



## Procedure for periodic information by issuers (P07)

# Contents

<b>1. Scope</b>	<b>3</b>
<b>2. Applicable legislation</b>	<b>3</b>
2.1 Issuers of securities admitted to trading on any official secondary market in Spain or other regulated market established elsewhere in the European Union when Spain is the home member State	3
2.2 Securitisation funds (SF) and banking asset funds (BAF)	4
2.3 Annual corporate governance reports (ACGR) and annual reports on remuneration of directors (ARRD)	4
2.4 Other rules	5
<b>3. Competent department</b>	<b>5</b>
<b>4. Periodic information</b>	<b>5</b>
<b>5. Periodic information forms and submission channels</b>	<b>6</b>
<b>6. Mandatory content and submission deadlines for periodic reports</b>	<b>6</b>
<b>7. Publicity and dissemination of periodic information</b>	<b>8</b>
<b>8 Exemptions from publication of reports</b>	<b>8</b>
<b>9. Verification and control by the CNMV</b>	<b>8</b>
<b>10. Procedure manuals</b>	<b>9</b>
<b>11. Effect</b>	<b>9</b>

## 1. SCOPE

This internal procedure has been prepared in accordance with article 39 of the Internal Regulations of the National Securities Market Commission (CNMV in the Spanish acronym), and its terms apply to all actions taken by the CNMV in the discharge of the following public functions:

1. Reception, verification and registration of the annual, half-yearly and quarterly financial reports submitted to the CNMV by issuers of securities admitted to trading on any regulated secondary market in Spain or other regulated market established elsewhere in the European Union when Spain is the home member State.
2. Reception, verification and registration of public information submitted to the CNMV by Securitisation Funds (SF) and Banking Asset Funds (BAF).
3. Reception, verification and registration of annual corporate governance reports (ACGR) and annual reports on remuneration of directors (ARRD).

## 2. APPLICABLE LEGISLATION

The regulatory framework applicable to this procedure is defined by the following legislation:

### 2.1. FINANCIAL INFORMATION REPORTED BY ISSUERS OF SECURITIES ADMITTED TO TRADING ON ANY OFFICIAL SECONDARY MARKET IN SPAIN OR OTHER REGULATED MARKET ESTABLISHED ELSEWHERE IN THE EUROPEAN UNION WHEN SPAIN IS THE HOME MEMBER STATE

- Consolidated text of the Securities Market Act (TRLMV in the Spanish acronym) approved by Royal Legislative Decree 4/2015, of 23 October. Articles 36, 118, 119, 120, 121, 122, 234 n) and 238.
- Royal Decree 1362/2007, of 19 October implementing the Securities Market Act, (Law 24/1988, of 28 July) with regard to transparency requirements related to information prepared by issuers of securities listed on any regulated secondary market in Spain or any other regulated secondary market established in the European Union.
- Consolidated text of the Companies Act, approved by Royal Legislative Decree 1/2010, of 2 July. Article 268.
- Audit Act (Law 22/2015, of 20 July). Articles 5.4, 31 and 32, and 1<sup>st</sup> and 7<sup>th</sup> Additional Provisions.
- Royal Decree 1517/2011, of 31 October, approving the regulations implementing the consolidated text of the Audit Act approved by Royal Legislative Decree 1/2011, of 1 July.
- Order EHA/3050/2004, of 15 September, on information concerning related-party transactions reported by issuers of securities admitted to trading on regulated secondary markets.
- CNMV Circular 1/2008, of 30 January, on periodic reports submitted by issuers of securities admitted to trading on regulated markets in connection with half-yearly financial reports, interim management statements and, where applicable, quarterly financial reports.

## **2.2 FINANCIAL INFORMATION REPORTED BY SECURITISATION FUNDS (SF) AND BANKING ASSET FUNDS (BAF)**

- Bank Restructuring and Resolution Act (Law 9/2012, of 14 November). 10<sup>th</sup> additional provision.
- Royal Decree 1559/2012, of 15 November, establishing the legal framework governing asset management companies.
- CNMV Circular 6/2013, of 25 September, on accounting standards, annual accounts, public financial statements and non-public statistical reports of Bank Asset Funds.
- Business Financing Act (Law 5/2015, of 27 April).
- Order EHA/3536/2005, of 10 November, on the definition of future financial claims eligible for inclusion in asset Securitisation funds and enabling the CNMV to establish specific rules in accounting matters and reporting obligations applicable to Securitisation funds and their asset management companies.
- CNMV Circular 2/2009, of 25 March, on accounting standards, annual accounts, public financial statements and non-public statistical reports of Banking Asset Funds.

