in the FSB paper on CCP financial resources published in March 2022.<sup>4</sup> In addition, a significantly more severe scenario was defined in order to test whether existing resources would fully absorb credit losses in situations extreme enough to require the use of recovery and resolution tools. This paper also evaluated the impact on financial stability of the application of resolution tools through the effect on the solvency and liquidity of members of the clearing house. The results obtained were consistent with those achieved in the work carried out by the FSB.

This analysis was discussed by the BME Clearing Crisis Management Group (CMG), chaired by the CNMV, at its meeting held in April 2022 and was subsequently reported to the FSB. During the year, the cross-border cooperation framework agreement by all the members of the CMG was also signed.

## International activities

At European Union level, the CNMV continued to participate in level 2 developments of the European CCP Recovery and Resolution Regulation. The ESMA working group continued with its work to develop technical regulations and other level 2 standards, which should be approved by the European Commission in 2023. In 2022, the work focused mainly on the resolution developments shown in Table II.4.2.1.

In 2022, ESMA published the final reports on the proposals for regulatory technical standards (RTS) and the proposals for guidelines provided for in the European Regulation on the operation of resolution colleges, the content of resolution plans,

---

3 <http://www.cnmv.es/portal/Benchmark/Conferencia-Entidades-Contrapartida-06-2022.aspx>

4 FSB (2022). *Central Counterparty Financial Resources for Recovery and Resolution*. 10 March.

assessment of resolvability, circumstances in which a CCP is considered to be non-viable or likely to be non-viable, reorganisation plans, contractual customer safeguarding arrangements, international cooperation and contract valuation issues, in addition to CCP assets and liabilities, both methodological and on the criteria of independence of the appraisers, with the latter being one of the most complex issues discussed within the group due to the strict requirements defined by the regulation.

### Level 2 developments of the CCP resolution regulation

TABLE II.4.2.1

RTS	Guidelines
– RTS on resolution colleges.	– Guidelines on the application of the circumstances in which a CCP is considered to be non-viable or likely to be non-viable.
– RTS on the content of CCP resolution plans.	– Guidelines on the valuation methodology of each contract before its termination.
– RTS on the valuation of assets and liabilities of CCPs in resolution.	– Guidelines on international cooperation agreements with authorities from third countries.
– RTS on safeguards for clients and indirect clients.	– Guidelines on the resolvability assessment.
– RTS on reorganisation plans.	– Guidelines on a template to summarise the resolution plan.
	– Guidelines on a template for written procedures for resolution colleges.

Source: CNMV and ESMA.

**In the international arena, since May 2020 the CNMV has been co-lead on the development of international standards for the resolution of CCPs.** This position was assigned on the back of the authority's work as co-chair of the FSB Cross-Border Crisis Management Group for Financial Market Infrastructures (fmiCBCM). The mandate was renewed in 2022 for an additional two years. The CNMV, as co-chair of the FSB-fmiCBCM, also participates in the FSB-Resolution Steering Group (ReSG), to which the former reports.

Through the fmiCBCM, the FSB draws up international standards, monitors the progress of systemic CCP crisis management groups in more than one jurisdiction and assesses the progress of the relevant authorities in resolution planning, in accordance with the expectations defined in the FSB's resolution policy.

**In 2022, resolvability assessments and planning were still at an early stage, although progress was noted.** Most of the national authorities of the 13 CCPs currently identified as systemically important in more than one jurisdiction examined and discussed with their respective CMGs different loss scenarios and the availability of resolution resources. Resolution planning for these CCPs also started, although a full resolution plan has not yet been defined. Likewise, progress was made in the review of the recovery plan and its interaction with resolution planning.

Crisis management groups (CMGs) were established for all systemic CCPs in more than one jurisdiction and almost all of these signed of cross-border cooperation agreements to share the necessary information for the purposes of planning, preparing and conducting the resolution.



The CNMV participates in the group created by the FSB to analyse the need, costs and benefits of possible alternative financial resources for the resolution of CCPs, along with a comparison of existing resources and tools. The analysis includes potential resources such as internal recapitalisation bonds, resolution funds, specific resolution insurance and contractual support from third parties, in addition to their consideration in systemic and idiosyncratic scenarios. In 2022, progress was made in the evaluation, work meetings were held with industry and academics, and a plan was defined to consult on possible policy options in 2023.

Securities markets  
and their agents  
Resolution of entities



## II.5 Monitoring and actions relating to financial stability

A stable financial system is one that facilitates the efficient allocation of resources among agents, with the capacity to manage risks and stress situations, ultimately leading to a sustainable contribution of financial activity to economic growth. The CNMV has been carrying out work to promote financial stability for many years, although the functions and tasks relating to this area were formally established in 2016.<sup>1</sup>

The main actions of the CNMV in the area of financial stability concern the development of systemic risk identification exercises and analyses, and its contribution, as the supervisory authority for stock markets, to national and international committees on the subject, notably the Spanish Macroprudential Authority Financial Stability Council (AMCESFI) and the European Systemic Risk Board (ESRB). It is also worth noting the work carried out in the field of bank resolution, which is addressed in other chapters of this report.

### II.5.1 Introduction

**Macroprudential policy, which is aimed at preserving the stability of the financial system, has evolved significantly in recent years.** The global financial crisis of 2007 and 2008 revealed the need to extend this policy to other financial areas beyond the pure banking sphere, adopting a more holistic approach that took into account the interconnections of the system and improved the tools available to address such risks.

**The CNMV's contribution to monitoring systemic risk and financial stability has been strengthened in recent years.** It is worth noting the entry into force of two laws that explicitly grant the CNMV functions in matters of macroprudential policy and preserving financial stability.<sup>2</sup> The creation of the AMCESFI also stands out, which is intended to continue the work carried out to date by the Financial Stability Committee (CESFI), aimed at identifying relevant risks for the Spanish financial

---

1 See the report entitled *The participation of the CNMV in macro-prudential policy*. Available at: [https://www.cnmv.es/DocPortal/Publicaciones/OTROS/CNMV\\_politica\\_macroprudencial.pdf](https://www.cnmv.es/DocPortal/Publicaciones/OTROS/CNMV_politica_macroprudencial.pdf)

2 These laws expanded the set of tools available to the institution to respond in an agile and efficient manner to the risks to financial stability. The first law, Royal Decree-Law 22/2018 of 14 December, empowered the CNMV to adopt measures to strengthen the liquidity of CISs for reasons of financial stability and to prevent the increase in indebtedness of the entities under its supervision, and the second, Royal Decree-Law 11/2020, of 31 March, in the context of the COVID-19 crisis, introduced the possibility of the CNMV's establishing notice periods for redemptions without their being subject to ordinary requirements.

system.<sup>3</sup> Lastly, Law 6/23, of 18 March 2023, on Securities Markets and Investment Services includes these functions, as contemplated in the explanatory statement and specifically in Articles 239 and 250 of said Law.

**The following sections summarise the most important tasks carried out by the CNMV in this area in 2022.** In particular, the work carried out on the management of liquidity risk and leverage in investment funds stand out, and the contributions to the AMCESFI deriving from the repercussions Russia's invasion in Ukraine, in addition to the work on the evaluation of the risks deriving from climate change. Work in the international arena focused on the International Organization of Securities Commissions (IOSCO), the Financial Stability Board (FSB) and the European Systemic Risk Board (ESRB).

## II.5.2 Analysis of financial stability and systemic risk

**The analyses carried out by the CNMV in the area of systemic risk and financial stability are based on multiple indicators that allow vulnerabilities and risks to be detected.** In the area of financial markets, there are indicators that assess the level of stress in the system or typical financial risks such as market risk, liquidity risk, credit risk and contagion risk. In the field of supervised entities, the most important analyses are carried out on investment funds, in particular on possible mismatches between their liquidity and redemption profiles, as well as on their leverage levels.

Last year, in view of the deterioration in economic activity and the increase in interest rates, emphasis was placed on analysing the credit risk of the fixed income portfolio of investment funds, as well as their interest rate risk. The CNMV also continued to perform periodic stress tests to assess the capacity of the funds to handle a substantial increase in redemptions. The results of these analyses are published in two types of reports: the *Financial Stability Note* and the *Report on non-bank financial intermediation in Spain*. Also included in this section is a specific reference to the analysis of the leverage of AIFs, the obligation of which is established by European regulation.

### Financial Stability Note

**The *Financial Stability Note*,<sup>4</sup> published every six months describes the recent evolution of market stress indicators, heat maps (see Figure II.5.2.1) and the different sources of risk and main financial risk categories.** In 2022, there was a sharp increase in the level of stress in the Spanish financial markets, which began in the first months of the year with the Russian invasion of the Ukraine, and intensified at the end of the summer. As discussed in Chapter I.1, the stress level of the system reached an annual high in October, standing at a level considered to be high risk on the back of the general fall in prices, the increase in volatility and the spikes in some risk premiums.

---

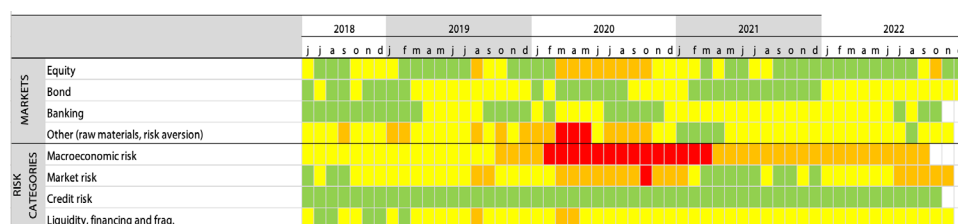
3 The AMCESFI, whose highest body, the Council, is chaired by the head of the Ministry of Economic Affairs and Digital Transformation and whose members include the highest-ranking officials of the Bank of Spain, the CNMV, the Secretary of State for Economy and Business Support, and the General Directorate of Insurance and Pension Funds, was created through Royal Decree 102/2019, of 1 March.

4 CNMV - *Financial Stability Note*.

The sources of uncertainty described in the Note were still numerous and diverse in nature. The most relevant continued to be associated with the sharp increase in interest rates and the accompanying higher cost of financing for financial intermediaries in a high-inflation environment. The rise in interest rates brought with it significant valuation losses on fixed income portfolios that may continue (see Exhibit 1). Meanwhile, the rise in inflation, in addition to reducing the disposable income of families, has reduced the real return on assets, which could make investors more likely to acquire assets with higher yield expectations, which generally entail higher risk. It is also important to point out that the higher cost of financing especially affects those intermediaries that are most indebted, with the possibility of credit risk in the medium term.

Heat map: summary by markets and risk categories

FIGURE II.5.2.1



Source: CNMV. For further details on the construction of these maps see the article by Cambón Murcia, M.I. (2015). "Identification of vulnerabilities in the Spanish financial system: an application of heat maps". *CNMV Bulletin*, Quarter I, pp. 103-115.

### Non-bank financial intermediation

The CNMV's publication on *Non-bank financial intermediation*<sup>5</sup> (NBFi) in Spain describes the latest trends in entities and activities involved and assesses their most significant risks. The volume of NBFi assets in Spain, according to the narrow measure established by the FSB, stood at €328 billion in 2021, 8.1% more than in 2020 and 6% of the total financial system. This percentage, which has remained relatively stable since 2014, is lower than that of other advanced economies (close to 14%). The most important NBFi institutions are still CISs (91%) followed at some distance by securitisation vehicles (6.2%).

It should be noted that the NBFi is a term that is sometimes used broadly to refer to all financial entities or activities carried out outside the banking channel, so the analysis of its risks must be adjusted to the different nature of the agents and products it integrates. For example, NBFi may include investment funds, pension funds, insurance companies, monetary funds, structured financing vehicles, alternative investment vehicles, venture capital, securitisations, other financial intermediaries and the central counterparties themselves, all of which are subject to different risks and levels of regulation and supervision, with differences also between jurisdictions. The analysis of the risks generated in or by these agents must therefore be aligned with their nature and characteristics.

Overall, the analysis of the risks associated with the NBFi in the securities markets continued, with no relevant vulnerabilities detected at the national level. In

5 CNMV - *Non-bank financial intermediation in Spain*.

investment funds, as well as the usual risk indicators, analytical extensions were added to provide a more detailed assessment of credit risk (through the credit ratings of the assets in the portfolio), liquidity risk (by analysing the portfolios of CISs in which the funds invest) and interest rate risk (by estimating the modified duration of the fixed income portfolio). Lastly, the funds' leverage was assessed through the use of derivatives, with a certain increase in average leverage compared to 2020 being observed, but no intensive or widespread use of these derivatives. This last analysis was particularly relevant, given the problems that some European pension funds (and, most particularly, British pension funds using "inflation-linked bonds") have recently experienced as a consequence of the margin calls that they had to attend at times of high volatility and falling prices in the British Gilt bond markets as a consequence of the market's reaction to economic policy proposals in the country and the turbulence generated by this.

Level of NBFi involvement in financial risks. 2021

FIGURE II.5.2.2

	Investment funds			Finance companies	Broker-dealers	SPVs: securitisations
	Monetary	Fixed income	Mixed			
Credit risk	●	●	○	●	●	●
Maturity transformation	○	●	○	○	○	●
Asset liquidity	●	●	●	●	●	●
Leverage	○	○	○	●	●	●
Interconnectedness with the banking system	○	○	○	○	○	●
Relative importance (%)	0.9	16.6	33.6	9.8	0.8	31.7

Source: CNMV. The colour gradation from low to high intensity is related to the level of involvement in the risk.

**Stress tests are part of the supervisors' tools to contrast the degree of resistance of their supervised entities to a very adverse theoretical scenario.** In the case of investment funds, stress tests are carried out in order to assess the capacity of these institutions to meet an extraordinary increase in redemptions. This capacity depends on the magnitude of the estimated redemption shock and the liquidity conditions of the assets in the fund portfolio. It therefore involves an assessment of the risk known as liquidity mismatch of investment funds, the most important from the point of view of financial stability for these institutions, where there is a possibility that the redemption profile is not sufficiently aligned with the liquidity of the portfolio of these funds. The most significant results of an exercise of this type on Spanish real estate investment funds, which is carried out every six months applying a methodology initiated by ESMA (STRESI framework, ESMA, 2019)<sup>6</sup> and later expanded by the CNMV (see Ojea, 2020),<sup>7</sup> show that the Spanish market for real estate investment funds is, in general, resilient in the scenarios proposed.

6 ESMA (2019). *Stress simulation for investment funds*. ESMA Economic Report.

7 Ojea, J. (2020). "Quantifying uncertainty in adverse liquidity scenarios for investment funds". *CNMV Bulletin*. Quarter II, pp. 23-44.

The latest stress test on investment funds (with data from December 2022) revealed that in the most extreme redemption scenario, only 12 funds could experience liquidity problems (1.67% of the assets of the investment sample). In this most extreme scenario the estimated redemption shock is, depending on the type of fund, up to 16 times higher than that recorded in the worst week of the COVID-19 crisis in March 2020. Ten of the 12 funds that could experience liquidity problems belong to the category of high yield fixed income funds.

### Leverage of alternative investment funds (AIFs)

In general, AIFs offer more flexibility than collective investment institutions in transferable securities (UCITS) in terms of leverage – both directly through borrowing and indirectly through derivative instruments – and are more likely to pose risks to financial stability. Therefore, it is important to analyse the leverage levels of these institutions, as provided under EU regulations (Article 25 of the AIFMD).

At the end of 2020<sup>8</sup> ESMA published guidelines on the harmonised application of this article, establishing common principles and indicators for NCAs to follow when carrying out their analysis. Pursuant to these guidelines, the analysis is carried out in two phases. In the first phase, three groups of AIFs are identified: i) those with substantial leverage: greater than 300% measured according to the “commitment method”; ii) larger funds (with assets under management of over €500 million) with a non-substantial level of leverage and, iii) AIFs that are not included in either of the two groups above but have an “unusually high” level of leverage for their category.<sup>9</sup> All AIFs identified in this first phase will be submitted, in a second phase, to a more comprehensive analysis of their potential systemic risk based on their interrelations with the other entities in the financial system through four channels: i) risk of forced sales, ii) counterparty risk, iii) risk of contagion to financial institutions, and iv) risk of affecting the provision of credit to the real economy. This analysis of leverage risk in AIFs must be carried out quarterly and the results reported to ESMA annually, with data referring to the end of the financial year.

AIFs in Spain comprise four categories of CISs: quasi-UCITS,<sup>10</sup> hedge fund CISs (hedge funds and funds of hedge funds), real estate CISs, and venture capital firms and closed-ended collective investment schemes. The first analysis carried out in accordance with these guidelines referred to 31 December 2021. Only four AIFs were identified in the first phase, all of them belonging to the large CISs category. None of them exceeded €800 million in assets and their leverage level was low, so the probability that they could transmit risks to the financial system was estimated as negligible.

---

8 “ESMA publishes final guidance to address leverage risk in the AIF sector”.

9 For these purposes, “unusually high” leverage is leverage (measured according to various indicators) that exceeds the 95th percentile in each of the following categories: venture capital, real estate, hedge funds, fund of funds and other. The percentiles are calculated by ESMA at a European level.

10 These include investment funds and open-ended collective investment companies (SICAVs) that meet practically all UCITS requirements and are eligible for one or more of the exemptions referred to in Article 72 of the implementing regulation of Law 35/2005 of 4 November on Collective Investment Schemes (CISR).

The preliminary analysis of the leverage of AIFs in 2022<sup>11</sup> carried out with the data available on the date of preparation of this report (April 2023) reveals that the average leverage of these institutions remains low. Based on the ratio of assets under management<sup>12</sup> to equity and the percentage of average liquidity over equity,<sup>13</sup> the average leverage levels of each group of AIFs have been estimated – these range from 6.4% for venture capital firms and closed-ended collective investment schemes to 47% for real estate funds. In these two types of AIF, leverage is mainly caused by financial indebtedness, while in the case of investment funds and quasiUCITS SICAVs, with an average level of leverage of 19.5%, it is mainly due to synthetic leverage through derivatives. Hedge funds and funds of hedge funds, despite having a much more flexible regime, incur very moderate leverage (20.5% on average).

### Average gross leverage of AIFs (December 2022)

TABLE II.5.2.1

AIF type <sup>1</sup>	Assets (millions of euros)	Average gross leverage <sup>2</sup> (%)
Venture capital firms and closed-ended collective investment schemes	29,705	6.4
QuasiUCITS	26,063	19.5
Hedge funds and Funds of hedge funds	4,486	20.5
Real estate CISs	1,052	47.8
<b>Total</b>	<b>63,704</b>	

Source: CNMV. (1) The table does not include AIFs registered in other Member States of the European Union which are managed by Spanish managers. As of 31 December 2019, total assets were €2.40 billion. (2) Indirect leverage, i.e. investment in other leveraged CISs, is not considered in the calculations as it is not reported in the European reporting model.

### II.5.3 Actions in relation to the AMCESFI

The CNMV participates in the AMCESFI through its Board and Technical Committee for Financial Stability (CTEF), in accordance with Royal Decree 102/2019, of 1 March, which creates the Macropprudential Authority Financial Stability Board. Both AMCESFI structures meet regularly and whenever the occasion demands it. In 2022, both the Technical Committee and the Board met more frequently than usual due to the need to assess the risks to the financial system from the environment of high inflation and Russia's war in Ukraine. At these meetings the contribution of the CNMV in regard to the evolution of the energy markets and the main risks identified stands out. In addition to the work carried out by the subcommittee on crypto-assets, headed up by the CNMV. In this area, no imminent risk to financial stability has been identified but the risks deriving from this area are constantly monitored. Lastly, as in previous years, the CNMV contributed to AMCESFI's

11 Reported according to the information model established in the AIFMD Regulation, not verified by the CNMV.

12 The implementing regulations of the AIF Directive define the "assets under management" as the sum of the portfolio of assets and the equivalent cash position through derivatives, in gross terms, i.e. with no offsetting of long and short positions.

13 Assets under management do not include liquidity and therefore percentage of liquidity as a part of equity was added.



Annual Report,<sup>14</sup> mainly in regard to stock markets, non-bank financial intermediation and interconnections in the financial system.

**The assessment of climate change risks for the financial system was one of the most important tasks carried out by AMCESFI in 2022.** This work derives from the mandate established in Law 7/2021 on 20 May, on climate change and energy transition, according to which the three national supervisors of the financial system, under the coordination of AMCESFI must be involved, within the scope of their powers, in the assessment of the risk to the Spanish financial system deriving from climate change and jointly draw up a two yearly report that covers the level of alignment with the climate goals of the Paris Agreement and EU regulations based on future scenarios and the assessment of risk to the Spanish financial system deriving from climate change.

**As a consequence of this mandate, the CNMV has contributed to the analysis of issuers of securities and investment funds as a whole based on the results of two working papers.** Against a backdrop of significant limitations on the availability and quality of data, the work carried out in the area of securities issuers provides an initial approximation to the evolution of a sample of CO<sub>2</sub> emissions in recent years and the level of alignment with the Paris Agreement climate goals. It also addresses some aspects of the governance of entities relating to the challenges of climate change, strategy and risk management, in addition to metrics and emission reduction targets.<sup>15</sup> In the field of investment funds, a working paper was published that estimates the transition risk for the fund portfolio of a late and disorderly transition scenario. This exercise, which estimates the expected loss for each of the assets in the fund portfolio, reveals a potential aggregate loss of 5.7%.<sup>16</sup>

**AMCESFI will publish its first biennial report containing the results of the assessment of the risks to the financial system deriving from climate change in the second quarter of 2023.** This report is based on the work carried out by the member authorities of AMCESFI through a technical working group. This work contains estimates for the three segments of the financial system of the impact of the same late and disorderly transition scenario, and also the results of partial exercises related to physical risk in certain circumstances (e.g. droughts, heat waves or other extreme weather events).

## II.5.4 Actions in relation to the ESRB, IOSCO and the FSB

### European Systemic Risk Board (ESRB)

**In 2022, the ESRB continued its macroprudential surveillance work on the European Union financial system.** As a consequence of geopolitical uncertainty and the increased risk of economic disturbances, the ESRB issued a general warning on vulnerabilities in the European Union financial system in September 2022, urging the relevant authorities and Member States to shore up their preparations for a possible extremely adverse risk scenario.<sup>17</sup>

---

14 [https://www.amcesfi.es/f/webwam/RCL/Publicaciones/archivos/AMCESFI-Informe\\_Anuar\\_2021.pdf](https://www.amcesfi.es/f/webwam/RCL/Publicaciones/archivos/AMCESFI-Informe_Anuar_2021.pdf)

15 [http://www.cnmv.es/DocPortal/Publicaciones/MONOGRAFIAS/Monografia\\_60\\_en.pdf](http://www.cnmv.es/DocPortal/Publicaciones/MONOGRAFIAS/Monografia_60_en.pdf)

16 [http://www.cnmv.es/DocPortal/Publicaciones/MONOGRAFIAS/Monografia\\_60\\_en.pdf](http://www.cnmv.es/DocPortal/Publicaciones/MONOGRAFIAS/Monografia_60_en.pdf)

17 "ESRB Warning on vulnerabilities in the EU financial system".

In the area of the stock markets, the ESRB's work involved actions relating to climate change, cybersecurity events, crypto-assets and decentralised finance. The climate risk group, of which the CNMV is a member, published a report on the implications of global warming for financial stability. This report highlights the potentially systemic consequences of climate change and assesses different tools that could be used to monitor and mitigate climate risks. In addition, the ESRB examined the use of crypto-assets and decentralised finance and concluded that while these areas do not currently pose a high risk, their rapid growth could lead to systemic events that could materialise suddenly. Lastly, the cybersecurity risks were also evaluated and the authorities were urged to carry out pilot cyber-resilience tests to strengthen their defences in an environment of growth cyber risk in Europe.

The main task undertaken by the group of experts on non-bank financial intermediation, to which the CNMV contributes, was the drafting of the *EU Non-Bank Financial Intermediation Risk Monitor*.<sup>18</sup> This report highlights risks relating to:

- The potential impacts of disorderly market corrections on investment funds with lower liquidity.
- The amplifying effect of shocks caused by the increase in interconnections and excessive leverage.
- The increase in credit and liquidity risks in fixed income investment funds. Likewise, work was carried out on the design of macroprudential policies that can be applied to investment funds if this sector is considered to pose a risk to financial stability.

The group of experts also worked in parallel on the design of policies that can be applied to investment funds in the event that this sector is considered to pose a risk to financial stability.

The ESRB published several recommendations in 2022. In January, it released a recommendation calling for the increased resilience of money market funds<sup>19, 20</sup> and another in which it recommended setting up a European coordination framework to address systemic cyber incidents.<sup>21</sup> In February, it issued fresh warnings and recommendations on the medium-term vulnerabilities associated with the residential real estate sector in seven countries of the European Economic Area (EEA).<sup>22</sup> Lastly, in 2023, the ESRB has released a general recommendation on vulnerabilities in the commercial real estate sector in the EEA.<sup>23</sup>

## IOSCO

Within the International Organisation of Securities Commissions (IOSCO) the CNMV's most important work in the area of financial stability is carried out through two groups: the Committee on Emerging Risks (CER) and the Financial Stability Engagement Group (FSEG).

---

18 Available at: <https://www.esrb.europa.eu/news/pr/date/2022/html/esrb.pr220715~cf3e026075.en.html>

19 "ESRB recommends increasing the resilience of money market funds".

20 At the end of 2022 there were only two money market funds registered in Spain.

21 "ESRB recommends establishing a systemic cyber incident coordination framework"

22 "ESRB issues new warnings and recommendations on medium-term residential real estate vulnerabilities".

23 "Press releases published in 2023".

In the first of these groups, comprising specialists in economic and market research of the countries belonging to IOSCO, continued to closely monitor the main risks that are identified regarding financial stability at a global level, which entails the publication of a *Risk Outlook* report to prioritise and plan IOSCO's work. This report is prepared every two years, and in the second year a review of compliance with the established objectives is performed, in addition to an update when the situation so requires. Although the issues that are identified as relevant to financial stability are referred, in general, to the FSEG, a specific ad hoc group may be set up if it is considered necessary.

**In 2022, private finance was identified as a relevant issue that could affect various areas of IOSCO's mandate.** Specifically, there has been a growing trend in a large number of companies in various geographical areas – particularly in the most innovative sectors, but increasingly in traditional sectors – to seek finance outside public access to capital or through incurring debt, through of vehicles known as “equity funds” or “private debt funds”. In 2022, the CER received a mandate in to set up a working group to carry out an initial study of this type of financing, which is not usually very transparent, to assess its significance, and put forward, where appropriate, reflections for the consideration of the regulators. The conclusions suggest that these activities do not currently appear to constitute an imminent risk to financial stability.

**As part of the FSEG,<sup>24</sup> the CNMV took part in the periodic meetings held by the group to inform and coordinate the work carried out by the different IOSCO committees in collaboration with the FSB in the area of financial stability.** In 2022, the joint work on liquidity risk in open investment funds (OEF) stands out. This work (see Exhibit 16) was promoted by the FSB and developed by a joint IOSCO-FSB working group, in which the CNMV participated.

**In parallel, the IOSCO Assessment Committee carried out a review of compliance with the recommendations on liquidity risk in CISs<sup>25</sup> made by IOSCO in 2018.** A review team, which included the CNMV, studied the degree of implementation of the recommendations in the regulatory frameworks of the 14 participating jurisdictions,<sup>26</sup> which comprised 92% of total assets under management. Spain was one of the jurisdictions to be evaluated and was in the group of seven that obtained the highest compliance score (“fully compliant”) in the ten recommendations assessed. Five of the recommendations (R.1, R.2, R.3, R.4 and R.7), referred to liquidity management in the initial design phase of the fund; three (R.10, R.12 and R.14), to day-to-day liquidity management; and two (R.16 and R.17), to contingency plans and the availability of liquidity management tools.

---

24 The FSEG is a group of the IOSCO Board to address aspects of financial stability and reduce systemic risk through collaboration with the FSB and other international organisations, among other channels. Its creation was agreed on at the IOSCO Board meeting in February 2020, under the direction of the CFTC and the French AMF.

25 *Recommendations for Liquidity Risk Management for Collective Investment Schemes*. Available at: <https://www.iosco.org/library/pubdocs/pdf/IOSCOPD590.pdf>

26 Australia, Brazil, Canada, China, France, Germany, India, Ireland, Japan, Luxembourg, Spain, Switzerland, the United Kingdom and the United States.

## Financial Stability Board (FSB)

The FSB promotes international financial stability by coordinating the work of national financial authorities and standard-setting bodies. The actions carried out by the FSB aim to establish a level playing field through the implementation of its policies by member jurisdictions and their national authorities. The CNMV participates in the work carried out by the FSB and is a member (through its chair) of one of its permanent committees, the Standing Committee on Standards Implementation (SCSI).

Additionally, the CNMV co-chairs the fmiCBCM subgroup, which monitors the progress of the crisis management groups in systemic CCPs in more than one jurisdiction and assesses the progress of the relevant authorities in resolution planning (see Chapter II.4 on resolution). Likewise, the CNMV participates in the Non-bank Monitoring Expert Group (NMEG) and in different working groups in the areas of investment funds and collateral requirements in the clearing of derivative instrument transactions.

### Work carried out by the FSB in connection with OEFs (open-ended funds)

EXHIBIT 16

In 2017, the FSB published a set of recommendations aimed at mitigating potential risks arising from asset management (*FSB's Policy Recommendations to Address Structured Vulnerabilities from Asset Management Activities*).<sup>1</sup> Among others, these recommendations address the risks deriving from liquidity mismatches between the assets in which investment funds invest and the frequency with which they allow redemptions.

In 2022, a joint working group made up of members of the FSB's Cooperation Committee on Supervision and Regulation (SRC) and Committee 5 of the International Organization for Securities and Exchange Commissions (IOSCO) carried out work on investment management, with an assessment of the effectiveness of the FSB's recommendations. 16 jurisdictions were evaluated,<sup>2</sup> including Spain. The CNMV was also part of the evaluation working group.

The recommendations assessed were divided, according to their purpose, into four groups:

- i) Those aimed at reducing the structural risk of liquidity mismatches in CISs.
- ii) Those that promoted the use of liquidity risk management tools.
- iii) Those aimed at improving the periodic submissions to the data regulators to allow the liquidity risk of CISs to be properly monitored.
- iv) Those aimed at extending the stress testing exercises both at the individual CIS level and at macro level, taking into account the interrelations of the CISs with the other entities of the financial system.

The main conclusion of the assessment work was that, despite the improvements observed in the jurisdictions studied since the publication of the FSB recommendations in 2017, certain vulnerabilities still persist and need to be addressed by strengthening some of the recommendations. Spain already largely complies with the FSB recommendations, even with those aspects that are intended to be improved.

The final FSB report proposes improvements in the four areas analysed:

- i) **Liquidity mismatch.** In order to reduce this mismatch, it is proposed to adopt a bucketing approach, where open investment funds are divided into three categories (or buckets) depending on their liquidity profile. The redemption terms (frequency, application of advance notice and long settlement periods) set for each group must be aligned with the liquidity levels of the assets in each category. Thus, for funds that invest primarily in liquid assets, daily redemptions are considered to be appropriate. For those funds that invest significantly in illiquid assets, a daily redemption frequency is not considered appropriate unless long notice periods or settlement periods are established. Lastly, for the third category – funds that invest mainly in less liquid assets – a daily redemption frequency is only appropriate if anti-dilution measures are applied or, alternatively, if notice periods or settlement periods are established.
- ii) **Liquidity management tools.** It is proposed that the supervisory authorities promote the use of these tools in their jurisdiction, especially those with an anti-dilution effect, i.e. those that eliminate the advantages obtained by investors who are the first to redeem their investments in crisis scenario, known as “first mover advantage”. All these measures are aimed at passing the transaction costs of subscriptions and redemptions on to the investors who originate them. Swing pricing is one of the best-known measures and consists of adjusting the net asset value upwards (in subscriptions) and downwards (in redemptions) by applying an adjustment factor that reflects the effect of the transaction costs that the fund will bear as a result of transactions to purchase and sell securities deriving from said subscriptions and redemptions. It is considered appropriate for regulators to issue guidelines containing clear criteria for the appropriate and consistent application of this type of tool.
- iii) **Availability of data on investment funds.** It is proposed to improve the data available on liquidity mismatches and the use of liquidity management tools, as well as to enhance the information provided to investors on the effects of the use of these tools.
- iv) **Stress testing.** Lastly, with regard to stress testing, it is proposed to encourage stress testing and the exchange of information between jurisdictions on their design and use.

In order to review the FSB recommendations in line with the proposed improvements, a new joint FSB/IOSCO working group was set up. The revision work will be carried out throughout 2023 and will be complemented by guidelines developed by IOSCO on the use of anti-dilution tools. In a second phase, work will be done to identify the data that should be included in the supervisory reporting in order to monitor liquidity risk in investment funds.

As previously mentioned, Spain already largely complies with the FSB recommendations, even with those aspects that are intended to be improved. Thus, the CNMV has been receiving monthly data on fund portfolios for many years. This allows it to continuously monitor the liquidity risks incurred by investment funds. In addition, with regard to liquidity management policies and tools, the recently published *Technical Guide 1/2022 on the Management and Control of Liquidity of Collective Investment Schemes (CIS)*<sup>3</sup> specifies and develops the principles established in CNMV Circular 6/2009 of 9 December on internal control of CIS management companies.

In particular, it specifies the criteria that must be taken into account for an adequate liquidity management policy, both in the design phase of the CIS and in its day-to-day activity, in addition to establishing the criteria for a correct application of the liquidity management tools, including anti-dilutive tools.

- 
- 1 <https://www.fsb.org/wp-content/uploads/FSB-Policy-Recommendations-on-Asset-Management-Structural-Vulnerabilities.pdf>
  - 2 Australia, Brazil, Canada, China, France, Germany, Hong Kong, India, Ireland, Italy, Japan, Luxembourg, Spain, Switzerland, the United Kingdom and the United States.
  - 3 [https://cnmv.es/DocPortal/Legislacion/Guias-Tecnicas/GT\\_1\\_2022\\_Liquidez\\_ILC\\_en.pdf](https://cnmv.es/DocPortal/Legislacion/Guias-Tecnicas/GT_1_2022_Liquidez_ILC_en.pdf)

## II.6 Investor assistance

Although a large part of the CNMV's functions and activities are geared towards the general objective of investor protection, this chapter describes those in which it directly attends to or offers training or information to individual retail investors or interacts with them.

This includes handling queries and complaints, and also the promotion of financial education among the public and warnings about unauthorised entities. This chapter contains a brief summary of this activity, since the CNMV published an annual report on complaints and enquiries, which contains detailed and exhaustive information.

### II.6.1 Claims and complaints

**The CNMV's Claims and Complaints Service deals with claims and complaints from investors who have previously turned to the customer service department (CSD) or ombudsman of the entity concerned but have not received a satisfactory response.** Investors can file claims and complaints with the CNMV's Claims and Complaints Service with regard to delays, failures to address their problems or other insufficient actions by financial institutions, as well as claims for specific actions or omissions that harm their rights or interests which may be considered non-compliance with the rules of conduct of these entities. They must prove that they previously filed these claims or complaints with the CSD and/or ombudsman of the entity in question but have not obtained a satisfactory outcome or a timely response.

**The number of cases filed by investors in 2022 stood at 1,371, around 10% more than in the previous two years (1,254 in 2021 and 1,242 in 2020).** The cases filed increased mainly between September and December 2022 – around 150 more than in the same period of the previous year. The Claims and Complaints Service analyses these filings and, depending on whether they meet the requirements to be admitted, may go through several different phases (preliminary, processing and resolution). Taking this into account, the number of filing that were in some stage of processing at the end of the year stood at 340, 81.8% more than in 2021 (see Table II.6.1.1).

**The claims or complaints in which the entity accepted or reached an agreement with the claimant or complainant continued to rise, having increased by 27.9% compared to the previous year.** Therefore, the relative weight of these claims and complaints as a portion of the total number of those processed during the year increased, in line with in recent years (15.8% in 2020, 21% in 2021 and 29.2% in 2022).

**In the claims and complaints that concluded with a reasoned final report, the claimants or complainants obtained a report favourable to their filings in 50.4%**

of cases. In this case, the Claims and Complaints Service requested information on subsequent actions from the entities and reported that they had accepted the criteria of the report or rectified the situation in more than 80% of the cases in 2022. As the number of claims and complaints in which the claimant or complainant was satisfied during the processing of the case increased, those that concluded with a reasoned final report decreased by 17.5%.

## Claims and complaints processed, by type of resolution

TABLE II.6.1.1

Number of claims and complaints

	2020		2021		2022		% change 22/21
	Number	%	Number	%	Number	%	
<b>Registered with the CNMV's Claims and Complaints Service</b>	<b>1,242</b>	-	<b>1,254</b>	-	<b>1,371</b>	-	<b>9.3</b>
<b>Not accepted for processing</b>	<b>477</b>	-	<b>484</b>	-	<b>435</b>	-	<b>-10.1</b>
<b>Processed without a final reasoned report</b>	<b>137</b>	<b>18.5</b>	<b>199</b>	<b>23.4</b>	<b>245</b>	<b>31.3</b>	<b>23.1</b>
Acceptance or mutual agreement	117	15.8	179	21.0	229	29.2	27.9
Withdrawal	15	2.0	15	1.8	10	1.3	-33.3
<i>Ex post facto</i> non-admission	5	0.7	5	0.6	6	0.8	20.0
<b>Processed with a final reasoned report</b>	<b>602</b>	<b>81.5</b>	<b>652</b>	<b>76.6</b>	<b>538</b>	<b>68.7</b>	<b>-17.5</b>
Report favourable to the complainant	311	42.1	356	41.8	271	34.6	-23.9
Report unfavourable to the complainant	291	39.4	296	34.8	267	34.1	-9.8
<b>Total processed</b>	<b>739</b>	<b>100.0</b>	<b>851</b>	<b>100.0</b>	<b>783</b>	<b>100.0</b>	<b>-8.0</b>
<b>Being processed at the end of the year</b>	<b>268</b>	-	<b>187</b>	-	<b>340</b>	-	<b>81.8</b>

Source: CNMV.

The most common reasons for the claims and complaints submitted are fees charged by entities for contracted products and for services provided (24.6%), post-contractual information provided (21.5%) and incidents in purchase and sale orders (19.3%). Claims and complaints relating to shares or units held in collective investment institutions (CISs) accounted for 48.9% of all cases, while those referring to other types of securities accounted for the remaining 51.1%. The causes raised in the 783 claims and complaints processed in 2022 can be grouped as follows: appropriateness/suitability, prior information, purchase/sale orders, fees, transfers, subsequent information, ownership and operation of the CSD (see Table II.6.1.2).

In claims and complaints relating to appropriateness/suitability and prior information, investors generally complain that products offered are not suitable for their investment profile and they receive very little or no information about them. In claims and complaints relating to purchase/sale orders or transfers, investors often disagree with execution method or period.

Other complainants question the fees charged for contracted products (fundamentally, fees charged on investment funds) or for services provided (mainly custody/management fees or fees for the transfer of securities).

Post-contractual information is intended to enable clients to properly monitor their positions in investment products, as well as the options or rights deriving from these. It is common for investors to allege that they have not received informative



communications from entities on corporate transactions that affect the securities deposited with them or that they have done so after the deadline or with little notice to process the corresponding instructions. An analysis is also made of the attention to information requests made by investors to the entities through which they have contracted the products.

In some cases, issues arising from the ownership of the securities arise in terms of the legitimacy of the ordering party, the existence of charges or encumbrances or usufruct of the securities, renunciation or changes of ownership, etc. Lastly, sometimes the claim or complaint relates to the operation of the CSD both in the phase prior to the client's filing against the entity and during its processing by the CNMV's Claims and Complaints Service.

The average complaint resolution time was reduced by 3% during 2022, from 68 days in 2021 to 66 days in 2022.

### Reasons for claims and complaints concluded in 2022

TABLE II.6.1.2

Investment service/reason	Reason	Securities	CIS	Total
Marketing/execution Advice Portfolio management	Appropriateness/suitability	9	50	59
	Prior information	19	69	88
	Purchase/sale orders	105	82	187
	Fees	146	73	219
	Transfers	30	49	79
	Post-contractual information	100	91	191
	Ownership	13	6	19
Acquisition <i>mortis causa</i>	Appropriateness/suitability	1		1
	Prior information	4		4
	Purchase/sale orders	3	3	6
	Fees	23	4	27
	Transfers	4	3	7
	Post-contractual information	11	13	24
CSD operations	Ownership	38	38	76
		4	7	11
<b>Total</b>		<b>510</b>	<b>488</b>	<b>998<sup>1</sup></b>

Source: CNMV. (1) There is very often more than one reason stated in the same claim or complaint file.

## II.6.2 Enquiries

The CNMV's Investors Department responds to enquiries on matters of general interest relating to the rights of users of financial services and the legal routes for exercising such rights. These requests for advice and information are provided for in Article 2.3 of Order ECC/2502/2012, of 16 November, regulating the procedure for filing claims and complaints with the claims and complaints services of the Bank of Spain, the CNMV and the Directorate-General of Insurance and Pension Funds.

In addition to responding to the enquiries defined in the aforementioned Order, the CNMV also helps investors search for information on its website ([www.cnmv.es](http://www.cnmv.es)). This information is to be found in the CNMV's official public registries and in

other documents which it publishes, and deals with queries or doubts that private individual investors may raise regarding the securities markets.

**There are three means available to submit inquiries: by telephone, by post or through the electronic office (available at [www.cnmv.es](http://www.cnmv.es)).** In the electronic office there is a section for the presentation of claims, complaints and enquiries, where identification is required by means of an electronic certificate or identity card or through a user name and password, which can be used for future enquiries or claims/complaints with the CNMV.

**In 2022, 9,630 enquiries were dealt with.** Most of them were made by telephone (82.5%) and responses were mostly limited to providing existing information on the website ([www.cnmv.es](http://www.cnmv.es)). The second most used channel was the electronic office form (15%) followed by submission through the general registry (2.4%).

**As shown in Table II.6.2.1, the total number of enquiries dealt with decreased by 7.6% in 2022.** Investors preferred to use the electronic form to submit their filings (15%), reducing their submissions through the general registry. The average response time was 21 calendar days. This figure excludes enquiries received by telephone, which are answered on the same day.

It was found that numerous written submissions that were actually enquiries from professionals were filed with the CNMV using the wrong channel – i.e. the channel for submitting enquiries from retail customers. Enquiries of a professional nature should be addressed to the CNMV department with competence on the matter, through the “Any document, request or communication to be addressed to the CNMV” procedure in the Open Area of the CNMV’s Electronic Office.

**Number of enquiries by channel**

TABLE II.6.2.1

	2020		2021		2022		% change 22/21
	Number	% of total	Number	% of total	Number	% of total	
Telephone	9382	84.1	8,667	83.2	7,947	82.5	-8.3
Letter	399	3.6	314	3.0	235	2.4	-25.2
Form	1,369	12.3	1,440	13.8	1,448	15.0	0.6
<b>Total</b>	<b>11,150</b>	<b>100.0</b>	<b>10,421</b>	<b>100.0</b>	<b>9,630</b>	<b>100.0</b>	<b>-7.6</b>

Source: CNMV.

**The enquiries received in writing through the electronic form or the general registry had various subjects.** Enquiries about investment losses made through unregistered entities, known as “financial boiler rooms”, or those relating to the rights of investors in their relations with investment firms were once again common. Consultations on investment losses made through unregistered entities accounted for 25% of all written consultations submitted, very much in line with figure seen in the previous year (see Figure II.6.2.1).

