



MEMORANDUM OF UNDERSTANDING

BETWEEN

**THE SECURITIES MARKET AUTHORITY (CNMV)
OF THE KINGDOM OF SPAIN**

AND

**THE NATIONAL SECURITIES AND STOCK MARKET
COMMISSION (NSSMC)**

ON

MUTUAL ASSISTANCE AND COOPERATION

21 June 2022

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1. INTRODUCTION

- 1.1 **The Spanish Securities Market Authority (CNMV)** is a public law body with its own distinct legal personality and full public and private capacity that is governed by the provisions of the recast version of the Securities Market Act, approved by Royal Legislative Decree 4/2015, of 23 October. The Spanish Securities Market Authority is entrusted with the supervision and monitoring of the securities markets and the activity of all natural and legal persons related to their trade, the exercise of sanctioning powers over them and other functions attributed to it by law. The Spanish Securities Market Authority ensure the transparency of securities markets, the correct formation of prices within them and the protection of investors, encouraging the dissemination of all information necessary to ensure the attainment of these ends.
- 1.2 **The National Securities and Stock Market Commission (the NSSMC)** is a state collegial body subordinate to the President of Ukraine and accountable to the Verkhovna Rada of Ukraine. The NSSMC performs state regulation of the securities market, in particular, ensures the implementation of the unified state policy on the development and functioning of the securities market in Ukraine, as well as performs legal regulation of relations arising on the securities market, protection of investors' rights by preventing abuse and violations on the stock market, participates in coordination of work of ministries and other central government executive bodies.
- 1.3 Both the Spanish Securities Market Authority and National Securities and Stock Market Commission are vested with powers to establish bilateral and multilateral relations.
- 1.4 The Spanish Securities Market Authority and National Securities and Stock Market Commission are aware of the importance of securities markets as ideal mechanisms within the resource allocation process, thus contributing to the development of countries.
- 1.5 The Spanish Securities Market Authority and National Securities and Stock Market Commission consider that the increasing internationalisation of markets requires effective technical assistance between both Authorities in everything related to the performance of the tasks entrusted by the legislations of each country in order to achieve more open, fair and efficient securities markets.
- 1.6 Both Authorities also consider that the ties between the two countries impose the need to establish a comprehensive framework to improve the existing communication systems between the Spanish Securities Market Authority and the National Securities and Stock Market Commission in all matters related to the functioning of their respective securities markets. Cooperation and consultation between them will make it possible to strike an appropriate balance between control and stability within a framework of development and competition, which are essential factors in the regular performance of each market.
- 1.7 Based on the foregoing considerations, the Spanish Securities Market Authority and National Securities and Stock Market Commission have decided to sign the following Memorandum of Understanding, with respect to consultation and technical assistance to be provided in the future between the two Authorities.

2. DEFINITIONS

For the purposes of this Memorandum of Understanding:

- 2.1 “Authority” means **the Spanish Securities Market Authority (CNMV) of the Kingdom of Spain** or **National Securities and Stock Market Commission (NSSMC)**, as the case may be.
- 2.2 “Authorities” means **the Spanish Securities Market Authority (CNMV)** and **the National Securities and Stock Market Commission (NSSMC)**.
- 2.3 “Requested Authority” means the Authority to which a consultation or request for technical assistance is made under the terms of this Memorandum of Understanding.
- 2.4 “Requesting Authority” means the Authority that makes a consultation or request for technical assistance under the terms of this Memorandum of Understanding.
- 2.5 “Securities Market” means a stock exchange or any other securities trading centre.
- 2.6 “Collective Investment Schemes” means all schemes formed in the countries of the Authorities under specific legislation on this matter.
- 2.7 “Securities” means any type of shares, bonds, futures, options and any other securities, derivatives or other financial instruments that are recognised, regulated or supervised by the Authorities.

3. GENERAL PRINCIPLES OF CONSULTATION AND TECHNICAL ASSISTANCE

- 3.1 The Authorities consider it necessary to establish a framework to encourage cooperation in all matters related to the activities and operation of their respective markets.