## **2.3. ANNUAL CORPORATE GOVERNANCE REPORTS (ACGR) AND ANNUAL REPORTS ON REMUNERATION OF DIRECTORS (ARRD)**

- Consolidated text of the Securities Market Act approved by Royal Legislative Decree 4/2015, of 23 October, Article 234.9.
- Savings Banks and Banking Foundations Act (Law 26/2013, of 27 December).
- Consolidated text of the Companies Act, approved by Royal Legislative Decree 1/2010, of 2 July.
- Order ECC/461/2013, of 30 March, establishing the content and structure of the annual corporate governance report, the annual report on remuneration of directors and other informational instruments published by listed public companies, savings banks and other issuers of securities admitted to trading on official stock markets.
- CNMV Circular 4/2013, of 12 June, establishing the form of the annual report on remuneration of directors of listed public companies, and the report on remuneration of the boards of directors and control committees of savings banks issuing securities admitted to trading on official securities markets.
- CNMV Circular 5/2013, of 12 June, establishing the form of the annual report on corporate governance in listed public companies, savings banks and other issuers of securities admitted to trading on official securities markets.

## **2.4 OTHER RULES**

This internal procedure will also be subject to the European Securities and Markets Authority's guidelines on the enforcement of financial information published on 28 October 2014 (*ESMA Guidelines on Enforcement of Financial Information*), together with any other guidelines or recommendations issued by ESMA in this matter, in accordance with article 16 of Regulation (EU) No. 1095/2010 of the European Parliament and of the Council, of 24 November 2010, establishing a European Supervisory Authority, provided the CNMV

confirms that it complies, or intends to comply, within the meaning of paragraph 3 of the aforementioned article 16.

The following will also apply to this procedure:

- Public Administration and Common Administrative Procedure Act (Law 30/1992, of 26 November).<sup>1</sup>
- Resolution of the CNMV Board of 11 March 2015 on the delegation of competences.
- Decision of the CNMV of 16 November 2016 creating and regulating the CNMV Electronic Registry.

### **3. COMPETENT DEPARTMENT**

The Corporate and Financial Reports Department of the Markets Directorate-General will be responsible for processing actions related to this internal procedure.

### **4. PERIODIC INFORMATION**

This internal procedure concerns the following information:

1. Half-yearly financial reports and selected financial information for statistical purposes:
  - a) Mandatory half-yearly financial report referring to the first half of the financial year submitted to the CNMV by BAFs and issuers of shares or debt securities admitted to trading on any regulated secondary market in Spain or other regulated market established elsewhere in the European Union when Spain is the home member State.
  - b) Mandatory half-yearly financial report referring to the full twelve months of the financial year submitted to the CNMV by BAFs and issuers of shares admitted to trading on any regulated secondary market in Spain or other regulated market established elsewhere in the European Union when Spain is the home member State.

Issuers of shares will not be required to submit the financial report referring to the second half of the financial year provided they publish the annual financial report mentioned in paragraph 4 of this section within two months of the year end, notwithstanding mandatory submission to the CNMV of selected financial information for statistical purposes.
  - c) Selected financial information for statistical purposes referring to the full twelve months of the financial year, which will be submitted to the CNMV by issuers of shares publishing the annual financial report mentioned in paragraph 4 below within the two months following the end of the financial year, and by the issuers of debt securities.
2. The four quarterly reports of SFs referring to each calendar quarter, filing of which with the CNMV will be mandatory.
3. The two mandatory interim management statements or, where appropriate, the quarterly financial reports submitted to the CNMV in the first and second halves of the financial year by issuers of shares admitted to trading on any regulated secondary market in Spain

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<sup>1</sup> The Public Administrations Common Administrative Procedure Act, 2015 (Law 39/2015, of 1 October) will apply as of 2 October 2016.

or other regulated market established elsewhere in the European Union when Spain is the home member State.