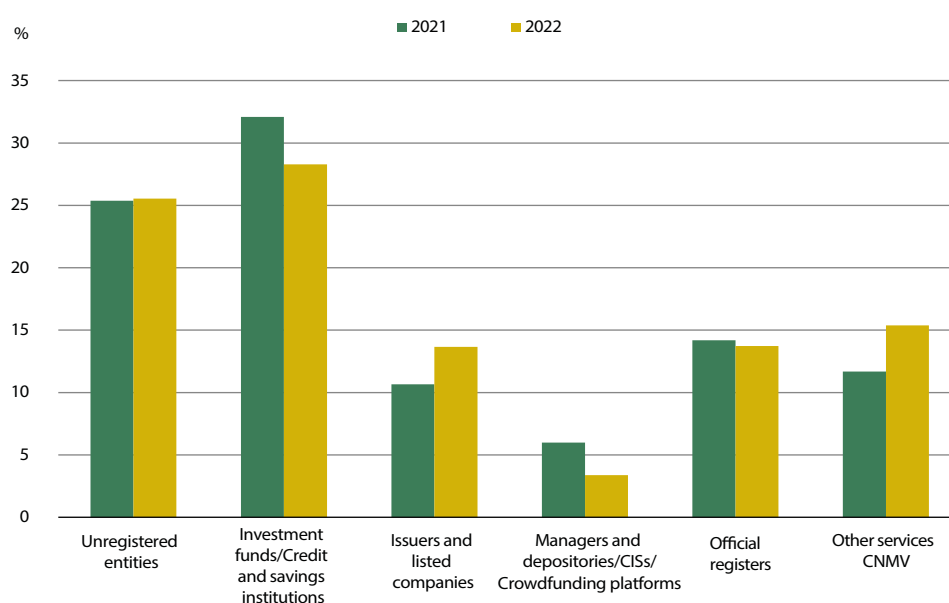
**Written enquiries about investment firms** usually concern, among other matters, investor rights in the investment process, fees for holding shares of suspended or delisted companies, obligations of depositories, investment guarantee systems or possibility of waiving securities excluded from trading. Many of these issues are also resolved through the appropriate claims or complaints procedures.

In the third block of Figure II.6.2.1, showing issuers and listed companies, as in the previous year, enquiries were made about loans assigned to securitisation funds, corporate transactions and IPOs. The latter include aspects such as the bid acceptance process, the calendar, the authorised price and the possibility of exercising a sell-out. In 2022, enquiries were made about warrants holdings deriving from the restructuring processes of Abengoa, S.A., and the possibility of selling them, or their liquidation or waiver.

Enquiries about management companies, depositories and CISs once again concerned the characteristics of CISs, custody fees for shares and stakes in Spanish or foreign CISs, and queries about transfers between CISs.

### Subjects of enquiries

FIGURE II.6.2.1



Source: CNMV.

A significant portion of enquiries are resolved with the data available in the CNMV's official registries. In particular, investors requested information from the official registries about registered entities; where to find prospectuses; access to price-sensitive information notices of CISs and other entities, and inside information of issuers, in addition to other financial and corporate governance information.

Many other enquiries were answered with the information available on the CNMV website, in the following sections: CNMV communications, statistics and publications, press releases or investors warnings, in addition to other content that is freely accessible to the public, and through other services offered by the CNMV, such as the resolution of claims and complaints.

In addition to recurring subjects, investors made enquiries about matters relating to the market situation or specific events. These included the following:

- Enquiries about non-registered entities (financial boiler rooms), which in 2022 revealed an increase in incidents of identity theft affecting European entities authorised to provide investment services in Spain through a “community passport”. The CNMV informed the supervisors of the entities affected by

identity theft of this circumstance so that they, in turn, could contact said entities with a view to their taking any measures they saw fit.

- **Enquiries about companies that offer training courses**, which does not necessarily constitute a reserved activity requiring authorisation and registration with the CNMV, even if the training is about trading and the service is offered in Spain. On occasion, these courses may be linked to supposed job offers and require the prior payment of an amount for attending the course, which the victims often lose.
- **Enquiries about companies that offer to recover the money lost by victims of financial boiler rooms, supposedly on behalf of regulatory bodies.** In addition to the warnings published on the CNMV website, the replies to such enquiries emphasise that the CNMV will never subscribe or authorise the management of recovery of losses suffered by investors to any Spanish or foreign company or to any natural person.

This type of action may come from the perpetrator of the fraud, who asks for money in advance as fees or taxes to unblock the investment. When the victims of these practices are investors residing in countries outside the European Union, it is recommended that they bring the facts to the attention of the supervisory bodies in their home country.

- **Consultations related to the takeover bids for the acquisition of securities that were made over the course of 2022.** Specifically, bids for Mediaset España Comunicación, S.A., Zardoya Otis, S.A. and Siemens Gamesa Renewable Energy, S.A. (the latter for the purpose of delisting). Queries referred to the date of authorisation of the bid by the CNMV, the acceptance period for investors, the consequences of non-acceptance or the exercise of a squeeze out.
- **Enquiries about the capital increase of Urbas Grupo Financiero, S.A. carried out in September 2021, which had not been admitted to trading in 2022.** Due to the CNMV's duty of professional secrecy, it was not possible to provide confidential information or data received in the exercise of its functions, which includes the processing of the application for admission to trading of shares on the stock market made by any issuing company. The interested parties, in their capacity as shareholders and in the exercise of their rights, must request the pertinent explanations from the issuer, who is responsible for initiating the procedures for admission to trading with the CNMV as well as responding to the requests for information that the CNMV itself may send out during the process.
- **Consultations on to companies listed on BME Growth, such as Greenalia, S.A. and Izertis S.A.** These consultations mainly dealt with questions concerning potential price manipulation in this market and the CNMV's powers in relation to takeover bids in market, as well as in relation to the companies listed on it. In the responses, it was noted that the powers of the CNMV in matters of takeover bids for the acquisition of securities do not extend to shares of entities that are traded exclusively in a multilateral trading system, such as BME Growth.
- **Consultations on the guarantee systems for investments made through Spanish or foreign investment firms, i.e. the consequences of the insolvency**

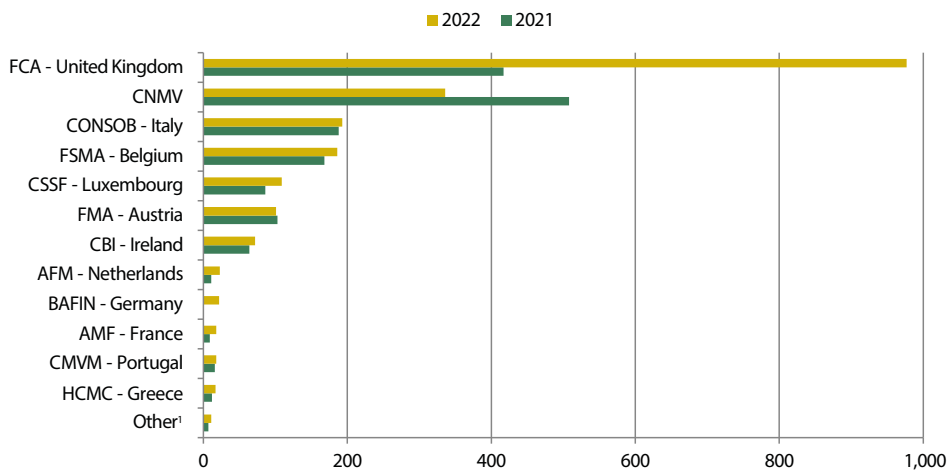
or bankruptcy of securities depositories on the positions held by their clients or the effects for unitholders or shareholders of CISs of the insolvency or bankruptcy of their marketing entity, depository or management company.

### II.6.3 Warnings about unauthorised firms

Through its website, the CNMV issues warnings addressed to investors about entities detected by the CNMV that are not authorised to carry the investment services that they are providing, or that, without having the required authorisation, carry out activities reserved for CISs or crowdfunding platforms in accordance with the regulation that have been detected by the CNMV itself or by other supervisors.<sup>1</sup>

As a result of the search for, investigation and control of entities that operate in financial markets without the corresponding authorisation from the CNMV, in 2022 2,083 warnings were published (31.1% more than in 2021). It should be noted that one regulatory body, the British Financial Conduct Authority (FCA), accounted for 46.9% of the warnings issued, which would rise to 63% if we add those corresponding to the regulator that issued second largest number of warnings – the CNMV (see Figure II.6.3.1). It should be noted that the UK’s FCA and Belgium’s FSMA are regulators that also have powers in the banking and insurance sector, so their warnings also include these areas.

**Number of warnings about unauthorised firms from EU Member States and the United Kingdom** FIGURE II.6.3.1



Source: CNMV. (1) Two supervisory bodies with fewer than nine warnings in 2021 and 2022.

**In 2022, the following warnings were posted on the CNMV’s website:**

- A total of 336 warnings issued by the CNMV on entities not authorised to act in the securities markets, pursuant to the Securities Market Act.<sup>2</sup> This figure is a reduction of 33.9% with respect to 2021 (508), although, as indicated above, it is the second highest in the set of supervisory bodies of countries belonging to the European Union plus the UK supervisor.

1 Since February 2018 it has been possible to make anonymous and confidential notifications to the CNMV of potential infringements regarding the securities market.

2 Articles 17 and 144 of the Securities Market Act.

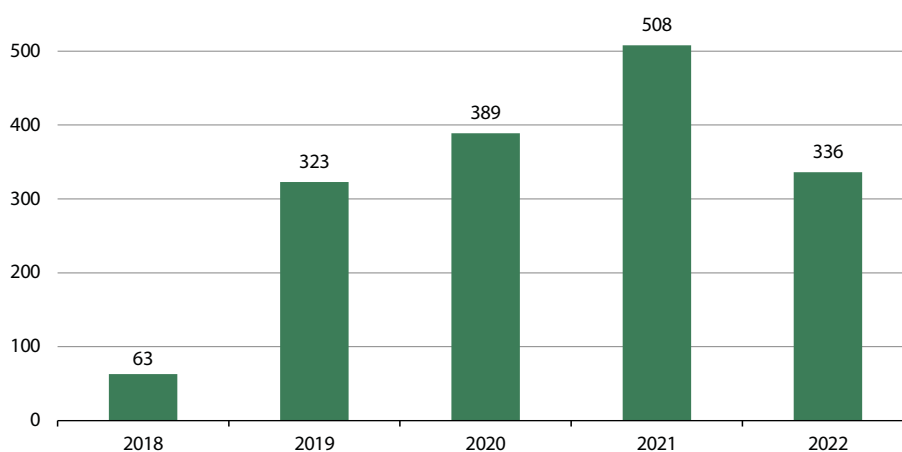
- A total of 1,747 notifications (1,081 in 2021) were received from supervisory bodies of Member States of the European Union and the United Kingdom, of which 1,706 (65% more than in 2021) related to unauthorised firms, and 41 (12.8% less than in 2021) were included under the heading “Other warnings” and related to improper conduct or actions.<sup>3</sup>

As in previous years it was observed that unauthorised entities continue to use new methods in their fraudulent service offers, which allow them more direct access online and through social media, and also allow them to offer, in many cases, fictitious high technological capacity through apparently sophisticated products, with no guarantees or investor protection measure that would be required if they were registered with a financial regulator.

Likewise, they are making substantial changes to some products such as financial contracts for differences (CFDs) and other financial derivatives, or services such as automated algorithmic trading, and new assets such as crypto-assets that are of growing interest to investors.

Number of warnings issued by the CNMV on unregistered entities

FIGURE II.6.3.2



Source: CNMV.

The fraudulent use of the characteristics of entities that are duly registered with the regulators also stands out. These include their domain name or company name and even their official registration number, with they use to mislead investors and obtain their trust, leading them to believe they are operating legally. These fraudulent pages are identified in the warnings published by the CNMV on its website with the word “clone”, which means that they have no relationship with the duly authorised entities that they are impersonating. In 2022, the number of clones warnings rose to 161 (15% more than in 2021).

<sup>3</sup> Since 2010 IOSCO’s website has featured an alerts service on unauthorised entities that includes warnings issued by members of the organisation: [https://www.iosco.org/investor\\_protection/?subsection=investor\\_alerts\\_portal](https://www.iosco.org/investor_protection/?subsection=investor_alerts_portal). Given that not all warnings issued by IOSCO members are communicated in turn to the CNMV, it is recommended to visit this website for further information.

**In a similar manner, in 2022 cases of theft of the CNMV's identity were detected** through telephone calls or through the improper use of its name or other representative elements of its image, such as its logo or documents that its regularly issues (requests, written documents, etc.), with the purpose of misleading investors and gaining their trust in order to provide investment services illegally or directly to defraud them.

Furthermore, for clarification purposes, the CNMV pointed out that the preparation and dissemination of general or non-personalised investment recommendations is not an activity reserved for authorised entities that are registered with the CNMV, since this is an issue that generates confusion among investors. However, it is a regulated activity, even if it is carried out by persons who are not authorised under the Market Abuse Regulation.

It was also specified that the provision of advice is an investment services that can only be carried out by duly authorised investment firms, credit institutions and CIS management companies that are registered in the corresponding register of the CNMV or the Bank of Spain, to the extent that this investment advice refers to specific instruments and is carried out taking into account the specific personal circumstances of the investor being advised.

#### **II.6.4 Warnings about other entities**

**In 2022, 24 entities were added to the list of "Other entities" in the "Warnings to the public" section of the CNMV's website.** This list provides information on those entities that could be carrying out fundraising activities or providing services of a financial nature without having any type of authorisation or being registered for any purpose with the CNMV.

**The list informs investors of the entities that fall outside the scope of supervision of the CNMV** and that are consequently not regulated, authorised or subject to the control of the CNMV. However, inclusion in this list does not imply any statement on the compliance, or otherwise, of any of the corresponding entities' activities with current legislation. The list is taken mainly from searches and analyses conducted online and on social networks.

**In 2022, the 62 entities that offer crypto-asset exchange services were grouped in a separate section of the "Other entities" list** and reference was made, through footnotes, to crypto-assets exchanges that had already been registered in the registry of providers of virtual currency exchange services for fiduciary currency and custody of electronic wallets of the Bank of Spain.

#### **II.6.5 Whistleblowing**

**The CNMV has a special channel for reporting possible infringements** so that any person who is aware of actual or potential infringements relating to the organisation and discipline of securities markets, and who wishes to report in confidentially, may contact the CNMV. This channel is specifically aimed at employees and other persons who provide or have provided services in entities that may have committed infringements relating to the securities markets. In no circumstances may this

channel be used to deal with private claims and complaints or enquiries, as these issues have their own specific channels on the CNMV's website.

**There are several channels enabled for the communication of infractions.** These are: i) by telephone (900 373 363); ii) via email (comunicaciondeinfracciones@cnmv.es); iii) by letter addressed to Comunicación de Infracciones;<sup>4</sup> iv) through the form<sup>5</sup> on the CNMV's website in the "Communication of infringements" section; and v) in person at the CNMV's offices in Madrid.

**These reports must contain factual evidence which may reasonably lead to at least a well-founded suspicion of infringement.<sup>6</sup>**

They must therefore include a detailed description of the potential infringement, the identity of the persons or entities involved in the potential illegal conduct and the dates on which the alleged infringements took place. At any event, the information provided must not be a repetition of other information that has already been made public.

**In 2022, 756 notifications were received, 34.17% fewer than in 2021.** Of these, 237 (31.35%) had used the channel inappropriately, either because the interested party was requesting information or wanted to clarify an issue (it was a query), or expressed disagreement with the performance of an investment firm (a complaint must be filed), or because the question raised was outside the powers attributed to the CNMV.

Of the remaining 519 notifications, 379 related to the alleged commission of reserved activities in the securities markets by unauthorised entities, also known as "financial boiler rooms". Other notifications reported on the advertising of crypto-assets while failing to comply with Circular 1/2022. The investigations carried out on these entities as a result of these notifications led to **the publication of 83 new warnings about financial boiler rooms on the CNMV's website (www.cnmv.es) in 2022.**

**The content 140 notifications fell within the scope of supervisory powers of the CNMV.** However, in 100 of these (more than 70%) it was assessed that they lacked factual elements on which a well-founded suspicion of infringement could reasonably be derived. In most cases, because they were not sufficiently substantiated or were imprecise, or dealt with issues whose scope of competence corresponded in the first instance to third-country supervisory bodies, since in most cases these were entities that provide their services in Spain under the freedom to provide services regime (without a permanent establishment) or securities that are not traded on Spanish markets.

**In 2022, two disciplinary proceedings were opened due to communications sent through this channel in which a well-founded suspicion of infringement was identified.**

---

4 Investors Department - CNMV. Edison, 4 28006 Madrid / Bolivia, 56, (4th floor). 08018 Barcelona.

5 System enabled on the CNMV website to submit communications anonymously. It also allows a confidential and anonymous line of contact to be maintained with the CNMV if the user so wishes.

6 As provided in Article 276 *ter* of the Securities Market Act.



### Financial education plan

**In 2022, the CNMV continued to give priority to the promotion of the national strategy for financial education.** One of the key milestones was the renewal of the Financial Education Plan and the incorporation of the Ministry of Economic Affairs and Digital Transformation as a promoter through the signing of the Agreement for the promotion and development of the Financial Education Plan for the period 2022-2025 with the Bank of Spain and the CNMV.

The launch of this new Plan was carried in an environment shaped by the events caused by the COVID-19 pandemic, which hit the economy, the financial markets and individuals hard.

**As usual, with each renewal of the Financial Education Plan, new objectives have been established for the coming period.** The specific objectives for 2022-2025, on which work began in 2022, are the following: i) to deploy a communication strategy supported by the promotion of the new “Finance for All” website; ii) obtain greater knowledge of the needs of the Spanish population in terms of financial education, based on available statistical information; iii) evaluate the impact and effectiveness of the Financial Education Plan in the years it has been implemented; iv) increase the network of collaborators of the Financial Education Plan by incorporating institutions that can transfer to the Plan the social sensitivities of the groups in which it is more difficult to improve their financial education; v) focus the promotion of financial education on certain groups such as primary school students, vocational training students and university students; vi) develop specific training initiatives adapted to the needs of vulnerable groups: digital skills to avoid vulnerability and prevention of financial fraud, and vii) contribute to the reaching the objectives of the 2030 Agenda.

**Likewise, work continued on the promotion and management of the network of Plan’s collaborators,** which include some public administration services, the finance industry, companies, research institutions, consumer associations and representatives from the educational system. The cooperation of these bodies is essential to meet the objectives of the Plan and to make sure the results filter through to all segments of the population, thus increasing the levels of financial culture in Spain.

**Thus, in 2022 progress was made on new collaboration agreements, with more than 55 institutions now involved in the Financial Education Plan.** New members include Radiotelevisión Española (RTVE), which aims to collaborate in the development of financial education materials and participating in the production and broadcasting of programmes and audiovisual content related to the education and dissemination of personal finance. Likewise, the inclusion in the Plan of the Inspiring Girls Foundation, the Instituto de Actuarios Españoles (the Institute of Spanish Actuaries), the Junior Achievement Foundation and the Economists Without Borders association were approved.

**In the 2021/2022 academic year, the promotion of financial education in schools continued** and, in particular, the Financial Education Programme, to which approximately 476 educational centres registered and a further edition of the Financial Knowledge Contest was held.

In the field of education and in particular in relation to the implementation of Organic Law 3/2020 of 29 December, which amends Organic Law 2/2006 of 3 May, on Education, the CNMV, together with the other promoters of the Financial Education Plan, carried out a far-reaching information campaign among the education ministries of the autonomous communities, to encourage the organised inclusion in their respective curricula of relevant financial education content. Progress can be considered to have been made towards the inclusion of financial competencies in regional educational regulations.

**On 3 October 2022, the eighth edition of Financial Education Day was held, which was organised by the CNMV.** On this occasion, the Day was dedicated to scams and financial fraud under the motto “Education for more secure finance”. As usual, the Financial Education Day had the support of the numerous collaborators of the Financial Education Plan. Specifically, 173 activities were organised, of which 100 were organised by said collaborators.

**The main event of Financial Education Day was held at the CNMV’s headquarters in Barcelona.** The event was attended by the Governor of the Bank of Spain, the Chairperson of the CNMV, the Secretary of Economy and Business Support, the General Secretary of Consumption and Gambling, the General Director of Educational Planning and Management of the Ministry of Education and Vocational Training, and the deputy chief inspector of the central Economic Crimes unit of the Criminal Investigation Division of the Mossos d’Esquadra.

#### ***International forums on financial education***

**The CNMV played an active role in the various international financial education forums, promoting and sharing experiences with other supervisors.** It took part in all the technical meetings of the International Network on Financial Education of the OECD – the leading financial education forum worldwide, of which it is a member – and actively collaborated in the work carried out therein.

**The CNMV also participated in Global Money Week (GMW), an initiative promoted by the OECD** with the aim of making young people aware of the importance of paying attention to their finances from an early age. Under the motto “Build your future, be smart about money” more than 100 financial education initiatives were developed.

**The CNMV is a member of IOSCO’s Committee on Retail Investors (C8), which works towards improving investors’ financial literacy.** In 2022, the CNMV participated actively in the exchange of experiences in financial education. Highlights include the published work *Investor Behaviour and Investor Education in times of turmoil: Recommended Framework for Regulators based on Lessons Learned from the COVID-19 Pandemic* and the work carried out at subgroup level in the field of sustainable finance and financial education.

**In 2022, the CNMV’s participation in the SGFE subgroup of the JC SC CPFI stands out, in particular, the compilation work carried out on national financial education initiatives in the field of cybersecurity, scams and fraud.**

In addition to the educational activities performed as part of the Financial Education Plan, the CNMV carried out training activities and published educational resources specifically aimed at investors.

### *Publications and resources for investors*

In 2022, new resources were published in the “Investors and financial education” section of the CNMV’s website (guides, infographics, online courses, etc.). The main guides were *Taxation of investment funds in personal income tax* and *Taxation of listed shares in personal income tax*, with the aim of informing investors about how much and when it is necessary to pay for the income that is generated.

The guide and course entitled *How to invest in the stock market* were also published, providing information on what must be taken into account before, during and after a decision to invest in the stock market.

A guide and a course on *Scams and frauds* was also published, to help investors learn to identify the different types of scams and frauds.

Lastly, training and information resources were prepared in different formats (guide, infographic, online course and glossary of sustainable finance terms) to explain how to acquire a sustainable financial product, how to assess sustainability preferences and how a financial institution should act to align its advisory or portfolio management service to customer sustainability preferences.

### *Conferences, training seminars and interventions in the media*

As in previous years, the CNMV participated in numerous conferences and seminars in 2022. Educational talks were given in specialised forums such as the EFPA (European Financial Planning Association) Congress in Madrid, a training course for teachers from Murcia in collaboration with the Institute of Credit and Finance of the Region of Murcia (ICREF), a training session for retired teachers from the University of Deusto, in Bilbao, and the CEAPES Congress (State Confederation of Associations of Secondary Economics Teachers) organised by the Afi Emilio Ontiveros Foundation, among many others. The CNMV also appeared in the programme *The adventure of knowledge* broadcast on La 2 TV channel, and on the Twitch Maldita.net channel.

The most vulnerable audiences, such as women at risk of social exclusion and the elderly, also received training and informative talks.

Lastly, the CNMV took part in the IV International Congress on Financial Education on the challenges of financial education in times of paradigm change, organised in Malaga by the Edufinet Project.

### **CNMV Volunteer Programme**

Since 2016, the CNMV has promoted and managed the Financial Education Volunteer Programme with the aim of benefiting from the knowledge, competencies, aptitudes and skills of the institution's professionals, carrying out work to disseminate financial education and simultaneously contribute to one of the CNMV's objectives – investor protection.

#### **Volunteer Programme: the social dimension of the CNMV's activity** EXHIBIT 17

The CNMV Financial Education Volunteer Programme arose in 2017 with the dual purpose of contributing to the improvement of its closest social environment and giving the institution's professionals the opportunity to carry out work to disseminate financial education, in addition to promoting one of the CNMV's objectives – investor protection.

Likewise, the aim of this programme is to continue the commitment taken on by the CNMV, the Bank of Spain and the Ministry of Economic Affairs and Digital Transformation, within the framework of the Financial Education Plan, to contribute to the improvement of financial culture in Spanish society.

The Volunteer Programme, in which 114 employees – one quarter of the workforce – are involved, is focused on carrying out activities to disseminate financial education and training in this area. These activities include: talks for students, consumers or vulnerable groups; participation in sector conferences or appearances in the media.

The implementation of the Volunteer Programme has also opened a new channel of communication with the public and is a way of detecting new challenges that will need to be faced in the future to provide better investor protection.

Through the programme the CNMV also contributes to the fourth Sustainable Development Goal of the 2030 Agenda, which is to “ensure inclusive and equitable quality education and promote lifelong learning opportunities for all”. This objective is based on the belief that quality education is key to preventing poverty, reducing social inequalities and providing people with greater opportunities. Financial education can be considered a basic tool for the implementation of this goal and a previous step for the different inclusions, since it promotes informed decision-making, the generation of good saving and spending habits, responsible consumption and an interest in sustainable investment.

Since 2017, numerous activities have been carried out to enhance the financial education of a large number of people. In 2022 alone, 31 volunteer activities were carried out, of which 38% were aimed at young people between the ages of 12 and 25, 13% were aimed at people at risk of exclusion, 6% at children between the ages of 3 and 12, and the remaining 42% at adults between the ages of 25 and 65.

The activities aimed at vulnerable groups includes CNMV's collaboration with **Cáritas** since November 2021, which consists of giving a monthly talk on financial education to its target groups and which has allowed it to reach out to around 700 people. With respect to children, in addition to talks in various schools, the CNMV's participation since 2018 in the **4.º ESO + empresa** programme stands out, under which students from different schools in Madrid enjoy a three-day stay at the CNMV every year to learn from its professionals how the institution works. For university students, the CNMV collaborates with different universities such as the Complutense University and the Carlos III University in the organisation of sessions on the stock markets for their students.

In addition, as part of the Volunteer Programme, specific initiatives have been carried out to explain what the CNMV is, its main functions and the services it provides, to raise awareness of its market monitoring and surveillance as a mechanism to protect investors.

In the coming years, the CNMV Volunteer Programme will continue to be promoted as an instrument to involve its employees in improving the financial education of the Spanish population and in the sustainable development of the institution. Therefore, it will be expanded and its scope will be increased, with its priority groups being mainly the vulnerable population or those at risk of social exclusion, the elderly and the youngest members of society.



## II.7 Disciplinary action

The CNMV has disciplinary powers in relation to infractions of the rules of order and discipline of the stock market. These powers extend to the securities markets and the activity of all natural and legal persons involved in trading on them. These rules give it the power to initiate and draw up the corresponding disciplinary proceedings for very serious, serious and minor infringements, and to impose the appropriate penalties.

The imposition of penalties, as a necessary part of the regulation and supervision of the securities market, has as a corollary in the Spanish legal system the possibility of having sanctioning resolutions reviewed – through administrative means, which up until Law 6/2023, of 17 March, on the Securities Markets and Investment Firms, corresponded to the Ministry of Economic Affairs and Digital Transformation, following an appeal – and by the contentious-administrative jurisdiction in court,<sup>1</sup> all without prejudice to the actions carried out by the CNMV before said bodies in defence of the general interests entrusted to it. Within these functions, the CNMV collaborates in the defence of contested penalty rulings, as well as with respect to the rest of the resolutions issued by the CNMV within the framework of its powers. Likewise, it provides whatever collaboration is required by the competent judicial authorities or the public prosecutor's office in matters related to the securities market.

### II.7.1 Disciplinary proceedings

In 2022, the CNMV Executive Committee initiated<sup>2</sup> 14 new disciplinary proceedings involving a total of 23 alleged infringements (see Tables II.7.1.1. and II.7.1.2).

Disciplinary proceedings were opened in relation to: 15 infringements for market abuse (ten for market manipulation, three for the use of inside information and two for other breaches), three infringements for the breach of rules of conduct in relation to clients or investors, and the remainder for breaches of the general regulations governing firms, collective investment schemes (CISs) and crowdfunding platforms.

The initial agreements for these proceedings included proposed fines for a total amount of €2,134,000.

---

1 Until the beginning of 2023, penalty rulings could be appealed against before the Ministry of Economic Affairs and Digital Transformation, which is no longer possible following the reform of the Securities Market Act, as explained in Section II.7.2.

2 In accordance with Article 273.1.a) of the Securities Market Act, the initiation and investigation of disciplinary proceedings corresponds to the CNMV.

Disciplinary action in 2022, in terms of the number of proceedings filed, was in line with the previous year, with only a slight decrease (14 proceedings filed, compared to 16 in the previous year).

### Proceedings initiated and concluded

TABLE II.7.1.1

	2021	2022
<b>Number of proceedings initiated</b>	<b>16</b>	<b>14</b>
<b>Number of proceedings concluded</b>	<b>13</b>	<b>19</b>
Of which:		
Initiated in 2019	2	-
Initiated in 2020	4	-
Initiated in 2021	7	9
Initiated in 2022	-	10

Source: CNMV.

**In the course of the year, the CNMV implemented 21 disciplinary rulings<sup>3</sup> which concluded 19 proceedings, of which nine were initiated in 2021 and ten in 2022.** In 16 of these proceedings, some or all of the alleged offenders availed themselves of early termination as provided in Article 85 of Law 39/2015 of 1 October on the Common Administrative Procedure of Public Administrations, which allows termination of the proceedings by means of voluntary acknowledgement of liability by the alleged offender or voluntary payment, with application of reductions to the monetary fines provided for in the Law. The time for processing each case naturally varies according to its complexity, but in 2022 the average processing time was reduced to five months (compared with seven months in 2021).

Table II.7.1.2 shows the nature of the breaches addressed in the disciplinary proceedings concluded in 2022 and statistical Annex III.2 shows a summary of the disciplinary decisions adopted by the CNMV. Of the disciplinary decisions adopted by the Board of the CNMV, it is worth highlighting, due to their number, those relating to infringements in the area of market abuse, which amounted to 20 (ten for market manipulation, eight for the use of inside information and two for other breaches in this area). These accounted for 57% of the infringements that were awarded a penalty.

**In the 21 disciplinary decisions adopted by the CNMV in 2022, 45 fines were imposed for a total amount of €6,387,000, and one penalty involved the removal from office with a general disqualification for a period of three years** (see Table II.7.1.3). Furthermore, various disciplinary rulings relating to serious or very serious infringements were added to the public register of penalties in 2022, once they had been legally confirmed,<sup>4</sup> with fines for a total amount of €8,672,000 applied, as disclosed on the CNMV's website. At the close of the year, fines for the amount of €720,000 were pending legal confirmation and inclusion in the register of penalties.

3 In accordance with Article 273.1.b) of the Securities Market Act, the imposition of penalties for very serious, serious and minor infringements corresponds to the CNMV.

4 In accordance with Article 313 *ter* of the Securities Market Act, the CNMV will make public on its official website, through the corresponding register, and without undue delay, any decision by which a penalty is imposed, after the persons penalised have been notified.



## Number of infringements of each type addressed in disciplinary proceedings

TABLE II.7.1.2

	Initiated		Concluded	
	2021	2022	2021	2022
<b>Very serious breaches</b>	<b>22</b>	<b>7</b>	<b>17</b>	<b>16</b>
I. Failure to disclose/incorrect disclosure of significant holdings or treasury stock transactions	-	-	1	-
II. Breach of disclosure requirements by issuers	3	-	2	2
III. Breach of reserved activities	2	-	1	2
IV. Breach of rules of conduct	4	3	3	3
V. Breach of general investment firm regulations	2	-	-	2
VI. Breach of general crowdfunding platform regulations	-	2	2	-
VII. Breach of general CIS regulations	2	-	1	2
VIII. Non-compliance regarding short positions	1	-	1	-
IX. Market manipulation	-	-	1	-
X. Inside information	8	2	5	5
<b>Serious breaches</b>	<b>5</b>	<b>16</b>	<b>1</b>	<b>18</b>
I. Breach of rules of conduct	2	-	-	2
II. Breach of general investment firm regulations	-	2	-	1
III. Breach of general CIS regulations	-	1	-	-
IV. Inside information	3	1	1	3
V. Market manipulation	-	10	-	10
VI. Other market abuse breaches	-	2	-	2
<b>Minor breaches</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>1</b>

Source: CNMV.

## Penalties imposed

TABLE II.7.1.3

	2021			2022		
	No.	Amount <sup>1</sup>	Period <sup>2</sup>	No.	Amount <sup>1</sup>	Period <sup>2</sup>
I. Fine	31	4,710	-	45	6,387	-
II. Removal/general disqualification	-	-	-	1	-	3

Source: CNMV. (1) Thousands of euros. (2) Years.

## II.7.2 Litigation department: judicial review of disciplinary proceedings and other actions

In 2022, an important change took place with regard to the review of the CNMV's decisions on disciplinary matters, with the elimination of the right to appeal before the Ministry of Economic Affairs and Digital Transformation. As of the entry into force of the new Securities Market and Investment Services Act on 7 April 2023, the disciplinary rulings of the CNMV may only be reviewed in contentious-administrative judicial proceedings.

In 2022, 11 appeals were filed with the Ministry of Economic Affairs and Digital Transformation against disciplinary decisions, two of which was dismissed in the same year. In addition, the Ministry issued four inadmissibility resolutions in respect of appeals filed in 2021, all of them regarding penalties.

In terms of court rulings, in 2022, ten contentious-administrative appeals were filed, eight of them against disciplinary rulings, one against a deficiency letter from the General Directorate of Markets for the reclassification of independent directors and one against a ruling on transparency.

**15 of the total of 18 of the court rulings handed down in 2022 related to disciplinary proceedings.** Specifically, the National Court handed down 12 dismissal rulings that led to the full upholding of disciplinary rulings under appeal, although appeals in cassation were prepared against three of these, and to a partial upholding ruling that annulled two of the seven penalties imposed, for which appeals in cassation were also filed. The Supreme Court ruled an appeal that led to the ratification of the contested disciplinary ruling. Likewise, the Constitutional Court dismissed an appeal for amparo filed against a disciplinary ruling and the publication of the penalty in the Official State Gazette (*BOE*) (see Table 7.2.1 and Annex III.3).

**The three rulings issued by the courts in appeals filed against non-disciplinary rulings all backed the action taken by the CNMV.** The National Court handed down a ruling of dismissal and another of inadmissibility – both of which were appealed in cassation – in the contentious-administrative appeals filed against the authorisation agreements for two takeover bids. Lastly, the Supreme Court dismissed the appeal filed against a ruling of the National High Court which did not admit the appeal filed against the authorisation of a request for delisting of the shares of an entity.

**Additionally, CNMV experts provided assistance, in the exercise of their functions, to judges and courts and to the public prosecutor's office. The number of requests for collaboration received in 2022 (94) decreased with regard to the total processed in the previous year (133).** Although cooperation with civil courts (34) stood out, the largest number of requests (48) came from the criminal courts. These requests referred mainly to the following areas: i) information on whether entities are authorised to provide investment services; ii) investigation actions and disciplinary rulings issued in the proceedings processed by the CNMV; iii) notices of attachment (which are the competency of the governing bodies); iv) identification of the securities owned by natural persons or entities (an issue corresponding to the depository entities of said securities); v) assets securitisations; vi) prospectuses, and more generally, vii) the production of evidence or requests for data or documents in procedures of various kinds brought before different courts or in investigative actions carried out by the public prosecutor's office.

**Cases in which the CNMV participated in 2022**

TABLE II.7.2.1

	Presented	Resolved
<b>Administrative appeals</b>	<b>11</b>	<b>6</b>
Appeals to a higher court	11	6
Motions to set aside the decision	-	-
<b>Appeals to the courts against administrative decisions/cassation/ writ of protection</b>	<b>10</b>	<b>18</b>
	<b>Requests for assistance received</b>	
<b>Assistance to courts</b>		<b>94</b>

Source: CNMV.

### II.7.3 Complaints

Securities markets  
and their agents  
Disciplinary action

In 2022, two documents were filed with the CNMV that were formally classified as administrative complaints. The first referred to the alleged breach of the obligation to notify the issuer and the CNMV of voting rights held on shares of a listed company. The second uncovered a potential breach relating to the veracity of the information contained in a communication submitted to the CNMV and the publication of price-sensitive information.

As at 31 December 2022, following the appropriate investigative actions carried out by the corresponding CNMV Directorates, both complaints were resolved.



## II.8 International cooperation and activity

**In 2022, the CNMV further strengthened its work in the international sphere by increasing its participation in the committees of the international organisations and authorities to which it belongs.** The contributions made by the CNMV in the area of investor protection and market integrity in the European Securities and Markets Authority (ESMA) stand out, in addition to the area of sustainability in ESMA and in the International Organization of Securities Commissions (IOSCO). The CNMV's management has chaired or co-chaired the committees set up to address these issues. Furthermore, in the Financial Stability Board (FSB), a representative of the CNMV co-chairs the Cross-Border Crisis Management Group for Financial Market Infrastructures (fmiCBCM). Likewise, the IOSCO working group on best practices on sustainability in the fund industry and among rating providers has been co-chaired by the CNMV. In general, leadership of these committees has enabled the authority to be more proactive in promoting the best standards and practices, and ensuring greater homogeneity in their implementation.

**In relation to the other international tasks involving the CNMV, those of the FSB standards implementation group (SCSI) stood out.** This group worked on non-bank financial intermediation and the potential problems of a lack of liquidity in fund assets in situations of stress. The CNMV also contributed to the Ibero-American Securities Market Institute, by sharing experiences and knowledge on various matters, most notably financial information, market supervision and crypto-assets. The CNMV dedicated resources to the discussions held by the Parliament and the Council of the European Union on various legislative packages, especially those related to the revision of the Alternative Funds Directive and amendments to the MiFID/MiFIR Directive.

**In 2022, the CNMV contributed to the main work included in the activities of global (IOSCO) and European (European Commission, ESMA) standard-setters.** Thus, in the field of sustainable finance, demanding standards or recommendations on the denomination of funds were promoted to prevent greenwashing and ensure that investor preferences are taken into account in the works addressing their protection against the impact of inflation in their portfolios and in the digital sphere regarding the promotion of the works in anticipation of MICA/DORA/ DLT Pilot. Regarding non-bank financial intermediation, the importance of access to relevant information by the national competent authorities (NCAs) was also stressed.

**The CNMV's senior management remained fully involved in international organisations and forums.** As in 2021, the chair of the CNMV continued to chair two permanent committees of ESMA: the intermediaries and investor protection, and market integrity committees. Until 1 December, the deputy chair of the CNMV was the chair of ESMA's Coordination Network on Sustainability (CNS) . During her tenure, the CNS developed various lines of work on greenwashing. She is also a member of IOSCO's finance and audit committee (FAC). In November 2022, ESMA

redesigned its standing committees to reduce their number and align them with its new strategy, whereby a new markets committee was set up, headed by the chair of the CNMV since 1 December, which brings together three of the previous standing committees (the secondary markets, market integrity and post-trading committees) and the temporary group on commodities. On that date, the chair of the CNMV concluded his mandate as chair of the intermediaries and investor protection committee. In November he was also appointed chair of the IOSCO temporary group on sustainable finance, of which he was previously deputy-chair.

In 2022, the CNMV attended a total of 925 international meetings (999 in 2021), in which 102 people participated. The lower number of meetings is due to the decrease in the number held in IOSCO, which went from 301 meetings to 155, due to the increase in face-to-face meetings, which usually replace two or more virtual meetings. At ESMA, the CNMV took part in 393 meetings compared to 404 in 2021. Likewise, the CNMV attended 48 meetings at the FSB and 33 meetings of the Joint Committee of the three European supervisory authorities. The most significant increase occurred in the area of bilateral meetings with NCAs and government institutions, the number of which went from 114 in 2021 to 189 in 2022, due to increased relations with the Swiss authority following the acquisition by the Swiss group SIX of the BME group, and a greater participation in the expert groups of the European Commission (31 meetings in 2022).

**Number of meetings in which the CNMV participated in 2022**

TABLE II.8.1

Body	Number of meetings
ESMA	393
IOSCO	155
FSB	48
Joint committee	33
ANNA	11
ESRB	13
NCAs and government institutions	189
Private institutions	83
<b>Total</b>	<b>925</b>

Source: CNMV.

### II.8.1 Cooperation and information sharing with foreign authorities

The collaboration agreements signed by the CNMV with other securities supervisors allow the exchange of relevant information to efficiently supervise increasingly globalised financial markets. Since the signing of IOSCO agreement in 2003, the CNMV has been cooperating even more closely with securities supervisors around the world.

In 2022, there was a drop of 11% in requests for international collaboration, mainly due to the lower number of requests sent by the CNMV to the authorities of other markets. Specifically, in 2022 the number of collaboration requests received amounted to 201 (10% more than in 2021) and the number of requests sent was 148 (30% less). Of the collaboration requests received, 30% (60) were related to information to assess the suitability and repute (fit & proper assessments), 18% (36)

were related to investigations and cross-border supervisory actions, and 52% (105) were related to suspicious transaction and order reports (STORs). Of the 105 suspicious transactions received, 74% (78) referred to the possible use of inside information and the rest to possible manipulation of the equity market. The foreign regulators submitting the largest number of collaboration requests to the CNMV were the FCA, from the United Kingdom (27%); BaFin, from Germany (17%), and the AMF, from France (10%).

**By contrast, requests for collaboration made by the CNMV fell by 30%, mainly due to the decrease in STORs, which went from 105 in 2021 to 78 in 2022 (-25%).** 88% (69 reports) of suspicious orders submitted related to the possible use of inside information and the remaining 12% to possible market manipulation. 35% of the applications submitted (53) referred to investigative actions and cross-border supervision and 11.5% (17) to information to assess good repute and suitability. The foreign regulators to which the CNMV sent the greatest number of collaboration requests in 2021 were BaFin, from Germany (20%); the AMF, from France (18%); and the FCA, from the United Kingdom (13%).

## Collaboration actions

TABLE II.8.1.1

	Sent	Received	Total
2018	93	158	251
2019	199	253	452
2020	193	198	391
2021	211	182	393
2022	148	201	349
% change 22/21	-30	10	-11

Source: CNMV.

## Cooperation agreements

**In June 2022, a bilateral mutual assistance and cooperation agreement was signed between the National Securities and Stock Market Commission of Ukraine (NSSMC) and the CNMV,** which contemplates the exchange of communications and consultations between both institutions with the aim of promoting cooperation in matters of the securities markets between Ukraine and Spain. It should be noted that, although it is being processed, the NSSMC of Ukraine has not yet signed the IOSCO MOU.

**Likewise, in October 2022 the Superintendence of the Stock Market (SMV) of Panama and the CNMV signed a new mutual assistance and cooperation agreement,** which replaces the one signed on 24 July 1995, to include new areas of collaboration such as technological innovation in the financial field or sustainable finance. Coinciding with the signing of said agreement, the CNMV held a technical training session with SMV staff in which they exchanged knowledge about crypto-assets and Fintech, in addition to supervisory procedures for investment firms.

The CNMV also continued its technical collaboration with other securities supervisors, mainly from Latin America, such as the assistance provided to the National Banking and Securities Commission of Mexico on the reporting of information on securities transactions to information repositories.

## II.8.2 Participation of the CNMV in the European Securities and Markets Authority (ESMA) activities: strategy and governance, supervisory convergence and horizontal issues

The CNMV is a member of ESMA's Board of Supervisors (BoS) and, since the beginning of 2022, the chair of the CNMV has been a member of its Management Board. In addition, the CNMV participates in the different committees and working groups of the European authority with the aim of fulfilling its mission (investor protection, market integrity and financial stability) through the drafting of a single regulatory code, facilitating risk assessment, promoting supervisory convergence and the direct supervision of certain entities.

### Multi-year strategy and new governance structure

**On 10 October, ESMA published its new strategy for 2023-2028, in which it describes its priorities for the five-year period.** It also indicates how it plans to use its skills and tools to respond to future challenges and developments in relation to strengthening supervision, improving retail investor protection, promoting efficient markets and financial stability, as well as promoting sustainable finance, technological innovation<sup>1</sup> and the effective use of data.

**The strategy has three priorities and two thematic drivers that constitute its main elements.** These priorities are: i) the promotion of efficient markets and financial stability by supporting initiatives that facilitate the development of the integrity and efficiency of the European capital markets and increasing transparency with the future implementation of the European Single Access Point (ESAP); ii) strengthening the supervision of financial markets in the European Union (EU), promoting a common supervisory culture, risk prioritisation and convergence of supervisory approaches and results, and iii) improving the protection of retail investors through actions relating to effective participation and information disclosure.