The purpose of this Memorandum of Understanding is to enhance investor protection and favour the integrity of securities markets. To this end, the Authorities agree to arrange measures concerning technical assistance, consultation, the improvement of communication between the Authorities and greater mutual understanding.

- 3.2 This Memorandum of Understanding is a statement of intent in which the Authorities intend to establish a framework of mutual assistance to enhance their respective capabilities with regard to enforcing or ensuring compliance with their respective legislation or regulations on financial instruments.

The Authorities will make every effort to comply with the terms of this Memorandum of Understanding by taking the necessary steps to ensure maximum effectiveness in the execution of requests for technical assistance and consultations.

- 3.3 This Memorandum of Understanding does not impose any legally binding obligations on the Authorities, nor does it amend or revoke national laws or regulatory requirements that are in force or applicable to the Authorities. Nor shall it affect the provisions adopted or provided for by another Memorandum of Understanding.

This Memorandum of Understanding shall not affect the legal, juridical or other powers of each participating Authority, nor shall it in any way restrict the powers of an Authority to carry out its legal mandate or its discretion to act within the scope of its powers.

- 3.4 In application of the objective of promoting a sound regulatory and operational framework for the securities market, the **Spanish Securities Market Authority (CNMV)** may, upon request, provide training and technical assistance to the **National Securities and Stock Market Commission (NSSMC)** and *vice versa*. In this regard, the Authorities will consult each other to identify and address, depending on the availability of capacities and resources, areas of training and technical assistance to facilitate the development of their respective capital markets.

4. CONSULTATIONS ON MARKET STABILITY, EFFICIENCY AND DEVELOPMENT

- 4.1 The Authorities may make periodic consultations on matters of mutual interest to improve cooperation between the two bodies and investor protection, with a view to cooperating and, as far as possible, facilitating the stability, efficiency and development of the securities markets in Ukraine and the Kingdom of Spain.
- 4.2 Such consultations may include, *inter alia*, those related to the development of capital markets; operational practices; developments in custody, administration, clearing, settlement and transfer of securities and the establishment of other market systems; trading of futures contracts, developing channels of communication, detecting market manipulation, insider trading and other fraudulent practices, coordination of market surveillance and enforcement of existing securities legislation and regulations, particularly those related to the fight against money laundering in Ukraine and the Kingdoms of Spain.
- 4.3 The purpose of the consultations is to promote a mutual rapprochement in order to strengthen the securities markets of both countries.

5. PROVISIONS ON TECHNICAL ASSISTANCE FOR THE DEVELOPMENT OF SECURITIES MARKETS

- 5.1 The Authorities intend to consult and assist each other with a view to establishing and implementing technical assistance programmes aimed at the development, administration and operation of their respective securities markets.
- 5.2 In all cases, the specific type of technical assistance required by the Authorities should be reasonably specified. Technical assistance may include, but is not limited to, staff training and technical assistance related to the development of:
- Systems to promote capital markets, including public and private offerings and placements.
 - Securities issues covering particular needs.
 - Order transmission systems.
 - Registration of transactions and verification systems.
 - Systems for the transmission of quotations and data on transactions.
 - Securities custody, clearing, settlement and transfer mechanisms.

- Regulatory provisions relating to market members and their capital requirements as well as on their capacity to provide investment services.
- Regulation systems and mechanisms concerning accounting and advertising.
- Systems required for effective market monitoring and project implementation.
- Procedures and practices for investor protection.
- Development of derivatives markets (futures and options).
- Regulation on collective investment schemes.
- Market abuse treatment regulations.
- Inspection and supervision techniques.
- New technologies, operations regarding coin or crypto assets offerings, Fintech and “Sandboxes”.
- Sustainable reporting and climate finance.
- Investor education.
- Certifications and authorization procedures for professionals.
- Small and medium companies financing through the capital market.

5.3 Both Authorities agree that the effective provision of the specific technical assistance referred to in this Memorandum shall be subject to the availability of resources of the requested Authority, as well as domestic legal requirements and internal authorisations, specific to each country.