4. The annual financial report of BAFs, SFs and issuers of securities admitted to trading on any regulated secondary market in Spain or other regulated market established elsewhere in the European Union when Spain is the home member state.
5. The annual corporate governance reports (ACGR) and the annual reports on remuneration of directors (ARRD), which are published as a significant event and therefore constitute regulated information.

## **5. PERIODIC INFORMATION FORMS AND SUBMISSION CHANNELS**

1. The periodic financial information mentioned in paragraphs 1, 2 and 3 of section 4 above will be filed using the CIFRADOCC/CNMV service provided by the CNMV Electronic Registry, as provided in CNMV Circulars 1/2000, of 30 January, 2/2009, of 25 March, and 6/2013, of 25 September. The information will be presented in the form established in each respective Circular.
2. The annual financial report mentioned in section 4.4 above may be filed as a written document, preferably via the CNMV Electronic Registry's CIFRADOCC/CNMV service.
3. The ACGR and ARRD reports mentioned in section 4.5 above will be submitted electronically via the CIFRADOCC/CNMV service. At the request of the issuer, and for good cause, the CNMV may exceptionally authorize filing of the ACGR and ARRD reports in paper format using the appropriate form in conformity with the rules established by the CNMV.

## **6. MANDATORY CONTENT AND SUBMISSION DEADLINES FOR PERIODIC REPORTS**

The mandatory content and submission deadlines for periodic reports are as follows:

1. Half-yearly financial reports and selected financial information for statistical purposes.

The half-yearly financial report contains a set of condensed financial statements, the interim management statement, management's representations of responsibility for the contents of the report and the auditor's report thereon, where applicable (with reference, inter alia, to the special audit report mentioned in article 14 of Royal Decree 1362/2007, of 19 October).

The half-yearly financial report will be disseminated and published within a maximum of three months as of the end of the relevant period in the case of issuers of securities admitted to trading on any regulated secondary market in Spain or other regulated market established elsewhere in the European Union when Spain is the home member State, or two months in the case of BAFs.

The half-yearly report for the second half of the financial year will be disseminated and published by all BAFs and by those issuers whose shares are admitted to trading on any regulated secondary market in Spain or other regulated market established elsewhere in the European Union when Spain is the home member State, but who do not publish the annual financial report mentioned in section 4.4 below within two months of the end of the financial year in question.

Notwithstanding the foregoing, issuers of shares who publish the annual financial report in the two months following the end of the financial year in question, and issuers of debt securities, will submit the selected financial information for statistical purposes mentioned in paragraph 1 c) of this section 4 to the CNMV on the same date as the annual financial report is published.

The special audit reports mentioned in article 14 of Royal Decree 1362/2007, of 19 October, will be attached to the next half-yearly report following any financial year for which an issuer may have filed an audit report containing a qualified opinion or adverse opinion, or a disclaimer of opinion. This provision will not apply if an issuer restates the annual accounts and the auditor issues an unqualified opinion thereon.

2. In the case of issuers of shares, interim management statements or, where applicable, quarterly financial reports will be published within a maximum 45 days as of the closing date for the first and third quarters. Said reports will contain information referring to the period between the start of the financial year and the closing date of each quarter.

The interim management statements will not be required where an issuer voluntarily publishes quarterly financial reports referring to the period between the start of the financial year and the closing date of the quarter concerned within the aforementioned deadline.

Securitisation Funds will publish their quarterly information at the latest two months after the closing date of each calendar quarter.

3. The annual financial report comprises the individual annual accounts and management report of the company and, where appropriate, the consolidated annual accounts and management report of its group, duly examined by the auditor, together with management's representations of responsibility for their contents.

A maximum of 4 months will be allowed as of the end of the issuer's financial year for publication and dissemination of the annual financial report, and such period shall not extend beyond the date on which the call for the annual general meeting of the shareholders, or of the corporate body competent to approve the annual financial report, is officially announced.

If an issuer, preparing its annual accounts for any year, corrects any material errors, or any material changes are made to the accounting policies and criteria applied in any previous half-yearly financial report or interim statement for the year in question, it will report the information mentioned in article 16 of Royal Decree 1362/2007, of 19 October, to the CNMV within 10 business days of the date of preparation of the annual accounts by the issuer's directors.