The thematic drivers (cross-cutting themes) are:

- i) The incorporation of sustainability in all its activities and compliance with the priorities of the ESMA roadmap on sustainable finance.<sup>2</sup>
- ii) The promotion of innovation and the effective use of data, seeking to ensure that regulation does not hinder the application of new technologies and guarantees a level playing field between market participants and emerging and traditional products. To do this, ESMA will evaluate the impact of the technologies used and the implementation of the next EU legislation in this matter. ESMA will strengthen its role as the EU financial information and data centre (ESAP) and contribute to extending the effective use of data in the supervision of financial markets.

---

1 ESMA's most important works in the field of sustainable finance and technological innovation can be found in the chapters of this report related to these matters (see Chapters II.9 "Sustainable finance" and II.10 "Fintech and cybersecurity").

2 The effectiveness and integrity of ESG reporting, improving ESG regulation and supervision, and the leading role of retail investors in financing the transition to a greener economy.



To implement this strategy in the best way, ESMA made an adjustment to its governance structure. This led to a decrease in the number of first-level committees that report directly to the Board of Supervisors and of the working groups that carry out the technical work for said committees, seeking to rationalise the distribution of powers. ESMA's structure is made up of the following committees:

- Data Standing Committee.
- Digital Finance Standing Committee.
- Investment Management Standing Committee.
- Investor Protection Standing Committee.
- Issuers Standing Committee.
- Markets Standing Committee.
- Proportionality and Coordination Standing Committee.
- Risk Standing Committee.
- Sustainability Standing Committee.
- Senior Supervisory Forum.

In December 2022, the new committee chairs were appointed, who took up their posts on 1 January 2023.

**ESMA continued preparing to assume its new powers in 2022 and its new structure consequently incorporated new supervisory committees which, except in the case of the CCPs, were previously task forces or networks.** The following committees were added to the central counterparty supervisory committees and the network of credit rating agencies: a Supervision Policy Committee-benchmarks, for the supervision of critical EU benchmark index managers and those of indices of third countries, and a Supervision Policy Committee-horizontal, which covers the supervision of the other entities subject to direct supervision of ESMA (rating agencies, trade repositories, securitisation repositories and data service providers).

**The processing of the Regulation on the Single European Access Point (ESAP) continued during 2022.** According to the different proposals of the European co-legislators, ESMA will be responsible for managing the single point, which will include financial and non-financial information on listed companies (among others those that trade in the SME growth markets) and information on the sustainability of large listed and unlisted companies. The digital format of the information will allow the use (and reuse) of the data without cost.

**In addition, the Regulations of Digital Operational Resilience (DORA) and on the Pilot Regime for Market Infrastructures Based on Distributed Ledger Technology (DLT Pilot Regime) attribute new functions to ESMA.** The DORA Regulation states that the AES will determine who are essential third-party providers of technological services for financial institutions and will designate a main supervisor (ESMA, EBA or EIOPA) for each of them.

## Supervisory convergence

**The work on supervisory convergence is based on the identification of the areas of greatest risk that may affect ESMA's objectives.** To do this, the NCAs first share the main supervisory risks detected in their respective jurisdictions, through the Senior Supervisory Forum (the forum that brings together senior experts tasked with supervising ESMA members). This information, together with the collection of data through different channels, allows ESMA to determine what its priority actions should be each, with the ultimate goal of achieving a common supervisory culture based on risk and data, while at the same time focusing on results.

**Key tools to achieve this objective are the two strategic supervisory priorities of the European Union that ESMA will identify every three years from 2020.** In October 2022, ESMA changed one of its priorities by replacing “retail investment product costs and returns” with “ESG disclosure”. ESMA will promote the transparency and understandability of environmental, social and governance (ESG) data disclosures in key segments of the sustainable finance value chain (issuers, investment managers or investment firms), thereby addressing the issue of greenwashing while promoting a more effective and consistent oversight of ESG disclosures.

In relation to the “costs and performance of retail investment products” priority, ESMA and the NCAs carried out actions in 2022 that included joint supervisory actions on costs and tariffs within the framework of the UCITS and MiFID II directives and on product suitability and governance requirements in MiFID II, in addition to the annual statistical report on monitoring the behaviour of costs (see Chapter II.3 “Supervision of entities”). With regard to the second priority, “market data quality” set in 2020 and continuing in 2023, ESMA has developed and applied common methodologies and thematic reviews.

**Another essential tool to promote supervisory convergence at EU level is the peer review.** ESMA worked on two discretionary reviews during 2022, one on the supervision of cross-border activities of investment firms and credit institutions<sup>3</sup> aimed at retail clients, and another on how the NCAs have managed the relocation of companies from the United Kingdom to the European Union in the context of Brexit.<sup>4</sup> The results of the first review were published in early 2022 and described in the CNMV's *Annual report for 2021*.<sup>5</sup> The second review, published in December 2022, focused on jurisdictions where further relocation of activities was anticipated: AFM (the Netherlands) and AMF (France) for fund managers and trading venues, BaFIN (Germany) and CySEC (Cyprus) for MiFID investment firms, CSSF (Luxembourg) for fund managers and CBoI (Ireland) for all activities. ESMA's recommendations to all NCAs included improving the assessment of the suitability of the internal control function of the relocated entity, proportionality in the use of subcontracting/delegation arrangements in UK entities and the suitability of the governance structure of the relocated entities to guarantee their soundness from the authorisation phase.

---

3 [https://www.esma.europa.eu/sites/default/files/library/esma42-111-5534\\_report\\_peer\\_review\\_cross-border\\_activities\\_investment\\_firms.pdf](https://www.esma.europa.eu/sites/default/files/library/esma42-111-5534_report_peer_review_cross-border_activities_investment_firms.pdf)

4 [https://www.esma.europa.eu/sites/default/files/library/esma42-111-7468\\_brexit\\_peer\\_review\\_report.pdf](https://www.esma.europa.eu/sites/default/files/library/esma42-111-7468_brexit_peer_review_report.pdf)

5 For the first time, ESMA included as follow-up measures resulting from the evaluation two specific recommendations (to increase human resources and strengthen supervision) addressed to the Cypriot NCA (CySEC).

ESMA also carried out several mandatory peer reviews. ESMA completed the evaluation of the examination and approval procedure for prospectuses,<sup>6</sup> which revealed the different approaches adopted by the authorities. Although the evaluation was, in general, satisfactory, it contains recommendations to improve the process and achieve greater supervisory convergence that facilitates issuers' access to financing in the European Union. In relation to the supervision of EU central counterparties (CCPs) by national competent authorities,<sup>7</sup> the 2022 assessment focused on CCPs' compliance with the requirements of the EMIR Regulation on business continuity, in particular in regard to remote access. The overall result of the evaluation was positive, although the report contains observations on operational risks, the scope of the penetration tests and the inclusion of extreme scenarios in the continuity plan.

In 2022, ESMA published a follow-up report on the evaluation of the financial information enforcement guidelines<sup>8</sup> made in 2017. It confirmed the improvements made by the seven NCAs analysed – HCMC (EL), MNB (HU), FCMC (LV), MFSA (MT), CMVM (PT), FSA (RO), FI (SE) – through the allocation of additional resources to the supervision of financial information, and it was highlighted that the review of the guidelines had required additional resources due to the greater requirements and the inclusion of non-financial information.

ESMA dedicated resources to achieving convergence in the area of enforcement through the initiatives carried out by the network of inspection departments and the litigation of the NCAs (Enforcement Network). Activities worth highlighting are the exchange of information on real cases to share experiences and practices between NCAs and training for all national authorities on specific investigative practices. ESMA and the Enforcement Network held various meetings with the European Commission to help achieve legislative changes or launch other types of initiatives to improve the legislative framework and move towards convergence in this area.

---

6 [https://www.esma.europa.eu/sites/default/files/library/esma42-111-7170\\_final\\_report\\_-\\_prospectus\\_peer\\_review.pdf](https://www.esma.europa.eu/sites/default/files/library/esma42-111-7170_final_report_-_prospectus_peer_review.pdf)

7 [https://www.esma.europa.eu/sites/default/files/library/esma91-372-2064\\_2021\\_peer\\_review\\_of\\_eu\\_ccp\\_supervision.pdf](https://www.esma.europa.eu/sites/default/files/library/esma91-372-2064_2021_peer_review_of_eu_ccp_supervision.pdf)

8 [https://www.esma.europa.eu/sites/default/files/library/esma42-111-6889\\_follow-up\\_to\\_glefi\\_peer\\_review\\_report.pdf](https://www.esma.europa.eu/sites/default/files/library/esma42-111-6889_follow-up_to_glefi_peer_review_report.pdf)

	ESMA guidelines	CNMV's position	Date of notification
1	Guidelines on methodology, oversight function and record keeping under the benchmarks regulation	Compliance	03/02/2022
2	Guidelines on settlement fails reporting under Article 7 of the CSDR	Compliance	01/02/2022
3	Guidelines on certain aspects of the MiFID II compliance function requirements	Compliance	10/05/2022
4	Guidelines on the delay in the disclosure of inside information and interactions with prudential supervision	Compliance	20/05/2022
5	Guidelines on common procedures and methodologies on supervisory review and evaluation process of CCPs under Article 21 of EMIR	Compliance	05/07/2022
6	Guidelines on stress tests scenarios under Article 28 of the money market funds (MMF) Regulation (update)	Compliance	01/08/2022

Source: CNMV.

The ESMA guidelines and recommendations are one of the most significant instruments for achieving supervisory convergence among its members. In 2022, the CNMV informed ESMA of compliance with the guidelines (either from the date of notification or, in one case, from the date on which the necessary legal amendments are made – as shown in the table II.8.2.1. ESMA publishes this information on its website and, in the event that any member does not commit to complying with the guidelines in whole or in part, this is disclosed publicly. ESMA may even disclose the reasons provided by the NCA for not implementing the guideline, after notifying said authority.

### Other ESMA actions

In its work on the regulatory procedure on post-trading in 2022, ESMA provided technical advice to the European Commission on two delegated acts for the implementation of the EMIR Regulation in the form of temporary measures affecting the requests for collateral from non-financial market participants, in the sense that these requests for collateral were softened (higher exemption threshold and a broader range of eligible assets).

ESMA, together with the European Banking Authority (EBA) and the European Insurance and Occupational Pensions Authority (EIOPA) submitted to the European Commission the final report on regulatory technical standards (RTS) on the disclosure of the exposure of financial products to investments in fossil gas and nuclear energy in accordance with the Sustainable Finance Disclosure Regulation (SFDR). In this report the addition of specific disclosures is proposed to provide transparency on investments in certain economic activities, under very strict criteria, relating to generation and co-generation using nuclear and gas energy that are eligible or aligned with the taxonomy. The first annual report on the scope of the voluntary disclosure of major adverse impacts under the SFDR was also published, which concluded that the application of the requirements varied across jurisdictions. It includes a preliminary indicative and non-exhaustive overview of examples of best practices and less satisfactory cases. Work was carried out to update the main level 2 adverse indicators existing, specifically to include more social and governance indicators, as previously requested by the European Parliament.

Lastly, the European Supervisory Authorities delivered to the European Commission their response to the request for technical advice on the review of the PRIIPs Regulation. This delivery, which came in the context of the upcoming retail

investment strategy, suggested a broad review of the PRIIP Regulation (changes to the KIID to include sustainable objectives/product characteristics or improvements in the comparability in products with multiple options, among others).

### II.8.3 IOSCO: priorities, news, participation of the CNMV

The CNMV is an ordinary member of IOSCO, forms part of its Presidents' Committee and has the right to vote in all IOSCO committees. Likewise, as the supervisor of one of the 17 largest global securities markets, the CNMV is a nominated member of the IOSCO Board, a position which was ratified for the next four years at the IOSCO assembly in October 2022. The CNMV is a member of its standing committees, as well as specific working groups and contributes to the work that the international organisation performs in the implementation of international standards for the securities markets, and its close collaboration with the FSB and G20.

2022 marked the 20th anniversary of the IOSCO Multilateral Memorandum of Understanding, which, since it was signed in 2002, has provided securities supervisors around the world with a key tool to combat fraudulent conduct and improve investor protection and market integrity. Thanks to this agreement, in 2021 more than 5,500 exchanges of information were carried out in relation to international collaboration actions in the securities markets.

IOSCO's work programme for 2021 and 2022 focused on the following areas:

- i) Financial stability and systemic risks of NBFIs activity.
- ii) Risks exacerbated by the COVID-19 pandemic such as misconduct, operational resilience and fraud.
- iii) Sustainable finance.
- iv) Passive investing and index providers.
- v) Fragmentation of the securities and derivatives markets.
- vi) Crypto-assets.
- vii) Artificial intelligence and machine learning.
- viii) Retail distribution and digitisation.

#### Financial stability and systemic risks of NBFIs activity

In this area, the thematic review of IOSCO's 2018 recommendations for the management of liquidity risk for collective investment institutions<sup>9</sup> stood out. The report carried out by the Financial Stability Engagement Group (FSEG) indicated that the level of implementation of the recommendations is high, especially in the larger markets, and identified potential areas for improvement.

---

<sup>9</sup> OICV-IOSCO (2022). *Thematic Review on Liquidity Risk Management Recommendations* (FR13/22). November.

At the beginning of 2022 IOSCO published a report containing investment funds statistics, which, in addition to information on hedge funds, included, for the first time, data on the open-ended and closed-end investment funds of 50 jurisdictions.<sup>10</sup> The report analyses, among other aspects, leverage, liquidity management, counterparty risk and collateral needs. It highlighted that leverage in the investment fund sector remained relatively low and pointed out that, under normal conditions, hedge funds have sufficiently liquid portfolios to meet customer redemptions. It also stressed the need to improve the availability of data to carry out more comprehensive analyses of funds' liquidity management.

IOSCO also carried out an analysis of the corporate bond market and the determinants of liquidity during the period of stress that affected in the markets during the pandemic.<sup>11</sup> Comments and responses received to the April 2022 discussion paper were presented in the November 2022 report. The main conclusions included a need to increase transparency and data availability which would make it easier for new participants to operate in this market.

The report drafted with the Basel Committee on Banking Supervision (BCBS) and the Committee on Payments and Market Infrastructures (CPMI) about measures to improve the resilience of the NBFIs sector was also published, in which margin calls made to counterparties in the markets in March and April 2020<sup>12</sup> were studied. The report concluded that these margins had been relatively stable in that period, both in the markets with centralised settlement mechanisms and in non-centralised markets, and recommended further work be carried out to improve the functioning of the settlement systems.

In relation to CCPs, the FSB, the CPMI and IOSCO published a report in which they examined the financial resources and tools available for the recovery and resolution of said entities, as well as the potential impact of their use on financial stability.<sup>13</sup> The document concluded that the work resolution tools should be extended, and an analysis made of the benefits and costs of other resolution alternatives. In addition, the CPMI and IOSCO continued their follow-up work on the application of the Principles of Financial Market Infrastructures (PFMI), with special attention paid to financial tools and resources for the recovery and resilience of CCPs.

### Financial innovation

In the area of technological innovation, a working group was set up in 2022 to implement a far-reaching plan to develop regulatory policy proposals and monitor their progress and potential risks for the protection of investors and the integrity of the markets. The group established one line of work focused on the crypto-asset and digital asset markets, and another that focused on decentralised finance. In the area of financial stability, it will coordinate with the FSB and the report containing the recommendations on regulatory policy is expected to be published at the end of 2023.

---

10 OICV-IOSCO (2022). *IOSCO Investment Funds Statistics Report* (FR01/2022). January.

11 OICV-IOSCO (2022). *Corporate Bond Markets – Drivers of Liquidity During COVID-19 Induced Market Stresses - Feedback Statement to the Discussion Paper of April 2022* (OR08/22). April

12 BIS and OICV-IOSCO (2022). *Review of margining practices*. September.

13 FSB, BIS and OICV-IOSCO (2022). *Central Counterparty Financial Resources for Recovery and Resolution* (FR03/2022). 10 March.

In the area of decentralised finance, in its March 2022 report<sup>14</sup> IOSCO analysed the main products, services and participants in this market and pointed out that it is an area in constant flux that replicates the activities and services of traditional financial markets, but with a much lower level of investor protection.

### Investor protection

**IOSCO is studying the changes and trends observed in the behaviour of retail investors as a result of technological innovations, the growing use of social networks and changes in market conditions, among other factors.** In March 2022, it submitted a report for consultation describing new investment practices and highlighting the increase and sophistication of fraudulent activity and misconduct.<sup>15</sup> Lastly, recommendations guide for regulators was presented, which included the use of technological tools to provide for early detection and rapid intervention in the event of fraudulent practices.

**Additionally, in October 2022, IOSCO published a report on retail trade and digitisation,** in which the potential risks of the increase in e-commerce, the change in the investors' behaviour, the increasing use of social networks, the marketing of complex products such as crypto-assets and the evolution of frauds and scams associated with the digitisation and globalisation of markets<sup>16</sup> were identified. The report proposed a set of supervisory measures (to be implemented with a flexible and proactive approach) to respond to the new challenges associated with the marketing and distribution of financial products online. This report was complemented by another report published in November 2022, which analysed the impact of the pandemic on investor behaviour and financial education initiatives, and included recommendations, good practices, and protection and educational measures for investors in crisis situations.

**In the area of financial reporting, in October 2022, IOSCO announced that it is working in cooperation with the International Valuation Standards Council,** to expand the knowledge of the evaluation principles and processes used by appraisers, including aspects related to governance and due diligence, among others. The two bodies will work closely together to improve the quality of the valuation standards and of the financial information that is available to investors.

### II.8.4 Financial Stability Board (FSB)

**The FSB's priority enforcement areas – and those of greater relevance for the CNMV – in 2022, which will continue in 2023, are as follows:**

- **Continuing the work to address vulnerabilities in the NBFIs sector.** One of the main vulnerabilities identified was the high leverage levels, through derivatives, of commodity traders and entities with little or no regulation such as family offices, which have been greatly affected by the impact of the larger margins required as a result of the market volatility. Another action in the

---

14 OICV-IOSCO (2022). *IOSCO Decentralized Finance Report* (OR01/2022). March.

15 OICV-IOSCO (2022). *Retail Market Conduct Task Force* (CR03/2022). March.

16 OICV-IOSCO (2022). *Report on Retail Distribution and Digitalisation* (FR12/22). October.



same area was to deal with liquidity mismatches in open-ended investment funds.

- **The structural vulnerabilities and intrinsic volatility of crypto-assets prompted the G20 to commission the FSB to develop a global regulatory framework for crypto-assets in 2022, to be completed in 2023.** This action, carried out in coordination with various standard-setting bodies (International Organization of Securities Commission – IOSCO –; the Basel Committee on Banking Supervision – BCBS –; the Committee on Payments and Market Infrastructures – CPMI –; and the International Association of Insurance Supervisors – IAIS –), was complemented with recommendations for global agreements on stablecoins and monitoring the decentralised finance (DeFi) sector.
- **Climate change remains a priority for regulators and supervisors, given its implications for financial stability.** In 2022, the FSB continued to coordinate the work to address the financial risks associated with climate change, taking as a reference the climate road map of July 2021. A key part of this work are the actions carried out by the International Sustainability Standards Board (ISSB) on global standards for the disclosure and reporting of climate information, which will be completed in the first half of 2023.

Other relevant work carried out by the FSB in 2022 related to cybersecurity and operational resilience, and the strengthening of cross-border payment systems.

The CNMV (in the person of its chair) is a member of one of the standing committees of the FSB, the Standing Committee on Standards Implementation (SCSI). The CNMV also co-chairs a subgroup on the resolution of CCPs and is a member of the group that carried out the annual monitoring and evaluation exercise on NBFIs. CNMV staff also regularly participate in FSB working groups and subgroups.

### **II.8.5 Instituto Iberoamericano del Mercado de Valores (Ibero-American Securities Market Institute) (IIMV)**

The CNMV chairs the Board of Trustees of the Ibero-American Securities Market Institute, which, together with the rest of the trustees, promotes and facilitates the human resources of many of the Institute's projects. The Board of Trustees took account of the work programme established by the Board of Authorities held on 9 February 2022. The CNMV provided experts in training activities on cybersecurity and crypto-assets, international financial reporting standards, corporate governance and sustainable finance.

The COVID-19 situation in some countries of the region meant that the first meeting of the Board of Authorities was held virtually in February 2022, while the second was held in person, in Lima in November 2022. The Board, which is the highest body of the Institute, comprising the presidents and superintendents of its members, approved the training plan for 2022. At the meeting, the Board of Authorities agreed to relaunch some face-to-face activities in the second part of the year and highlighted the need for training in cybersecurity, crypto-assets and sustainable finance. The Board approved the continuation of the training programme carried out by the IIMV, which included courses on international financial reporting standards, corporate governance, updating the capital markets regulation among its members and market supervision.



The main activities carried out in 2022, by type, were as follows:

- Nine virtual training activities: courses on cybersecurity, international financial reporting standards, supervision, investor protection, corporate governance and sustainable finance.
- Two workshops on warnings and supervision of unregistered cross-border entities, in addition to Regtech and Suptech.
- A colloquium on regulatory innovation to promote Fintech projects.
- Three cooperation and dissemination activities.

**Almost one thousand people attended the courses, workshops, colloquiums and conferences held in 2022, almost all of which were officials of the superintendencies and securities commissions.** The activities on Fintech, Regtech and Suptech had the highest attendance. Approximately 35 experts on average attended the more specialised training provided, except for the course on 65 technicians. The courses have an average length of five weeks.

**The IIMV also carries out two different dissemination activities.** The first is the publication of a magazine (Login – IIMV ([rimv.org](http://rimv.org)), which includes articles on sustainable finance, Fintech (DLT), corporate governance and examples of capital market development. The second dissemination activity, which was introduced in 2022 and is now permanent, is the publication of a bulletin on developments in the regulation and supervision of IIMV members, which has led members to share their experiences bilaterally. In 2022 the IIMV published eight bulletins of this type (<https://www.iimv.org/boletines/>).

**Lastly, in regard to the work carried out in 2022, the IIMV organised other activities that were not planned by the Board of Authorities but were requested by members during the year.** The main activities in 2022 were: the preparation of a table of regulations on loans to employees of brokerage firms (traders), requested by Colombia's SFC; collaboration in the dissemination of the informative session on the transition of LIBOR USD, organised by Spain's CNMV; participation in the first Dialogue for Regulatory and Operational Convergence of the Capital Markets of Central America and the Caribbean held in the Dominican Republic, at the initiative of the Dominican Republic's SIMV; and the participation of officials from IIMV member countries in the Sustainable Finance course initiated by CNMV in 2022.

With regard to its work plan for 2023, the IIMV's Board of Authorities met in Lima on 3 November 2022. At its meetings, the following issues, among others, were discussed: sustainable finance, crypto-assets, Fintech and technological innovations, financing of SMEs, the prevention and supervision of non-regulated investments and asset management. Based on these discussions, the IIMV drew up its activities for 2023, which will revolve around these subjects.



## II.9 Sustainable finance

In 2022, the CNMV continued to work on promoting the development of sustainable finance, thus contributing to the transition towards a more sustainable and inclusive economy. This work was part of the CNMV's strategic priorities and objectives for the period 2021-2022, which included, as a strategic line, redirecting capital flows into investments that favour sustainable growth, ensuring the reliability of the investor information.

### II.9.1 Context and regulatory developments

**In 2022, the regulatory work on sustainable finance continued at a fast pace, with significant progress made on three legislative initiatives that are a relevant part of the Action Plan on Sustainable Finance:**

- **In January 2023, Directive (EU) 2022/2464 on corporate sustainability reporting<sup>1</sup> (CSRD)<sup>2</sup> entered into force, which reinforces current regulations on non-financial reporting<sup>3</sup> (Non-Financial Reporting Directive – NFRD).** The new Directive expands the content of information to be reported and extends the range of companies obliged to disclose information on these matters. Sustainability reporting must be presented in a specific section of the management report. The companies will have to report in accordance with the European Sustainability Reporting Standards (ESRS), whose drafts have been developed by the European Financial Reporting Advisory Group (EFRAG). The CNMV will consult European Union (EU) bodies and Member States before implementing the standards in delegated acts in June 2023, followed by a period of scrutiny by the European Parliament and the Council. The Directive will be applied in four phases; the first will be applicable in 2024 for the reports published in 2025 by large companies that are public interest entities and exceed the average number of 500 employees. In the second phase, for years beginning on or after 1 January 2025, it will be applied to large companies that are not currently subject to the NFRD that meet at least two of the following three criteria: i) average number of employees during the year of over 250, ii) annual turnover of over €40 million, and iii) total assets of over €20 million. The third phase, for years beginning on or after 1 January 2026, will apply to small and medium-sized companies issuing securities admitted to trading on regulated markets that are not micro-enterprises, to small and non-complex credit

---

1 Directive (EU) 2022/2464 of the European Parliament and of the Council, of 14 December 2022, amending Regulation (EU) No. 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting.

2 The transposition of this Directive into Spanish legislation is currently in progress.

3 Directive 2014/95/EU of the European Parliament and of the Council, of 22 October 2014, amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups.

institutions. and to captive insurance and reinsurance companies. Lastly, for years beginning on or after 1 January 2028, it will be applied to companies from third countries that generate a turnover of more than €150 million in the European Union and have a subsidiary or branch that exceeds certain thresholds.

- **In December 2022, the European Council also adopted its negotiating position on the Corporate Sustainability Due Diligence Directive (CSDD)** thus marking the start of negotiations with the European Parliament. This Directive aims to improve the protection of the environment and human rights in the EU and beyond through obligations on companies to identify, prevent or mitigate the adverse effects of their activities, or put an end to them. Parliament is scheduled to adopt its final position in May 2023 and the European institutions are expected to agree on a final text later in the year.
- **A provisional agreement was recently reached on the Regulation on European green bonds.** Although discussions between the Council, the Parliament and the Commission were not concluded in 2022, they were resumed under the Swedish presidency of the Council in the first half of 2023 and the Coreper approved the final text on 10 May 2023. Therefore, the final text is expected to be approved shortly by the European Council and Parliament, after which it will be applied 12 months after its entry into force. The regulation is intended to lay the foundations for the voluntary “European green bond” standard for bonds that pursue environmental objectives under the Taxonomy Regulation, and thus also reduce the risk of greenwashing in fixed income markets.

**Significant progress was also made on other initiatives that had already been approved, affecting among others, market participants and issuers of securities.**

- **With regard to the Taxonomy on sustainable activities of the European Union (Regulation (EU) 2020/852), the complementary Delegated Act referring to nuclear energy and gas was published<sup>4</sup> in July, applicable from 1 January.** This delegated act establishes the technical selection criteria that must be met to ensure that certain economic activities of generation or co-generation using gas or nuclear energy are added, with certain restrictions, as transitional activities, in addition to those already defined by the first delegated act on the mitigation of and adaptation to climate change.

**In the first half of 2023, the European Commission is expected to publish the Delegated Act that will include the technical selection criteria of the other four environmental objectives of Article 9 of the Taxonomy Regulation:<sup>5</sup> sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and recovery of biodiversity and ecosystems.** To date, the Sustainable Finance

---

4 Commission Delegated Regulation (EU) 2022/1214, of 9 March 2022, amending Delegated Regulation (EU) 2021/2139 as regards to economic activities in certain energy sectors and Delegated Regulation (EU) 2021/2178 on the public disclosure of specific economic activities.

5 Commission Delegated Regulation (EU) 2021/2139, of 4 June 2021, supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives.

Platform<sup>6</sup> has issued a proposal and a detailed annex that establishes a technical recommendations plan for these objectives. On 5 April 2023, the European Commission published the draft delegated regulation that implements the taxonomy of the other four environmental objectives, together with a draft amendment to Delegated Regulation 2021/2139, which implements the adaptation and mitigation objectives, after which a period of four weeks was established for the submission of comments (until 3 May).

- **In relation to Regulation (EU) 2019/2088 of the European Parliament and of the Council, of 27 November 2019, sustainability-related disclosures in the financial services sector (SFDR), in July 2022, the technical standards that participants in financial markets must use for sustainability-related disclosures were published,**<sup>7</sup> and subsequently corrected in December. These standards specify the details regarding the content and presentation to be complied with by information relating to the “do not significant harm” principle, specifying the content, methods and presentation for disclosures relating to sustainability indicators and adverse sustainability events, as well as the content and presentation of information relating to the promotion of environmental or social characteristics and sustainable investment objectives in pre-contractual documents, on websites and in periodic reports.

Likewise, in October, in order to expand the disclosures that provide transparency on investments in economic activities related to gas and nuclear energy, the European Commission made corrections to this delegated regulation, which is currently under the scrutiny of the European Parliament and the Council.

2 August 2022 marked the entry into force of Delegated Regulation (EU) 2021/1253, of 22 April 2021, amending Delegated Regulation (EU) 2017/565 as regards the integration of sustainability factors, risks and preferences into certain organisational requirements and operating conditions for investment firms. Under this Regulation, investment firms must integrate clients’ sustainability preferences into the suitability assessment process when providing investment advice or discretionary portfolio management services.

**Mention should also be made of the work carried out by ESMA in 2022, in which the CNMV was an active participant:**

- **Publication, in February, of the roadmap on sustainable finance for 2022-2024,** in which three priorities were identified in the area of sustainable finance: i) to reduce the risk of greenwashing and promote transparency; ii)

---

6 The Platform on Sustainable Finance is an advisory body of the European Commission created under Article 20 of the Taxonomy Regulation. Its main objective is to advise the European Commission on the implementation and usability of the sustainable finance taxonomy and the framework in general. The Platform brings together the experience in sustainability of the corporate and public sector, industry, academia, civil society and the financial industry.

7 Commission Delegated Regulation (EU) 2022/1288, of 6 April 2022, which completes Regulation (EU) 2019/2088 of the European Parliament and of the Council with regard to regulatory technical standards specifying the details of the content and presentation of the information in relation to the principle of “do no significant harm”, specifying the content, methodologies and presentation of information in relation to sustainability indicators and adverse sustainability impacts, and the content and presentation of the information in relation to the promotion of environmental or social characteristics and sustainable investment objectives in pre-contractual documents, on websites and in periodic reports.

develop the capacities of the NCAs and ESMA in the field of sustainable finance, and iii) supervise, evaluate and analyse markets and risks related to environmental, social and governance (ESG) aspects.

- Likewise, the European supervisor published its strategy for 2023-2028 in October, with sustainability being one of the five key enforcement areas. Additionally, ESMA plans to incorporate ESG factors more broadly into its own activities.
- ESMA published its implementation calendar up until 2024 for sustainable finance regulations for the SFDR, trade repositories (TRs), the CSRD, Markets in Financial Instruments Directive (MiFID), the Insurance Distribution Directive (IDD), Undertakings for Collective Investment in Transferable Securities (UCITS) and for the Alternative Investment Fund Management Companies Directive (AIFMD).
- Additionally, the institution announced in October that it is changing its strategic supervision priorities of the European Union to include ESG policy disclosures, along with the quality of the market data. This new priority is an important step in the implementation of its strategy, which gives a prominent role to sustainable finance.

## II.9.2 CNMV actions

Following the strategic lines established for 2021-2022, in 2022 the CNMV undertook various actions on sustainability in the capital markets.

### Actions to facilitate the role of the stock markets in the transition towards a more sustainable and inclusive economy

In the field of investment services, the obligation to include sustainability preferences in the suitability assessment stands out, which entered into force on 2 August 2022, following the amendment of Delegated Regulation 2017/565. In order to provide guidance for the sector, and given the novelty of the regulations, the CNMV issued a statement in July,<sup>8</sup> highlighting the entry into force of this regulation and its intention to include the ESMA guidelines, once approved,<sup>9</sup> into its supervisory processes. Likewise, the CNMV noted that the personnel of the entities that collect information from clients must have sufficient knowledge to be able to explain in simple language and in an understandable manner the different aspects on which the collection of their sustainability preferences are based.

Similarly, on 4 October, the CNMV issued a statement addressed to the management companies of collective investment schemes (CISs)<sup>10</sup> on the upcoming regulatory changes. The statement highlighted that at the beginning of 2023 various

---

8 <https://www.cnmv.es/WebServices/VerDocumento/Ver?t=%7b0456e82c-f674-486f-89bd-d0c-11c64ee68%7d>

9 The guidelines were published on 3 April 2023 and will enter into force six months after their translation into all the official languages of the European Union.

10 <https://www.cnmv.es/WebServices/VerDocumento/Ver?t=%7b442abdea-740f-4447-82a3-ff53eb2baf-d1%7d>

European regulations that affect CISs would enter into force, and that it would require a significant effort by the management companies to adapt to these changes. The changes included an obligation to prepare and register an annex to CIS prospectuses that promote sustainability or that have sustainable investments as their target. The CNMV emphasised the need to plan these adjustments well in advance and with sufficient detail, and with a timely allocation of resources. The CNMV established procedures to facilitate, as far as possible, the required changes and offered to collaborate with the entities to clarify any aspects if needed.

**In addition to the above, in July, the CNMV updated its “Questions and Answers about the sustainability regulations applicable to financial products: Regulation 2019/2088 (SFDR) and Regulation 2020/852 (Taxonomy)”**,<sup>11</sup> published on 12 November 2021. This update includes the improvements approved by the European Commission on 6 April 2022, in the final version of the regulatory technical standards implementing the SFDR. Likewise, ESMA’s changes were added in its Supervisory Briefing published on 31 May 2022, on sustainability risks and disclosures in the area of investment management. The improvements made by the European Commission were also incorporated, through its Decision of 13 May 2022 on the answers to the questions presented by the European supervisory authorities on 10 December 2021, where it clarifies certain issues and establishes additional criteria related to SFDR and the Taxonomy Regulations.

**Likewise, several supervisory activities carried out by the CNMV to contribute to an effective application of the regulatory framework for sustainable finance stand out.**

The CNMV published separately for the first time its *Report on the CNMV’s supervision of non-financial information (NFIS) for 2020 and main enforcement priorities for the following financial year*.<sup>12</sup> Of the 145 issuers, 43 were required to include an NFIS in their individual management report, and 96 in their consolidated report (30% and 71% of the total, respectively). The CNMV highlights the importance of verified and unverified information being accurately identified and traceable. Institutions must continue to improve their disclosures, which must be clearer and more specific: it is about indicating what an entity does to create value, how it does it and why, and the role played by the different stakeholders – customers, suppliers, franchisees, employees, shareholders, etc. – in this process. In the supervision of the NFIS for 2021, special attention will be paid to the information on the entities’ greenhouse gas (GHG) emissions, the information perimeter and value chain, and the impact of COVID-19 will continue to be reviewed.

Furthermore, for the entities that were subject to a substantive review of their 2021 annual reporting, an analysis was made of the consistency between the reporting included in the financial statements and that included in the statement of non-financial information with regard to the effects and risks derived from climate change. The results of the analysis will be published in the annual supervision report, detailing the review carried out, the results identified and proposals for possible improvements to be applied in the following years.

11 [https://www.cnmv.es/docportal/Legislacion/FAQ/PyR\\_Sostenibilidad\\_pdtos\\_finan\\_en.pdf](https://www.cnmv.es/docportal/Legislacion/FAQ/PyR_Sostenibilidad_pdtos_finan_en.pdf)

12 [https://www.cnmv.es/DocPortal/Publicaciones/Informes/EINF\\_2020.pdf](https://www.cnmv.es/DocPortal/Publicaciones/Informes/EINF_2020.pdf)

In addition, two working papers were drawn up that were recently been published on the CNMV's website.<sup>13, 14</sup> The first report is entitled *Spanish securities issuers and their relationship with climate change*, and its objective is to quantify the degree of alignment with the climate goals of the Paris Agreement and with the regulations of the European Union and to evaluate the risk deriving from climate change on the financial system. In addition, an evaluation was made on the extent to which the challenges deriving from climate change have been incorporated into the area of corporate governance, the risks and opportunities identified and specific emission reduction goals set. The second document, *Measuring Transition Risk in Investment Funds*, reflects the quantification, through the performance of stress tests, of climate risk on Spanish investment funds.

### The CNMV's international activities in the area of sustainable finance

In 2022, the CNMV, in the exercise of its functions, contributed to the regulatory development of sustainable finance through an increasingly greater presence in the national and international discussions.

In November, the CNMV took part in COP27<sup>15</sup> in various events related to sustainable finance. The chair of the CNMV attended these events, in his capacity as deputy chair of the IOSCO Sustainability Working Group, alongside director Helena Viñes, as a member of the High Level Group of the UN Secretary General on commitments to net zero emissions.

In December 2022, IOSCO appointed the chair of the CNMV, Rodrigo Buenaventura, as chair of the IOSCO Sustainability Working Group. Since then, the Chairperson has directed IOSCO's work on of the International Sustainability Standards Board (ISSB), the issuance of good practices and carbon emissions markets.

Furthermore, at European level, Montserrat Martínez, deputy-chair of the CNMV, has been the chair of ESMA's Coordination Network on sustainability. This group has been the driver of key projects such as the publication of the *Call for Evidence on Greenwashing*, whose objective is to contribute to the work of the European Commission to improve the understanding of this phenomenon through specific cases and thus build an appropriate framework to identify, prevent and, where appropriate, penalise potential greenwashing practices.

### Other actions

Other types of actions carried out by the CNMV during 2022 also stand out, aimed at enhancing the disclosure of information on sustainable finance.

On 26 October, the CNMV hosted a conference named "Moving towards more sustainable finance", on recent developments in the field of sustainable finance with three panels moderated by the CNMV and attended by industry experts (the

---

13 [http://www.cnmv.es/DocPortal/Publicaciones/MONOGRAFIAS/Monografia\\_60\\_en.pdf](http://www.cnmv.es/DocPortal/Publicaciones/MONOGRAFIAS/Monografia_60_en.pdf)

14 [http://www.cnmv.es/DocPortal/Publicaciones/MONOGRAFIAS/Monografia\\_60\\_en.pdf](http://www.cnmv.es/DocPortal/Publicaciones/MONOGRAFIAS/Monografia_60_en.pdf)

15 The COP or Conference of the Parties is the meeting of the signatory countries of the United Nations Framework Convention on Climate Change (UNFCCC). At this meeting, political decisions are made at the international level to combat climate change or reduce greenhouse gas emissions.



first, on decarbonisation paths and taxonomy, the two pillars of the European strategy; the second, on the future reporting framework on sustainability, and the third, on asset management – in particular, more sustainable portfolios and funds). The conference was held at the CNMV's head offices and was closed by the First Deputy President of the Government and Minister of Economic Affairs and Digital Transformation, Nadia Calviño, and the Chair of the CNMV, Rodrigo Buenaventura. It was opened by the deputy-chair of the CNMV, Montserrat Martínez Parera. The conference is available on the CNMV's website.

**As part of its work in the area of financial education, the CNMV carried out various activities to improve sustainable finance skills.** Thus, as part of its information campaign for investors in ESG products, the quick guide on *Sustainable finance* were complemented with content to train and provide an understanding of ESG products, their eventual risks and the new regulation. In addition, a glossary was created on the CNMV's website showing terms related to sustainability. A basic interactive course was designed and presented, which is also available on the CNMV's website.<sup>16</sup> This course is presented in plain language and its content focuses on the most relevant aspects, with a quiz at the end to check what attendees have learned about sustainable finance. Lastly, a highly visual infographic was prepared and published containing basic information on sustainable finance.

**Furthermore, to reinforce the knowledge of all CNMV staff members in the area of sustainable finance, in November, a series of “training pills” were launched.** This training, with a largely practical content, provides knowledge on recent regulations, asset management and sustainable investment strategies, European taxonomy, ESG factors in the marketing of financial products and sustainability-related disclosures.

**In addition, on 10 March 2022, the CNMV Board Resolution, of 28 February 2022, amending the internal regulations of the CNMV was published in the Official State Gazette (BOE).**<sup>17</sup> This reform of the internal regulations aims to adjust the organisational structure of the CNMV to its new functions, particularly those that will be developed in the area of sustainable finance. The functions carried out by the General Directorate of Strategic Policy and International Affairs will include functions relating to the coordination of sustainable finance matters, and the name of the Department of Strategy and Innovation will be changed to the Department of Strategy, Innovation and Sustainable Finance, to give greater visibility to this function and to reflect the future importance of sustainable finance.

Lastly, as part of its commitment to sustainability, in 2022 the CNMV started the **implementation and development of its global environmental sustainability plan as an organisation.** This process is expected to take several years.

---

16 <https://www.cnmv.es/Cursos/Educacion-Financiera/Finanzas-Sostenibles/index.html>

17 BOE-A17 BOE-A-2022-3718. CNMV Board Resolution, of 28 February 2022, amending the CNMV's Internal Regulations.



## II.10 Fintech and cybersecurity

One of the CNMV's priorities is to promote the use of technological innovations in the provision of financial services. This priority seeks to find a balance between the promotion of innovation and the prevention of the associated risks, in order to maintain the integrity of the securities markets and safeguard investor protection. This was reflected in its strategy for 2021-2022 and in its 2022 Activity Plan. This year, it is also worth noting the work carried out by the CNMV to comply with Circular 1/2022, of 10 January, of the National Securities Market Commission,<sup>1</sup> which regulates advertising on crypto-assets for the purposes of investment. The main lines of action 2022 were as follows.

### II.10.1 Fintech Portal

Through this portal (innovation hub), created in 2016, regulatory information is provided to sponsors of innovative projects who, due to their business model, carry out activities related to the securities markets. It is an informal space visited by both small companies (start-ups) and the innovation departments of established financial sector entities. Through this space, the CNMV also learns about new services and products based on new technologies that are available and innovation in the financial sector, in addition to providing regulatory guidance to promoters of these types of projects.

#### Enquiries received on the Fintech Portal

TABLE II.10.1.1

Verticals	2021	2022
Crowdfunding platforms	8	5
Crypto-assets and blockchain	98	97
Token sales	48	55
Exchanges	10	8
Other	40	34
Robo advice and management	11	7
Customer relations	0	2
Technology provider	1	5
Other	23	19
<b>Total</b>	<b>141</b>	<b>135</b>

Source: CNMV.

<sup>1</sup> [https://www.boe.es/diario\\_boe/txt.php?id=BOE-A-2022-666](https://www.boe.es/diario_boe/txt.php?id=BOE-A-2022-666)

Since the launch of the Fintech Portal, a total of 711 enquiries have been received. The number of inquiries received in 2022 is shown below, broken down according to the type of associated project (vertical) and compared with those received during 2021.

The most frequent enquiries in 2022 were those related to crypto-assets and blockchain technology. There were many corresponding to issues of crypto-assets, requesting clarification of the nature of tokens and asking whether crypto-assets were considered transferable securities under the CNMV's criteria. Likewise, many enquiries were received in relation to tokenisation platforms, crypto-asset exchanges, advice on crypto-assets and DeFi (decentralised finance) services and products.

### The crypto-asset market, regulatory development and actions of the authorities

EXHIBIT 18

The prices of the main crypto-assets dropped significant at the close of 2022, after the highs reached in November 2021. Bitcoin and Ether were down more than 60%, with Spanish tokens, such as Solana, which lost more than 90% of its value, affected to a much greater extent. In addition to the prices potentially correcting after reaching their highs, in 2022 several events occurred that had a strong negative impact on the crypto-asset ecosystem, such as the collapse of Terra, a crypto-asset that claimed to be stable against the dollar while having no reserves of this currency, the lack of liquidity of the Celsius loan protocol and above all the default of the FTX crypto-asset trading platform, which did not have the balance of crypto-assets acquired by its clients. As these crypto-assets are not legally separate from FTX assets in certain jurisdictions, they became part of the bankruptcy process. This made the need for regulations that protect investors and oblige these service providers to segregate their clients' crypto-assets and protect them in crisis situations affecting the entity even more apparent.

These events have further highlighted the significant risks of the provision of crypto-asset services without a solid regulatory framework. In Europe, the Regulation on crypto-asset markets, known as MiCA, and on the text of which an agreement was reached between the European Parliament and the Council in October, will regulate the issuance, offer and trading of crypto-assets, as well as the provision services relating to these assets and the rules for the prevention of market abuse. The case of FTX, where various irregularities and bad practices could have been incurred, must be analysed and taken into account in the supervisory authorities' application of MiCA, which, in this particular case, will not be apply until 18 months after its publication, during which period the second and third level regulations referred to in this regulation will be developed.

In Spain, a major step was taken in 2022 in terms of investor protection in the area of crypto-assets, through the regulation of advertising that promotes investment in these products. In January 2022, the CNMV Circular on the advertising of crypto-assets for investment purposes<sup>1</sup> was published. This regulatory initiative will complement MiCA, where it is applicable, since the regulation does not specifically address this matter.

Specifically, the Circular establishes the rules, principles and criteria to which the advertising of crypto-assets for the purposes of investment must adhere, but does not regulate their issuance or the provision of services in this area. It introduces the obligation to issue warnings about the risks involved and provide advance notice of mass advertising campaigns. The application of this Circular at the end of February had a significant impact in the sector, where many mass campaigns with a large impact capacity were already underway.

Pursuant to this Circular, between February and December 2022, the CNMV processed 116 information proceedings and analysed 957 advertising items. In most cases, administrative actions were ceased, mainly after the entities corrected the mismatches detected in their advertising campaigns. The average duration of the advertising campaigns was 150 days.

The most used advertising media were social networks, web pages and online search engines. Apart from the entities' web pages, the most widely used advertising channels were banners, videos and advertisements. Due to the media impact, the holding of events focused on crypto-assets should be highlighted, in addition to advertising in sports competitions, such as the placement of billboards in Formula 1 events, and the sponsorship of football teams.

In addition to supervisory actions on advertising, the CNMV played an important advisory role in 2022, as evidenced by the 41 enquires responded to in relation to Circular 1/2022.

The CNMV also considered it important to monitor and follow up on the level of knowledge and use of crypto currencies in Spain. To do this, in May 2022, it carried out a survey among people between the ages of 16 and 70 to quantify the level of investment in these assets, knowledge about them, investment motivation and barriers, and risk perception. The report containing the results of this survey is available on the CNMV's website<sup>2</sup> and in the *CNMV Bulletin*.<sup>3</sup> It should particularly be noted that close to 60% of the people surveyed stated that they had heard something about crypto currencies, but knew very little about this activity; 6.8% had invested at some time and 10.2% indicated their intention to do so in the future, with the younger population showing the greatest interest. In addition, a fairly substantial percentage (68%) were unaware or harboured a misconception about the fact that crypto currencies are not subject to a regulatory framework – with a few minor exceptions, such as in the area of advertising. However, the perception that this type of product has more risks than other types of investment is widespread (60.3%) and this represents an entry barrier.

1 CNMV Circular 1/2022, of 10 January. <https://www.cnmv.es/portal/inversor/Publicidad-Cripto-activos.aspx>

2 <https://www.cnmv.es/portal/verDoc.axd?t={714e1e4c-b334-4252-b1f5-677cf438bcb5}>

3 See the article De Miguel, D. and Palomar, M.J. (2022). "Results of the survey on crypto-currencies and effectiveness of the measures promoted by the CNMV". *CNMV Bulletin*, Quarter III, pp. 119-155. Available at: [https://www.cnmv.es/DocPortal/Publicaciones/Boletin/BT\\_III\\_ENen.pdf](https://www.cnmv.es/DocPortal/Publicaciones/Boletin/BT_III_ENen.pdf)

## II.10.2 Sandbox

The regulatory sandbox is a mechanism that allows the controlled and limited performance of tests, under the supervision of the competent authorities (CNMV, Bank of Spain and the General Directorate of Insurance and Pension Funds), to analyse the feasibility of new business models or the use of new technologies in the provision of financial services. It was launched in 2021 in accordance with the provisions of Law 7/2020 of 13 November for the digital transformation of the financial system.

**This rule provides for two annual calls (cohorts) (March and September) to allow promoters to request access to the sandbox.** In 2022, the third and fourth cohorts were launched.

- **The third cohort was published on 22 December 2021.** The period for submitting applications began on 1 March and ended on 12 April 2022. A total of six applications were received.

On 15 June 2022, a list was published containing the three projects presented to the sandbox that had received a favourable evaluation. The CNMV was the competent authority of one of these projects. Namely, the Securitize project, an infrastructure based on distributed ledger technologies that allows crypto-assets to be issued and traded with the consideration of MiFID II financial instruments, offering issuers certain services for the management of these instruments.

- **The fourth cohort was published on 27 July 2022.** The period for submitting applications began on 1 September and ended on 13 October 2022. A total of seven projects were received.

On 20 December 2022, the list of projects presented to the sandbox that had received a favourable prior evaluation was published, with the CNMV being the competent authority in three projects. The Bank of Spain participates as an observer in one of these. The projects are the following:

- **NEXTGEN:** a DLT multilateral trading system in which UCITS-type CIS shares will be traded and the market members will be the market makers.
- **OpenBrick:** a platform based on distributed ledger technology for the issuance, trading and settlement of financial instruments in the real estate sector. The promoters of real estate projects will be the issuers of the shares or bonds.
- **Token City Exchange:** a platform based on distributed registry technology for the issuance, trading and settlement of financial instruments issued by companies in any sector, especially aimed at small and medium-sized enterprises.

**In 2022, the testing of the three projects in the first call was completed.** For the project on “Issuance and custody of tokenised shares of an investment fund”, it was concluded that given its ability to standardise and automate DLT processes, the project could have great potential to reduce and streamline all backoffice processes,

facilitate internal and external reporting processes and offer benefits in the supervisory process and in relations with third parties.

It also highlights the potential of technology to improve the supervisory function. The CNMV has had a supervisory node<sup>2</sup> to monitor the performance of the fund's units in real time, in addition to subscription and redemption activity and settlement, as well as the publication of the daily net asset value.

Distributed ledger technology can offer new Suptech/Regtech tools, either by monitoring activity on supervisor nodes or by running smart contracts. However, it is necessary to know about and test its usefulness in specific cases and using different infrastructures to be able to assess it properly. The sandbox is providing the appropriate means for this and therefore an effort is being made to include new monitoring and regulatory compliance tools, where applicable.

**Regarding the other two, the “marketplace project” and the “realfund” project,** in both cases it was revealed that the lack of express recognition of the representation of traded securities through DLT in the Spanish legal system limited the scope of the testing. However, and as mentioned below, the new text of the Securities Market and Investment Services Act (LMVSI Project) was approved in March 2023, which, among other important novelties, includes DLT-based systems as a valid form of representation for financial instruments and, therefore, of traded securities, which will grant legal certainty to the issuance of financial instruments carried out using this technology.

**The tests were completed for project in the second cohort, named “Creation of an investment vehicle in decentralised lending protocols” in 2022 and the promoter is preparing a conclusions report.** In this project it was proposed to test a solution, based on technology block-chain technology, which would allow investments in stablecoins to obtain passive returns on decentralised finance (DeFi) loan protocols, through a regulated investment vehicle, specifically, a hedge fund, managed by Imantia Capital, SGIIC, S.A. Although crypto-assets such as stablecoins are not considered eligible securities for investments in these types of funds, their use has been allowed for testing purposes.

The custody of the private keys of the crypto-assets was carried out by a specialised custodian, Onyze Digital Assets, S.L., and it was possible to test the process of subscription, conversion and redemption of crypto-assets with DeFi protocols in coordination with the current settlement methods. Likewise, it was possible to verify that the supervisor could have access to the transaction data by monitoring the public blockchain network.

---

2 This denomination is awarded when the supervisor is part of the blockchain network through a node with specific capabilities.

## The sandbox and DLT-based market infrastructures

EXHIBIT 19

The sandbox has become a good tool for the implementation of the new Pilot Regime Regulation for infrastructures based on distributed ledger technologies (DLT) and to prepare for the entry into force of the new regulation. This is a regulation that does not establish limits to the use of DLTs and that by not referring to (second level) development standards, has allowed it to be applied quickly, with the challenge that this entails both for supervisors and for entities that wish to operate one of these infrastructures.

The sandbox has made it possible to test an infrastructure that complied with the regulation. In parallel, the participation and close collaboration with the European authorities (ESMA, the European Commission and the ECB) was maintained, which are working on clarifying the application of certain aspects of this regulation and on the creation of guidance to provide a suitable and harmonised interpretation of the main issues raised by the supervisors.

Additionally, promoters that do not have the necessary licence to operate one of these infrastructures have been offered guidance, so that they can start the authorisation process in parallel with the tests, which is efficient in terms of the promoter's time and resources.

In the third cohort, one project related to the regulation was presented and in the fourth cohort three more were presented. Each of these projects includes different business models and technological proposals, suggesting that this pilot regime will permit very different infrastructures. The infrastructures may choose to use public or private networks, may or may not allow investors direct access to trading, may be aimed at certain sectors or types of issuers, and may issue financial instruments or other types of products.

It has also been observed that the promoters who take part the pilot regime have different profiles, some of them being highly consolidated financial entities, while others are specialised entities in the technology sector. The mix of these different participants could help to build solid proposals that offer innovative technological solutions in the future.

Additionally, the new Securities Market and Investment Services Act, which was approved on 9 March 2023 (see Exhibit 20), introduces significant changes to allow the effective use of DLT in the stock markets. The sandbox is likely to help develop the use of this third form of representation of traded securities, providing a controlled application of the new alternatives and giving the supervisor the chance to understand and properly assess the registration of traded securities using this technology, their transmission and compliance with the requirements and functionalities that the entity responsible for this register must implement.



### II.10.3 Meeting organised by the CNMV on Fintech

**In June 2022, a meeting on Fintech was held in Barcelona.** At this event, experts from the CNMV and sector specialists discussed regulation, DLTs in market infrastructures, the regulatory challenge of crypto-assets, the sandbox, crowdfunding, artificial intelligence and quantum computing in investment services, among other topics.

### II.10.4 Advertising of crypto-assets

**Given the increased presence and visibility of crypto-assets and the challenges that this situation posed in the field of investor protection, on 17 February 2022, CNMV Circular 1/2022, of 10 January, entered into force. This circular regulates the advertising of crypto-assets for investment purposes.** It is important to emphasise that the circular only addressed the regulation of advertising activity that promotes the offering of crypto-assets as an object of investment, and does not regulate the legal nature of this type of asset or its characteristics, providers, depositaries or issuers.

Circular 1/2022 defines the objective and subjective scope of application of the regulation, specifying the advertising activity that must be subject to a prior communication regime and establishing the tools and procedures that will be used to supervise the advertising of crypto-assets.

**In 2022, 116 cases likely to fall within the scope of Circular 1/2022 were investigated, which meant the opening of a total of 116 information proceedings.** Of these, 70 were initiated through mass advertising campaigns brought before the CNMV by the entities themselves (most of them through the submission of an Advance Notice form,<sup>3</sup> which is the channel specifically designed for this activity), while the remainder were advertising items or campaigns detected by the CNMV (through an active search, complaints submitted to the CNMV's whistleblowing channel or collaboration with other CNMV departments, among other sources).

**In 99 of the 116 proceedings the cases were archived: on 91 occasions after the proceedings were opened and on eight occasions because it was considered that they did not fall within the scope of Circular 1/2022.** The rest of the proceedings opened by the CNMV in this area are still being processed. In most of the 91 open proceedings, the cases were archived having verified that the criteria set out in the circular had been met after the detected errors had been corrected following the deficiency letters sent to the relevant entities by the CNMV.

The opening of these 103 proceedings involved a review of 954 advertising items, including web pages. In addition, the CNMV sent out 164 information requests.

**Likewise, a mailbox for enquiries about the advertising of crypto-assets was enabled** (controlpublicidadcryptos@cnmv.es). 40 enquiries were submitted through this email address in 2022 (some even before the entry into force of the circular) in regard to the application of the standard. As a result of the enquiries made, various

---

3 <https://sede.cnmv.gob.es/ov/Documentos/FormularioCriptoactivos.pdf>

criteria have been established for the correct application of Circular 1/2022. These include:

- The need for advertising to clearly differentiate crypto-assets and their warnings from instruments subject to MiFID regulations and their warnings.
- Regardless of the phrases that are included in the warning messages of the advertising piece, only those that are included in Circular 1/2022 will count for the purposes of calculating 20% screen occupancy.
- In collaboration agreements where crypto-asset service provider works with influencers,<sup>4</sup> the entities have the main responsibility for ensuring that the advertising pieces they release comply with the circular (through their bilateral communications).
- Advertising that only includes cryptocurrency logos and symbols, without any mention of their services or offers, is automatically excluded from the exceptions set out in Circular 1/2022 rule 3.2.f), provided that the subject's website includes the appropriate warnings about the risks of investing in crypto-assets.
- It is considered good practice to use the disclaimers shown in rule 5.2.a) and b) in the header of the web page, in floating format when scrolling the page.

## II.10.5 Cybersecurity

The CNMV promotes the TIBER-ES framework,<sup>5</sup> in which it participates together with the Bank of Spain and the General Directorate of Insurance and Pension Funds, as a tool to improve the technological resilience of financial institutions. In February 2022, the three supervisors held an informative session with the sector in which they explained the importance of implementing the European framework TIBER-EU in Spain, which is now called TIBER-ES. Likewise, the operating guidelines for this advanced testing framework were published and the more mature financial institutions in this area were invited to assess the possibility of adhering to them.

The three aforementioned authorities make up the Tiber Cyber Team (TCT), the body that governs TIBER-ES and ensures that the tests are carried out following this framework, which is voluntarily applicable to all financial institutions, including market infrastructures. These tests are recognised in all the European Union countries that have implemented TIBER-EU. The DORA Regulation will require the main financial institutions to carry out advanced tests, similar to TIBER-EU, on a regular basis.

The Regulation on digital operational resilience, known as DORA, was approved in December 2022 and will enter into force on 17 January 2025. Throughout the processing of this regulation, the CNMV has taken part in the consultations and has monitored their implications for the sector.

---

4 "Influencers" refers to a person with the ability to influence others, mainly through social networks.

5 Threat Intelligence-Based Ethical Red Teaming.

### Spanish regulations

On 9 March 2023, the plenary session of the Congress of Deputies approved the new text of the Securities Markets and Investment Services Act (LMVSI). Among other important innovations, this bill recognises DLT-based systems as a valid form of representation of traded securities and establishes their legal regime (see Exhibit 20).

The express legal recognition of DLT-based systems as a valid third form of representation will not only grant legal certainty to the issuance of traded securities carried out through this technology, but will also allow the start-up in Spain of DLT-based market infrastructure, when Regulation (EU) 2022/858, which establishes the legal regime for this type of infrastructure in the European Union, is applied.

### EU regulations

In 2022, three main regulatory initiatives should be highlighted:

**First, in regard to DLTs:** on 30 May 2022, Regulation (EU) 2022/858 of the European Parliament and of the Council, of 30 May 2022, on a pilot regime for market infrastructures based on distributed ledger technology (DLT)<sup>6</sup> was approved. The regulation establishes the authorisation regime for these infrastructures and the conditions under which they can carry out their activity, as well as the transition and termination of this pilot regime.

Regulation (EU) 2022/858 amends the definition of a “financial instrument” as set out in the MiFID II Directive to include financial instruments issued through DLT (“DLT financial instruments”) and provides for the creation of three new types of market infrastructures: i) multilateral trading facilities that exclusively admit DLT financial instruments to trading (in the regulation referred to as “DLT-based MTFs”); ii) settlement systems in which DLT financial instruments are settled and which allow, as a minimum, the initial registration or custody of said instruments (in the regulations referred to as “DLT-based SLs”), and iii) trading and settlement systems in which on DLT-based financial instruments are traded and settled (in the regulations referred to as “DLT-based SNLs”).

The Regulation also provides for the possibility that promoters of DLT market infrastructures may request exemption from the application of certain regulations applicable to traditional market infrastructures (such as the obligation of representation by book-entry, the obligation to report transactions or the obligatory intermediation of financial institutions as market members or participants in the settlement system, among others).

**The Regulation limits access to the new market infrastructures to the following financial instruments and with the limits indicated:** i) shares of issuers with a market capitalisation of less than €500 million; ii) bonds and other types of

---

6 Amending Regulations (EU) No. 600/2014 and (EU) No. 909/2014 and Directive 2014/65/EU.

securitised debt, including depository receipts relating to the aforementioned securities, as well as money market instruments, with an issue size of less than €1 billion (structured products or those incorporate a derivative are excluded, as this makes it difficult for the investor to understand the risk they will incur), and iii) shares and units of undertakings for collective investment in transferable securities (UCITS) whose assets under management have a market value of less than €500 million.

**The Regulation also establishes two types of additional limits to the operation of these new market infrastructures:** i) when the total market value of the financial instruments admitted to trading or settled on a DLT-based market infrastructure exceeds €6 billion, the market infrastructure in question may not admit to trading or settle any additional financial instruments; ii) when the total market value of the financial instruments admitted to trading or settled on a DLT-based market infrastructure reaches €9 billion, the market infrastructure operator must activate the transition strategy into traditional market infrastructures.

Regulation (EU) 2022/858 will enter into force on 23 March 2023 and the CNMV is the competent authority for the authorisation and supervision of these infrastructures, although ESMA will play a relevant role as guarantor of the harmonised and consistent application of the rules of the pilot scheme throughout the European Union.

The pilot regime will run for six years in principle. However, after three years it is expected to be reviewed by the European Commission, which may propose, among other recommendations, to extend it for another period of up to three years, or to extend it to other financial instruments.

**Second, Regulation (EU) 2022/2554 of the European Parliament and of the Council, of 14 December 2022, on the digital operational resilience of the financial sector<sup>7</sup> (DORA)**, which was tested on 14 December, also stands out. This regulation establishes a cross-cutting cybersecurity framework across the financial sector and covers market infrastructures market and entities that offer services in the securities markets and to the banking and insurance sectors. **Directive (EU) 2022/2556 of the European Parliament and of the Council, on the digital operational resilience of the financial sector<sup>8</sup>** was also approved.

**The DORA Regulation** establishes a European framework for operational resilience across all European financial institutions. The CNMV would be the authority responsible for its application for financial institutions that are under its supervision. It is important to highlight that mechanisms have been established for the application of the principle of proportionality, so that not all financial institutions find all the requirements applicable nor do they all have to be applied in the same way.

The Regulation develops the main areas of cybersecurity, grouping them as follows:

- The necessary requirements are established to adequately manage the ICT (information and communication technology) risk.

---

7 Amending Regulations (EC) 1060/2009, (EU) 648/2012, (EU) 600/2014, (EU) 909/2014 and (EU) 2016/1011.

8 Amending Directives 2009/65/EC, 2009/138/EC, 2011/61/EC, 2013/36/EU, 2014/59/EU, 2014/65/EU, (EU) 2015/2366 and (EU) 2016/2341.

- Entities will have to define and implement processes for the detection, management and notification of incidents.
- Financial institutions must carry out operational resilience tests as part of their ICT risk management framework, in proportion to their nature, size, complexity and risk profile. The most significant entities must undergo advanced tests similar to TIBER.
- Specific measures are established for the risk management of providers that offer ICT services to entities, so that they integrate these into their own ICT risk framework. The measures are similar to those established in the ESMA guidelines for cloud outsourcing and stress the importance of establishing a suitable service level contract with the provider.

Lastly, the third key initiative refers to the proposed Regulation for crypto-asset markets, known as MiCA, following the agreement reached in October 2022 by the European Parliament and the Council on the future regulatory text, which is pending formal approval by the European co-legislators (see Exhibit 18).

The future MiCA Regulation will establish the regulatory framework applicable to the issuance, offer and admission to trading of crypto-assets that are not considered financial instruments, as well as the legal regime for service providers and the regulations on the prevention of market abuse.

The future Regulation classifies the crypto-assets in its scope of application into three types: those that are referenced to assets, those that are referenced to an official currency (or electronic money) and crypto-assets other than the two previous types. Crypto-assets that are considered financial instruments among those included in the MiFiD II Directive, as well as those considered to be unique and not fungible with other crypto-assets. The CNMV is expected to be the competent supervisory authority for crypto-asset service providers, as well as with respect to the offer and admission to trading of crypto-assets, except with regard to asset-referenced crypto-assets and electronic money crypto-assets which will presumably be governed by the Bank of Spain. It also includes a title on market abuse practices, such as the use of inside information and price manipulation, and another title endowing the designated supervisory authorities with sufficient powers to address these issues.

The Regulation will be applicable 18 months after its publication, except for issuances of crypto-assets referenced to an official currency or other assets, which may be issued after 12 months. For crypto-asset service providers there will be an additional transition period of up to 18 months.

### II.10.7 International activities

The CNMV participates in various international working groups dealing with issues related to new technologies, innovation and cybersecurity. The work plans of these groups include the analysis and regulation applicable to matters such as crypto-assets and the use of artificial intelligence in the regulatory and supervisory environment. In this context, the CNMV has participated actively in the following groups:

- i) **The Financial Innovation Standing Committee (FISC) of ESMA and specific subgroups.**<sup>9</sup> These deal with, among others, the legal nature and the regulation applicable to real cases of crypto-assets.

The Crypto-Assets Task Force (CATF) was created in March 2022 to promote common supervisory approaches and practices across the European Union for monitoring, supervising and, where appropriate, enforcing measures in relation to crypto-assets, in the period before the entry into force of MiCA. The ultimate goal is to strengthen investor protection. To this end, the following key supervision challenges were identified throughout the four main stages of the life cycle of crypto-assets: i) issuance: public offering and marketing of crypto-assets; ii) trading: market integrity; iii) post-trade: outsourcing of custody functions, use of APIs and exploits,<sup>10</sup> and iv) asset management: funds that give exposure to crypto-assets. The CATF work plan is built on these four priorities.

- ii) **European Forum for Innovation Facilitators (EFIF).** This European forum has promoted the creation of a digital platform in the European Union with the following functionalities:

— **Digital Finance Observatory (under development):** focused on interaction, with the aim of informing and involving potential users of the platform, especially supervisors and market participants. The platform will include information on events, workshops and hackathons<sup>11</sup> organised by the CNMV and other European Union bodies. It will also include sections dedicated to educational material on digital finance.

— **The Portal of the European Forum for Innovation Facilitators, which is already up and running,** provides access to the following information:

- Information on the activity of the European Forum for Innovation Facilitators.
- A map with links to national contact points and facilitator authorisation requirements.
- A section dedicated to the Cross-Border Testing Framework, which allows companies to submit a common standard form for initiating tests in the sandbox involving multiple national authorities, either simultaneously or sequentially.

- iii) **Joint Committee Sub-Committee on Digital Operational Resilience (JC SC DOR).**

In June 2022, the Joint Committee Sub-Committee on Digital Operational Resilience (JC SC DOR) was created. This committee includes 37 national agencies from 25 Member States of the European Union, the three European Supervisory Authorities (ESAs) and, as observers, other European bodies such as the

---

9 Within the framework of the implementation of ESMA's 2023-2028 strategic programme, the Digital Finance Standing Committee (DFSC) was established in 2023, in charge of supporting the development of regulations and convergence efforts in the area of financial innovation, replacing the FISC.

10 Incident or attack on a system or its participants that causes loss or damage.

11 Events that seek to encourage innovation by proposing challenges to the participants that they must solve.

European Systemic Risk Board (ESRB). The main objective of this committee is to help the ESAs fulfil their political mandates under DORA and related tasks:

- Contribute and coordinate, where necessary, the input of ESAs to any aspect of the European Union regulatory process related to digital operational resilience, including the development of technical advice, draft technical standards, guidelines and recommendation, when so provided for by the European Commission or in legislation, in particular DORA.
- Carry out the preparatory work for the gradual development of an effective coordinated response at European Union level in the event of a serious cross-border cyber incident or related threat that may have a systemic impact on the EU financial sector.
- Coordinate the monitoring of practices and threats to digital operational resilience, ensure cross-sector coordination and information exchange, and promote cooperation between the competent authorities of the European Union and those of the Member States in matters of operational resilience digital.

Three working groups report to this committee in charge of drawing up and implementing the RTS, ITS and guidelines that emanate from DORA.

- iv) **Outside the European Union, IOSCO's work on crypto-assets and decentralised finance should also be highlighted.** In 2022, the CNMV participated in the preparation of the second report on the characteristics of products and services based on DeFi (decentralised finance) models.

The purpose of the report is to go deeper into aspects covered in the first report such as the new business models and the risks and benefits of DeFi. In order to collect updated information on the sector, events were held both with sector representatives and academics in 2022.





### III CNMV Advisory Committee



The Advisory Committee is the body which provides advice to the CNMV's Board. Its functions and composition are provided for in Articles 30 and 31 of the recast text of the Securities Market Act and its implementing legislation – Royal Decree 303/2012, of 3 February, regulating the CNMV Advisory Committee.

### **Review and update of the rules of the internal regime of the Advisory Committee**

In recent years, the CNMV has considered it necessary to make the institution more accessible and to facilitate relations with supervised entities and investors and with society as a whole. Continuing with the exercise of providing greater transparency in the Committee's activities that started in 2021, in 2022 the CNMV continued to publish the reports issued by said Committee on its website, as well as the agendas of each of the meetings held.

Likewise, at the beginning of 2022 the Committee's internal regulations were updated. These new regulations update and modernise the previous ones, which dated back to 2012, to promote the transparency of the activity carried out by this body, enhance its operations, facilitate the search for consensus positions and promote more active participation by its members.

The following changes stand out:

- i) In order to increase transparency, it was agreed to publish on the CNMV's website all the reports prepared by the Advisory Committee, mandatory or otherwise, unless the majority of its members reasonably request that they not be published and the Chairperson so agreed. The mandatory reports were already being published.
- ii) In order to achieve consensus in the adoption of agreements, the creation of working groups within the Committee will be encouraged and as far as draft reports will include the positions of the majority of its members prior to the meeting.
- iii) Lastly, to encourage more active participation, measures were introduced to help draw up the draft reports and simplify their format and the related deliberations.

### **Actions by the Advisory Committee in 2022**

In 2022, the Advisory Committee met a total of seven times and issued 16 reports on questions raised, of which six were mandatory and ten were voluntary. The

number of issues dealt with in 2022 was lower than in 2021, mainly due to the lower volume of mandatory reports. Among the most relevant mandatory contributions, the activity carried out by the Advisory committee in relation to the Draft Bill for the creation of an independent administrative authority for the defence of financial clients stands out, for which the Advisory committee carried out a detailed analysis setting up a cross-cutting internal group comprising several of its members. The report on the draft Royal Decree on the legal regime of investment firms and other entities that provide investment services was also noteworthy, as well as the report on the draft Royal Decree implementing the Law on collective investment schemes.

In regard to voluntary, it is worth noting its contribution to the CNMV's public consultation on the code of good practices for institutional investors, asset managers and proxy advisors in relation to their duties with respect to the assets entrusted to or the services provided by them. Additionally, it contributed to various enquiries from international organisations on various aspects of sustainable finance, including the identification of greenwashing practices.

### Types of issues referred to the Advisory Committee

TABLE III.1

	Number of issues		
	2020	2021	2022
Mandatory reports on regulations	7	13	6
Voluntary consultations (IOSCO, ESMA and other)	15	12	10
<b>Total</b>	<b>22</b>	<b>25</b>	<b>16</b>

Source: CNMV.

Table III.2 provides a breakdown of the issues addressed.

### Actions of the CNMV Advisory Committee in 2022

TABLE III.2

#### Mandatory reports on regulations: 6

- CNMV Draft Circular approving the models for notification of significant holdings, issuer transactions in own shares, and market (meeting of 19 April).  
[https://www.cnmv.es/DocPortal/AIDia/CNMV\\_ParticipacionesSignificativas.pdf](https://www.cnmv.es/DocPortal/AIDia/CNMV_ParticipacionesSignificativas.pdf)
- Draft Bill for the creation of the independent administrative authority for the defence of financial clients (meeting of May 23).  
[https://www.cnmv.es/DocPortal/AIDia/MAETD\\_AnteproyectoLeyADCF.pdf](https://www.cnmv.es/DocPortal/AIDia/MAETD_AnteproyectoLeyADCF.pdf)
- CNMV Draft Circular on the prospectuses of collective investment schemes (CISs) and the registration of the key investor information document (KIID) (meeting of 23 May).  
[https://www.cnmv.es/DocPortal/AIDia/CNMV\\_FolletoIICregistroDFI.pdf](https://www.cnmv.es/DocPortal/AIDia/CNMV_FolletoIICregistroDFI.pdf)
- Draft Royal Decree on the legal regime of investment firms and other entities that provide investment services (meeting of 18 July).  
[https://www.cnmv.es/DocPortal/AIDia/SGTFI\\_ESIs\\_sostenibilidad.pdf](https://www.cnmv.es/DocPortal/AIDia/SGTFI_ESIs_sostenibilidad.pdf)
- Draft Royal Decree amending Royal Decree 1082/2012 of 13 July approving the implementing regulations of Law 35/2003 of 4 November on Collective Investment Schemes (meeting of 18 July).  
[https://www.cnmv.es/DocPortal/AIDia/SGTFI\\_RIIC.pdf](https://www.cnmv.es/DocPortal/AIDia/SGTFI_RIIC.pdf)
- New draft Circular of Draft Royal Decree on the legal regime of companies on accounting standards, annual accounts and interim financial statements of market infrastructures (meeting of 19 December).  
[https://www.cnmv.es/DocPortal/AIDia/CNMV\\_ProyectoCircularNormasContables.pdf](https://www.cnmv.es/DocPortal/AIDia/CNMV_ProyectoCircularNormasContables.pdf)

#### Non-mandatory consultations (IOSCO, ESMA and other): 10

##### Spanish National Securities Market Commission (CNMV)

- 2022 Activity Plan (meeting of 24 January).
- Proposal to modify the internal regulations of the CNMV's Advisory Committee (meeting of 24 January).

- Public consultation on the code of good practices for Institutional Investors, asset managers and proxy advisors in relation to their duties in respect of assets entrusted to or services provided by them (meeting of 26 September).

<https://www.cnmv.es/DocPortal/AIDia/PropuestaStewardshipCNMV160922.pdf>

- Discussion on the scope and possible practices of greenwashing within the framework of ESMA's sustainable finance road map: table tour among the members of the Committee (meeting of 14 March).

#### **European Securities and Markets Authority (ESMA)**

- Consultation on Guidelines on certain aspects of the MiFID suitability requirements (meeting of 19 April).

[https://www.cnmv.es/DocPortal/AIDia/ESMA\\_guidelines\\_suitability.pdf](https://www.cnmv.es/DocPortal/AIDia/ESMA_guidelines_suitability.pdf)

- Review of the guidelines on product governance requirements under MiFID II (meeting of 26 September).

<https://www.cnmv.es/DocPortal/AIDia/CNMVESMAGobernanzaProductos.pdf>

#### **European Supervisory Authorities (ESAs)**

- Call for evidence on greenwashing (meeting of 19 December).

[https://www.cnmv.es/DocPortal/AIDia/CNMV\\_ResponseCallGW201222.pdf](https://www.cnmv.es/DocPortal/AIDia/CNMV_ResponseCallGW201222.pdf)

#### **European Commission (EC)**

- Targeted consultation on options to enhance the suitability and appropriateness assessments (meeting of 14 March).

[https://www.cnmv.es/DocPortal/AIDia/CE\\_options\\_suitability.pdf](https://www.cnmv.es/DocPortal/AIDia/CE_options_suitability.pdf)

#### **European Financial Reporting Advisory Group**

- Sustainability reporting standards (meeting of 18 July). [https://www.cnmv.es/DocPortal/AIDia/EFRAG\\_Estandares\\_sostenibilidad.pdf](https://www.cnmv.es/DocPortal/AIDia/EFRAG_Estandares_sostenibilidad.pdf)

#### **International Organization of Securities Commissions**

- Consultation on measures to address risks arising from digitalisation of retail marketing and distribution (meeting of 14 March).

[https://www.cnmv.es/DocPortal/AIDia/IOSCO\\_Retail\\_Distribution.pdf](https://www.cnmv.es/DocPortal/AIDia/IOSCO_Retail_Distribution.pdf)

---

Source: CNMV.



## **IV CNMV: organisational, financial and institutional aspects**





## IV.1 Strategic lines of the CNMV 2023-2024, annual objectives and performance

This chapter reports on the CNMV's Activity Plan, a document that includes its strategy for 2023 and 2024 and a series of specific objectives to be carried out in 2023, selected on the basis of their being opportune or innovative with respect to the organisation's usual functions. Lastly, a series of performance and activity indicators of the CNMV are included.

### IV.1.1 Strategic lines 2023-2024

**In accordance with the two-yearly approach adopted since 2017, the CNMV has defined five strategic lines for the period 2023-2024 in order to face the new challenges of today's complex and uncertain environment.** These strategic lines – on which the 2023 Activity Plan is based – are summarised below.

#### **Rigorous supervision of securities markets with special attention to financial stability**

Faced with the challenges of the environment, and especially in moments of high uncertainty, one of the main strategic objectives of the CNMV is to reinforce the rigorous supervision of the securities markets. The aim is to guarantee their orderly operation and adequate price formation, in such a way that it contributes to the integrity and stability of the financial system and supports economic growth. Protecting financial stability likewise helps to make securities markets more robust and competitive, and bolsters investor confidence.

**Current geopolitical events may accentuate the financial market turmoil.** Thus, the CNMV will strengthen its processes for identifying and analysing risks in the securities markets, particularly those that pose a threat to the stability of the financial system, and will adopt the corresponding measures aimed at mitigating them. For this purpose, the use of various analytical tools based on data processing that help build systemic risk indicators in markets will be considered. Likewise, the CNMV will continue to collaborate actively with other organisations in matters of financial stability.

Additionally, the CNMV will ensure the resilience and robustness of market infrastructures and investment service providers, focusing supervision on the effectiveness of its continuity and contingency plans and the quality and sufficiency of the guarantees and collaterals required.

Similarly, resources will be allocated to enhance the supervision of investment service providers, to early identify those that could potentially present difficulties, with special attention given to the possible contagion effects on the rest of the sector.

In the field of collective investment, it will be necessary to focus on identifying and monitoring the possible risks associated with leverage or potential liquidity imbalances. Although in Spain these factors are not a cause for concern, they are still relevant from the point of view of investor protection.

Lastly, the CNMV will continue to work to ensure the regulatory framework remains robust, proportionate and competitive, seeking to combine the development of Spanish markets with investor protection.

### **Strengthening the protection framework for retail investors in the face of new challenges**

The CNMV's strategy for the coming years will focus on protecting the interests of the most vulnerable investors, equipping them to avoid falling into fraudulent schemes and combating inappropriate practices such as greenwashing. This means that, in addition to preserving confidence in the markets through rigorous supervision, the institution intends to play a relevant role in improving financial education as a fundamental measure of investor self-protection, and also against financial fraud. The CNMV aspires to be a benchmark in this matter and will continue to promote the alliances and collaborations necessary to achieve this goal.

**The CNMV will continue to drive and promote financial education** within the framework of the 2022-2025 Financial Education Plan, which is developed jointly with the Bank of Spain and the Ministry of Economic Affairs and Digital Transformation. Specifically, adaptation of the investor protection framework will be encouraged in view of the expansion of the use of digital media in finance to prevent the lack of basic digital skills from leading to situations of financial exclusion and to reduce the risk that the ease of operating in the digital environment leads to hasty financial decision-making.

Likewise, as in recent years, the CNMV will transfer this philosophy of investor protection to financial intermediaries and will ensure that the design and marketing of investment products and services is carried out in the best interests of the client, avoiding potential conflicts of interest and realistically explaining their characteristics, such as the ESG factors (environmental, social and corporate governance) incorporated into the products.

The CNMV will also stay true to its purpose of protecting investors against financial fraud and improper practices, stepping up the actions in the Action Plan against Financial Fraud (PAFF). In addition to exercising its supervisory and disciplinary functions in the event of non-compliance, attention paid to investors will be strengthened in terms of claims/complaints and enquiries and will focus on ensuring that financial clients, mainly the most vulnerable groups, have access to investments that are aligned with their appetite for risk and that they have sufficient information for decision making. Likewise, the work of warning about high-risk investments such as crypto-assets will continue and, where appropriate, other intervention measures we will be evaluated. Along the same lines, detection and warnings about unauthorised entities (financial boiler rooms) and illegal advertising,

which results in unclear or misleading messages, will be stepped up, and attention will be paid to the information disseminated through social networks and the internet that may lead to investment recommendations.

Lastly, the CNMV will continue to contribute proactively to the drafting of new financial legislation and strategic debates at the national level and will try to position itself as an influential authority in international forums.

**CNMV: organisational, financial and institutional aspects**  
Strategic lines of the CNMV 2023-2024, annual objectives and performance

## The New Securities Market and Investment Services Act

EXHIBIT 20

On 9 March 2023, the plenary session of the Congress of Deputies approved the new text of the Securities Markets and Investment Services Act (LMVSI). The text, which enters into force 20 days after its publication in the Official State Gazette (*BOE*), incorporates a series of measures that are necessary to for the development of the Spanish securities markets in the current competitive environment. The aim of the new Law is to substantially improve the normative and systematic technique of this sector of the legal system, simplifying and rearranging the matters regulated at the legal level, following the observations made by the Council of State in various opinions. At the same time, the new Law will serve, among other aspects, to adapt national regulations to recent developments in European law, thus avoiding legal uncertainty deriving from the non-inclusion of European regulations whose transposition period has elapsed.

The new LMVSI requires regulatory implementations which, as of the date of preparation of the *Annual Report*, are still in the processing phase. Specifically, three implementing regulations will be published: a Royal Decree on the supervisory powers of the CNMV, a Royal Decree on investment firms and a Royal Decree on financial instruments, admission to trading, the registration of traded securities and market infrastructures.

The LMVSI incorporates various European standards pending transposition into the legal system, including:

- Directive 2019/2177 of the European Parliament and of the Council, of 18 December 2019, which transfers the authorisation and supervision of certain providers of data supply services, other than those related to authorised information systems and authorised publication agents, to the European Securities and Markets Authority (ESMA).
- Directive 2020/1504 of the European Parliament and of the Council, of 7 October 2020, which excludes from the scope of application of Directive 2014/65/EU legal persons authorised crowdfunding service providers by virtue of the Crowdfunding Regulation.
- Directive 2021/338 of the European Parliament and of the Council, of 16 February 2021, which is part of a set of measures aimed at boosting economic recovery after the COVID-19 pandemic.

- A Directive that accompanies the proposals for European Union Regulations related to crypto-asset markets, the temporary regime for market infrastructures based on distributed ledger technologies and digital operational resilience.
- Directive (EU) 2019/2034 of the European Parliament and of the Council, of 27 November 2019, on the prudential supervision of investment firms.
- Directive (EU) 2021/2261 of the European Parliament and of the Council, of 15 December 2021, amending Directive 2009/65/EC as regards the use of key information documents by management companies of undertakings for collective investment in transferable securities (UCITS).

Additionally, a series of measures have been included to make the Spanish stock market a more competitive market. In this regard, the requirements for the admission to trading of fixed income securities are simplified, the reporting obligations of participants in Spanish post-trading infrastructures are adjusted, the obligation of central securities depositories to have an information system for the supervision of the trading, clearing, settlement and registration of securities (PTI) is eliminated, the regulation applicable to regulated markets for takeover bids is extended to multilateral trading systems (subject to regulatory implementation) and the regime governing Special Purpose Acquisition Companies (SPACs) is developed. Likewise, certain measures are incorporated to improve the competitiveness of the Spanish collective investment sector.

In the investment firms segment, a new category is included – the national financial advisory firm. In addition, following the transposition of the aforementioned Directive 2019/2034, more appropriate requirements are established for the economic nature and specific risks that may affect smaller investment firms. Thus, the Law establishes the separation of the prudential requirements based on the size of the investment firm and another series of requirements related to systemic risks and their economic importance. In addition, the supervisory framework has been changed at the national level.

The new text improves the protection of the retail investor, introducing measures aimed at preventing unauthorised entities providing investment services in the European Union from representing themselves as legitimate on Internet search engines, social networks and in the media.

Additionally, the law reflects the most recent technological developments in the securities markets, introducing the option for financial instruments to be represented by distributed ledger technology (DLT). The CNMV is designated as the competent authority for the supervision of crypto-asset services providers, as well as for the supervision of the issuance, offer and admission to trading of certain crypto-assets that are not financial instruments, and the applicable regime for infringements and disciplinary actions is introduced.

Lastly, a series of changes were introduced in the governance of the CNMV itself in order to improve the effective independence of the supervisor, such as setting six-year terms for the chair, deputy-chair and *ex officio* directors, which may not be renewed.

## Revitalising capital markets to support growth and the transition to a sustainable economy

CNMV: organisational, financial and institutional aspects  
Strategic lines of the CNMV 2023-2024, annual objectives and performance

The CNMV will focus on revitalising the use of capital markets by companies so that the Spanish economy can successfully address its transformation towards a more sustainable economy. The aim is to promote participation in the capital markets through different initiatives at national and European level, such as streamlining the authorisation procedures of various types of entities or promoting the participation of issuing companies in the market.

As a sign of the CNMV's commitment to the transition towards a more sustainable economic and financial model and, given its cross-border nature, the integration of ESG factors will be reinforced in all its areas of action. In this context, in order to facilitate the flow of investments towards sustainable activities, emphasis will be placed on the disclosure of standardised and comparable information that, in turn, is understandable and proportionate. Attention will be paid to the development of the collective investment sector and the implementation of the new regulations, identifying areas for improvement and maintaining an open and fluid dialogue with the main players. Moreover, supervision of non-financial information will be strengthened, especially in terms of sustainability, for listed companies and the dissemination and monitoring of future reports on sustainability deriving from the new European framework will be encouraged.

One of the cross-border priorities is the monitoring and identification of potential greenwashing practices in the different parts of the value chain, as well as their prevention by providing the market with guidance and criteria, and the establishment of clear supervisory expectations.

Likewise, with the same objective of financing growth and boosting the capital markets, actions will be carried out aimed at channelling investment through professional management services (promoting collective investment vehicles).

## Monitoring the effects of financial and technological innovation on the securities markets

Innovation and new technologies are shaping the capital markets through the development of new products, business models and the emergence of new operators. This dynamic imposes additional demands on the CNMV as an organisation in the performance of its mission, such as assessing the impact of this innovation on the stock markets, supporting development opportunities and mitigating potential risks.

The CNMV is committed to promoting technological advances in the securities markets and will continue to collaborate with the financial sector in its digital transformation. In its jurisdiction, it will continue to work together with the promoters of projects presented in the regulatory sandbox (controlled testing space) and help the sector to prepare for the new European regulations.

The application of Regulation (EU) 2022/858 on a pilot scheme for market infrastructures based on distributed ledger technology from March 2023 will give a clear boost to this technology, which provides an opportunity to improve efficiency, transparency and competitiveness. On the other hand, it will allow the CNMV to gain experience on the opportunities and risks generated by the technologies that support crypto-assets that are considered financial instruments.

**The entry into force of the MiCA Regulation,<sup>1</sup> scheduled for 2024, will be especially relevant.** The purpose of this regulation is to regulate the issuance of crypto-assets and the entities that offer services related to them. This standard will force the establishment of a new supervisory framework for these products that must be applied with a uniform supervisory approach at European level. Also, it should raise the attention placed on risks that arise outside the CNMV's powers, such as in the provision of cross-border services or services which are intentionally designed to circumvent supervision that will require collaboration with other supervisors. While the full regulatory framework is being constructed, the CNMV will continue with its policy of issuing warnings and alerts about the risks of these products and the control of their advertising, which will continue to be unregulated or supervised in 2023.

**Furthermore, the digital transformation of the CNMV will be promoted** implementing a data strategy that serves as the basis for improving its supervisory capacities, increasing its efficiency and effectiveness, and the technology and cybersecurity areas will be strengthened.