4. The ACGR and ARRD reports will be published as a significant event within a maximum of 4 months as of the end of an issuer's financial year and, in any event, before the date on which the call for the annual general meeting of the shareholders, or of the body competent to approve the annual financial report for the year to which said reports refer, is officially announced.

## **7. PUBLICITY AND DISSEMINATION OF PERIODIC INFORMATION**

1. The half-yearly financial reports, selected financial information for statistical purposes and mandatory management statements or quarterly financial reports mentioned in paragraphs 1, 2 and 3 of section 4 above will be immediately published as significant events on the CNMV website and will be included in the Official Registry.

2. The annual financial reports mentioned in section 4.4 above will be included in the official registry as soon as possible after formal verification of their contents.
3. The ACGR and ARRD reports mentioned in section 4.5 above will be immediately published as a significant event by the CNMV on its website.

## 8. EXEMPTIONS FROM PUBLICATION OF REPORTS

Issuers may request exemption from publication of the individual information on related-party transactions included in the half-yearly periodic report mentioned in section 4.1 above where disclosure would be contrary to the public interest or would be detrimental to the interest of the reporting party because the information contains any material industrial, commercial or financial secrets, or any information which might adversely affect such party's competitive position. Such exemption will be granted provided it would not mislead the public in its appreciation of key events or circumstances for the evaluation of the securities concerned (sixth provision of Order EHA/3050/2004).

Such exemptions will be approved by the CNMV Executive Committee at the proposal of the Director-General of Markets, subject to a report from the Legal Affairs Directorate-General.

## 9. VERIFICATION AND CONTROL BY THE CNMV

1. The CNMV will control, verify and examine the periodic reports mentioned in section 4 of this procedure and will process their entry in the pertinent Special Registries.
2. Where an issuer fails to submit any periodic reports within the deadlines allowed, they will be required to comply with such obligation under the *Procedure for the issue of demands and requests for data or reports to persons and firms operating in the securities markets*.
3. The CNMV will verify that the periodic financial reports and the ACGR and ARRD reports are prepared in accordance with applicable legislation and will otherwise require compliance.

In the discharge of its functions, the CNMV may:

- Gather all such information and documents as may be necessary from issuers or their auditors, where applicable, via the pertinent written requests, in accordance with the Audit Act.
- Require issuers to publish additional information, reconciliations, corrections or restatements, where applicable, of the periodic reports mentioned in section 4 of this procedure.

The periodic financial reports and the ACGR and ARRD reports will be reviewed under the methodology established in the annual inspection plans approved by the CNMV Executive Committee.

4. Requests will be made in accordance with the *Procedure for the issue of demands and requests for data or reports to persons and firms operating in the securities markets*.
5. Where any evidence exists at the end of the review process applied to the annual financial reports mentioned in section 4.4 above, showing that the auditor may not have complied with the applicable auditing legislation and standards, the Director-General of Markets will propose to the Executive Committee that the auditor's report be forwarded



to the Spanish Institute of Accountancy and Auditing (ICAC in the Spanish acronym) for the technical examination within its remit in accordance with the Audit Act.

## **10. PROCEDURE MANUALS**

1. The Director-General of Markets will approve the necessary “Procedure Manuals” to ensure compliance with and application of this procedure.
2. The criteria and standards set forth in the “Procedure Manuals” constitute the basic operational guidelines and specific rules to ensure the proper, efficient conduct and completion of work within the General Markets Division.
3. The “Procedure Manuals” will contain such controls as may be deemed necessary under the CNMV Risk Management System to ensure effective compliance with relevant legal provisions and with this procedure.
4. The “Procedure Manuals” will be prepared following the criteria and standards issued by ESMA to promote common supervisory practices in accordance with article 29.2 of Regulation (EU) No. 1095/2010, and any guidelines the CNMV may publish in connection with this procedure.
5. The “Procedure Manuals” will be submitted to the Executive Committee of the CNMV.

## **11. EFFECT**

This procedure will apply as of 21 September 2016, and it will be revised annually or wherever its contents are materially affected by any regulatory change.