**Lastly, attention will be paid to the cybersecurity risks and the adaptation to future European regulations** contained in the Regulation on digital operational resilience which will apply from in January 2025, to the main players in the financial system and, therefore, to the entities and infrastructures that are under the supervision of the CNMV.

### **A supervisor that is more accessible and connected to society**

The objective is to move towards greater openness and transparency vis-a-vis the public in order to better connect with society, especially from the standpoint of investor protection, with a focus on the new non-professional investors. In order to reinforce this knowledge about the CNMV and the role it plays, it is necessary to strengthen institutional communication in various fields.

First, work will be carried out to clearly and simply communicate to the general public the functions it performs, its objectives and actions, and the services it provides, so that its market monitoring and surveillance activity is more widely perceived as a mechanism for the protection of investors. In addition, proactive, understandable and close communication will be promoted with different stakeholders, which will allow the impact and dissemination of messages to be improved, using new communications channels such as social networks, adapting the formats and content according to the different recipients.

Similarly, information for which the CNMV is the primary source, should be made more accessible and useful for the general public (both professionals and retail investors), because it is the body that receives or prepares it. The same is true for the resources and tools available on the CNMV website, particularly those related to financial education.

Second, **constructive dialogue and fluid communication with the different stakeholders will be encouraged**, increasing interaction with participants through meetings and work meetings. Thus, a more active role for CNMV staff will be promoted

with regard to their presence and participation in symposia and conferences. An area of special interest will be collaboration with economists and academics in the financial sector to encourage the exchange of knowledge, promote research in the field of securities markets and facilitate the dissemination of the publications and studies carried out. In addition, interaction will be intensified in new and recent areas of development, such as sustainable finance or technology applied to stock markets.

**CNMV: organisational,  
financial and institutional  
aspects**  
Strategic lines of the  
CNMV 2023-2024, annual  
objectives and performance

### **Survey among investors and other users of the information generated by the CNMV**

EXHIBIT 21

In 2020, in compliance with the objective of the 2019 Activity Plan, a survey was carried out among more than 300 supervised entities and professionals in the sector to gauge their opinions and perceptions of the supervisor's operations. To give continuity to this exercise, the 2021 Activity Plan included as an objective the organisation of a perception panel on the operation of the CNMV among investors and other users of the information generated by the authority (academics, analysts and journalists) that are not supervised entities but that have a particular relevance in terms of the activities carried out by the institution.

The objective of the study was to identify the CNMV's strengths and aspects in which there was room for improvement. Thus, a general analysis was carried out of the perception and assessment of the CNMV by these groups and of the information generated and used by them. This study was drawn up by an expert company in this field, Punto de Fuga, which used two differentiated qualitative analysis techniques that took into account the disparity of the groups (investors and other users) under study.

First, ten focus groups were set up (a qualitative research method based on bringing together a small group of people to answer questions formulated by an external person) among the investors for a total of 50 investors of different characteristics (varying level of knowledge of the supervisor, different types of investment management, different genders, ages and places of residence). Second, 21 in-depth interviews were carried out among other users of the information generated by the CNMV, specifically: eight interviews with analysts, seven interviews with academics and six interviews with journalists.

The study revealed that the CNMV enjoys an excellent reputation and image among its stakeholders. The participants consider the CNMV to be a respectable and respected institution, with recognised, necessary and highly valued role. Above all, they highlighted its impartiality in the exercise of its functions, that it carries out its work without political influence, and the professionalism of its staff. However, a great opportunity was detected to maximise the connection and capacity of impact with the potential public.

In the case of investors and society in general, the challenge lies in raising the visibility of the institution and making its protection tools and financial education materials more tangible. The CNMV plans to carry out improvements in access to web resources, as well as to raise the image of the institution in all types of media, with the aim of publicising its work and the information it has access to.



In the case of analysts, journalists and academics, the challenge lies in promoting collaboration with these groups. Specifically, more meetings and work meetings are recommended, as well as promoting the tools that help them in their professional day-to-day lives. The CNMV plans to make progress in this area in 2023.

These actions will be reinforced in the context of regulatory changes and Spain's upcoming presidency of the European Union, by holding meetings and conferences of interest.

Additionally, **the CNMV will strengthen its social commitment** by evaluating its global sustainability plan and assessing the development of additional actions that reinforce social values and those which promote diversity within the institution.

#### IV.1.2 Fulfilment of the objectives of the 2022 Activity Plan

The CNMV's Activity Plan for 2023, which was presented on 23 February lists the 48 objectives set for 2023, that had been previously submitted for consideration by the CNMV's Advisory committee. The Plan also includes a review of compliance with the objectives set for 2022. Specifically, it indicates that 91% of the objectives set for 2022 have been completed, in line with previous years (91% in 2021, 86% in 2020 and 84% in 2019) and details the degree to which each of them has been developed according to the Plan's different sections.

**In the section on the CNMV's operational improvements, four of the six planned objectives (67%) were fully met in 2022** and significant progress was made on the other two, which will be completed in the coming months. Among these, the CNMV has begun the implementation and development of its global environmental sustainability plan as an organisation and has continued to reinforce the training of its staff in three areas that are considered strategic for the institution, particularly in the fields of innovation, sustainable finance and risk management. A call is underway for the selection of five data analysts, which are expected to be incorporated in the coming months.

**The six objectives included the market supervision heading were completed.** Specifically, the CNMV published the Code of Good Practices for Institutional Investors and analysed the consistency between the information included in the financial statements and in the non-financial information statements, with respect to the effects and risks deriving from climate change. Another objective that was met was the adaptation to the new primary market regime for the admission to trading of fixed income securities

**In the field of the supervision of financial intermediaries, all ten objectives were also met.** A report submitted to public consultation was drawn up setting out the possible initiatives for imposing additional restrictions on advertising in the marketing, distribution or sale to retail investors of financial contracts for differences (CFDs).

In addition, horizontal reviews were carried out on issues of particular relevance such as the review of fund managers' policies and procedures for the valuation of unlisted assets or the robustness of the valuation models and methodologies applied



by them, the use of external valuers and the information provided to investors. Likewise, the monitoring of the implementation of ESG regulations in investment funds was completed.

Another objective achieved was the streamlining of the authorisation procedures for collective investment scheme management companies (CISMCs) through web forms and the supervision of algorithmic trading requirements by members of Spanish markets.

Lastly, in the section on the **relations with investors and other stakeholders**, **23 of the 25 initiatives included (92%) were completed**. These included those relating to improving the prevention and fight against financial fraud. Specifically, in April 2022 the general protocol of the Action Plan against Financial Fraud was signed by 19 public and private entities, was complemented by the signing of several bilateral agreements and the setting up of specific working groups. The CNMV has made an interactive database available to the signatories of this action plan to provide them with information on unauthorised entities or boiler rooms. In addition, agreements were made with the main search engines and social networks to remove advertising from unregulated entities and of possible financial fraud, and training and information resources on financial fraud were published.

Likewise, analyses were carried out on the quantification of climate risk in issuers of securities, and in Spanish investment funds, and on the impact on financial stability of the resolution tools of the CCP.

The objectives related to the renewal of the institutional website, the review of the content of its *Annual Report* and the supervision of compliance with the Circular on the advertising of crypto-assets were also met.

Lastly, studies were published on various matters, such as the duration of the tenure of members of the boards of Spanish listed companies, the particularities and most relevant magnitudes of foreign CISs marketed in Spain and on the possible effects of the tax on financial transactions.

**The objectives pending completion account for 9% of the total planned for 2022.** Three are at a very advanced and are expected to be completed in 2023. However, the objective related to the new search systems for the early detection of unauthorised entities has not been met, as, after contacting providers of search services, no system has yet been found that optimises the system currently being used internally at the CNMV. However, tests are still being carried out with various providers in a search for better results.

**CNMV: organisational, financial and institutional aspects**  
Strategic lines of the CNMV 2023-2024, annual objectives and performance

### **Investor education and investor protection as part of the Action Plan against Financial Fraud**

EXHIBIT 22

In April 2022, 19 public institutions and private entities signed the general protocol of the Action Plan against Financial Fraud drawn up by the CNMV. These institutions include the Ministry of Economic Affairs and Digital Transformation, the State Attorney General's Office, the Bank of Spain and the National Police. The Plan aims to promote and improve the prevention and fight against offers of potentially fraudulent financial products and services given the detected increase in these practices, which cause serious damage to investors and the entire regulated financial sector.

The aims of this Plan include cooperating in the detection of irregular and criminal activities such as offers of financial products and services; limit or eliminate the advertising of entities that are not registered to provide financial services or establish information mechanisms for investors on the risks and possibilities of fraud. Likewise, one of the main activities of the Plan is to promote the necessary financial education to train citizens to recognise suspicious financial products and services.

As part of this objective, the CNMV has carried out various initiatives. Specifically, the development of the “scams and fraud” guide, describing the main financial frauds and scams, giving recommendations as to how to detect these in a timely manner, and some steps that must be following if you are a victim of fraud. In addition, an online course has been made available to the public about scams and frauds which teaches viewers about the different types of scams and frauds and offers recommendations on how to recognise them.

In addition, the 2022 edition of Financial Education Day was dedicated to financial scams and fraud. With the motto “Financial education for safer finances” numerous activities were carried out across Spain based on this theme. On occasion of this event, the CNMV carried out a workshop on scams and financial fraud aimed at young people from educational centres. Likewise, talks were given on the radio and on Twitch highlighting the importance of training to prevent financial fraud.

As part of the Financial Education Day, the CNMV promoted initiatives by the collaborators in the Financial Education Plan and more than 200 workshops, conferences, talks and webinars were held, dedicated to the prevention of scams and fraud. Additionally, thanks to the participation of collaborators, the CNMV stepped up its activity in the social networks through the Finanzas para Todos profile (Twitter, Instagram and Facebook), disseminating messages and warnings with the aim of preventing fraud and issuing recommendations to do this.

In this context and in collaboration with the Spanish National Police, a series of videos were disseminated on social networks in which the institution explains the concepts of scams and financial fraud and clears up any questions. Lastly, the influencer Nachter collaborated in the production of a video clarifying aspects related to financial fraud and its distribution on its social network accounts.

### IV.1.3 Key Performance Indicators (KPIs) of the CNMV

In 2018, in accordance with its Activity Plan for that year, the CNMV began to develop a number of KPIs, to which activity indicators were added.

Since then, the CNMV has published an update of these indicators in its *Annual Report*. The publication of these indicators aims to increase transparency around the activities carried out by the CNMV, to provide a means of assessing its performance and to serve as a basis for improving the efficiency of its processes.

The main indicators that reflect the activity of the CNMV in 2022 are listed below, together with the 2021 data presented for comparative purposes:

Areas	Indicator	
	2021	2022
<b>Authorisation and registration of investment funds</b>	<b>96 proceedings</b>	<b>152 proceedings</b>
Total average time <sup>1</sup>	1.2 months <sup>2</sup>	1.1 months
<b>Authorisation of service providers (CIS management companies, closed-ended investment scheme management companies, investment funds and crowdfunding platforms)</b>	<b>50 proceedings</b>	<b>54 proceedings</b>
Average time from last documentation <sup>3</sup>	0.9 months <sup>4</sup>	1.0 months
Total average time from initial application <sup>5</sup>	6.5 months	7.3 months
Corresponding:		
To the sponsor	2.3 months	2.9 months
To the CNMV	2.4 months	2.3 months
To reporting procedures of other authorities	1.8 months	2.1 months
<b>Fixed income issues for wholesale investors</b>	<b>120 proceedings</b>	<b>92 proceedings</b>
Percentage processed in the agreed period <sup>6</sup>	99.17	98.91
<b>Claims and complaints made by investors</b>	<b>1,254</b>	<b>1,371</b>
Percentage of claims and complaints concluded in the year with regard to those filed that year and outstanding from the previous year	87.7	78.2
Average time to resolve complaints	68 days	66 days
<b>Investor enquiries</b>	<b>10,421</b>	<b>9,630</b>
Average time for responding to enquiries	19 days	21 days
<b>Disciplinary proceedings</b>		
Average time to process disciplinary proceedings	220 calendar days	149 calendar days
Average time for processing requests for cooperation with the courts:		
Submission to competent General Directorate	3 calendar days	5 calendar days
Final submission to the court	16 calendar days	20 calendar days
<b>Requests for international cooperation</b>		
Average response time	20 days	40 days
Excluding suspicious transaction reports	34 days	73 days
Average response time received	25 days	82 days
Average response time sent	42 days	61 days
Suspicious transaction reports	4 days	11 days
Average processing time received	1 day	2 days
Average processing time sent	7 days	23 days

Source: CNMV. (1) The maximum legal period is two months following receipt of the application or from the time when the required documentation is completed. (2) The figure shown is the total period from the initial application, although it is common in the vast majority of cases for it to be necessary to provide additional documentation to that initially provided. (3) Depending on the type of entity, the maximum legal period is three or six months from the request or from the time when the required documentation is completed. (4) The figure shown is the period elapsed from the time when the documentation is completed to the date the proceedings are resolved. (5) The breakdown reflects the time periods taken by the promoter to complete the documentation required by the CNMV for its analysis and for obtaining the mandatory reports (from other supervisors or SEPBLAC). (6) Essentially includes three stages: Three days from receipt of the application in order to submit the first comments, two days for sending comments relating to the modifications resulting from the first comments, where appropriate, and three days for admission of the securities from when the information is complete. In any event, given the usual nature of the transactions, most of them do not require comments and hence they are fully completed in three days or less.

Areas	Indicator	
	2021	2022
<b>Collective investment schemes/Venture capital firms</b>		
Number of deficiency letters		
For late filing of information	567	547
Requests for information	147	115
Corrective measures or recommendations	420	392
Other notifications	44	346
Number of actions (including inspections)	251 (of which 11 inspections)	268 (of which 16 inspections)
<b>Investment firms/credit institutions</b>		
Number of deficiency letters		
For late filing of information	108	197
Requests for information	476	392
Corrective measures or recommendations	142	169
Other notifications	576	473
Number of actions (including inspections)	458 (of which 13 inspections)	386 (of which 14 inspections)
<b>Markets</b>		
Number of deficiency letters		
Equity	56	102
Compliance and development	75	68
Derivatives	21	24
Fixed income	3	6
Post-trading	26	15
Other	-	-
Number of reports	320	318
<b>Financial and corporate information</b>		
Corrective actions (corrective notes, correction in future years, restatements or reformulations) as a percentage of the number of annual financial reports subject to substantive review (globally)	46.0	52.5
Percentage of communications from directors, treasury stock and significant shareholders received late	7.4	9.2
<b>Infringements</b>		
Number of notifications of possible infringements (notifications that may be anonymous)	885	519
Including factual elements that may constitute possible infringements	541	419
Without sufficient factual elements	344	100
<b>Disciplinary proceedings</b>		
Number of disciplinary proceedings:		
Open	16	14
Concluded	13	19
<b>Fines</b>	31	45

**Activity indicators (continuation)**

TABLE IV.1.3.2

Areas	Indicator	
	2021	2022
<b>Periodic publications</b>	17	15
Annual Report	1	1
Quarterly Bulletin	4	4
Financial Stability Note	4	2
Annual report on complaints and enquiries	1	1
Annual Corporate Governance Report (ACGR)	1	1
Annual accounts supervision report	1	1
Annual Directors' Remuneration Report	1	1
Non-bank financial intermediation in Spain	1	1
Activity Plan	1	1
Presence of women on Boards of Directors and in senior management of listed companies.	1	1
Report on the supervision of non-financial information statements	1	1
<b>Descriptive or research articles on matters of interest to the CNMV</b>	<b>14</b>	<b>17</b>
Contained in the Quarterly Bulletin	10	12
Working documents	4	5
<b>Seminars</b>	<b>4</b>	<b>8</b>
Open	4	8
<b>Statistical publications</b>		
Primary securities market statistics	4	4
Statistics on commercial paper placements registered with the CNMV	4	4
Statistics on economic and financial information relating to securitisation funds	1	1
Statistics on asset securitisation funds	4	4
Statistics on collective investment schemes	4	4
Statistics on investment firms	12	12
Statistics on corporate governance of listed companies	1	1
Statistics on remuneration of directors of listed companies	1	1
Statistical annex of the Quarterly Bulletin	4	4
Statistical annex of the Annual Report	1	1
Updated public series	5,191	5,376
<b>Communications</b>		
Speeches published (Presidency and Board)	34	38
Disclosed public statements (press releases, information to the sector and warnings)	170	160
Participation of CNMV personnel in public events	59	89
Events organised by the CNMV	10	10
Published newsletters	19	21
<b>Social networks</b>		
Twitter (posted tweets)	545	569
Twitter <sup>1</sup> (impressions)	1,302,000	437,000
LinkedIn (published posts)	-	340

Areas	Indicator	
	2021	2022
<b>Institutional relations</b>		
Number of requests from the Ministry of Economic Affairs and Digital Transformation processed: parliamentary initiatives and questions, internal approvals, other reports	71	79
Number of regulatory proposals on which advice has been given	23	27
Number of enquiries received through the FinTech Portal	141	135
Number of reports submitted to the Advisory Committee for assessment	25	16
<b>Financial education</b>		
Financial Education Programme in schools		
Number of centres	590	476
Number of teachers	675	492
Number of students	19,400	21,707
Financial Education Programme Partner Network: number of partnership agreements entered into	47	55
Financial Education Day: number of events and activities performed and coordinated for that day	109	173
Finance social networks for everyone		
Information issued by the CNMV		
Twitter	391 tweets	455 tweets
Facebook	168 posts	337 posts
Instagram	86 posts	216 posts
YouTube	9 videos	24 videos
Outreach <sup>2</sup>		
Twitter	231,180 impressions	57,000 impressions
Facebook	608,546 people	48,650 people
Instagram	53,549 accounts	10,600 accounts
YouTube	419,900 views	13,557 views
<b>General Register</b>		
Incoming	158,152	160,361
Register of incoming paper documents	5,302	5,286
Register of incoming electronic documents	152,850	155,075
Electronic registration received by the SIR registry exchange system	622	1,162
Outgoing	201,499	201,492
Register of outgoing paper documents	22,098	21,026
Register of outgoing electronic documents	179,401	180,466
Enquiries received and responses issued regarding official records	1,650	873
Certificates of registration in the various official registers	547	410
<b>Financial management</b>		
Number of fee settlements issued	22,389	18,875
Number of supplier invoices	1,385	1,410

Areas	Indicator	
	2021	2022
<b>International activities</b>		
<b>Requests for international cooperation</b>	<b>393</b>	<b>349</b>
Received	182	201
Sent	211	148
Number of actions carried out	1,756	1,881
Received	786	1,066
Sent	970	815
<b>International collaboration requests (excluding suspicious transaction and order reports)</b>	<b>206</b>	<b>166</b>
Number of actions carried out	1,360	1,417
Received	92	96
Number of actions carried out	582	765
Sent	114	70
Number of actions carried out	778	652
<b>Suspicious transaction reports</b>	<b>187</b>	<b>183</b>
Number of actions carried out	396	464
Received	90	105
Number of actions carried out	204	301
Sent	97	78
Number of actions carried out	192	163
<b>Number of technical staff attending international meetings</b>	<b>102</b>	<b>114</b>
<b>Attendance at international meetings</b>	<b>889</b>	<b>975</b>
ESMA	393	398
IOSCO	155	299
European Union	110	103
Colleges	5	5
Other forums	226	171
<b>Staff attending courses</b>	<b>36</b>	<b>30</b>
<b>Systems</b>		
Computers in workstations	551	553
Number of laptops	627	630
Software products purchased with licences	79	80
End user applications developed and in production	267	281
Files received by electronic registration and automatically processed	130,491	136,112
Procedures available at the electronic office	70	70
Users of the CIFRADO service (for supervised entities) in the electronic office	1,545	1,577

Source: CNMV. (1) The high figure for 2021 is due mainly to the activity of one person. (2) The outreach data for 2021 are higher than those for 2022 due to the communication campaign carried out that year.





## IV.2 Human resources and organisation

### Changes in the CNMV workforce and staff selection processes

As a result of the 2021 Public Employment Offer, three selection processes were prepared and completed to cover a total of seven positions. Four positions were covered, with the new employees joining the company in the first quarter of 2023.

Likewise, the selection processes for 32 technician positions are now underway: 27 positions for technicians in various departments and five positions for data analyst technicians (the first time that the CNMV has opened a selection process for the latter). The objective of these analyst positions is to strengthen the capacity of the supervision and analysis teams and improve their effectiveness in a complex and fragmented market environment and given the digital transformation process being carried out at the institution. These selection processes are expected to be completed in the first half of 2023.

Lastly, the selection processes for the eight remaining positions in the Public Employment Offer are expected to begin at the start of the second quarter of 2023, with the selection of a Deputy Director of Internal Cybersecurity standing out.

With the aim of encouraging and facilitating internal mobility, 14 internal selection calls were made during the year for a total of 15 vacancies, to cover the positions of sub-manager (3), technician (10), secretary (1) and warehouse assistant (1) for different departments.

### CNMV staff: composition by professional category

TABLE IV.2.1

Number of employees at the end of each year

	2021			2022		
	Total	Men	Women	Total	Men	Women
Services	8	8	–	6	6	–
Clerical staff/Computer operators	56	12	44	54	12	42
Technical staff	361	166	195	351	159	192
Management	25	17	8	25	17	8
<b>Total</b>	<b>450</b>	<b>203</b>	<b>247</b>	<b>436</b>	<b>194</b>	<b>242</b>

Source: CNMV.

Number of employees at the end of each year

	2021			2022		
	Total	Men	Women	Total	Men	Women
<b>General Directorates</b>	<b>342</b>	<b>147</b>	<b>195</b>	<b>332</b>	<b>141</b>	<b>191</b>
Entities	124	50	74	118	47	71
Markets	122	58	64	118	56	62
Strategic Policy and International Affairs	52	22	30	54	22	32
Legal Affairs	44	17	27	42	16	26
<b>Departments not attached to General Directorates</b>	<b>96</b>	<b>51</b>	<b>45</b>	<b>92</b>	<b>48</b>	<b>44</b>
Chair, Deputy-Chair and Board	12	5	7	12	5	7
<b>Total</b>	<b>450</b>	<b>203</b>	<b>247</b>	<b>436</b>	<b>194</b>	<b>242</b>

Source: CNMV.

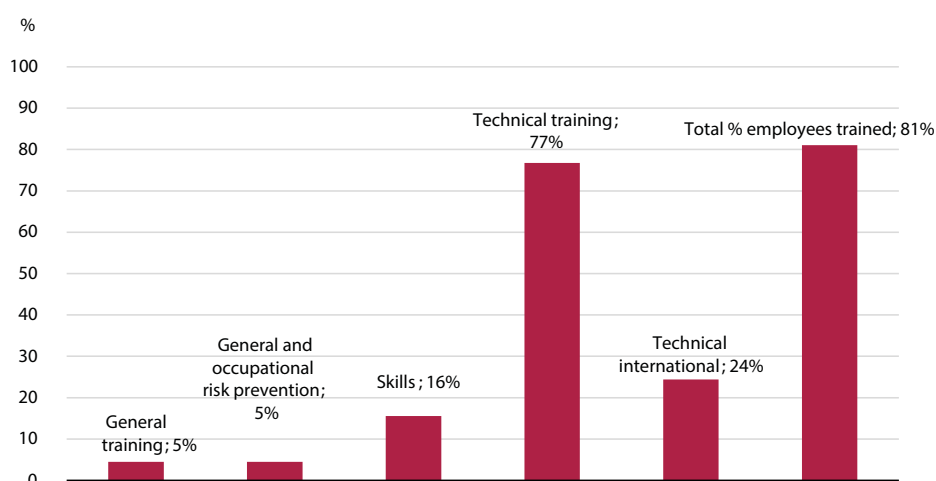
### Training actions

As part of its training programme, the CNMV launched various initiatives in 2022, with highlights including the participation of 81% of the workforce in one of its 32 planned training actions. Training actions can be broken down as follows:

- Training actions carried out internally, as well as those prepared and carried out in collaboration with different schools and specialised training centres accounted for 69% of the total training actions provided. These had the participation of 77% of employees.
- 24% of employees took part in training actions given by international organisations.
- 3% of the workforce took part in individual training actions on different subjects.

### Employee training, by type

FIGURE IV.2.1



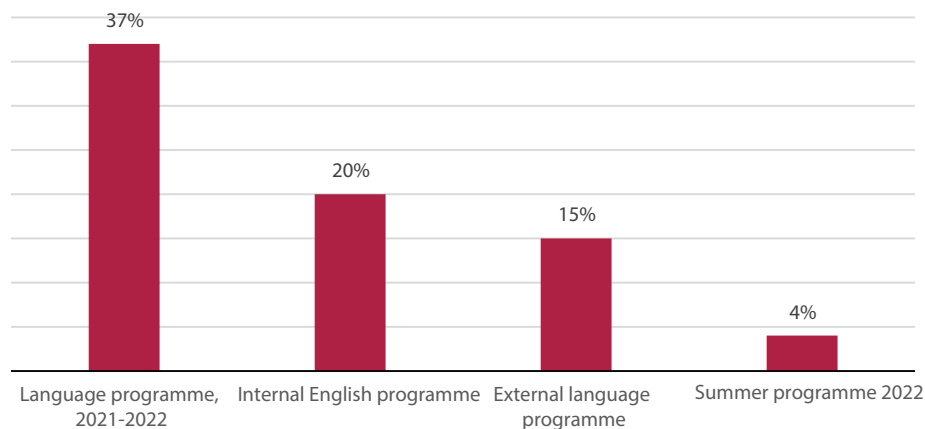
Source: CNMV.

As in previous years, a new edition of the language programme was implemented, which was attended by 37% of the workforce. As part of this programme, with the objective of fine-tuning the language (English, French or German) participants were offered the possibility of taking summer courses in Spain, both residential and non-residential, and abroad – the latter had not been run for the previous two years due to the COVID-19 pandemic. In total, 4% of staff took part in the summer courses, with 579 hours of training carried out.

**CNMV: organisational, financial and institutional aspects**  
Human resources and organisation

**Percentage of workforce participation in language programmes 2021/2022**

FIGURE IV.2.2



Source: CNMV.

### Other significant human resources initiatives

In 2022, the corporate intranet, Atenea, was launched and has been operational for all CNMV employees since the first quarter of the year.

In May 2022, the CNMV's new Teleworking Policy was applied as the proper functioning of the organisation in remote work modality had been verified due to the pandemic.

### New organisational developments

On 3 October 2022, Juan Rodríguez de la Rúa Puig was appointed Deputy Director General of the Legal Affairs and Deputy Secretary of the CNMV Board. On the same date, José Luis Gómara Hernández resigned from the same position.

On 13 September, Mariano Bacigalupo Saggese was appointed as a member of the CNMV Board. On the same date, Juan Manuel Santos-Suárez resigned as a member of the CNMV Board.

The CNMV Board, through the Resolution of 28 February 2022, published in the *BOE* (Spain's Official State Gazette) on 10 March 2022, agreed to amend the Internal Regulations of the CNMV. The Strategy and Innovation Department of the General Directorate of Strategic Policy and International Affairs was renamed Strategy, Innovation and Sustainable Finance and will carry out the functions listed in letters a) and b) at the national level, and c), d), e), f), n), q), s) and t) of section 4 of Article 30 of the Internal Regulations.



## IV.3 Financial management

The CNMV's funding comes mainly from the fees charged to supervised entities in accordance with the items and tariffs established in Law 16/2014 of 30 September regulating the CNMV's fees.

**In 2022, fees collected increased by 1.4%. At the same time ordinary expenses increased by 5.1% compared with the previous year.**

### IV.3.1 Income and expenses

**In 2022, the CNMV obtained €69.1 million in income and incurred €55.2 million in expenses. Therefore, the surplus for the year amounted to €13.9 million, an increase of 16.3% compared with the previous year.**

**The surplus for ordinary activities amounted to €13.5 million.** Ordinary income, which comes mostly from the collection of fees, reached €64.9 million, 1.8% less than in 2021, mainly due to the decrease in prospectus registration fees and market supervision fees.

**Ordinary management expenses were €51.4 million, 5.1% more than in 2021.** Personnel expenses, which accounted for 69.7% of total ordinary expenses, increased by 3.7%, on the back of the salary increases provided for in Law 22/2021 of 28 December, on the general state budgets for 2022 and in Royal Decree-Law 18/2022 of 18 October, which approves measures regarding the remuneration of personnel at the service of the public sector.

**Other ordinary expenses grew by 8.6% on 2021.** This increase was driven by two items: i) transfers and subsidies granted, which grew by 16.6% as a result of the increase in the annual quota of the European Securities and Markets Authority (ESMA), and ii) supplies and outside services, which increased by 7.7%. The increase in of the last item can be explained by the general rise in prices in 2022 and by a greater use of services linked to face-to-face activities, following the recovery of some activities post-COVID.

Profit from financial transactions was €0.3 million.

On 13 December 2022, the Government, at the proposal of the CNMV, resolved to distribute its entire profit obtained in 2021, amounting to €16,580,292.25 to the Public Treasury.

## IV.3.2 Fee structure

In 2021, the CNMV sent the Government a full and articulated proposal to review the fees that the CNMV applies and charges. The objective of the proposal was to lower the cost associated with fees in general, to reduce the income of the CNMV and consequently reduce the large surplus that has been generated in recent years, which is not in keeping with the principle of equivalence that should govern the setting of fees and public prices. Likewise, the reform contained some adjustments aimed at approximating the cost of the service to the amount of the fee in specific processes.

Table IV.3.2.1 shows a breakdown of fees.

CNMV fee income		TABLE IV.3.2.1	
Amounts in thousands of euros			
Activity or service	2021	2022	% change 22/21
<b>Registration of prospectuses and entities</b>	<b>9,718.4</b>	<b>9,381.9</b>	<b>-3.5</b>
Registration of prospectuses	3,120.4	2,602.7	-16.6
Issue prospectuses	274.6	227.8	-17.1
Listing prospectuses	2,845.8	2,375.0	-16.5
Securitisation funds and bank asset funds	108.2	128.1	18.4
Authorisation and registration of entities	5,796.6	6,191.4	6.8
Authorisation of takeover bids	693.1	459.6	-33.7
<b>Market supervision</b>	<b>18,418.7</b>	<b>17,498.0</b>	<b>-5.0</b>
Activity of stock market and MTF members	6,033.5	5,911.6	-2.0
Activity of MEFF members	144.8	141.9	-2.0
Activity of Sociedad de Sistemas members	4,810.6	4,613.1	-4.1
Activity of CCP clearing members	688.4	606.4	-11.9
Activity of market management companies	1,210.6	1,269.5	4.9
Activity of listed issuers	5,530.7	4,955.4	-10.4
<b>Supervision of entities</b>	<b>35,714.6</b>	<b>36,101.4</b>	<b>1.1</b>
CIS solvency supervision	14,239.8	12,185.7	-14.4
Solvency supervision of CIS and securitisation fund management companies	178.2	178.5	0.2
CIS management companies	163.0	163.8	0.5
Securitisation fund management companies	15.1	14.7	-2.8
Solvency supervision of investment firms	416.3	310.1	-25.5
Solvency supervision of venture capital firms	834.3	1,108.4	32.8
Management companies of closed-ended CISs	121.6	134.3	10.4
Closed-ended CISs	712.8	974.1	36.7
Supervision of CIS and venture capital firm depositories	3,656.7	3,567.8	-2.4
Supervision of rules of conduct of investment firms, credit institutions and CISMCS	9,106.1	9,792.0	7.5
Marketing of foreign CISs	7,283.3	8,958.9	23.0
<b>Issue of certificates</b>	<b>22.7</b>	<b>20.1</b>	<b>-11.5</b>
<b>Total</b>	<b>63,874.4</b>	<b>63,001.5</b>	<b>-1.4</b>

Source: CNMV.

### IV.3.3 Financial figures

CNMV: organisational,  
financial and institutional  
aspects  
Financial management

Some of the main financial statements included in the accounts prepared by the CNMV for 2022 are shown below, in addition to a comparison with the accounts audited and approved for the previous year. However, the full accounts, including the notes to the financial statements, are published separately once they have been audited by the IGAE (General Comptroller of the State Administration), presented to the Board and approved by the Chairperson, no later than 31 July each year, in accordance with applicable regulations.

#### IV.3.3.1 Balance sheet

<b>Assets</b>	<b>Financial year 2022</b>	<b>Financial year 2021</b>
<b>A) Non-current assets</b>	<b>118,147,305.22</b>	<b>125,752,804.90</b>
<b>I. Intangible assets</b>	<b>5,599,669.14</b>	<b>4,854,455.84</b>
1. Investment in research and development	1,113,058.69	1,034,459.84
3. Computer software	4,486,610.45	3,819,996.00
<b>II. Property, plant and equipment</b>	<b>72,184,254.59</b>	<b>73,331,872.14</b>
1. Land	43,666,945.35	43,653,645.58
2. Buildings	26,214,858.78	26,884,477.12
5. Other property, plant and equipment	2,302,450.46	2,793,749.44
<b>IV. Long-term financial investments in group companies, jointly-controlled entities and associates</b>	<b>40,234,524.06</b>	<b>47,112,132.00</b>
3. Loans and debt securities	40,234,524.06	47,112,132.00
<b>V. Long-term financial investments</b>	<b>128,857.43</b>	<b>454,344.92</b>
1. Financial investments in equity	935.36	935.36
2. Loans and debt securities	126,656.44	152,143.93
4. Other financial investments	1,265.63	301,265.63
<b>B) Current assets</b>	<b>61,515,205.99</b>	<b>62,104,372.06</b>
<b>III. Trade and other receivables</b>	<b>30,735,520.46</b>	<b>32,044,518.51</b>
1. Receivables for operating activities	23,294,718.16	28,418,829.17
2. Other receivables	7,440,802.30	3,625,689.34
<b>IV. Short-term financial investments in group companies, jointly-controlled entities and associates</b>	<b>7,013,907.55</b>	<b>6,352,419.75</b>
2. Loans and debt securities	7,013,907.55	6,352,419.75
<b>V. Short-term financial investments</b>	<b>455,022.83</b>	<b>159,750.30</b>
2. Loans and debt securities	159,750.30	159,750.30
4. Other financial investments	300,000.00	0.00
<b>VI. Accrual accounts</b>	<b>357,784.88</b>	<b>371,828.14</b>
<b>VII. Cash and cash equivalents</b>	<b>22,952,970.27</b>	<b>23,175,855.36</b>
2. Cash	22,952,970.27	23,175,855.36
<b>TOTAL ASSETS</b>	<b>179,662,511.21</b>	<b>187,857,176.96</b>

### IV.3.3.1 Balance sheet (continuation)

<b>Liabilities &amp; Equity</b>	<b>Financial year 2022</b>	<b>Financial year 2021</b>
<b>A) Equity</b>	<b>171,890,408.17</b>	<b>181,220,819.16</b>
<b>I. Contributed equity</b>	<b>5,385,871.28</b>	<b>5,385,871.28</b>
<b>II. Equity generated</b>	<b>171,982,989.09</b>	<b>174,687,571.03</b>
1. Retained earnings/(accumulated losses)	10,428,334.09	10,428,334.09
2. Surplus for the year	13,875,710.31	16,580,292.25
3. Reserves	147,678,944.69	147,678,944.69
<b>III. Valuation adjustments</b>	<b>5,478,452.20</b>	<b>1,147,376.85</b>
2. Available-for-sale financial assets	5,478,452.20	1,147,376.85
<b>B) Non-current liabilities</b>	<b>1,483,887.63</b>	<b>1,255,945.92</b>
<b>I. Long-term provisions</b>	<b>1,483,887.63</b>	<b>1,255,945.92</b>
<b>C) Current liabilities</b>	<b>6,288,215.41</b>	<b>5,380,411.88</b>
<b>I. Short-term provisions</b>	<b>464,933.00</b>	<b>293,633.67</b>
<b>II. Short-term debts</b>	<b>551,210.72</b>	<b>896,270.64</b>
4. Other borrowings	551,210.72	896,270.64
<b>IV. Trade and other payables</b>	<b>5,272,071.69</b>	<b>4,190,507.57</b>
1. Payables for operating activities	1,726,405.24	1,263,818.41
2. Other payables	1,821,315.83	1,289,215.06
3. Public administration service	1,724,350.62	1,637,474.10
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>179,662,511.21</b>	<b>187,857,176.96</b>

Source: CNMV.



### IV.3.3.2 Income statement

	Financial year 2022	Financial year 2021
<b>1. Tax revenues and social contributions</b>	<b>63,001,474.76</b>	<b>63,874,408.67</b>
b) Fees	63,001,474.76	63,874,408.67
<b>2. Transfers and subsidies received</b>	<b>392,059.23</b>	<b>0.00</b>
a) Financial year	392,059.23	0.00
a.1) Subsidies received to finance expenses for the year	392,059.23	0.00
<b>5. Own work capitalised</b>	<b>1,316,325.91</b>	<b>1,151,112.56</b>
<b>6. Other ordinary revenue</b>	<b>56,405.36</b>	<b>60,921.10</b>
<b>7. Provision surplus</b>	<b>93,460.00</b>	<b>961,129.61</b>
<b>A) TOTAL ORDINARY REVENUE (1+2+3+4+5+6+7)</b>	<b>64,859,725.26</b>	<b>66,047,571.94</b>
<b>8. Personnel expenses</b>	<b>-35,798,168.26</b>	<b>-34,523,733.91</b>
a) Salaries, wages and similar	-28,837,908.09	-27,646,462.38
b) Employee welfare expenses	-6,960,260.17	-6,877,271.53
<b>9. Transfers and subsidies granted</b>	<b>-2,691,084.88</b>	<b>-2,307,700.05</b>
<b>11. Other ordinary expenses</b>	<b>-10,520,660.17</b>	<b>-9,810,019.19</b>
a) Supplies and outside services	-9,989,260.93	-9,272,458.79
b) Taxes	-531,399.24	-537,560.40
<b>12. Depreciation and amortisation</b>	<b>-2,349,292.38</b>	<b>-2,212,723.62</b>
<b>B) TOTAL ORDINARY EXPENSES (8+9+10+11+12)</b>	<b>-51,359,205.69</b>	<b>-48,854,176.77</b>
<b>I. Profit/(loss) from ordinary activities (A+B)</b>	<b>13,500,519.57</b>	<b>17,193,395.17</b>
<b>13. Impairment of and net gains/(losses) on disposal of non-financial non-current assets and held-for-sale assets</b>	<b>48,663.66</b>	<b>39,109.06</b>
a) Impairment	48,999.42	49,032.43
b) Derecognitions and disposals	-335.76	-9,923.37
<b>14. Other non-ordinary items</b>	<b>21,428.20</b>	<b>-4,836.03</b>
a) Income	21,647.98	0.00
b) Expenses	-219.78	-4,836.03
<b>II. Profit/(loss) from non-financial operations (I+13+14)</b>	<b>13,570,611.43</b>	<b>17,227,668.20</b>
<b>15. Finance income</b>	<b>1,284,315.48</b>	<b>1,038,998.62</b>
b) From traded securities and loans forming part of non-current assets	1,284,315.48	1,038,998.62
b.1) In group companies, jointly-controlled entities and associates	369,945.54	580,777.48
b.2) Other	914,369.94	458,221.14
<b>16. Finance costs</b>	<b>-907.05</b>	<b>-73,018.31</b>
b) Other	-907.05	-73,018.31
<b>19. Exchange differences</b>	<b>-5,902.39</b>	<b>-5,363.63</b>
<b>20. Impairment, derecognition and disposal of financial assets and liabilities</b>	<b>-972,407.16</b>	<b>-1,607,992.63</b>
b) Other	-972,407.16	-1,607,992.63
<b>III. Result of financial transactions (15+16+17+18+19+20+21)</b>	<b>305,098.88</b>	<b>-647,375.95</b>
<b>IV. Net profit/(loss) for the year (II+III)</b>	<b>13,875,710.31</b>	<b>16,580,292.25</b>

Source: CNMV.

### IV.3.3.3 Statement of cash flows

	Financial year 2022	Financial year 2021
<b>I. CASH FROM OPERATING ACTIVITIES</b>		
<b>A) Receipts</b>	<b>64,649,655.28</b>	<b>74,621,890.95</b>
1. Tax revenues and social contributions	63,892,027.32	73,740,260.56
5. Interest and dividends received	586,438.44	668,641.30
6. Other receipts	171,189.52	212,989.09
<b>B) Payments</b>	<b>45,939,972.18</b>	<b>45,220,323.96</b>
7. Personnel expenses	34,307,057.10	33,468,839.79
8. Transfers and subsidies granted	2,632,666.25	2,251,382.03
10. Other operating expenses	8,829,739.51	9,383,342.04
13. Other payments	170,509.32	116,760.10
<b>Net cash from operating activities (+A-B)</b>	<b>18,709,683.10</b>	<b>29,401,566.99</b>
<b>II. CASH FROM/(USED IN) INVESTING ACTIVITIES</b>		
<b>C) Receipts</b>	<b>6,463,852.17</b>	<b>5,690,043.07</b>
2. Sale of financial assets	5,239,000.00	4,315,000.00
3. Other receipts from investing activities	1,224,852.17	1,375,043.07
<b>D) Payments</b>	<b>9,303,749.15</b>	<b>8,802,542.33</b>
5. Purchase of property investments	2,297,263.30	1,544,106.93
6. Purchase of financial assets	6,854,020.60	6,893,351.40
7. Other payments for investing activities	152,465.25	365,084.00
<b>Net cash from/(used in) investing activities (+C-D)</b>	<b>-2,839,896.98</b>	<b>-3,112,499.26</b>
<b>III. CASH FROM/(USED IN) FINANCING ACTIVITIES</b>		
<b>F) Payments to owner(s)</b>	<b>16,580,292.25</b>	<b>16,104,166.84</b>
2. Return of contributions and distribution of profit to owner(s)	16,580,292.25	16,104,166.84
<b>Net cash from/(used in) financing activities (+E-F+G-H)</b>	<b>-16,580,292.25</b>	<b>-16,104,166.84</b>
<b>IV. CASH FLOWS PENDING CLASSIFICATION</b>		
<b>I) Receipts pending application</b>	<b>503,227.72</b>	<b>244,527.12</b>
<b>J) Payments pending application</b>	<b>9,704.29</b>	<b>0.00</b>
<b>Net cash flows pending classification (+I-J)</b>	<b>493,523.43</b>	<b>244,527.12</b>
<b>V. EFFECT OF VARIATIONS IN EXCHANGE RATES</b>	<b>-5,902.39</b>	<b>-5,363.63</b>
<b>VI. NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (I+II+III+IV+V)</b>		
	<b>-222,885.09</b>	<b>10,424,064.38</b>
<b>Cash and cash equivalents at the start of the year</b>	<b>23,175,855.36</b>	<b>12,751,790.98</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>22,952,970.27</b>	<b>23,175,855.36</b>

Source: CNMV.

#### IV.3.3.4 Statement of comprehensive changes in equity

	I. Equity contributed	II. Equity contributed	III. Value adjustments	IV. Other equity increases	Total
<b>A. Equity at the end of financial year N-1</b>	5,385,871.28	174,687,571.03	1,147,376.85	0.00	181,220,819.16
<b>B. Adjustments for changes in accounting criteria and error correction</b>	0.00	0.00	0.00	0.00	0.00
<b>C. Adjusted starting equity for financial year N (A+B)</b>	5,385,871.28	174,687,571.03	1,147,376.85	0.00	181,220,819.16
<b>D. Changes in equity in financial year N</b>	0.00	-2,704,581.94	-6,625,829.05	0.00	-9,330,410.99
1. Income and expense recognised in the year	0.00	13,875,710.31	-6,625,829.05	0.00	7,249,881.26
2. Transactions with owner(s)	0.00	-16,580,292.25	0.00	0.00	-16,580,292.25
3. Other changes in equity	0.00	0.00	0.00	0.00	0.00
<b>E. Equity at end of financial year N (C+D)</b>	5,385,871.28	171,982,989.09	-5,478,452.20	0.00	171,890,408.17

Source: CNMV.

CNMV: organisational,  
financial and institutional  
aspects  
Financial management



## IV.4 Report by the Internal Control Body



Audit report provided under Article 18.4 of the Securities Market and Investment Services Act – 2022

Internal control department

1 May 2023

### 1.- INTRODUCTION

The CNMV's Internal Control Department performed the audit of compliance of the decisions adopted by the governing bodies with the procedural regulations applicable in each case, in implementation of the Audit Plan and Internal Control Actions approved by the Commission's Board in its meeting of 30 March 2023, thus complying with Article 18.4 of Act 6/2023, the Security Market and Investment Services Act of 17 March.

The work was performed in accordance with the International Standards for the Professional Practice of Internal Auditing of the IIA (the Institute of Internal Auditors), as established by the Internal Audit Rules for the CNMV approved by a Resolution of the Board on 28 February 2022.

### 2.- OBJECTIVES AND SCOPE

The objective of the work is to verify compliance of the adoption of supervisory decisions by the CNMV's governing bodies in 2022 with the applicable procedural regulations.

The basic legislation applicable to CNMV procedures in 2022 is as follows:

- Royal Legislative Decree 4/2015, of 23 October, which approves the recast text of the Spanish Securities Market Act.
- Law 39/2015 of 1 October on the Common Administrative Procedure of Public Administrations.
- Law 40/2015 of 1 October on the Legal Regime of the Public Sector.
- The CNMV's Internal Regulations.
- Agreement of 27 October 2021 on the delegation of powers of the National Securities Market Commission.

No scope limitations arose during the course of the work.

### 3.- OPINION

In our opinion, having completed the audit work, it can be concluded that in 2022 the decisions adopted by the CNMV's governing bodies in the area of the supervision entrusted to it under the recast text of the Securities Market Act and other legislation met the requirements established in current legislation relating to the procedure and authority applicable in each case.

Head of the Internal Control Department Digital signature:  
Margarita García Muñoz

Audit Report under to Article 18.4 of the Recast Text of the  
Securities Market Act - Internal Control Department 2

## Annexes





## Statistical annexes I: markets and issuers

### Capital increases and initial public offerings<sup>1</sup>

I.1

Amounts in millions of euros

	Number of issuers			Number of issuers		
	2021	2022	Change 22/21	2021	2022	Change 22/21
<b>Capital increases with fund-raising</b>	<b>20</b>	<b>16</b>	<b>-4</b>	<b>31</b>	<b>40</b>	<b>9</b>
With preemptive rights	4	2	-2	4	2	-2
Without preemptive rights (IPO) <sup>2</sup>	1	1	0	1	1	0
Of which, increases	0	0	0	0	0	0
Accelerated book builds	0	4	4	0	5	5
Capital increases with non-monetary considerations <sup>3</sup>	4	2	-2	5	14	9
Capital increases via conversion	4	4	0	4	5	1
Other	12	10	-2	17	13	-4
<b>Bonus issues</b>	<b>14</b>	<b>12</b>	<b>-2</b>	<b>20</b>	<b>16</b>	<b>-4</b>
Of which, scrip dividends	13	11	-2	19	15	-4
<b>Total capital increases</b>	<b>33</b>	<b>27</b>	<b>-6</b>	<b>51</b>	<b>56</b>	<b>5</b>
<b>Initial public offering (IPO)</b>	<b>1</b>	<b>0</b>	<b>-1</b>	<b>1</b>	<b>0</b>	<b>-1</b>
Of which, increases	0	0	0	0	0	0

Source: CNMV. (1) Does not include data from the MAB, ETFs or Latibex. (2) Public subscription offering. (3) Capital increases for non-monetary consideration have been stated at market value.

### Capital increases and public offerings in 2022: cash amount

I.2

Amounts in millions of euros

Issuer	Cash amount <sup>1</sup>	Type of transaction	Date registered
Edreams Odigeo, S.A.	75.00	Other capital increases	14-Jan-22
Faes Farma, S.A.	45.64	Bonus issue to meet dividend payment	25-Jan-22
Iberdrola, S.A.	729.05	Bonus issue to meet dividend payment	02-Feb-22
Atrys Health, S.A.	666.08	Other capital increases	04-Feb-22
Sacyr, S.A.	26.12	Bonus issue to meet dividend payment	09-Feb-22
Coca-Cola Europacific Partners PLC	0.00	Other capital increases	09-Feb-22
ACS, Actividades de Construcción y Servicios, S.A.	71.31	Bonus issue to meet dividend payment	18-Feb-22
Nyasa Valores Corporación, S.A.	17.38	Non-cash capital increase	23-Feb-22
Nyasa Valores Corporación, S.A.	51.32	Other capital increases	23-Feb-22
Airbus SE	136.34	Other capital increases	30-Mar-22
Atrys Health, S.A.	14.32	Other capital increases	07-Apr-22
Coca-Cola Europacific Partners PLC	0.01	Other capital increases	06-May-22
Bankinter Logística, S.A.	249.24	Capital increase with preemptive subscription rights	13-May-22
Nueva Expresión Textil, S.A.	5.00	Capital increase with preemptive subscription rights	18-May-22

**Capital increases and public offerings in 2022: cash amount (continuation)**

I.2

Amounts in millions of euros

Issuer	Cash amount <sup>1</sup>	Type of transaction	Date registered
Talgo, S.A.	8.13	Bonus issue to meet dividend payment	02-Jun-22
Ferrovial, S.A.	95.98	Bonus issue to meet dividend payment	02-Jun-22
Squirrel Media, S.A.	10.00	Other capital increases	02-Jun-22
Almirall, S.A.	21.32	Bonus issue to meet dividend payment	07-Jun-22
Atrys Health, S.A.	3.13	Capital increase by conversion of long-term bonds	09-Jun-22
Atrys Health, S.A.	72.45	Other capital increases	15-Jun-22
Telefónica, S.A.	621.51	Bonus issue to meet dividend payment	23-Jun-22
Sacyr, S.A.	33.35	Bonus issue to meet dividend payment	28-Jun-22
Greenergy Renovables, S.A.	90.00	Other capital increases	01-Jul-22
Fomento de Construcciones y Contratas, S.A.	165.56	Bonus issue to meet dividend payment	14-Jul-22
Oryzon Genomics, S.A.	2.00	Capital increase by conversion of long-term bonds	19-Jul-22
Laboratorio Reig Jofre, S.A.	3.01	Bonus issue to meet dividend payment	22-Jul-22
Opdenergy Holding, S.A.	200.00	Public offering for subscription of shares	22-Jul-22
ACS, Actividades de Construcción y Servicios, S.A.	203.29	Bonus issue to meet dividend payment	26-Jul-22
Promotora de Informaciones, S.A.	20.29	Other capital increases	28-Jul-22
Iberdrola, S.A.	1,238.89	Bonus issue to meet dividend payment	29-Jul-22
Coca-Cola Europacific Partners PLC	0.00	Other capital increases	14-Sep-22
Nueva Expresión Textil, S.A.	7.57	Other capital increases	06-Oct-22
Berkeley Energía Limited	65.00	Capital increase by conversion of long-term bonds	20-Oct-22
Airbus SE	4.65	Other capital increases	03-Nov-22
Coca-Cola Europacific Partners PLC	0.10	Other capital increases	03-Nov-22
Cellnex Telecom, S.A.	1,352.28	Non-cash capital increase	10-Nov-22
Urbas Grupo Financiero, S.A.	0.10	Capital increase by conversion of long-term bonds	15-Nov-22
Urbas Grupo Financiero, S.A.	1.00	Capital increase by conversion of long-term bonds	15-Nov-22
Urbas Grupo Financiero, S.A.	1.00	Capital increase by conversion of long-term bonds	15-Nov-22
Urbas Grupo Financiero, S.A.	1.00	Capital increase by conversion of long-term bonds	15-Nov-22
Urbas Grupo Financiero, S.A.	1.98	Capital increase by conversion of long-term bonds	15-Nov-22
Urbas Grupo Financiero, S.A.	0.11	Capital increase by conversion of long-term bonds	15-Nov-22
Urbas Grupo Financiero, S.A.	106.47	Other capital increases	15-Nov-22
Nyasa Valores Corporación, S.A.	5.27	Non-cash capital increase	24-Nov-22
Nyasa Valores Corporación, S.A.	2.50	Non-cash capital increase	24-Nov-22
Nyasa Valores Corporación, S.A.	3.73	Non-cash capital increase	24-Nov-22
Ferrovial, S.A.	280.91	Bonus issue to meet dividend payment	24-Nov-22
Oryzon Genomics, S.A.	1.70	Capital increase by conversion of long-term bonds	29-Nov-22
Urbas Grupo Financiero, S.A.	0.15	Capital increase by conversion of long-term bonds	20-Dec-22
Urbas Grupo Financiero, S.A.	0.60	Capital increase by conversion of long-term bonds	20-Dec-22
Vidrala, S.A.	1.49	Bonus issue	22-Dec-22
Corporación Financiera Alba, S.A.	45.91	Bonus issue to meet dividend payment	22-Dec-22
Urbas Grupo Financiero, S.A.	2.00	Capital increase by conversion of long-term bonds	22-Dec-22
Oryzon Genomics, S.A.	1.80	Capital increase by conversion of long-term bonds	22-Dec-22
Atrys Health, S.A.	10.53	Other capital increases	30-Dec-22
Atrys Health, S.A.	4.27	Other capital increases	30-Dec-22

Source: CNMV. (1) Issues of new shares not paid for in cash have been valued at market prices.

## Companies delisted in 2022<sup>1</sup>

I.3

Company	Market	Reason. Procedure	Date
Zardoya Otis	SIBE	The bid made by the company itself was settled in accordance with Article 7.4 of Royal Decree 1197/1991.	09/05/2022
COEMAC	SIBE	By resolution of the CNMV Executive Committee.	28/03/2022
Abengoa, S.A.	SIBE	By resolution of the CNMV Executive Committee.	27/09/2022
Codere, S.A.	SIBE	By resolution of the CNMV Executive Committee.	09/05/2022
Reno De Medici	SIBE	By resolution of the CNMV Executive Committee.	14/03/2022
Finanzas e Inversiones Valencianas	Open outcry	Delisted upon settlement of the forced purchase order by the entity's own takeover bid.	03/02/2022

Source: CNMV. (1) Excludes BME Growth, Latibex and ETFs.

## Sector indices in the Madrid and Barcelona stock exchanges

I.4

Yield in the period (%)

	2019	2020	2021	2022	2022			
					I	II	III	IV
<b>Madrid Stock Exchange</b>								
Oil and energy	14.4	5.0	-1.6	5.2	-1.1	2.3	-8.5	13.6
Electricity and gas	18.4	14.2	-4.2	-1.0	-4.1	-0.9	-6.8	11.7
Basic mats., industry and construction	24.9	-2.5	9.3	-11.3	-10.2	-3.0	-4.7	6.9
Consumer goods	34.8	-15.3	0.9	-14.2	-21.3	6.3	-10.3	14.3
Consumer services	8.6	-36.7	-1.9	-15.9	3.3	-19.0	-13.0	15.6
Financial and real estate services	-2.6	-26.4	20.3	7.9	6.3	-10.0	-4.0	17.3
Banking	-3.4	-27.5	20.7	9.0	6.8	-10.2	-3.4	17.7
Real estate and other	-11.0	-32.1	13.0	-25.5	-6.3	-14.5	-15.5	10.2
Technology and telecommunications	4.5	-21.9	9.0	-22.8	-0.5	-4.1	-19.4	0.5
<b>Madrid Stock Exchange General Index</b>	<b>10.2</b>	<b>-29.4</b>	<b>7.1</b>	<b>-4.8</b>	<b>-2.3</b>	<b>-4.0</b>	<b>-9.3</b>	<b>12.0</b>
<b>Barcelona Stock Exchange</b>								
Oil and energy	8.5	24.2	18.9	4.1	6.5	1.8	3.1	-11.4
Financial services	-29.3	-3.2	-28.5	24.3	13.8	9.1	-8.1	-3.9
Real estate services	-12.7	26.6	-20.1	9.3	-20.3	0.7	-17.5	-17.1
Basic mats., industry and construction	-20.8	18.9	43.5	3.3	-12.4	-6.7	-7.6	-5.2
Consumer goods	-22.7	38.3	-17.8	-2.2	-6.9	-13.1	4.2	-10.2
Consumer services	-50.0	-11.9	-15.7	-5.9	-16.6	1.4	-21.4	-14.0
Technology and telecommunications	-6.3	8.6	-23.9	13.7	-17.8	1.7	-2.3	-19.2
<b>BCN Global 100</b>	<b>-17.4</b>	<b>8.2</b>	<b>-16.8</b>	<b>10.2</b>	<b>0.3</b>	<b>1.4</b>	<b>-4.5</b>	<b>-9.0</b>

Source: Refinitiv Datastream.

## Concentration of capitalisation by sector<sup>1</sup>

1.5

Number of companies required to achieve a specific percentage

Sector	2021				2022			
	25%	50%	75%	100%	25%	50%	75%	100%
Oil	1	1	1	1	1	1	1	1
Energy	1	2	4	11	1	2	3	12
Mining & basic metals	1	2	2	8	1	2	2	8
Cement and construction materials	1	1	2	2	1	1	2	3
Chemicals and pharmaceuticals	1	1	2	7	1	1	3	7
Textiles and paper	1	1	1	7	1	1	1	8
Metal-mechanical	1	2	4	15	1	2	4	14
Food	1	2	3	10	1	2	2	10
Construction	1	2	3	7	1	2	3	7
Real estate companies and SOCIMIs (Spanish REITs)	1	2	4	17	1	2	4	16
Transport and communication	1	2	3	5	1	2	3	5
Other non-financial	1	3	4	26	1	2	3	24
Banks	1	4	5	8	1	2	3	7
Insurance	1	1	2	3	1	1	2	3
Portfolio companies	1	1	1	4	1	1	1	5
SICAVs	0	0	0	0	0	0	0	0
Financial institutions	0	0	0	0	0	0	0	0

Source: CNMV. (1) Includes capitalisation only of companies that were traded at some time during the year. Excludes Latibex, BME Growth and ETFs.

## Concentration of equity stock market trading

1.6

Number of companies required to achieve a specific percentage

	2021				2022			
	25%	50%	75%	100%	25%	50%	75%	100%
<b>All markets<sup>1</sup></b>	<b>3</b>	<b>7</b>	<b>15</b>	<b>130</b>	<b>3</b>	<b>6</b>	<b>15</b>	<b>126</b>
Electronic market	3	7	15	127	3	7	15	127
National	3	6	15	120	3	6	14	114
Foreign	1	1	1	7	1	1	1	6
Open outcry	1	1	1	3	1	1	1	6
Secondary market	0	0	0	0	0	0	0	0
ETF	1	2	3	5	1	2	3	5
MAB	9	34	146	2,465	5	32	133	2,378
Latibex	1	2	3	19	1	1	2	20

Source: CNMV. (1) Excludes Latibex, BME Growth and ETFs.

<b>Percentage of capitalisation by sector and the largest companies in each sector with respect to the overall market<sup>1</sup></b>				1.7
<b>Sector</b>	<b>% sector/market<sup>2</sup></b>	<b>Companies with the largest capitalisation in the sector</b>	<b>% company/market<sup>3</sup></b>	
Oil	2.7	Repsol YPF	3.7	
Energy and water	24.9	Iberdrola	11.9	
Energy and water		Gas Natural SDG	4.0	
Energy and water		Endesa	3.2	
Mining & basic metals	1.3	CIE Automotive	0.5	
Mining & basic metals		Acerinox	0.4	
Mining & basic metals		Arcelor	0.1	
Cement and construction materials	0.6	Vidrala, S.A.	0.4	
Cement and construction materials		Cementos Molins, S.A.	0.2	
Cement and construction materials		Vidrala, S.A.	0.0	
Chemicals and pharmaceuticals	3.2	Grifols	1.1	
Chemicals and pharmaceuticals		Laboratorios Farmacéuticos Rovi, S.A.	0.3	
Chemicals and pharmaceuticals		Almirall, S.A.	0.3	
Textiles and paper	15.4	Industria de Diseño Textil (Inditex)	13.2	
Textiles and paper		Fluidra, S.A.	0.5	
Textiles and paper		Grupo Empresarial Ence	0.1	
Metal-mechanical	1.8	Gestamp Automoción, S.A.	0.4	
Metal-mechanical		Elecnor	0.2	
Metal-mechanical		Construcciones y Auxiliar de Ferrocarriles, S.A.	0.2	
Food	1.2	Amrest Holdings, SE	0.2	
Food		Natraceutical	0.0	
Food		Deoleo, S.A.	0.0	
Construction	7.5	Ferrovial, S.A.	3.1	
Construction		Acciona, S.A.	1.6	
Construction		ACS, Actividades de Construcción y Servicios	1.3	
Real estate companies	2.4	Merlin Properties, SOCIMI, S.A.	0.7	
Real estate companies		Grupo Inmocaral	0.6	
Real estate companies		Neinor Homes, S.A.	0.1	
Transport and communication	15.1	Cellnex Telecom, S.A.	3.7	
Transport and communication		Telefónica	3.3	
Transport and communication		Aena, SME, S.A.	3.0	
Other non-financial	10.6	Amadeus IT Group, S.A.	3.7	
Other non-financial		Gamesa Corporación Tecnológica	2.1	
Other non-financial		Gestevisión Telecinco	0.2	
Banks	19.7	Banco Santander, S.A.	8.0	
Banks		Banco Bilbao Vizcaya Argentaria	5.8	
Banks		CaixaBank, S.A.	5.1	
Insurance	1.9	Mapfre, S.A.	1.0	
Insurance		Grupo Catalana Occidente	0.6	
Insurance		Línea Directa Aseguradora, S.A.	0.2	
Portfolio companies	0.6	Corporación Financiera Alba	0.4	
Portfolio companies		Alantra Partners, S.A.	0.1	
Portfolio companies		Corporación Financiera Alba	0.0	

Source: CNMV. (1) Capitalisation at year-end. (2) Capitalisation of the sector as a percentage of the overall market. (3) Capitalisation of the companies listed as a percentage of the overall market.

## Capitalisation and trading volume of Ibx 35 companies<sup>1</sup>

1.8

Amounts in millions of euros

Empresa	Market capitalisation <sup>2</sup>			Trading volume		
	2021	2022	% total <sup>3</sup>	2021	2022	% total <sup>3</sup>
Industria de Diseño Textil (Inditex)	88,918.1	77,448.8	13.2	34,868.9	25,120.7	7.0
Iberdrola	66,271.0	69,537.7	11.9	36,046.2	38,063.0	10.7
Banco Santander, S.A.	50,990.2	47,066.3	8.0	41,202.5	40,293.2	11.3
Banco Bilbao Vizcaya Argentaria	35,006.4	33,973.7	5.8	30,234.1	29,612.9	8.3
CaixaBank, S.A.	19,458.4	29,598.7	5.1	8,926.3	14,852.7	4.2
Gas Natural SDG	27,760.0	23,571.3	4.0	8,410.4	3,524.5	1.0
Amadeus IT Group, S.A.	26,867.8	21,871.7	3.7	16,121.2	10,935.1	3.1
Cellnex Telecom, S.A.	34,768.0	21,844.2	3.7	21,094.9	17,123.6	4.8
Repsol YPF	15,939.9	21,568.1	3.7	22,323.6	26,500.2	7.4
Telefónica	22,260.9	19,549.2	3.3	18,554.8	20,228.9	5.7
Endesa	21,386.8	18,671.1	3.2	8,501.5	5,974.0	1.7
Ferrovial, S.A.	20,218.1	18,344.9	3.1	8,355.6	7,927.2	2.2
Aena, SME, S.A.	20,820.0	17,595.0	3.0	6,909.4	5,634.3	1.6
Corporación Acciona Energías Renovables, S.A.	-	11,899.1	2.0	-	2,358.4	0.7
Acciona, S.A.	9,221.4	9,429.9	1.6	3,565.5	5,006.3	1.4
Red Eléctrica de España	10,294.0	8,798.0	1.5	6,980.2	6,345.4	1.8
ACS, Actividades de Construcción y Servicios	7,180.9	7,727.6	1.3	5,730.2	5,455.4	1.5
International Consolidated Airlines Group, S.A.	8,471.4	6,912.8	1.2	10,191.4	7,396.3	2.1
Grifols	9,833.9	6,636.4	1.1	5,871.2	5,505.6	1.5
Bankinter, S.A.	4,053.0	5,634.1	1.0	3,635.4	4,967.3	1.4
Mapfre, S.A.	5,560.1	5,574.0	1.0	1,865.3	1,771.6	0.5
Banco de Sabadell	3,330.0	4,956.2	0.8	4,576.7	7,966.7	2.2
Merlin Properties, SOCIMI, S.A.	4,495.7	4,122.2	0.7	1,914.3	2,240.3	0.6
Enagás	5,344.6	4,067.4	0.7	5,102.6	5,007.1	1.4
Grupo Inmocaral	4,451.8	3,243.1	0.6	1,416.6	1,750.3	0.5
Compañía de Distribución Logista Holdings	2,327.1	3,132.9	0.5	1,075.5	1,378.6	0.4
Fluidra, S.A.	6,886.1	2,840.5	0.5	5,241.7	3,399.6	1.0
Unicaja Banco, S.A.	2,307.1	2,737.1	0.5	551.3	1,041.9	0.3
Acerinox	3,080.2	2,400.4	0.4	3,461.9	3,386.7	0.9
Solaria Energía y Medioambiente, S.A.	2,139.2	2,139.2	0.4	4,589.0	3,347.3	0.9
Laboratorios Farmacéuticos Rovi, S.A.	4,137.9	2,021.8	0.3	1,165.6	2,318.5	0.7
Indra Sistemas	1,681.7	1,881.4	0.3	1,595.1	2,019.5	0.6
Sacyr Vallehermoso	1,438.0	1,699.0	0.3	1,335.8	1,394.8	0.4
Meliá Hotels International, S.A.	1,322.8	1,009.0	0.2	1,647.8	1,598.6	0.4
Arcelor	797.0	629.5	0.1	3,554.8	3,906.5	1.1

Source: CNMV. (1) Companies in the Ibx 35 at 31 December 2022. (2) Capitalisation on the last day of the year. (3) With respect to the market total.

## Takeover bids authorised in 2022

1.9

Amounts in millions of euros

Company	Offeror	Purpose	% of share capital bid for	Amount paid <sup>1</sup>	Result <sup>2</sup> (%)
Zardoya Otis, S.A.	Opal Spanish Holdings, S.A. U.	Voluntary takeover bid to increase stake	49.98	1,513.10	45.49
Mediaset España Comunicación, S.A.	MFE-MediaForEurope N.V.	Voluntary takeover bid to increase stake	44.31	478.33	27.23
Metrovacesa, S.A.	FCYC, S.A.	Partial voluntary takeover bid	24.00	125.26	11.47
Siemens Gamesa Renewable Energy, S.A.	Siemens Energy Global GmbH & Co., KG	Voluntary takeover bid to increase stake	32.93	3,153.09	25.65
<b>Total</b>				<b>5,269.79</b>	

Source: CNMV. (1) Consideration adjusted for dividends. (2) Percentage with respect to share capital. In the event of pro-rata, the co-efficient is indicated.

## Companies listed on Latibex by sector

1.10

Amounts in millions of euros, unless indicated otherwise

Sector	Number of companies		Market capitalisation <sup>1</sup>			Trading volume		
	2021	2022	2021	2022	% change	2021	2022	% change
Oil	1	1	28.7	74.9	160.80	9.9	56.9	471.90
Energy	3	4	2.1	6.2	202.90	1.3	1.9	49.59
Mining & basic metals	5	5	103.9	141.1	35.83	27.5	25.4	-7.72
Chemicals and pharmaceuticals	1	1	0.7	0.6	-18.92	0.6	0.4	-33.02
Textiles and paper	0	0	0.0	0.0	-	0.0	0.0	-
Metal/mechanical	1	1	0.1	0.1	8.73	0.1	0.0	-85.00
Food	0	0	0.0	0.0	-	0.0	0.0	-
Real estate companies and SOCIMIs (Spanish REITs)	0	0	0.0	0.0	-	0.0	0.0	-
Transport and communications	1	1	0.5	0.5	-13.28	0.2	0.3	62.82
Other non-financial	1	1	0.1	0.0	-57.17	0.3	0.1	-48.23
Banks	4	3	3.2	3.8	18.89	0.7	1.6	134.48
Portfolio companies	1	1	0.0	1.1	3,041,982.22	0.2	0.9	402.37
Financial institutions	1	1	56.7	0.1	-99.77	8.2	5.9	-28.79
<b>Total</b>	<b>19</b>	<b>19</b>	<b>177.2</b>	<b>196.1</b>	<b>10.66</b>	<b>79.5</b>	<b>48.9</b>	<b>-38.45</b>

Source: CNMV. (1) Securities deposited in Iberclear.

## Net issues made by public administration service

I.11

Nominal amounts in millions of euros

	Amount				% year-on-year change		
	2019	2020	2021	2022	20/19	21/20	22/21
<b>Central government</b>	<b>16,091</b>	<b>100,260</b>	<b>60,999</b>	<b>79,342</b>	<b>523.1</b>	<b>-39.2</b>	<b>30.1</b>
Short-term	-9,024	15,979	-2,057	-21,819	277.1	-112.9	-960.5
Long-term	25,115	84,281	63,056	101,161	235.6	-25.2	60.4
<b>Autonomous regions</b>	<b>1,698</b>	<b>-2,760</b>	<b>3,905</b>	<b>-832</b>	<b>-262.5</b>	<b>241.5</b>	<b>-121.3</b>
Short-term	208	-138	-50	-153	-166.1	63.7	-205.7
Long-term	1,490	-2,622	3,956	-679	-276.0	250.8	-117.2
<b>Local authorities</b>	<b>-53</b>	<b>0</b>	<b>-200</b>	<b>-221</b>	<b>100.0</b>	<b>-</b>	<b>-</b>
Short-term	-	-	-	-	-	-	-
Long-term	-53	0	-200	-221	100.0	-	-
<b>Total public administrations</b>	<b>17,736</b>	<b>97,500</b>	<b>64,704</b>	<b>78,289</b>	<b>449.7</b>	<b>-33.6</b>	<b>21.0</b>

Source: Bank of Spain and CNMV.

## Number of issuers and issuances filed with the CNMV. Breakdown by instrument

I.12

	Number of issuers <sup>1</sup>		Number of issuers	
	2021	2022	2021	2022
<b>Long-term</b>	<b>30</b>	<b>27</b>	<b>149</b>	<b>127</b>
Non-convertible bonds	13	7	81	45
of which, subordinated debt	1	1	1	1
Convertible bonds	3	2	4	4
Covered bonds	7	8	16	21
Regional covered bonds	3	3	3	4
Securitisation bonds	12	11	41	53
asset-backed (ABS)	12	11	41	53
mortgage-backed (MBS)	0	0	0	0
Preference shares	3	0	3	0
Other issues	1	0	1	0
<b>Short-term<sup>2</sup></b>	<b>7</b>	<b>2</b>	<b>7</b>	<b>2</b>
Commercial paper	7	2	7	2
of which, asset-backed	0	0	0	0
<b>Total</b>	<b>34</b>	<b>29</b>	<b>156</b>	<b>129</b>

Source: CNMV. (1) In the case of issuers, the totals do not necessarily coincide with the sum, given that the same issuer may issue various types of instruments. (2) Shelf registrations.



## Main fixed income issuers<sup>1</sup> registered with the CNMV in 2022

I.13

Nominal amounts in millions of euros

Name of issuing company	Nominal amount issued		
	Total	Short-term <sup>2</sup>	Long-term
SAREB	25,284	0	25,284
Banco Santander, S.A.	14,500	0	14,500
BBVA RMBS 21, Fondo de Titulización	12,400	0	12,400
Caixabank, S.A.	8,500	0	8,500
Santander Consumer Finance, S.A.	5,000	5,000	0
Banco de Sabadell, S.A.	3,638	0	3,638
Bankinter, S.A.	3,050	0	3,050
Banco Bilbao Vizcaya Argentaria, S.A.	2,040	0	2,040

Source: CNMV. (1) Issuers that registered issues exceeding €2 billion in 2022. (2) Nominal amount of shelf registrations.

## Main fixed income issuers<sup>1</sup> registered with the CNMV in 2022. Breakdown by instrument

I.14

Nominal amounts in millions of euros

Asset type	Issuer	Amount
Simple bonds	SAREB	25,284
Convertible bonds	Unicaja Banco, S.A.	1,300
Covered bonds	Banco Santander, S.A.	13,500
	Caixabank, S.A.	6,500
	Banco de Sabadell, S.A.	3,500
	Bankinter, S.A.	3,050
	Deutsche Bank, Sociedad Anónima Española	1,800
	Banco Bilbao Vizcaya Argentaria, S.A.	1,500
	Cajamar Caja Rural, Sociedad Cooperativa de Crédito	1,000
Regional covered bonds	Caixabank, S.A.	2,000
	Banco Santander, S.A.	1,000
Commercial paper programme <sup>2</sup>	Santander Consumer Finance, S.A.	5,000
Securitisation bonds	BBVA RMBS 21, Fondo de Titulización	12,400
	BBVA RMBS 22, Fondo de Titulización	1,400
	Cars Alliance Auto Loans Spain 2022, Fondo de Titulización	1,228
	BBVA Consumer Auto 2022-1, Fondo de Titulización	1,206

Source: CNMV. (1) Issuers which issued more than €1 billion in 2022 in the corresponding financial instrument. (2) Nominal amount of shelf registrations.

**Commercial paper issuers: largest<sup>1</sup> outstanding balances at 31 December 2022**

I.15

Amounts in millions of euros

<b>Issuer</b>	<b>Amount</b>	<b>% of total</b>	<b>% accum.</b>
Endesa, S.A.	4,978	57.12	57.12
Banco de Sabadell, S.A.	1,389	15.94	73.06
Bankinter, S.A.	1,134	13.01	86.07
Santander Consumer Finance, S.A.	514	5.90	91.97
Bankinter Sociedad de Financiación, S.A.	500	5.74	97.71
Kutxabank Empréstitos	200	2.29	100.00

Source: AIAF. (1) Issuers with an outstanding balance greater than €200 million.

**Main issuers of securitisation bonds in 2022<sup>1</sup>**

I.16

Amounts in millions of euros

<b>Issuer</b>	<b>Amount</b>	<b>Assets securitised</b>
BBVA RMBS 21	12,400	Mortgage loans
BBVA RMBS 22	1,400	Mortgage loans
Cars Alliance Auto Loans Spain 2022	1,228	Auto loans
BBVA Consumer Auto 2022-1	1,206	Auto loans

Source: CNMV. (1) Issuers with CNMV-registered issuances of more than €1 billion at year-end.

## Securitisation bonds, by type of asset securitised

I.17

Nominal amounts in millions of euros

	2018	2019	2020	2021	2022
<b>Mortgage asset securitisation funds</b>	<b>683</b>	<b>3,025</b>	<b>19,701</b>	<b>9,033</b>	<b>14,522</b>
Mortgage loans	683	2,525	19,701	9,033	14,522
Mortgage-backed securities	0	500	0	0	0
Real estate sponsor loans	0	0	0	0	0
<b>Corporate asset securitisation funds</b>	<b>10,442</b>	<b>7,430</b>	<b>4,293</b>	<b>1,000</b>	<b>900</b>
SMEs <sup>1</sup>	10,442	5,600	2,550	1,000	900
Business loans <sup>2</sup>	0	0	0	0	0
Corporate loans <sup>3</sup>	0	0	0	0	0
Finance leases	0	1,830	1,743	0	0
<b>Other asset securitisation funds</b>	<b>7,020</b>	<b>8,286</b>	<b>12,288</b>	<b>6,083</b>	<b>5,199</b>
Subordinated debt	0	0	0	0	0
Treasury bonds	0	0	0	0	0
Loans to public administrations	0	0	0	0	0
Regional covered bonds	0	0	0	0	0
Consumer loans	2,504	3,097	6,430	4,030	759
Auto loans	1,534	1,556	4,658	2,053	4,440
Accounts receivable	0	0	0	0	0
Rights to future loans	0	0	0	0	0
Other loans	2,982	3,633	1,200	0	0
<b>Total securitisation bonds</b>	<b>18,145</b>	<b>18,741</b>	<b>36,281</b>	<b>16,116</b>	<b>20,621</b>
<b>Total securitisation commercial paper issued<sup>4</sup></b>	<b>240</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total bonds and commercial paper</b>	<b>18,385</b>	<b>18,741</b>	<b>36,281</b>	<b>16,116</b>	<b>20,621</b>

Source: CNMV. (1) Comprises funds with portfolios consisting almost entirely of loans to SMEs. (2) Comprises funds with portfolios containing loans to any type of business: self-employed, micro-enterprises, SMEs and larger companies. (3) Comprises funds with portfolios consisting only of loans to large companies. (4) Gross issues of asset securitisation funds with securitisation commercial paper programmes.

## Proprietary trading on AIAF

I.18

Nominal amount in millions of euros

	2018	2019	2020	2021	2022	% change 22/21
Commercial paper	0	0	0	0	0	-
Bonds	27	15	9	10	11	8.02
Securitisation bonds	0	0	0	0	0	-
Covered bonds	0	0	0	0	0	-
Regional covered bonds	0	0	0	0	0	-
Matador bonds	0	0	0	0	0	-
<b>Total private fixed income</b>	<b>27</b>	<b>15</b>	<b>9</b>	<b>10</b>	<b>11</b>	<b>8.02</b>
Treasury bills	0	0	0	0	0	-
Government bonds	443	0	5	85	0	-100.00
<b>Total public debt</b>	<b>443</b>	<b>0</b>	<b>5</b>	<b>85</b>	<b>0</b>	<b>-100.00</b>
<b>Total</b>	<b>470</b>	<b>15</b>	<b>14</b>	<b>95</b>	<b>11</b>	<b>-88.43</b>



## Statistical annexes II: financial institutions and investment services

Category	Number of funds		Number of unitholders		Assets		Change <sup>2</sup>	Gross profits distributed	Distribution of net subsc. to IFs (%)
	2022	Change vs Dec-21	2022	Change vs Dec-21	Amount	Net subscriptions			
	2022	2022	2022	2022	2022	2022			
Fixed income <sup>3</sup>	293	27	5,539,272	63,176	98,561.1	15,171.0	-5,031.3	-1.5	87.9
Mixed fixed income <sup>4</sup>	171	-10	1,216,179	-242,825	37,846.0	-8,999.8	-3,997.8	-26.1	-52.1
Mixed equity <sup>5</sup>	206	14	696,718	-24,628	24,247.9	-686.9	-3,204.9	-1.4	-4.0
Euro equity	86	-8	836,711	58,573	7,226.3	-335.9	-715.3	-2.1	-1.9
Global equity	339	32	4,156,864	274,680	45,588.9	1,782.7	-7,412.1	-3.9	10.3
Guaranteed fixed income	49	6	141,717	64,287	5,454.9	3,355.8	-247.6	0.0	19.4
Guaranteed equity <sup>6</sup>	102	-12	209,188	-55,855	6,306.7	-1,409.6	-378.6	0.0	-8.2
Global funds	291	28	2,067,594	78,166	63,717.0	3,824.2	-7,693.1	-5.0	22.2
Passive management <sup>7</sup>	93	5	596,475	90,961	15,935.0	4,551.5	-1,109.3	-7.6	26.4
Absolute return	54	-7	658,722	-689	6,582.5	-274.9	-372.4	-1.4	-1.6
<b>Total investment funds</b>	<b>1,684</b>	<b>73</b>	<b>16,119,440</b>	<b>302,883</b>	<b>311,466.4</b>	<b>16,977.9</b>	<b>-30,163.5</b>	<b>-49.0</b>	<b>98.3</b>
Funds of hedge funds	8	-1	5,347	69	741.3	95.0	29.6	0.0	0.6
Hedge funds	59	1	7,518	-631	2,917.7	190.6	-237.4	-2.5	1.1
<b>Total funds (Total investment funds + funds of hedge funds + hedge funds)</b>	<b>1,751</b>	<b>73</b>	<b>16,132,305</b>	<b>302,321</b>	<b>315,125</b>	<b>17,263.5</b>	<b>-30,371.3</b>	<b>-51.5</b>	<b>100.0</b>
Real estate funds	2	0	482	0	314.8	0.0	3.8	0.0	-
Foreign CISs <sup>8</sup>	1,097	23	6,412,067	338,530	201,058.7	-	-	-	-

Source: CNMV. (1) Sub-funds which have submitted confidential statements (excludes funds in dissolution or liquidation). The data of special purpose sub-funds are included only in the totals not in the breakdowns by category. (2) For each category, the variation in assets is due to net subscriptions, including those due to changes in the investor profile, gross profits paid out and net yields on assets. (3) Includes short-term public debt constant net asset value money market funds (MMF), short term low volatility net asset value MMF, short term variable net asset value MMF, standard variable net asset value MMF, euro fixed income and short-term euro fixed income. (4) Comprises euro mixed fixed income and global mixed fixed income. (5) Comprises euro mixed equity and global mixed equity. (6) Comprises guaranteed variable return and partial guarantee. (7) In 2021, includes (Circular 3/2011) passively managed CISs and (Circular 1/2019): CISs that replicate an index and global with a specific non-guaranteed target return. In 2022, includes CISs that replicate an index and CISs with a specific non-guaranteed target return. (8) The number of foreign CISs includes only UCITS registered with the CNMV. The data of unitholders and investment volumes are estimated using the data received to date. The volume of investment is the result of multiplying the number of shares and units distributed in Spain by their value at the end of the corresponding period.

II.1

Amounts in millions of euros

## Fund portfolio: weight in the outstanding balance of Spanish securities<sup>1</sup> II.2

%					
	2018	2019	2020	2021	2022
<b>Mixed equity<sup>2</sup></b>	3.0	2.6	2.5	2.8	2.7
<b>Private fixed income</b>	1.6	1.3	1.1	1.2	1.5
Short-term	17.4	24.3	15.5	21.4	17.4
Long-term	1.3	1.0	1.0	0.9	1.1
<b>Public sector fixed income</b>	3.5	2.9	2.3	1.7	2.3
Short-term	9.0	7.8	6.0	6.5	6.1
Long-term	3.1	2.6	2.1	1.4	2.1

Source: CNMV. (1) Internal portfolio of financial investment funds, excluding hedge funds and funds of hedge funds at realisation value. Does not include repos. (2) Listed equity as a percentage of the capitalisation of Spanish securities in the continuous market, open outcry market and BME Growth.

## Expenses charged to financial investment funds II.3

% of half-day equity

	Management fees			Depository fees <sup>1</sup>		
	2020	2021	2022	2020	2021	2022
<b>Total investment funds<sup>2</sup></b>	<b>0.83</b>	<b>0.86</b>	<b>0.81</b>	<b>0.08</b>	<b>0.07</b>	<b>0.07</b>
Fixed income <sup>3</sup>	0.42	0.40	0.37	0.06	0.06	0.06
Mixed fixed income <sup>4</sup>	0.88	0.88	0.87	0.08	0.08	0.08
Mixed equity <sup>5</sup>	1.28	1.28	1.14	0.10	0.09	0.09
Euro equity	1.45	1.30	1.22	0.10	0.09	0.09
Global equity	1.31	1.31	1.15	0.09	0.08	0.08
Guaranteed fixed income	0.36	0.36	0.35	0.05	0.05	0.05
Guaranteed equity <sup>6</sup>	0.44	0.44	0.40	0.05	0.05	0.05
Global funds	1.07	1.15	1.16	0.08	0.09	0.08
Passive management <sup>7</sup>	0.41	0.37	0.34	0.05	0.04	0.04
Absolute return	0.78	0.68	0.51	0.07	0.06	0.05
<b>Funds of hedge funds</b>	<b>1.90</b>	<b>1.75</b>	<b>1.35</b>	<b>0.06</b>	<b>0.07</b>	<b>0.06</b>
<b>Hedge funds<sup>3</sup></b>	<b>1.49</b>	<b>1.62</b>	<b>0.97</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

Source: CNMV. (1) Except in hedge funds where they are financing costs. (2) The data of the special purpose sub-funds are included only in the totals, not in the breakdowns by category as this is not available. (3) Percentage of average monthly assets. (3) Comprises short-term public debt constant net asset value MMF, short-term low volatility net asset value MMF, short-term variable net asset value MMF, standard variable net asset value MMF, euro fixed income and short-term euro fixed income. (4) Comprises euro mixed fixed income and global mixed fixed income. (5) Comprises euro mixed equity and global mixed equity. (6) Comprises guaranteed variable return and partial guarantee. (7) In 2021, includes (Circular 3/2011) passively managed CISs and (Circular 1/2019): CISs that replicate an index and CISs with a specific non-guaranteed target return. In 2022, includes CISs that replicate an index and CISs with a specific non-guaranteed target return.

## Yields and net subscriptions of investment funds

II.4

Yield (%) and net subscriptions (in millions of euros)

	2018		2019		2020		2021		2022	
	Yield	Net subsc.	Yield	Net subsc.	Yield	Net subsc.	Yield	Net subsc.	Yield	Net subsc.
Fixed income <sup>1</sup>	-1.44	-2,766	1.38	10,733	0.62	2,063	-0.31	7,674	-5.38	15,171
Mixed fixed income <sup>2</sup>	-4.27	-1,064	4.75	-1,506	-0.03	2,620	2.49	6,538	-8.83	-9,000
Mixed equity <sup>3</sup>	-6.45	2,486	9.25	3,289	0.59	1,601	7.18	-4,179	-11.37	-687
Euro equity	-13.01	1,790	14.27	-3,588	-8.75	-2,008	16.72	14	-8.39	-336
Global equity	-12.34	3,864	22.18	4,114	2.83	2,633	21.14	5,261	-13.14	1,783
Guaranteed fixed income	0.09	-576	3.98	-283	1.68	-707	-1.29	-1,787	-8.43	3356
Guaranteed equity <sup>4</sup>	-1.33	-667	3.62	-1,857	0.70	-2,254	0.06	-2,949	-5.44	-1,410
Global funds	-5.69	9,449	8.45	-2,554	-0.31	-1,501	7.90	22,755	-10.53	3,824
Passive management <sup>5</sup>	-3.16	-2,790	7.45	-3,027	0.44	-24	9.82	-2,701	-9.31	4,552
Absolute return	-4.81	-1,900	3.94	-2,853	0.94	-1,762	3.02	-3,042	-4.95	-275
<b>Total IFs<sup>6</sup></b>	<b>-4.89</b>	<b>7,842</b>	<b>7.12</b>	<b>2,468</b>	<b>0.78</b>	<b>660</b>	<b>6.31</b>	<b>27,583</b>	<b>-8.95</b>	<b>16,978</b>
Funds of hedge funds	-2.99	177	4.91	71	-0.35	-227	11.27	205	3.49	95
Hedge funds	-5.63	83	10.15	270	-0.04	-203	6.85	312	-7.57	191
<b>Total funds</b> <b>(Total IFs + funds of hedge funds + hedge funds)</b>	<b>-4.90</b>	<b>8,102</b>	<b>7.14</b>	<b>2,809</b>	<b>0.77</b>	<b>231</b>	<b>6.32</b>	<b>28,100</b>	<b>-8.91</b>	<b>17,263</b>
<b>Real estate funds</b>	<b>0.24</b>	<b>-52</b>	<b>0</b>	<b>0</b>	<b>0.47</b>	<b>0</b>	<b>0.07</b>	<b>0</b>	<b>1.20</b>	<b>-1</b>

Source: CNMV. (1) Short-term public debt constant net asset value MMF, short-term low volatility net asset value MMF, short-term variable net asset value MMF, standard variable net asset value MMF, euro fixed income and short-term euro fixed income. (2) Comprises euro mixed fixed income and global mixed fixed income. (3) Comprises euro mixed equity and global mixed equity. (4) Includes guaranteed variable return and partial guarantee. (5) In 2021, includes (Circular 3/2011) passively managed CISs and (Circular 1/2019): CISs that replicate an index and CISs with a specific non-guaranteed target return. In 2022, includes CISs that replicate an index and CISs with a specific non-guaranteed target return. (6) The data of the special purpose sub-funds are included only in the totals, not in the breakdowns by category as this is not available.

## Foreign CISs marketed in Spain<sup>1</sup>

11.5

	2021	2022	Change (%)
<b>Number of schemes</b>	1,074	1,095	2.0
<b>Number of investors</b>	6,073,537	6,412,067	5.6
<b>Investment volume (millions of euros)</b>	276,232	201,059	-27.2
<b>Breakdown by country of origin</b>			
Germany	50	53	6.0
Austria	33	34	3.0
Belgium	5	3	-40.0
Denmark	1	1	0.0
Finland	14	14	0.0
France	222	222	0.0
Ireland	231	248	7.4
Liechtenstein	5	4	-20.0
Luxembourg	501	498	-0.6
Netherlands	3	3	0.0
Portugal	0	6	-
United Kingdom	0	0	-
Sweden	9	9	0.0

Source: CNMV. (1) The number of undertakings and their distribution by country of origin includes only UCITS (companies and funds) registered with the CNMV. Data relating to assets and the number of unitholders are estimated using the data received to date.



**CIS management companies (CISMCs) and management companies of closed-ended collective investment schemes: registrations and deregistrations in 2022**

II.6

Annexes  
Statistical annexes II

Entity	Controlling group
<b>CIS management company</b>	
<b>Registrations</b>	
Diagonal Asset Management, SGIC, S.A.	Independent
Panza Capital, SGIC, S.A.	Independent
<b>Deregistrations</b>	
Liberbank Gestión, SGIC, S.A.	Unicaja Banco, S.A./Absorbed by Unigest, SGIC, S.A.
Mirabaud Asset Management (España), SGIC, S.A.	Independent / Transformation into S.A.
<b>Foreign management companies with branches</b>	
<b>Registrations</b>	
Mirabaud Asset Management (Europe), S.A., Sucursal en España	Mirabaud Asset Management (Europe), S.A.
Bluebay Funds Management Company, S.A., Sucursal en España	Bluebay Funds Management Company, S.A.
Natixis Investment Managers Internacional, S.A., Sucursal en España	Natixis Investment Managers Internacional S.A.
<b>Deregistrations</b>	
FCS Asset Management Limited, Sucursal en España	FCS Asset Management Limited
<b>Management companies of closed-ended CISs</b>	
<b>Registrations</b>	
Mar Oceana Venture Capital Investments, SGEIC, S.A.	Independent
Idalia Capital, SGEIC, S.A.	Independent
Hubble Capital, SGEIC, S.A.	Independent
Guidebridge, SGEIC, S.A.	Independent
Grow Venture Partners, SGEIC, S.A.	Independent
Atalaya Investment Management, SGEIC, S.A.	Independent
Teset Capital, SGEIC, S.A.	Independent
White Summit Capital Management, SGEIC, S.A.	Independent
Istria Capital Partners, SGEIC, S.A.	Independent
Nara Capital Partners, SGEIC, S.A.	Independent
Impar Capital Asset Management, SGEIC, S.A.	Independent
One to One Asset Management, SGEIC, S.A.	Independent
Alantra Gas Energy Transition, SGEIC, S.A.	Alantra
Zubi Capital Asset Management, SGEIC, S.A.	Independent
Gannet Partners, SGEIC, S.A.	Independent
Frontier Renewables Capital, SGEIC, S.A.	Independent
<b>Deregistrations</b>	
Santander Capital Desarrollo, SGEIC, S.A.	Banco Santander, S.A./ Transformation into S.A.
Taiga Mistral Gestion, SGEIC, S.A.	Independent / Transformation into S.A.
Argo Capital Partners Management, SGEIC, S.A.	Independent / Simultaneous dissolution and liquidation of the company

Source: CNMV.

<b>Foreign investment firms with community passport: home Member State<sup>1</sup></b>		
	2021	2022
<b>Number of investment firms</b>		
<b>Free provision of services</b>	<b>902</b>	<b>922</b>
Germany	112	113
Austria	23	22
Belgium	11	11
Bulgaria	10	11
Cyprus	224	222
Croatia	1	1
Denmark	21	20
Slovakia	3	3
Slovenia	1	1
Estonia	2	5
Finland	14	15
France	78	82
Greece	13	13
Netherlands	122	127
Hungary	3	3
Ireland	68	69
Iceland	1	1
Italy	16	17
Latvia	2	2
Liechtenstein	31	34
Lithuania	1	1
Luxembourg	47	45
Malta	32	32
Norway	33	35
Poland	2	2
Portugal	14	15
Czech Republic	3	4
Sweden	14	16
<b>Branches</b>	<b>41</b>	<b>43</b>
Germany	15	14
Cyprus	4	4
France	7	8
Netherlands	3	3
Ireland	5	6
Luxembourg	3	1
Malta	0	2
Norway	1	1
Poland	1	1
Portugal	1	1
Sweden	1	2
<b>Total</b>	<b>943</b>	<b>965</b>
<b>Pro memoria: foreign investment firms outside the EEA</b>		
<b>Branches</b>	<b>2</b>	<b>2</b>
United Kingdom	2	2
<b>Free provision of services</b>	<b>3</b>	<b>4</b>
Argentina	1	1
Brazil	1	1
Chile	1	1
United Kingdom	0	1
<b>Total</b>	<b>5</b>	<b>6</b>

Source: CNMV. (1) Countries indicated in the notifications of investment firms of EU Member States and authorisations of investment firms of non-EU countries.

**Broker-dealers and brokers, and financial advisory firms and foreign investment firms with branches: registrations and deregistrations in 2022**

II.8

**Annexes**  
Statistical annexes II

<b>Entity</b>	<b>Controlling group</b>
<b>Broker-dealers and brokers</b>	
<b>Registrations</b>	
Alveus Investing, AV, S.A.	Grupo Tenet Ventures
Alantra Wealth Management, AV, S.A.	Independent
Campion Capital Iberia, AV, S.A.	Grupo Campion Capital
Capital Vision Investment Solutions, AV, S.A.	Independent
Hugo Broker, AV, S.L.	Independent
London And Capital Wealth Management Europe, AV, S.A.	London And Capital Group
Sapiens Markets EU, SV, S.A.	Grupo Tradeslide Ventures
Saranac Partners Europe, AV, S.A.	Grupo Saranac Partners
<b>Deregistrations</b>	
Diagonal Inversiones Capital, AV, S.A.	Independent
Mercados y Gestión de Valores, AV, S.A.	Independent
Oval Marketplace, AV, S.A.	Grupo Oval Money
Renta Markets, SV, S.A.	Grupo Renta Markets
<b>Financial advisory firms</b>	
<b>Registrations</b>	
Andromeda Capital, EAF, S.L.	Independent
Eagle Hill Investments, EAF, S.L.	Independent
Equinox Capital, EAF, S.L.	Independent
Euroamerican Financial Advisors 2021 EAF, S.L.	Independent
Jose Suarez-Lledo Grande	Independent
Juno Capital EAF, S.L.	Independent
Klosters Capital Spain, EAF, S.A.	Independent
Minvestgrup, EAF, S.L.	Independent
Top Class Capital, EAF, S.L.	Independent
<b>Deregistrations</b>	
House of Private Finance, EAF, S.L.	Independent
Corefinance Financial Services, EAF, S.L.	Independent
Angel Ochoa Crespo	Independent
Jordi Pumarola i Batlle	Independent
Ancora Soluciones Patrimoniales, EAF, S.L.	Independent
Rio Real Asesores Financieros, EAF, S.L.	Independent
<b>Foreign investment firms with branches</b>	
<b>Registrations</b>	
AWM Wealth Advisers Limited, Sucursal en España	AWM Wealth Advisers Limited
Blevins Franks Wealth Management, Sucursal en España	Blevins Franks Wealth Management
FV Frankfurter Vermögens AG, Sucursal en España	FV Frankfurter Vermögens AG
La Française AM Finance Services, Sucursal en España	La Francaise AM Finance Services
Oanda Europe Markets LTD, Sucursal en España	Oanda Europe Markets LTD
Sanford C. Bernstein Ireland Limited, Sucursal en España	Sanford C. Bernstein Ireland Limited
Wellington Management Europe GMBH, Sucursal en España	Wellington Management Europe GMBH

**Broker-dealers and brokers, and financial advisory firms and foreign investment firms with branches: registrations and deregistrations in 2022 (continuation)** II.8

Entity	Controlling group
<b>Deregistrations</b>	
Mex Asset Management GmbH, Sucursal en España	Mex Asset Management GmbH
Muzinich & Co. (Dublin) Limited, Sucursal en España	Muzinich & Co. (Dublin) Limited
M&G International Investments, S.A., Sucursal en España	M&G International Investments
Morgan Stanley Europe SE, Sucursal en España	Morgan Stanley Europe SE
Stonex Financial Europe, S.A., Sucursal en España	Stonex Financial Europe, S.A.
Citigroup Global Markets Europe AG, Sucursal en España	Citigroup Global Markets Europe AG
Oanda Europe Markets LTD, Sucursal en España	Oanda Europe Markets LTD

Source: CNMV.

**Broker-dealers and brokers, and financial advisory firms. Changes of control in 2022** II.9

Institution	Buyer
<b>Acquisitions of control by financial institutions</b>	
Dux Inversores Capital, AV, S.A.	Grupo Abante
Solventis, SV, S.A.	Independent
Argenta Patrimonios, EAF, S.L.	Grupo Credit Andorra
Sapphire Capital, EAF, S.L.	Grupo Sapphire Financial Services

Source: CNMV.

**Spanish investment firms with community passport: host Member State<sup>1</sup>** II.10

	2021	2022
<b>Number of investment firms with cross-border activity</b>		
Free provision of services	53	55
Branches	8	5
<b>Breakdown by country of Spanish investment firms providing cross-border services<sup>2,3</sup></b>		
<b>Free provision of services</b>		
Germany	25	29
Austria	18	19
Belgium	21	24
Bulgaria	5	6
Cyprus	6	8
Croatia	3	3
Denmark	13	16
Slovakia	5	7
Slovenia	4	5
Estonia	5	5
Finland	11	14
France	25	31
Greece	13	15

**Spanish investment firms with community passport: host Member State<sup>1</sup>** II.10  
*(continuation)*

	2021	2022
Hungary	5	6
Ireland	19	20
Iceland	3	3
Italy	25	30
Latvia	5	5
Liechtenstein	4	4
Lithuania	5	5
Luxembourg	33	35
Malta	9	11
Norway	10	10
Netherlands	21	25
Poland	8	9
Portugal	32	36
Czech Republic	6	8
Romania	5	6
Sweden	17	20
<b>Branches</b>		
France	0	2
Italy	3	3
Luxembourg	1	0
Netherlands	0	2
Poland	1	1
Portugal	3	2
<b>Pro memoria: number of investment firms with cross-border activity outside the EEA</b>		
Free provision of services	9	10
Branches	1	1
<b>Breakdown by country<sup>3</sup></b>		
<b>Free provision of services</b>		
Andorra	1	1
Chile	2	2
United States	1	2
Peru	1	1
United Kingdom	3	6
Switzerland	3	4
<b>Branches</b>		
Peru	1	1

Source: CNMV. (1) Does not include the cross-border activity of financial advisory firms. (2) Countries indicated in notifications relating to the freedom to provide services regime and in branch authorisations. (3) Number of Spanish investment firms providing services in other countries. The same firm may provide services in one or more countries.

## Spanish financial advisory firms with community passport: host Member State II.11

	2021	2022
<b>Number of financial advisory firms with cross-border activity</b>		
Free provision of services	26	23
Branches	1	0
<b>Breakdown by country</b>		
<b>Free provision of services<sup>1, 2</sup></b>		
Germany	5	4
Belgium	3	3
France	5	5
Ireland	2	2
Italy	3	3
Luxembourg	23	21
Malta	4	4
Netherlands	1	1
Portugal	3	3
<b>Branches</b>		
Portugal	1	0

Source: CNMV. (1) Countries indicated in notifications relating to the freedom to provide services regime and in branch authorisations. (2) Number of Spanish financial advisory firms providing services in other countries. The same firm may provide services in one or more countries.

## Foreign credit institutions authorised to provide investment services in Spain: home Member State II.12

	2021	2022
<b>Number of foreign credit institutions providing investment services in Spain</b>		
<b>EU credit institutions</b>		
Free provision of services	357	400
Subsidiaries of EU credit institutions under the freedom to provide services regime	0	0
Branches	53	52
<b>Non-EU credit institutions</b>		
Free provision of services	2	3
Branches	3	3
<b>Breakdown by home State</b>		
<b>Free provision of services</b>	<b>359</b>	<b>403</b>
<b>EU credit institutions</b>		
Germany	54	55
Austria	37	36
Belgium	9	9
Cyprus	4	4
Denmark	10	10
Slovakia	1	2
Finland	9	9
France	53	95
Greece	1	1

**Foreign credit institutions authorised to provide investment services  
in Spain: home Member State (continuation)**

II.12

Annexes  
Statistical annexes II

	2021	2022
Hungary	6	6
Ireland	27	26
Iceland	1	1
Italy	10	10
Latvia	2	2
Liechtenstein	7	8
Luxembourg	54	52
Malta	9	9
Norway	4	5
Netherlands	30	31
Poland	1	1
Portugal	17	17
Czech Republic	1	1
Sweden	10	10
<b>Non-EU credit institutions</b>	<b>2</b>	<b>2</b>
Australia	1	1
Canada	1	2
Switzerland	0	0
<b>Subsidiaries of EU credit institutions under the freedom to provide services regime</b>	<b>0</b>	<b>0</b>
<b>Branches</b>	<b>56</b>	<b>55</b>
<b>EU credit institutions</b>	<b>53</b>	<b>52</b>
Germany	10	12
Austria	1	1
Belgium	2	2
France	10	9
Ireland	4	4
Italy	4	4
Luxembourg	10	9
Netherlands	7	6
Portugal	5	5
<b>Non-EU credit institutions</b>	<b>3</b>	<b>3</b>
Argentina	1	1
United States	1	1
Switzerland	1	1

Source: Bank of Spain and CNMV.





## Statistical annexes III: regulation and supervision

### Number of significant shareholders of Ibex 35 companies<sup>1</sup>

III.1

Entities	Shareholding				
	3-5%	5-10%	10-25%	25-50%	50-100%
Acciona	1	-	-	2	-
Acerinox	1	1	1	-	-
ACS	-	3	1	-	-
Aena	2	1	-	-	1
Amadeus	3	4	-	-	-
BBVA	-	1	-	-	-
B. Sabadell	4	-	-	-	-
B. Santander	2	1	-	-	-
Bankinter	1	1	1	-	-
CaixaBank	1	-	1	1	-
Cellnex	4	5	-	-	-
Corporación Acciona	-	-	-	-	1
Compañía Logista	1	1	-	-	1
Enagás	6	-	-	-	-
Endesa	-	-	-	-	1
Ferrovial	3	2	1	-	-
Fluidra	1	4	2	-	-
Grifols	1	5	-	-	-
Iberdrola	1	2	-	-	-
IAG	-	-	-	1	-
Indra	3	2	1	-	-
Inditex	-	1	-	-	1
Inmobiliaria Colonial	2	2	2	-	-
Laboratorios Rovi	-	1	-	-	1
Mapfre	-	-	-	-	1
Meliá	-	2	-	1	-
Merlin	-	2	1	-	-
Naturgy	1	-	3	-	-
REE	2	-	1	-	-
Repsol	2	1	-	-	-
Sacyr	2	3	1	-	-
Solaria	5	-	-	1	-
Telefónica	3	-	-	-	-
Unicaja Bank	1	3	-	1	-
<b>Total</b>	<b>53</b>	<b>48</b>	<b>16</b>	<b>7</b>	<b>7</b>

Source: CNMV. (1) Composition of the Ibex 35 at the end of the year (not including Arcelor, for which Spain is not the home Member State).

Reference	Resolutions
(1/22)	<b>Resolution of the CNMV Board of 28 February 2022</b>  Resolution of the disciplinary proceedings initiated against a listed company, its chair and CEO and directors who are members of its audit committee for the alleged commission of a very serious infringement of Article 282.2 of the TRLMV in supplying the CNMV with periodic financial information containing data that were inaccurate or untrue. Fines of €150,000 for the company, €10,000 for the Chair and CEO and €20,000 for each member of the Audit Committee were imposed.
(2/22)	<b>Resolution of the CNMV Board of 28 February 2022</b>  Resolution of the disciplinary proceedings brought against a natural person for the alleged commission of a serious infringement of Article 282.6 of the TRLMV, for the use of inside information. A fine of €15,000 was imposed.
(3/22)	<b>Resolution of the CNMV Board of 30 March 2022</b>  Resolution of the disciplinary proceedings brought against two legal persons and one natural person for the alleged commission of a serious infringement of Article 295.4 of the TRLMV, for practices of market manipulation. The two legal persons were fined €9,000 and €5,000, respectively, and the natural person was fined €20,000.
(4/22)	<b>Resolution of the CNMV Board of 30 March 2022</b>  Resolution of the disciplinary proceedings brought against a credit institution for the alleged commission of two serious infringements of Articles 296.12 (non-compliance with obligations relating to the design and distribution of a structured bond) and 296.14 (non-compliance with its duties to disclose costs and expenses) of the TRLMV. Fines for a total amount of €3.25 million were imposed.
(5/22)	<b>Resolution of the CNMV Board of 30 March 2022</b>  Resolution of the disciplinary proceedings brought against three natural persons for the alleged commission, by one of them, of a very serious infringement of Article 282.6 of the TRLMV (use and communication of inside information), and by the other two of a serious breach of Article 295.5 of the TRLMV (use of inside information). The first person was fined €100,000 and the other two received fines of €15,000 and €65,000, respectively.
(6/22)	<b>Resolution of the CNMV Board of 27 April 2022</b>  Resolution of the disciplinary proceedings brought against a natural person for the alleged commission of a serious infringement of Article 282.16 of the TRLMV, for the use of inside information. A fine of €15,000 was imposed.
(7/22)	<b>Resolution of the CNMV Board of 29 June 2022</b>  Resolution of the disciplinary proceedings brought against an investment firm for the alleged commission of a very serious infringement of Article 284.5 of the TRLMV, for having failed to comply with the requirements to receive inducements from third parties for the marketing of CISs. A fine of €100,000 was imposed.
(8/22)	<b>Resolution of the CNMV Board of 29 June 2022</b>  Resolution of the disciplinary proceedings brought against two natural person for the alleged commission, by one of them, of a very serious infringement of Article 282.6 of the TRLMV (use and communication of inside information) and by the other, of a serious breach of Article 295.5 of the TRLMV (use of inside information). They were fined €50,000 and €38,000 respectively.
(9/22)	<b>Resolution of the CNMV Board of 29 June 2022</b>  Partial resolution (in relation to the company) of the disciplinary proceedings brought against a listed company, the directors who are members of its audit committee and a manager for the alleged commission of a very serious infringement of Article 282.2 of the TRLMV for supplying the CNMV with periodic financial information containing data that were inaccurate or untrue. A fine of €100,000 was imposed.
(10/22)	<b>Resolution of the CNMV Board of 29 June 2022</b>  Partial resolution (in relation to the CISMCS) of the disciplinary proceedings brought against a CIS management company and an investment firm for the alleged commission of a serious infringement of Article 295.13 of the TRLMV, for practices constituting market manipulation. A fine of €120,000 was imposed.
(11/22)	<b>Resolution of the CNMV Board of 29 June 2022</b>  Resolution of the disciplinary proceedings brought against a natural person for the alleged commission of a serious infringement of Article 295.13 of the TRLMV, for market manipulation practices. A fine of €35,000 was imposed.

## Reference Resolutions

**(12/22) Resolution of the CNMV Board of 29 June 2022**

Resolution of the delinquency brought against a CIS management company for the alleged commission of three infringements of the Spanish Collective Investment Companies Act: two very serious infringements of Articles 80 b) (for investment in unsuitable assets) and 80 i) (for breaching the exposure limit in derivative financial instruments established in the prospectus); and a minor infringement of Article 82.1 c) (for exceeding the diversification limit in positions held in an issuer). Total fines of €350,000 were imposed.

**(13/22) Resolution of the CNMV Board of 29 June 2022**

Resolution of the disciplinary proceedings brought against an investment firm for the alleged commission of a serious infringement of Article 296.5 of the TRLMV, for non-compliance with internal organisation requirements. A fine of €20,000 was imposed.

**(14/22) Resolution of the CNMV Board of 21 July 2022**

Partial resolution (in relation to a manager and the directors who are members of the audit committee) of the disciplinary proceedings brought against a listed company for the alleged commission of a very serious infringement of Article 282.2 of the TRLMV, for supplying the CNMV with periodic financial information with inaccurate or untrue data. A fine of €100,000 was received by the manager and €15,000 by each of the directors.

**(15/22) Resolution of the CNMV Board of 21 July 2022**

Partial resolution (in relation to the investment firm) of the disciplinary proceedings brought against an investment firm and a natural person for the alleged commission of a serious infringement of Article 295.13 of the TRLMV, for practices constituting market manipulation. A fine of €125,000 was imposed.

**(16/22) Resolution of the CNMV Board of 21 July 2022**

Resolution of the disciplinary proceedings brought against a credit institution for the alleged commission of a very serious infringement of Article 283.3 of the TRLMV, for failing to have suitable measures and procedures to ensure compliance with the rules of conduct for their customer assessments. A fine of €200,000 was imposed.

**(17/22) Resolution of the CNMV Board of 21 July 2022**

Resolution of the disciplinary proceedings brought against a listed company, its chair and two of its group companies for the alleged commission of a serious infringement of Article 295.4 of the TRLMV, for practices constituting market manipulation. Total fines of €270,000 were imposed.

**(18/22) Resolution of the CNMV Board of 3 October 2022**

Partial resolution (in relation to the facts that have not been subject to suspension due to criminal prejudice) of the disciplinary proceedings brought against an investment firm, the members of its Board of Directors, an agent (legal person) of the investment firm and its CEO, for the alleged commission of several very serious infringements of the TRLMV. The investment firm and the members of its Board of Directors were penalised for committing a very serious infringement of Article 283.1 of the TRLMV, for keeping the accounts with essential defects or irregularities, with fines of €100,000 for the firm and a total amount of €255,000 for the members of its Board of Directors. The agent and the CEO were penalised for committing a very serious violation of Article 278.2 of the TRLMV, for carrying out portfolio management activities without the authority to do so, receiving fines of €120,000 and €100,000 respectively. The CEO was removed from office and barred from holding management or directorship position in any entity included in Article 233.1 a) of the Securities Market Act, or in any credit institution, for a period of three years.

**(19/22) Resolution of the CNMV Board of 3 October 2022**

Resolution of the disciplinary proceedings brought against a legal person, in their capacity as chair and CEO of a listed company, for the alleged commission of a serious infringement of Article 295.18 of the TRLMV, for making purchases for said company in breach of the prohibition to operate in 30 days prior to the publication of financial information. A fine of €250,000 was imposed.

**(20/22) Resolution of the CNMV Board of 3 October 2022**

Resolution of the disciplinary proceedings brought against a credit institution for the alleged commission of a serious infringement of Article 295.14 of the TRLMV, for not informing the CNMV of suspicious transactions that indicated market manipulation. A fine of €40,000 was imposed.

**(21/22) Resolution of the CNMV Board of 22 December 2022**

Resolution of the disciplinary proceedings brought against a natural person for the alleged commission of a serious infringement of Article 282.16 of the TRLMV, for the use of inside information. A fine of €15,000 was imposed.

## List of judicial rulings on contentious-administrative appeals against penalties in 2022

III.3

Number	Date	Court	Appeal Number	Resolution	Ruling appealed
1	21 February 2022	Constitutional Court	Writ of protection 6420/2019	Ruling	Resolution of the CNMV Board of 18 May 2016
Dismissal of the appeal on the grounds of unconstitutionality brought against the resolution of the CNMV Board of 18 May 2016, in relation to the penalty imposed on a natural person for the commission of a very serious infringement of Article 99 o) of the Spanish Securities Market Act and its subsequent publication in the <i>BOE</i> .					
2	1 March 2022	National High Court	721/2020	Ruling	Resolution MAETD 26/02/2020
Partly upholding the penalty imposed on several insurance and reinsurance companies belonging to the same group in relation to a serious infringement of Article 296.1 of the TRLMV, by CNMV Board Resolution of 28 March 2019, which was upheld on appeal by resolution of the Ministry of Economic Affairs and Digital Transformation on 26 February 2020. The penalties imposed on two of the seven companies were annulled.					
3	23 March 2022	National High Court	588/2020	Ruling	Resolution MAETD 18/02/2020
Upholding the penalty imposed on the director of a credit institution in relation to a serious infringement of Article 296.1 of the TRLMV, by CNMV Board Resolution of 29 May 2019, upheld on appeal by resolution of the Ministry of Economic Affairs and Digital Transformation on 18 February 2020.					
4	23 March 2022	National High Court	590/2020	Ruling	Resolution MAETD 18/02/2020
Upholding the penalty imposed on the director of credit institution in relation to a serious infringement of Article 296.1 of the TRLMV, by CNMV Board Resolution of 29 May 2019, upheld on appeal by resolution of the Ministry of Economic Affairs and Digital Transformation on 18 February 2020.					
5	27 April 2022	Supreme Court	686/2017	Auto	Ruling AN 24/06/2021
Admitting the appeal in cassation number 6827/2021, brought against the ruling of the National High Court of 24 June 2021, considering the issue raised to be of interest for judicial review and formation of case law.					
6	31 May 2022	Supreme Court	2031/2019	Auto	Ruling AN 25/11/2021
Admitting the appeal in cassation number 1297/2022, brought against the ruling of the National High Court of 25 November 2021, considering the issue raised to be of interest for judicial review and formation of case law.					
7	20 July 2022	Supreme Court	721/2020	Auto	Ruling AN 01/03/2022
Admitting the appeal in cassation number 3537/2022, brought against the ruling of the National High Court of 1 March 2022, considering the issue raised to be of interest for judicial review and formation of case law.					
8	20 July 2022	Supreme Court	589/2020	Auto	Ruling AN 06/10/2021
Admitting the appeal in cassation number 8651/2021, brought against the ruling of the National High Court of 6 October 2021, considering the issue raised to be of interest for judicial review and formation of case law.					
9	21 July 2022	Supreme Court	699/2020	Auto	Ruling AN 06/10/2021
Admitting the appeal in cassation number 156/2022, brought against the ruling of the National High Court of 6 October 2021, considering the issue raised to be of interest for judicial review and formation of case law.					
10	7 September 2022	National High Court	1899/2021	Ruling	Resolution MAETD 28/10/2020
Upholding the penalty imposed on a director of a listed company in relation to a serious infringement of Article 282.3 of the TRLMV, by CNMV Board Resolution of 28 October 2020, upheld on appeal by resolution of the Ministry of Economic Affairs and Digital Transformation on 30 July 2021.					
11	15 September 2022	Supreme Court	588/2020	Auto	Ruling AN 23/03/2022
Admitting the appeal in cassation number 4011/2022, brought against the ruling of the National High Court of 23 March 2022, considering the issue raised to be of interest for judicial review and formation of case law.					
12	15 September 2022	Supreme Court	590/2020	Auto	Ruling AN 23/03/2022
Admitting the appeal in cassation number 4194/2022, brought against the ruling of the National High Court of 23 March 2022, considering the issue raised to be of interest for judicial review and formation of case law.					
13	26 October 2022	National High Court	1647/2021	Ruling	Resolution CNMV Board 27/05/2021
Upholding the penalty imposed on the director of a listed company in relation to a serious infringement of Article 282.2 of the TRLMV, by CNMV Board Resolution of 27 May 2021.					

**List of judicial rulings on contentious-administrative appeals against penalties in 2022 (continuation)**

III.3

<b>Number</b>	<b>Date</b>	<b>Court</b>	<b>Appeal Number</b>	<b>Resolution</b>	<b>Ruling appealed</b>
14	1 December 2021	Supreme Court	286/2018	Court order	Ruling AN 24/06/2021
Upholding the penalty imposed on the director of a listed company in relation to a serious infringement of Article 282.2 of the TRLMV, by CNMV Board Resolution of 27 May 2021.					
15	31 October 2022	Supreme Court	565/2020	Ruling	Ruling AN 18/03/2021
Dismissing appeal in cassation number 3257/2021 brought against a ruling of the National High Court of 18 March 2021, upholding the penalties imposed on a listed company in relation to a very serious infringement of Article 295.15 of the TRLMV, by resolution of the Ministry of Economic Affairs and Digital Transformation of 18 February 2020, upholding the CNMV Board resolution of 29 May 2019.					
16	14 November 2022	National High Court	1648/2021	Ruling	Resolution CNMV Board 27/05/2021
Upholding the penalty imposed on the director of a listed company in relation to a serious infringement of Article 282.2 of the TRLMV, by CNMV Board Resolution of 27 May 2021.					
17	14 November 2022	National High Court	1650/2021	Ruling	Resolution CNMV Board 27/05/2021
Upholding the penalty imposed on the director of a listed company in relation to a serious infringement of Article 282.2 of the TRLMV, by CNMV Board Resolution of 27 May 2021.					
18	25 November 2022	National High Court	1633/2021	Ruling	Resolution CNMV Board 27/05/2021
Upholding the penalty imposed on the director of a listed company in relation to a serious infringement of Article 282.2 of the TRLMV, by CNMV Board Resolution of 27 May 2021.					
19	25 November 2022	National High Court	1643/2021	Ruling	Resolution CNMV Board 27/05/2021
Upholding the penalty imposed on the director of a listed company in relation to a serious infringement of Article 282.2 of the TRLMV, by CNMV Board Resolution of 27 May 2021.					
20	25 November 2022	National High Court	1646/2021	Ruling	Resolution CNMV Board 27/05/2021
Upholding the penalty imposed on the director of a listed company in relation to a serious infringement of Article 282.2 of the TRLMV, by CNMV Board Resolution of 27 May 2021.					
21	13 December 2022	National High Court	231/2013	Ruling	Resolution MEC 26/03/2013
Upholding the penalty imposed on the chair of an investment company, in relation to two serious infringements of Article 100 g) and n) of the Spanish Securities Market Act, by CNMV Board Resolution of 10 July 2012, upheld on appeal by the Ministry of Economy and Competitiveness Resolution of 26 March 2013.					
22	15 December 2022	National High Court	571/2020	Ruling	Resolution MAETD 26/03/2013
Upholding the penalty imposed on a credit institution, in relation to a serious infringement of Article 296.1 of the Spanish Securities Market Act, by CNMV Board Resolution of 29 May 2019, upheld on appeal by resolution of the Ministry of Economic Affairs and Digital Transformation on 18 February 2020.					



# Legislative annexes

## A Spanish legislation

### A.1 Spanish National Securities Market Commission (CNMV)

- **CNMV Circular 1/2022, of 10 January**, regarding the advertising of crypto-assets for investment purposes.

The purpose of this circular is to implement the rules, principles and criteria governing the advertising of crypto-assets.

It defines the objective and subjective scope of application, specifying the advertising activity that must be subject to a prior communication regime and establishing the tools and procedures that must be used to effectively supervise the advertising of crypto-assets. The circular does not contain any rules governing the products themselves, nor their suppliers or characteristics, but relates exclusively to the requirements that advertising aimed at offering these assets as a potential investment must adhere to. As for all forms of advertising, the products included in this circular must comply with the provisions of the General Advertising Act 34/1988, of 11 November, Law 3/1991, of 10 January, on unfair competition, and other general regulations governing advertising.

- **CNMV Resolution, of 25 January 2022**, publishing the Agreement with the Bank of Spain and the Ministry of Economic Affairs and Digital Transformation for the promotion and development of the Financial Education Plan.
- **CNMV Resolution, of 18 February 2022**, correcting the errors published in Circular 1/2022, of 10 January, regarding the advertising of crypto-assets for investment purposes.
- **Resolution of the CNMV Board, of 28 February 2022**, amending the Commission's Internal Regulations.

The reform of the CNMV's Internal Regulation aims to adjust the organisational structure of the Commission to its new functions in the field of sustainable finance and address the supervision of advertising of crypto-assets for investment purposes following the approval of Circular 1/2022, of 10 January.

The functions carried out by the General Directorate of Strategic Policy and International Affairs will include functions relating to the coordination of sustainable finance matters, and the Department of Strategy and Innovation will be renamed the Department of Strategy, Innovation and Sustainable Finance, to give greater visibility to this function and to reflect the future importance of sustainable finance.

Likewise, the General Directorate of Legal Services will be tasked with supervising compliance with the provisions of Circular 1/2022, with this supervisory activity being assigned to the Investors' Department.

- **CNMV Resolution, of 8 April 2022**, publishing the Collaboration Agreement with the General Council of Notaries.

Since 2011, the CNMV and the General Council of Notaries (CGN) have maintained a collaboration in order to establish an electronic connection between both institutions to speed up the reception and supply of information from the Single Computerised Index, formulated through specific requirements of the CNMV in the field of supervision and inspection in accordance with section 3 of Article 236 of the Spanish Securities Market Act. Following the positive experience obtained during this period of collaboration between both institutions, the mechanisms put in place have been assessed and, at this time, new avenues of collaboration are being explored. The corresponding provisions on the form and conditions in which the provision of information regarding beneficial owners and persons with public responsibility, as well as their families and related persons, will be incorporated into the agreement.

Law 40/2015 of 1 October on the Legal Regime of the Public Sector has amended the regime of administrative agreements, systematising the legal framework and specifying the types, as well as establishing the requirements for their validity and setting a minimum content. This makes it necessary to adapt the clauses of the collaboration agreement of 30 November 2011 to the provisions of the new regulation and, at the same time, the references to the recast text of the Securities Market Act have been updated.

- **CNMV Circular 2/2022, of 26 May**, approving the models for notification of significant holdings, issuer transactions in treasury stock and market makers.

This Circular amends model I of Circular 8/2015 of 22 December, on the notification of significant shareholders, and changes its name to model 1 and, in view of the elimination of models II, III and VI, the current models IV and V, also established by Circular 8/2015 of 22 December, referring respectively to the notification of treasury stock and requests for exemption from the obligation to notify for market makers, have been renumbered as models 2 and 3, although neither has been substantially amended in terms of content.

- **CNMV Circular 3/2022, of 21 July**, on the prospectuses of collective investment schemes (CISs) and the registration of the key investor information document (KID).

It pursues as its main objectives:

- The elimination of the regulations relating to the content, form and reasons for updating of the key information document (KID), since these aspects are already regulated in Regulation (EU) No. 1286/2014 of the European Parliament and of the Council, of 26 November 2014. Consequently, the new circular regulates, among other aspects, the form, content and presentation of the prospectus, and the causes and forms of its updating, as well as the manner in which both the prospectus and the KID under Regulation (EU) No. 1286/2014 are to be sent to the CNMV for registration.



- Eliminate from the content of the prospectus some information that is not required under Directive 2009/65/EC of the European Parliament and of the Council, of 13 July 2009, and that is already included in the PRIIP key information document, such as the indicator of current expenses, the profitability scenarios of structured collective investment institutions (CISs) or the synthetic risk indicator, thus simplifying the prospectus, avoiding repetitions and aligning with prospectuses in other countries in our environment.
  - Elimination or amendment of certain key elements and the introduction of a new one, establishing that the date of entry into force of the key elements occurs upon registration of the prospectus. In this regard, section 1 of Article 24 of the Regulation implementing Law 35/2003 of 4 November on Collective Investment Schemes states that the CNMV will establish the elements of the prospectus that are considered to be key and that require prior registration and, in the case of funds, prior verification, for their entry into force, requiring the prospectus to be updated when these key elements are changed.
- **Resolution of the CNMV Board, of 21 July 2022**, amending the Commission's Internal Regulations.

The reform of the Internal Regulations aims to clarify the consideration as senior positions of certain managerial positions of the CNMV, and also to specify the attendance of the deputy general manager of the Legal Service at meetings of the Council and the Executive Committee, which he or she must attend for the presentation of the procedures corresponding to the disciplinary proceedings, whose knowledge or approval corresponds to these collegiate bodies.

Lastly, the regulations of the CNMV's Management Committee have been amended to convert it into a mandatory body given its importance, thus altering its current configuration as a body that exists solely at the discretion of the chair. The regulations of the Management Committee have also been brought into line with those of the Executive Committee by explicitly establishing that, in addition to the chair, the deputy-chair and general managers, any other employees may attend meetings of the Committee when called upon by the chair according to the matters to be discussed.

- **CNMV Resolution, of 17 November 2022**, on the delegation of powers of the chair in matters of contracting, service fees, allocation of expenses, ordering payments and personnel.
- **CNMV Circular 4/2022, of 22 December**, on the accounting standards, annual financial statements and interim financial statements of Spanish stock market infrastructures.

The purpose of this Circular is to regulate the accounting standards and financial statement models to reflect the legal and operational idiosyncrasies of the different market infrastructures, taking into account the accounting principles and standards contained in the General Accounting Plan and, in general, in commercial legislation and its implementing regulations.

## A.2 Transposition of European regulations

- **Royal Decree-Law 6/2022, of 29 March**, implementing urgent measures as part of the national response plan to the economic and social consequences of the war in Ukraine.

The Spanish government is rolling out a National Plan that includes both regulatory and non-regulatory measures. The main objectives of the measures in the response plan are to lower energy prices for all citizens and businesses, support the most affected sectors and most vulnerable groups, and improve price stability. The aim is to limit the economic and social cost of geopolitical disturbance on gas prices, halt the inflationary process and help the economy adapt to this temporary situation, while at the same time shoring up the foundations for economic recovery and the creation of quality employment.

In the Twenty-First Final Provision, a section 5 has been added to Article 32 of Law 39/2015, of 1 October, on the Common Administrative Procedure for Public Administrations, which contemplates the possibility of extending the deadlines for administrative procedures in the event of cyber incidents. For the Public Administration service, this will provide additional support to extend deadlines that had already been set out in section 4, because the budget for this relates to mere technical incidents not serious cyberattacks and because it refers to an extension of general deadlines for all procedures supported by the systems or services attacked and not an agreement to extend deadlines on a procedure-by-procedure basis.

The Twenty-Second Final Provision adds a Thirtieth Additional Provision and Article 142 of Law 40/2015, of 1 October, on the Legal Regime of the Public Sector, referring to collaboration techniques, has been amended to establish a secure model for the transparent management of information that provides free and agile access to public and private information, to develop digital services with high added value for the general public and thus promote and speed up the creation of accessible data repositories to help create value-added services based on data from public and, potentially, private sectors, by setting up a transversal shared data platform for companies and the Public Administration services, and Public Administrations.

- **Royal Decree-Law 9/2022, of 26 April**, adopting mortgage and foreign payment management measures in the framework of the application of the restrictive measures approved by the EU in response to Russia's invasion of Ukraine.

The purpose of this Royal Decree-Law is to establish a new special rule that goes beyond the cases currently provided for in Article 20 of the Mortgage Act such that, within the framework of the international financial sanctions imposed by the European Union due to Russia's war in Ukraine, it is also possible to record in the registries, by means of a marginal note, the prohibition on the transfer of properties, assets or rights when there are rational indications that they are owned by a person on the list of sanctioned persons. This is an exceptional measure that serves to facilitate the effectiveness of the sanctions and that is due to the urgent and extraordinary need to adopt dissuasive measures that contribute to putting a stop to the current armed conflict in Ukraine as soon as possible.

Thus, Article 1 provides for an exceptional system that allows publication of registry information and allows property, commercial and movable property registrars, when qualifying registrable titles, to make effective the prohibitions on transfer provided in Council Regulation (EU) No. 269/2014, of 17 March 2014, concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine, on assets that are registered in the name of those interposed natural or legal persons.

Article 2 will allow the use of the procedure provided for in the Fifth Additional Provision of Law 47/2003, of 26 November, to make late payments, as well as future payments, of staff payroll and other obligations of Spanish representations abroad, which due to the current situation are not receiving the timely release of funds from Spain.

- **Royal Decree-Law 11/2022, of 25 June**, adopting and extending certain measures to respond to the economic and social consequences of Russia's war in Ukraine, to deal with situations of social and economic vulnerability, and for the economic and social recovery of the island of La Palma.

The First Final Provision of this Royal Decree-Law amends Royal Decree-Law 24/2021, of 2 November, transposing European Union directives on covered bonds, the cross-border distribution of collective investment schemes, open data and re-use of public sector information, exercise of copyright and related rights applicable to certain online transmissions and retransmissions of television and radio programmes, temporary exemptions of certain imports and supplies, consumers and promotion of clean and energy-efficient road transport vehicles.

First, the scope of application has been amended to clarify that Royal Decree-Law 24/2021, of 2 November, will apply exclusively to credit institutions authorised in Spain.

Second, the valuation regime for assets used to secure covered bonds has been amended. In accordance with Royal Decree-Law 24/2021, all covered bonds issued up until 8 July 2022 will be governed from that date by the provisions of said Royal Decree-Law, and the issuing entities will carry out the necessary actions to fulfil the obligations provided therein. Through this regime, the aim is to unify the regulations applicable to instruments already issued with those issued from 8 July 2022 on, consolidating a single market for covered bonds. In this context, one of the requirements established by Royal Decree-Law 24/2021 in relation to the issue of covered bonds is the obligation to appraise real estate used to secure mortgage loans before it is integrated into the bond cover pool if an appraisal has not already been carried out in the six months prior to the asset's inclusion in said cover pool. The aim of this obligation is to ensure that there is an updated valuation from the moment an asset is included in the cover pool. However, the requirement generates an additional burden for entities, which is significant in the context of the high volume of covered bonds issued in the market and all the more pressing as the application date of the Royal Decree-Law approaches, making it impossible to transition to the new regulatory framework in time. Consequently, a new Fifth Transitional Provision has been included that revises the concept of updated valuation for the purpose of including the asset in the cover pool of bonds issued prior to

the entry into force of the first book of Royal Decree-Law 24/2021. More specifically, exclusively in those cases, the reference value that the entity is using in accordance with Bank of Spain Circular 4/2017 will be considered as the updated valuation.

Third, it has been considered necessary to establish the maximum limit to the value that can be assigned to mortgaged properties, both in the general regime provided for in Article 18 of Royal Decree-Law 24/2021 and in the exceptional regime of the new Fifth Transitional Provision. Thus, the value assigned to a property may not exceed the value arrived at in the appraisal carried out at the time the loan is granted. This amendment prevents increases in real estate prices from being transferred to the value of the real estate securing property loans that become part of the cover pool, which contributes to keeping its value stable and does not encourage entities to increase the financing granted to the real estate sector in situations of surging market prices.

Four, the system of replacement assets for the other guaranteed bonds contemplated in Article 27 of Royal Decree-Law 24/2021 has been amended to ensure that these assets are considered as covered bonds, since they all meet the requirements of Article 6 of Directive (EU) 2019/2162 of the European Parliament and of the Council, of 27 November 2019, on the issue of covered bonds and covered bond supervision and amending Directives 2009/65/EC and 2014/59/EU.

- **Organic Law 9/2022, of 28 July**, establishing rules to facilitate the use of financial and other information for the prevention, detection, investigation or prosecution of criminal offences, amending Organic Law 8/1980, of 22 September, on the Financing of the Autonomous Regions and other related provisions and amending Organic Law 10/1995, of 23 November, on the Criminal Code.

The purpose of this Law is to transpose Directive (EU) 2019/1153 of the European Parliament and of the Council, of 20 June 2019, laying down rules facilitating the use of financial and other information for the prevention, detection, investigation or prosecution of certain criminal offences, and repealing Council Decision 2000/642/JHA.

The Directive has been configured as a specific, independent legal instrument allowing direct and immediate access to centralised records of bank accounts and payments.

In Spain, this register is the *Fichero de Titularidades Financieras* (FTF) and it can be accessed by the competent authorities for purposes of prevention, detection, investigation or prosecution of criminal offences, as well as by asset recovery agencies. The FTF contains the identification data (name and surnames or company name and the type and number of identification document) of the owners or their representatives or authorised parties as the case may be, as well as of any other person with powers to operate the account; in addition, it will include the type of account or deposit and the date of opening and cancellation. However, it should be noted that the FTF does not contain any information about balances and movements, only the identification of the financial product, the credit institution where it is held and the holders and authorised persons of the account.

The Law complements the regime of access to financial information and the exchange of information in the fight against money laundering and the financing of terrorism, the new feature being that it will no longer be confined to this sphere of action, but will be extended to the field of prevention, detection, investigation and prosecution of serious criminal offences.

It regulates the general provisions and obligations aimed at facilitating access to the financial information contained in the FTF under the protection of public liberties and fundamental rights.

It also facilitates access to information of the competent authorities by the Executive Service of the Commission for the Prevention of Money Laundering and Monetary Infractions (SEPBLAC), in its capacity as financial intelligence unit (FIU) for the prevention and combating of money laundering, related underlying crimes and the financing of terrorism.

One of the most significant aspects of this Law is the elimination of the need for prior authorisation, either judicial or from the Public Prosecutor's Office, to access the FTF, as previously provided by Article 43.3 of Law 10/2010 of 28 April on the prevention of money laundering and the financing of terrorism, with a view to ensuring direct and immediate access, in the terms expressly provided by the Directive. The same Article created the FTF, which has been operational since 6 May 2016, being understood to be a centralised register of bank accounts containing millions of accounts and deposits. If access is required beyond these data, the Security Forces will request prior judicial authorisation or authorisation from the Public Prosecutor's Office.

Directive (EU) 2019/1153 of the European Parliament and of the Council, of 20 June 2019, does not displace or replace the action of the anti money laundering (AML) directives, but is placed in parallel with them, in order to improve access and exchange of financial information; strictly speaking, the AML directives are based on the regulation of the European single market, whereas the directive transposed by Law 8/2022 focuses on reinforcing police and criminal justice cooperation.

- **Law 16/2022, of 5 September**, reforming the recast text of the Insolvency Law, approved by Royal Legislative Decree 1/2020, of 5 May, for the transposition of Directive (EU) 2019/1023 of the European Parliament and of the Council, of 20 June 2019, on preventive restructuring frameworks, on discharge of debt and disqualifications, and on measures to increase the efficiency of procedures concerning restructuring, insolvency and discharge of debt, and amending Directive (EU) 2017/1132 relating to certain aspects of company law (the Directive on restructuring and insolvency).

This reform will entail a comprehensive change in the situation of insolvency proceedings in Spain, being key to making them more flexible and streamlined, and to favouring pre-insolvency mechanisms, with the ultimate goal of facilitating the restructuring of companies that are viable and the rapid and orderly liquidation of those that are not.

In the first place, restructuring plans are introduced, a pre-insolvency instrument aimed at avoiding insolvency, or overcoming it, which enables action in a stage of difficulties prior to that of the current pre-insolvency instruments,

without the stigma associated with insolvency and with characteristics that increase their effectiveness. Its introduction will encourage earlier restructuring and, therefore, with greater probabilities of success, and will contribute to unblocking the logjam in the courts and, hence, to greater efficiency of insolvency.

In turn, the Law reforms the insolvency procedure to increase its efficiency, introducing multiple procedural changes aimed at streamlining the procedure, facilitating the approval of an agreement when the company is viable and a rapid liquidation when it is not.

Lastly, the Law configures a more efficient second chance procedure, expanding the list of forgivable debts and introducing the possibility of exoneration without prior liquidation of the debtor's assets and with a payment plan, thus allowing the debtor to keep his habitual residence and business assets.

– **Law 18/2022, of 28 September**, on business creation and growth.

The objective of this Law is to facilitate the creation of new companies and at the same time to reduce the obstacles they face in their growth, whether of regulatory or financial origin, in order to achieve an increase in competition for the benefit of consumers, the productivity of the productive fabric, companies and the ability to create quality employment.

The Law amends the existing regulation so as to be able to create a limited liability company with a share capital of one euro and introduces reforms to facilitate and promote their fast, agile incorporation by electronic means through the Information Centre and Business Creation Network. The elimination of the requirement for 3,000 minimum share capital, in force to date, aims to promote the creation of companies by lowering incorporation costs and also aims to expand the options of founding shareholders regarding the capital they wish to subscribe based on their needs and preferences.

Chapter V introduces a new legal regime for crowdfunding platforms. These platforms have been regulated in Spain since 2015 in Title V of Law 5/2015 of 27 April on the promotion of business financing. On 7 October 2020, the European Union approved Regulation (EU) 2020/1503 of the European Parliament and of the Council on European crowdfunding service providers for business, and amending Regulation (EU) 2017/1129 and Directive (EU) 2019/1937. This EU regulation establishes a complete and exhaustive legal regime for crowdfunding platforms. The approval of this regulation reflects the fact that crowdfunding represents an increasingly important type of intermediation in the EU and that several Member States have adopted different domestic legal regimes in recent years, including Spain. The aim is to unify regulation at the European level, so that crowdfunding platforms authorised and supervised in accordance with the EU regulations can provide their services freely throughout the Union, without the need to obtain a different authorisation in each Member State in which they wish to operate.

This Law adapts Spanish legislation to the legal regime established at European level, so that platforms authorised in Spain will be able to freely provide their services throughout the EU in accordance with these regulations.

Among the main novelties of the European regulation compared to the pre-existing national regulation, it is worth mentioning, first of all, the inclusion of a new category of “portfolio management” to allow the crowdfunding service provider to invest in funds on behalf of the investor.

Second, it establishes a single individual investment limit per project for retail investors, which is set as the higher of 1,000 or 5% of the investor’s net worth (not including real estate or pension funds). Retail investors are not prevented from investing above the limit, but if they wish to do so, they will receive a risk warning and will have to give their express consent to the crowdfunding service provider.

In addition, it highlights the setting of an investment limit per project of 5 million, which can be exceeded up to the limit provided for in the legislation of each Member State, after which a prospectus is required to be published (but, in this case, without a European passport, only within that Member State).

The EU Regulation does not apply to certain platforms, such as those that only intermediate crowdfunding offers whose amount is greater than 5 million, despite the fact that this type of platform was included in the scope of application of Law 5/2015 of 27 April. It is for this reason that Article 14 of the Spanish law regulates “non-harmonized” platforms (meaning those to which the EU Regulation does not apply) so that these platforms do not face a situation where there is a lack of legal certainty and clarity.

Lastly, it is worth noting the stipulation to the effect that shares in limited liability companies are considered suitable securities for the development of the activities of crowdfunding platforms and investment firms provided for in the EU Regulation. The amendment allows crowdfunding platforms to create a limited liability company and group their investors therein, with the corporate purpose and sole activity of the company being to hold the shares of the companies it has invested in, in an entity subject to the supervision of the CNMV or in other vehicles commonly used for these purposes in other EU Member States.

Chapter VI of the Law introduces a set of reforms that seek to promote and improve collective investment and venture capital in Spain, the proper functioning of which benefits economic activity as a whole and which must necessarily be linked to investor protection, particularly of the private individual investor.

It amends Article 40 of Law 35/2003, of 4 November, on Collective Investment Schemes, adding the necessary references in Spanish legislation to the institution regulated in Regulation (EU) 2015/760 of the European Parliament and of the Council, of 29 April 2015, on European long-term investment funds. Other measures have been introduced that will contribute to improving the competitiveness of the sector, such as the elimination of the compulsory nature of the quarterly report or the establishment of electronic means as the default form of communication with unitholders and shareholders.

A series of amendments have been introduced to promote the venture capital industry under Law 22/2014, of 12 November. Article 9 has been amended to expressly include, as the main object of venture capital, investment in



financial entities whose activity is based mainly on the application of technology to new business models, applications, processes or products.

Amendments have been made to Articles 14, 16, 17, 18 and 23 to make the investment diversification regime of venture capital firms more flexible and adapt it to the international standards and sector practices.

An amendment has also been made to Article 21.3 to place SME venture capital firms on the same footing as EU venture capital funds, by making the requirement for subject companies to have a maximum of 250 employees more flexible, raising this maximum to 499. The amendment made to section 3 of Article 26 reduces the initial outlay of venture capital firms from 50% to 25% of the committed capital. This measure is in line with the provisions for venture capital funds, but is adapted to the greater governance structure required by a company. The amendment in section 1 of Article 41 allows management companies of closed-ended CISs to be set up in the form of a limited liability company (SRL), as is already the case with all types of investment firms. Thus, the limitations on the incorporation of management companies are reduced, since incorporation and operation as an SRL has lower requirements than a public limited company. This amendment has also been introduced in Articles 40 and 43 of Law 35/2003 of 4 November on CISs, with the same purpose.

Likewise, Article 75.2 has been amended in order to make the regime for non-professional investors in venture capital firms more flexible. As an alternative to the requirement of an initial investment of 100,000, marketing to retailers will be permitted providing they access the investment through the recommendation of an entity authorised to provide advisory services, with a minimum initial investment of 10,000 and further providing this does not exceed the client's financial assets if these are not more than 500,000.

These measures to improve the regulatory framework applicable to collective investment and venture capital will also serve to promote and reinforce public financing instruments such as those deployed by the ICO (Official Credit Institute): Fond-ICO Pyme (Pyme means SMEs), Fond-ICO Next Tech, Fond-ICO Global and Fond-ICO Infraestructuras ESG.

- **Royal Decree-Law 20/2022, of 27 December**, on response measures to the economic and social consequences of Russia's war in Ukraine and support for the reconstruction of the island of La Palma and other situations of vulnerability.

With regard to foreign investments, the provision includes Article 61 on the amendment of Law 19/2003 of 4 July, on the legal regime of capital movements and economic transactions abroad, to amend section 1 of Article 7 *bis* of Law 19/2003 (suspension of the liberalisation regime for certain direct foreign investments in Spain) and Article 62 on the amendment of Royal Decree-Law 34/2020 of 17 November, on urgent measures to support business solvency and the energy sector, and in tax matters, which amends the single transitory provision (suspension of the liberalisation regime for certain direct foreign investments in Spain regulated in sections 2 and 5 of Article 7 *bis* of Law 19/2003 will apply until 31 December 2024).



In regard to the inclusion of amendments in Law 22/2015 of 20 July, on Accounts Auditing, Article 59 incorporates the Corporate Information Council, competent in corporate sustainability disclosures.

### A.3 Other standards

- **Royal Decree-Law 1/2022, of 18 January**, amending Law 9/2012, of 14 November, on the restructuring and resolution of credit institutions, Law 11/2015 of 18 June, on the recovery and resolution of credit institutions and investment firms and Royal Decree 1559/2012 of 15 November, which establishes the legal framework for asset management companies, in relation to the legal framework for the Management Company for Assets Arising from Bank Restructuring (SAREB).

The reclassification of SAREB in the national accounts as a unit of the public administrations sector, in line with the opinion issued by Eurostat, makes it urgent and necessary to implement several changes to its legal framework to enable this institution to adapt to the new situation.

The constraints on the State's participation in SAREB's shareholder structure have been eliminated, which potentially allows it to increase its weight in the capital of this company. The Seventh Additional Provision of Law 9/2012, of 14 November, on the restructuring and resolution of credit institutions, has therefore been amended. In addition, the procedure used by the Fund for Orderly Bank Restructuring (FROB) to acquire stakes in the capital of SAREB is regulated so that control can be taken of the company.

The FROB is expected to be able to obtain a majority holding in SAREB without the latter acquiring the status of a state-owned mercantile company. SAREB is an asset management company and therefore a resolution instrument whose founding objective was to contribute to the proper development of credit institution restructuring and resolution processes. In addition, the company has a limited time horizon (2027), as reflected in the objective mentioned above and its singular economic nature. Therefore, to ensure that the potential taking of control by the FROB does not imply a change in its ability to act as a resolution instrument, the company will remain subject to the private legal system, with the specificities that this implies.

A technical change has been implemented, which means that SAREB is not subject to Article 327 of the Spanish Corporate Enterprises Act and exempts the company from the mandatory capital reduction obligation in the event that, due to accounting losses, its equity is reduced to less than two thirds of its share capital and has not recovered within one financial year.

This ensures full consistency with the change already implemented through Royal Decree-Law 6/2020 of 10 March, which exempted SAREB from applying Article 363.1(e), of the Spanish Corporate Enterprises Act, and guarantees legal certainty in regard to the company continuing its activities until the end of the established time horizon with no grounds for dissolution.

A specific amendment has also been made to the Fourth Additional Provision of Royal Decree-Law 32/2021, of 28 December, on urgent measures for labour

reform, guaranteeing stability in employment and the transformation of the labour market, relating to the “Regime applicable to public sector employees”, in order to fine-tune its wording and, in particular, to add an express safeguard for the effective replacement rate set by the General Budgetary Law for each financial year.

- **Law 4/2022, of 25 February, on the protection of consumers and users.**

The purpose of Law 4/2022, of 25 February, on the protection of consumers and users in situations of social and economic vulnerability, is to include for the first time in state regulations for the defence of consumers, a referral to “vulnerable consumers” who should be given special attention by both the public authorities and the business sector in consumer relations. The aim is to protect the legitimate interests of people who are in a situation of vulnerability in alignment with the mandate entrusted to the public authorities under Article 51.1 of the Spanish Constitution.

Article 19 has been amended, sections 4 and 5 of which establish that the rules set out in this Law in regard to commercial practices and those that regulate commercial practices in matters which include: the remote marketing of financial services for consumers and users, e-commerce, collective investment in transferable securities, rules of conduct in investment services, public offerings or admissions to trading of securities and insurance products, including mediation and any other sector rules that regulate specific aspects of the unfair commercial practices provided for in EU regulations, shall prevail in the event of discrepancies over the general legislation applicable to unfair commercial practices.

For commercial practices relating to financial services, legal or regulatory standards may be drawn up that offer greater protection to the consumer or user.

The Third Additional Provision establishes that the government will promote, in coordination with the Bank of Spain as supervisor and representative of the credit institution sector, a plan setting out measures to ensure the inclusion of the most vulnerable people, particularly older people.

- **Law 11/2022, of 28 June, the General Telecommunications Act.**

The main objective of the Law is to promote investment in very high-capacity networks, introducing new features such as geographic studies and co-investment, which may be taken into account in the area of market analyses. With the same objective of promoting the deployment of funds, the shared use of the public domain or private property, the shared use of infrastructures and associated resources and the shared use of the final sections of the access networks are guaranteed.

New features have also been introduced in the public radio spectrum, incorporating measures that facilitate its shared use by operators and avoid undue restrictions on the establishment of wireless access points for small areas.

The Law also incorporates advances in terms of protecting the rights of end users of telecommunications services, reinforcing, for example, the obligations of transparency and regulating packaged contracts.

- **Law 12/2022, of 30 June**, regulating the promotion of occupational pension plans, amending the recast text of the Law Regulating Pension Plans and Funds, approved by Royal Legislative Decree 1/2002 of 29 November.

This Law aims to simplify the categories of existing pension plans. In order to promote the consolidation of pension plans, a system has been provided to encourage occupational pension plans, providing participants meet certain requirements, or failing that, individual pension plans. In any case, the possibility is foreseen that the associated pension plans will maintain their nature if they do not opt for their incorporation into one of the other two categories of pension plans.

The aim is to promote the strengthening of complementary professional social provident schemes based on the development of occupational pension plans, with a strong anchor in sectoral collective bargaining, thus facilitating access for groups that, until now, have found it difficult to access such plans.

Simplified occupational pension plans have been improved with the creation of open publicly promoted occupational pension funds and simplified plans, which may be ascribed to these funds and which have a less complex promotion system than the current one.

Included in the First and Second Final Provisions are regulatory amendments to Personal Income Tax and Wealth Tax to create a new reduction limit in the tax base for contributions to social security systems, in addition to the general limit of 1,500 per year, and applicable to contributions to simplified occupational pension plans for self-employed workers or newly created independent contractors and also to match the treatment of pan-European individual pension products to that of pension plans.

An Eleventh Additional Provision is introduced on pension plans in the public administration service. These will be subject to negotiation, within the general negotiations as established in the Royal

Royal Legislative Decree 5/2015, of 30 October, approving the recast text of the Law on the Basic Statute of Public Employees, including, where applicable, the integration of said plans into the publicly promoted occupational pension funds regulated in this Law.

- **Law 15/2022, of 12 July**, on equal treatment and non-discrimination.

Its purpose is to guarantee and promote the right to equal treatment and non-discrimination and respect for the equal dignity of persons in accordance with Articles 9.2, 10 and 14 of the Constitution. The Law regulates the rights and obligations of persons, natural or legal, public or private, establishes principles of action for public authorities and provides measures aimed at preventing, eliminating and correcting all forms of discrimination, direct or indirect, in the public and private sectors.

This Law will apply in the following areas:

- i) Employment, by others or self-employed, which includes access, working conditions, including remuneration and dismissal conditions, promotion and training for employment.
  - ii) Access, promotion, working conditions and training in public employment.
  - iii) Membership of and participation in political, trade union, business, professional and social or economic interest organisations.
  - iv) Education.
  - v) Health.
  - vi) Transport.
  - vii) Culture.
  - viii) Citizens' security.
  - ix) Administration of justice.
  - x) Social protection, benefits and social services.
  - xi) Access, offer and supply of goods and services available to the public, including housing, which are offered outside the sphere of private and family life.
  - xii) Access to and the right to be in establishments or spaces open to the public, as well as the use of public roads and the right to be on them.
  - xiii) Advertising, media and information society services.
  - xiv) Internet, social networks and mobile applications.
  - xvi) Sports activities, in accordance with Law 19/2007 of 11 July, against violence, racism, xenophobia and intolerance in sports.
  - xvii) Artificial intelligence and big data, as well as other analogous areas.
- **Royal Decree-Law 18/2022, of 18 October**, approving measures to reinforce the protection of energy consumers and to contribute to the reduction of natural gas consumption in application of the “More safety for your energy plan (+SE)”, as well as measures addressing the remuneration of personnel at the service of the public sector and the protection of temporary agricultural workers affected by the drought.

Among other measures, an additional 1.5% rise in the salaries of public sector personnel has been approved in order to offset the effects of inflation. Thus, for 2022 the salary increase for public employees will be a maximum of 3.5% on a consolidable basis, with effect from 1 January 2022.

The resulting difference between the approved salary increase and the increase that had already been made with the entry into force of the General State Budget Law for 2022 (2%), will be applied from November, paying in arrears the increase corresponding to the months of January to October of this year.

A new Eighth Additional Provision has been added to Law 39/2015, of 1 October, on the Common Administrative Procedure of Public Administrations, with the following wording: “In the case of systems established by Resolution of the General Secretariat for Digital Administration of the Ministry of Economic Affairs and Digital Transformation for its area of competence in order to determine the circumstances in which an electronic signature system not based on electronic certificates will be considered as valid in the relations of the interested parties with the administrative bodies of the Central Government Administration, its public bodies and public law entities linked or dependent, the period of two months will not be necessary for the legal effectiveness of the system to which it is applied refers to Article 10.2.c) of this Law, acquiring legal validity the day after the publication of the Resolution, unless otherwise provided”.

- **Royal Decree-Law 19/2022, of 22 November**, which establishes a Code of Good Practice to alleviate the rise in interest rates on mortgage loans on habitual residences, amending Royal Decree-Law 6/2012, of 9 March, on urgent measures to protect mortgage debtors without resources, and other structural measures are adopted to improve the mortgage loan market.

The purpose of this Royal Decree-Law is the adoption of measures to deal with the situation of households with debt instrumented as loans or credits with real estate mortgages on primary residences generated by the accelerated rise in interest rates.

A new Code of Good Practice has been established, that is temporary and transitory in nature, with a duration of 24 months, for the adoption of urgent measures for mortgage debtors at risk of vulnerability.

The new Code will be valid from the day following the publication of the agreement made by the Council of Ministers as referred to in Article 3 of this Royal Decree-Law.

Credit institutions and other entities or individuals that professionally carry out the activity of granting loans or mortgage credits may voluntarily adhere to this code.

It will be applied to natural persons who are holders of loans or credits secured with a real estate mortgage on the habitual residence of the debtor or the non-debtor, whose acquisition price does not exceed 300,000, arranged up to 31 December 2022.

- **Law 27/2022, of 20 December**, on the institutionalisation of the evaluation of public policies in central government.

The purpose of this Law is to structure the public system for evaluating public policies in the central government to institutionalise evaluation as a tool for collective and organisational learning, for improving public service,

accountability and transparency, contributing to the effectiveness and efficiency of public action.

The provisions of the Law will be applied to the evaluation of public policies developed by the central government and its related or dependent public bodies.

The audit of the economic-financial activity of the central government in relation to its public policies is carried out by the Court of Auditors. Ex post evaluations of the review of public spending that are considered necessary will be carried out by the Independent Authority for Fiscal Responsibility (AIReF) in the terms established in its regulations.

Excluded from the scope of application of this Law are all auditing actions, effectiveness control, continuous supervision and internal control of economic and financial activity and quality of services, as well as any other evaluation activity that is subject to specific regulation.

This Law has a supplementary nature with respect to those aspects of public policy evaluation activities that are not provided for in the specific regulations. The State Agency for the Evaluation of Public Policies, in collaboration with the National Institute of Public Administration and, where appropriate, with the Institute of Fiscal Studies, will identify the necessary competencies for the performance of the evaluation function and will design specific training plans on the evaluation of public policies for public employees.

On a four-year basis, the Council of Ministers will approve and publish, at the proposal of the person in charge of the competent ministry in matters of public service, a Strategic Evaluation Plan prepared by the State Agency for the Evaluation of Public Policies. Every two years each department will prepare a Departmental Evaluation Plan for the following two years.

- **Law 28/2022, of 21 December**, to promote the ecosystem of emerging companies.

The purpose of this Law is to establish a specific regulatory framework to support the creation and growth of emerging companies in Spain, taking into account the distribution of powers on the matter between the State and the autonomous communities, as well as establishing a monitoring and evaluation system of their results on the Spanish ecosystem of emerging companies.

- **Law 38/2022, of 27 December**, for the establishment of temporary taxes on energy and credit institutions and financial credit establishments and by which the temporary solidarity tax for large fortunes is created, and certain tax regulations are modified.

### Other

- **Circular 1/2022, of 24 January**, of the Bank of Spain, for financial credit institutions, on liquidity, prudential regulations and information obligations, amending Circular 1/2009, of 18 December, on credit institutions and other supervised entities, relating to information on the capital structure and

non-voting units of credit institutions, and their branches, as well as the senior managers of the supervised entities, and Circular 3/2019, of 22 October, implementing Regulation (EU) 575/2013 to define the significance threshold of past due credit obligations.

In execution of the specific authorisations included in Royal Decree 309/2020, of 11 February, on the legal regime of financial credit establishments, and amending the Regulations of the Mercantile Registry, approved by Royal Decree 1784/1996 of 19 July, and Royal Decree 84/2015, of 13 February, implementing Law 10/2014 of 26 June, on the organisation, supervision and solvency of credit institutions, the Bank of Spain had implemented this circular with the purpose of supplementing the solvency regulations of financial credit institutions and adapting their reporting obligations to their type of activity, business model, size and relative importance.

- **Resolution of 23 February 2022**, of the General Secretariat of Digital Administration, establishing the conditions of use for non-cryptographic electronic signatures linked to “AutenticA”, in dealings with the General State Administration and related or dependent public bodies and public law firms.
- **Circular 2/2022, of 15 March**, of the Bank of Spain, on the rules for sending payment statistics to the Bank of Spain by payment service providers and payment system operators.

This Circular establishes rules on: i) the procedure for submitting statistical information to the Bank of Spain by reporting agents, ii) the periodicity of the statistical information to be submitted to the Bank of Spain and iii) the power of the Bank of Spain to exempt certain reporting agents from complying with the obligations to submit statistical information.

The new rules introduced by Regulation (EU) 1409/2013 of the European Central Bank, of 28 November 2013, on payment statistics, justifies the implementation of a new circular to replace Circular 2/2015 of the Bank of Spain, on rules for sending the payments statistics and payment systems included in Regulation (EU) 1409/2013 of the European Central Bank, of 28 November 2013, to this body.

- **Resolution of 17 March 2022**, of the sub secretariat publishing the agreement between the National Police and the CNMV for the prosecution of financial fraud by unauthorised persons or entities.

The purpose of this agreement is to set the framework for collaboration between the Economic and Fiscal Crime Unit (UDEF) of the National Police and the CNMV in matters of prosecution of financial fraud and of persons operating outside the legal channels provided for in the securities market regulations (unauthorised persons or entities).

- **Circular 3/2022, of 30 March**, of the Bank of Spain amending Circular 2/2016, of 2 February, to credit institutions, on supervision and solvency, which completes the adaptation of the Spanish legal system to Directive 2013/36/EU and to Regulation (EU) No. 575/2013; Circular 2/2014, of 31 January, to credit institutions on the exercise of various regulatory options contained in Regulation (EU) No. 575/2013 of the European Parliament and of the Council, of 26 June



2013, on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No. 648/2012; and Circular 5/2012, of 27 June, to credit institutions and payment service providers, on transparency of banking services and responsibility in granting loans.

This Circular develops the competences of the Bank of Spain contained in Law 10/2014, of 26 June, on the organisation, supervision and solvency of credit institutions, and in Royal Decree 84/2015, of 13 February, amending Bank of Spain Circular 2/2016, of 2 February, to credit institutions on supervision and solvency, which completed the adaptation of the Spanish legal system to Directive 2013/36/EU and Regulation (EU) No. 575/2013. This thus completes the transposition into Spanish law of CRD V (Directive (EU) 2019/878 of the European Parliament and of the Council, of 20 May 2019, amending Directive 2013/36/EU as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures).

In addition, this Circular modifies Circular 5/2012, of June 27, of the Bank of Spain, to credit institutions and payment service providers, on transparency of banking services and responsibility in the granting of loans, in order to comply with the general authorisation of the Bank of Spain to dictate the precise rules for the development and execution of Order EHA/2899/2011, of 28 October, on transparency and customer protection of banking services contained in the Third Final Provision, first section, of Order 2899/2011, as well as the specific qualifications conferred on it in terms of revolving credit in paragraph 2.b) and c), of said Third Final Provision. Through this amendment, certain obligations of transparency of information will be developed, both in the pre-contractual phase and during the term of the contract, for the proper marketing by entities subject to the supervision of the Bank of Spain of consumer loans of indefinite duration, or with a definite renewable term, on a revolving basis.

- **Order PCM/466/2022, of 25 May**, publishing the Agreement of the Council of Ministers, of 24 May 2022 approving the energy saving plan and efficiency measures of the General State Administration and the entities of the state institutional public sector.

The plan introduces, among other measures, a raft of energy-saving measures, among which the following stand out: the establishment of on/off times for energy-consuming installations and equipment; optimisation of the use of administrative buildings, control of temperature conditions in air-conditioned premises and facilities; the identification of locations in buildings and infrastructures of the General Administration of the State that are suitable for housing photovoltaic installations for self-consumption, and the regulation of the on/off times and the levels of external lighting of the buildings and infrastructures dependent on the General Administration of the State.

In addition, the teleworking (remote work or work-from-home) mode is emphasised for employees of the General State Administration and the state institutional public sector, in order to reduce the energy consumed both by commuting and in the workplace itself as a result of the physical presence of employees.



Providing it is in accordance with public contracting legislation, administrative tender files will include clauses establishing energy-saving measures as an evaluation criterion for the award of the contract.

For the coordination of the plan, the creation of an inter-ministerial working group, chaired by both departments, with the technical support of the Institute for Energy Diversification and Saving (IDAE) is planned.

- **Resolution of 19 September 2022**, of the Under-secretariat, publishing the Collaboration Agreement among the Spanish Radio and Television Corporation, the Bank of Spain, the CNMV and the Ministry of Economic Affairs and Digital Transformation, in the framework of the development of the Financial Education Plan.
- **Resolution of 19 September 2022**, of the Under-secretariat, publishing the Agreement between the Secretariat of State for Security and the CNMV for the prosecution of financial fraud by unauthorised persons or entities.
- **Resolution of 20 October 2022**, of the General Secretariat of Digital Administration, which modifies the one of 14 July 2017, which establishes the conditions of use of the non-cryptographic electronic signature, in the relations of the interested parties with the administrative bodies of the Central Government Administration and its public bodies.
- **Resolution of the Council of Ministers, of 22 November 2022**, approving the Code of Good Practice for urgent measures for mortgage debtors at risk of vulnerability.
- **Resolution of 23 November 2022**, of the Secretary of State for the Economy and Business Support, publishing the Resolution of the Council of Ministers, of 22 November 2022, which approves the Code of Good Practice for urgent measures for mortgage debtors at risk of vulnerability.
- **Order PCM/1237/2022, of 15 December**, publishing the Resolution of the Council of Ministers, of 13 December 2022, adopting measures contained in Article 10 of Royal Decree-Law 38/2020, of 29 December, to adapt to the status of the United Kingdom of Great Britain and Northern Ireland as a third country after the end of the transition period provided for in the agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community, on 31 January 2020.

## B European legislation

- **Commission Delegated Regulation (EU) 2022/25**, of 22 September 2021, supplementing Regulation (EU) 2019/2033 of the European Parliament and of the Council specifying the methods for measuring the K-factors referred to in Article 15 of that Regulation.

Published in the *OJEU* (L) No. 6, of 11 January 2022, pp. 1-6.

- **Commission Delegated Regulation (EU) 2022/26**, of 24 September 2021, supplementing Regulation (EU) 2019/2033 of the European Parliament and of the Council with regard to regulatory technical standards specifying the notion of segregated accounts to ensure client money's protection in the event of an investment firm's failure.

Published in the *OJEU* (L) No. 6, of 11 January 2022, pp. 7-8.

- **Commission Delegated Regulation (EU) 2022/27**, of 27 September 2021, amending Regulation (EU) No. 236/2012 of the European Parliament and of the Council as regards the adjustment of the relevant threshold for the notification of significant net short positions in shares.

Published in the *OJEU* (L) No. 6, of 11 January 2022, pp. 9-10.

- **Commission Delegated Regulation (EU) 2022/76**, of 22 September 2021, supplementing Regulation (EU) 2019/2033 of the European Parliament and of the Council with regard to regulatory technical standards specifying adjustments to the K-factor 'daily trading flow' (K-DTF) coefficients.

Published in the *OJEU* (L) No. 13, of 20 January 2022, pp. 1-3.

- **Commission Implementing Decision (EU) 2022/174**, of 8 February 2022, determining, for a limited period of time, that the regulatory framework applicable to central counterparties in the United Kingdom of Great Britain and Northern Ireland is equivalent, in accordance with Regulation (EU) No. 648/2012 of the European Parliament and of the Council. (Applicable from 1 July 2022. Expires on 30 June 2025).

Published in the *OJEU* (L) No. 40, of 09 February 2022, pp. 40-44.

- **Commission Delegated Regulation (EU) 2022/192**, of 20 October 2021, amending the regulatory technical standards laid down in Commission Delegated Regulation (EU) No. 1151/2014 as regards the information to be notified when exercising the right of establishment and the freedom to provide services.

Published in the *OJEU* (L) No. 31, of 14 February 2022, pp. 1-3.

- **Commission Implementing Regulation (EU) 2022/193**, of 17 November 2021, amending the implementing technical standards laid down in Implementing Regulation (EU) No. 926/2014 laying down standard forms, templates and procedures as regards the information to be notified when exercising the right of establishment and the freedom to provide services.

Published in the *OJEU* (L) No. 31, of 14 February 2022, pp. 4-20.

- **Council Regulation (EU) 2022/345**, of 1 March 2022, amending Regulation (EU) No. 833/2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine.

Published in the *OJEU* (L) No. 63, of 2 March 2022, p. 1.

- **Council Decision (CFSP) 2022/346, of 1 March 2022**, amending Decision 2014/512/CFSP concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine.

Published in the *OJEU* (L) No. 63, of 2 March 2022, p. 5.

- **Commission Regulation (EU) 2022/357, of 2 March 2022**, amending Regulation (EC) No. 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council as regards International Accounting Standards 1 and 8.

Published in the *OJEU* (L) No. 68, of 3 March 2022, pp. 1-8.

- **Commission Implementation Regulation (EU) 2022/365, of 3 March 2022**, amending Implementing Regulation (EU) 2018/1624 laying down implementing technical standards with regard to procedures and standard forms and templates for the provision of information for the purposes of resolution plans for credit institutions and investment firms pursuant to Directive 2014/59/EU of the European Parliament and of the Council.

Published in the *OJEU* (L) No. 69, of 4 March 2022, pp. 60-104.

- **Commission Delegated Regulation (EU) 2022/439, of 20 October 2021**, supplementing Regulation (EU) No. 575/2013 of the European Parliament and of the Council with regard to regulatory technical standards for the specification of the assessment methodology competent authorities are to follow when assessing the compliance of credit institutions and investment firms with the requirements to use the Internal Ratings Based Approach.

Published in the *OJEU* (L) No. 90, of 18 March 2022, pp. 1-66.

- **Commission Delegated Regulation (EU) 2022/749, of 8 February 2022**, amending the regulatory technical standards laid down in Delegated Regulation (EU) 2017/2417 as regards the transition to new benchmarks referenced in certain OTC derivative contracts.

Published in the *OJEU* (L) No. 138, of 17 May 2022, pp. 4-5.

- **Commission Delegated Regulation (EU) 2022/750, of 8 February 2022**, amending the regulatory technical standards laid down in Delegated Regulation (EU) 2015/2205 as regards the transition to new benchmarks referenced in certain OTC derivative contracts.

Published in the *OJEU* (L) No. 138, of 17 May 2022, pp. 6-10.

- **Commission Delegated Regulation (EU) 2022/803, of 16 February 2022**, supplementing Regulation (EU) No. 600/2014 of the European Parliament and of the Council by specifying rules of procedure for the exercise of the power to impose fines or periodic penalty payments by the European Securities and Markets Authority regarding data reporting service providers.

Published in the *OJEU* (L) No. 145, of 24 May 2022, pp. 1-6.

- **Regulation (EU) 2022/858 of the European Parliament and of the Council**, of 30 May 2022, on a pilot regime for market infrastructures based on distributed ledger technology, and amending Regulations (EU) No. 600/2014 and (EU) No. 909/2014 and Directive 2014/65/EU.

Published in the *OJEU* (L) No. 151, of 2 June 2022, pp. 1-33.

- **Commission Delegated Regulation (EU) 2022/930**, of 10 March 2022, supplementing Regulation (EU) No. 600/2014 of the European Parliament and of the Council by specifying fees relating to the supervision by the European Securities and Markets Authority of data reporting service providers.

Published in the *OJEU* (L) No. 162, of 17 June 2022, pp. 1-6.

- **Commission Delegated Regulation (EU) 2022/1455**, of 11 April 2022, supplementing Regulation (EU) 2019/2033 of the European Parliament and of the Council with regard to regulatory technical standards for own funds requirement for investment firms based on fixed overheads.

Published in the *OJEU* (L) No. 229, of 5 September 2022, pp. 1-4.

- **Commission Delegated Regulation (EU) 2022/1622**, of 17 May 2022, supplementing Regulation (EU) No. 575/2013 of the European Parliament and of the Council with regard to regulatory technical standards on emerging markets and advanced economies.

Published in the *OJEU* (L) No. 244, of 21 September 2022, pp. 3-4.

- **Commission Implementing Regulation (EU) 2022/1650**, of 24 March 2022, amending the implementing technical standards laid down in Implementing Regulation (EU) 2016/1646 as regards the main indices and recognised exchanges in accordance with Regulation (EU) No. 575/2013 of the European Parliament and of the Council.

Published in the *OJEU* (L) No. 249, of 27 September 2022, pp. 1-9.

- **Commission Delegated Regulation (EU) 2022/1959**, of 13 July 2022, which supplements Regulation (EU) No. 596/2014 of the European Parliament and of the Council with regard to the regulatory technical standards that establish a contract model for liquidity contracts relating to the shares of issuers whose financial instruments are admitted to trading on an SME growth market.

Published in the *OJEU* (L) No. 270, of 18 October 2022, pp. 4-11.

- **Commission Delegated Regulation (EU) 2022/2328**, of 16 August 2022, which supplements Regulation (EU) No. 575/2013 of the European Parliament and of the Council with regard to the regulatory technical standards that specify exotic underlyings and instruments subject to residual risks for the purposes of calculating own funds requirements for residual risks.

Published in the *OJEU* (L) No. 308, of 29 November 2022, pp. 1-4.

- **Directive (EU) 2022/2464 of the European Parliament and of the Council**, of 14 December 2022, amending Regulation (EU) No. 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, regarding the presentation of information on sustainability by companies.

Published in the *OJEU* (L) No. 322, of 16 December 2022, pp. 15-80.

- **Regulation (EU) 2022/2554 of the European Parliament and of the Council**, of 14 December 2022, on the digital operational resilience of the financial sector and by which amendment takes place of Regulations (EC) No. 1060/2009, (EU) No. 648/2012, (EU) No. 600/2014, (EU) No. 909/2014 and (EU) 2016/1011.

Published in the *OJEU* (L) No. 333, of 27 December 2022, pp. 1-79.

- **Commission Delegated Regulation (EU) 2022/2553**, of 21 September 2022, which modifies the regulatory technical standards established in Delegated Regulation (EU) 2019/815 with regard to the 2022 update of the taxonomy for the single electronic format for the presentation of information.

Published in the *OJEU* (L) No. 339, of 30 December 2022, pp. 1-1,251.

## **B.7 Guidelines, decisions and recommendations of ESMA/EBA**

- **Guidelines on the assessment of the suitability of members of the management body and key function holders.** (2 July 2021) European Securities Market Authority (ESMA) and European Banking Authority (EBA).
- **Guidelines on settlement fails reporting under Article 7 of the CSDR** (10 December 2022) European Securities and Markets Authority (ESMA).
- **Guidelines on methodology, oversight function and record-keeping under the benchmarks regulation.** (7 December 2021) European Securities and Markets Authority (ESMA).
- **Guidelines on certain aspects of the MiFID II appropriateness and execution-only requirements.** (12 April 2022) European Securities and Markets Authority (ESMA).
- **MAR Guidelines. Delay in the disclosure of inside information and interactions with prudential supervision.** (10 March 2022) European Securities and Markets Authority (ESMA).
- **Guidelines on improving resolvability for entities and resolution authorities.** (13 January 2022) European Banking Authority (EBA).
- **Guidelines on supervisory review and evaluation process of CCPs under EMIR Article 21.** (10 March 2022). European Securities and Markets Authority (ESMA).
- **Guidelines on stress tests scenarios under Article 28 of the money market funds (MMF) Regulation.** (4 May 2022) European Securities and Markets Authority (ESMA).

- **Guidelines on the equivalence of confidentiality and professional secrecy regimes of third-country authorities.** (3 May 2022) European Banking Authority (EBA).
- **Guidelines on the criteria for the exemption of investment firms from liquidity requirements in accordance with Article 43(4) of Regulation (EU) 2019/2033.** (29 July 2022) European Banking Authority (EBA).
- **Guidelines on the data collection exercises regarding high earners under Directive 2013/36/EU and Directive (EU) 2019/2034.** (30 June 2022) European Banking Authority (EBA).
- **Guidelines on the benchmarking exercises on remuneration practices and the gender pay gap under Directive (EU) 2019/2034.** (30 June 2022) European Banking Authority (EBA).

## Annex on CNMV Organisation

---

### Composition of the CNMV Board at 31 May 2023

---

<b>Chairperson</b>	Mr Rodrigo Buenaventura Canino
<b>Vice-Chairperson</b>	Ms Montserrat Martínez Parera
<b>Directors</b>	Mr Juan Manuel Santos-Suárez Márquez
	Ms Helena Viñes Fiestas
	Mr Mariano Bacigalupo Saggese
	Mr Carlos Cuerpo Caballero (General Secretary of the Treasury and International Financing)
	Ms Margarita Delgado Tejero (Deputy Governor of the Bank of Spain)
<b>Secretary</b>	Ms Patricia Muñoz González-Úbeda

---

---

### Composition of the CNMV Executive Committee at 31 May 2023<sup>1</sup>

---

<b>Chairperson</b>	Mr Rodrigo Buenaventura Canino
<b>Vice-Chairperson</b>	Ms Montserrat Martínez Parera
<b>Directors</b>	Ms María Dolores Beato Blanco
	Ms Helena Viñes Fiestas
	Mr Mariano Bacigalupo Saggese
<b>Secretary</b>	Ms Patricia Muñoz González-Úbeda

---

---

<sup>1</sup> The creation, incorporation and functions of the CNMV Executive Committee are regulated by Article 27 of Law 6/2023, of 17 March, on Securities Markets and Investment Services.

## Composition of the CNMV Advisory Committee at 31 May 2023<sup>2</sup>

<b>Chair</b>	Ms Montserrat Martínez Parera
<b>Secretary</b>	Ms Patricia Muñoz González-Úbeda
<b>Technical secretary</b>	Mr Víctor Rodríguez Quejido
<b>Members</b>	
<b>Representatives of market infrastructures</b>	
<b>Representative</b>	Ms Beatriz Alonso-Majagranzas Cenamor
<b>Alternate</b>	Ms Maria Calvo Pérez
<b>Representative</b>	Mr Domingo García Coto
<b>Alternate</b>	Mr Gonzalo Gómez Retuerto
<b>Representative</b>	Mr Ignacio Olivares Blanco
<b>Alternate</b>	Ms Aránzazu Ullivarri Royuela
<b>Representatives of issuers</b>	
<b>Representative</b>	Mr Manuel García Cobaleda
<b>Alternate</b>	Mr Juan Ignacio Pardo García
<b>Representative</b>	Mr Rafael Piqueras Bautista
<b>Alternate</b>	Mr Javier Rodríguez Vega
<b>Representatives of investors</b>	
<b>Representative</b>	Mr Ángel Martínez-Aldama Hervás
<b>Alternate</b>	Ms Virginia Arizmendi Ortega
<b>Representative</b>	Ms Elisa Ricón Holgueras
<b>Alternate</b>	Ms Carolina Fernández González
<b>Representative</b>	Mr Manuel Pardos Vicente
<b>Alternate</b>	Ms Karina Fábregas Márquez
<b>Representative</b>	Mr Fernando Herrero Sáez de Eguilaz
<b>Alternate</b>	Mr Víctor Cremades Erades
<b>Representatives of credit institutions and insurance companies</b>	
<b>Representative</b>	Mr Javier Rodríguez Pellitero
<b>Alternate</b>	Ms Patricia Rodríguez Fernández de Castro
<b>Representative</b>	Mr José María Méndez Álvarez-Cedrón
<b>Alternate</b>	Mr Antonio Jesús Romero Mora
<b>Representative</b>	Ms Cristina Freijanes Presmanes
<b>Alternate</b>	Ms Zorione Arregi Elkorobarrutia
<b>Representative</b>	Ms Pilar González de Frutos
<b>Alternate</b>	Ms María Aránzazu del Valle Schaan



**Representatives of professional associations**

---

**Representative** Mr Valentín Pich Rosell

---

**Alternate** Mr Ferrán Rodríguez Arias

---

**Representative** Mr Luis Alfredo Jiménez Fernández

---

**Alternate** Mr Javier Méndez Llera

---

**Renowned professionals**

---

**Representative** Mr Fernando Vives Ruiz

---

**Alternate** Mr Javier García de Enterría y Lorenzo-Velázquez

---

**Representatives of the Investment Guarantee Fund**

---

**Representative** Mr Ignacio Santillán Fraile

---

**Alternate** Mr José Ignacio García-Junceda Fernández

---

**Representatives of the Autonomous Regions with an official secondary market**

---

*Basque Country*

---

**Representative** Mr Hernando Lacalle Edeso

---

**Alternate** Ms Arantza Larrauri Aranguren

---

*Catalonia*

---

**Representative** Mr Josep Maria Sánchez i Pascual

---

**Alternate** Ms Alba Currià Reynal

---

*Valencia*

---

**Representative** Ms María Dolores Furió Ortega

---

**Alternate** Mr Nicolas Jannone Bellot

---

CNMV organisational structure