6. CONSULTATIONS AND REQUESTS FOR TECHNICAL ASSISTANCE

6.1 The Authorities may consult each other informally at any time concerning requests or potential requests.

6.2 The Authorities may consult and review the terms of the Memorandum of Understanding if laws, practices or business or market conditions are substantially modified in such a way that they affect the implementation of this Memorandum of Understanding. Consultations and requests for technical assistance should be made in writing and addressed to the requested Authority's contact person(s) listed in Appendix to this Memorandum of Understanding.

6.3 In consultations or requests for technical assistance the Requesting Authority shall specify:

- a. In general, the subject of the consultation or request for technical assistance and its purpose.
- b. A general description of the documentation, assistance or information requested by the Requesting Authority.
- c. The time limit for receipt of the response to the consultation or technical assistance requested.

6.4 In the event of urgency, consultations or requests for technical assistance and the appropriate replies may be made by means of special fast-track procedures.

The Authorities recognize the need to increase technical exchanges in order to improve understanding and knowledge of each other's financial regulations. In this context, these exchanges will take the form of:

6.4.1 Visits by delegations or experts: Subject to prior agreement between the Authorities, the list of matters of interest shall be established and, where appropriate, an agenda shall be drawn up which incorporates the matters of interest for visits by delegations or experts from each of the Authorities. The number of days required to assist the other Authority shall also be established, as determined in each case.

6.4.2 These visits will allow those involved in the delegation or the visit of experts in each subject to gain a better understanding of how the host Authority addresses the challenges of day-to-day regulation. Furthermore, these visits will be aimed at creating close links between the two Authorities in order to promote dialogue and the mutual exchange of information. They will also provide assistance in the analysis of applicable legislation, regulations and rules, including mandatory European legislation.

7. CONTINGENCIES

7.1 Any issue or aspect not provided in this Memorandum of Understanding regarding technical assistance and mutual cooperation will be resolved after consultation and agreement between the representatives of the Spanish Securities Market Authority (CNMV) and the National Securities and Stock Market Commission (NSSMC).

7.2 Confidentiality of information and disclosure:

- The Authorities will keep confidential any non-public information communicated between them within the scope of cooperation of this Memorandum of Understanding.
- The Requesting Authority should obtain prior consent from the Requested Authority before disclosing any confidential information received under this Memorandum of Understanding to any third party. If consent is not obtained from the Requested Authority, the Authorities will consult to discuss the reasons for withholding approval, and the circumstances, if any, under which the intended use by the Requesting Authority might be allowed.

8. COMMENCEMENT OF THE MEMORANDUM OF UNDERSTANDING

8.1. This Memorandum of Understanding shall commence on the day it is signed by the Authorities.

8.2. Nevertheless, under this Memorandum of Understanding, confidential information shall not be communicated between the Parties until NSSMC be a signatory to the 2002 Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information (IOSCO's Multilateral Memorandum of Understanding). For this purpose, paragraph two of provision 7 of this Memorandum of Understanding, under the heading Confidentiality of information and disclosure, shall not be applicable until the IOSCO's Multilateral Memorandum of Understanding is applicable to both Parties.

9. CONCLUSION OF THE MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding shall apply until thirty (30) days after an Authority has notified the other Authority in writing of its intention to put an end to its application it. Notwithstanding the foregoing, this Memorandum of Understanding will continue to apply with respect to all requests for technical assistance that were made prior to the effective date of conclusion.

10. CONTACT PERSONS

All communications between the Authorities shall be made between the main points of contact set out in Appendix, unless otherwise agreed. However, Appendix may be amended by written notification from any Authority, without the need to redraft this Memorandum of Understanding.

This bilateral Memorandum of Understanding is signed in duplicate in English, Ukrainian and Spanish on 21 of June 2022, in Madrid, the Kingdom of Spain.

**SPANISH SECURITIES MARKET
AUTHORITY (CNMV)**

**NATIONAL SECURITIES AND STOCK
MARKET COMMISSION (NSSMC)**

**Mr. Rodrigo Buenaventura
Chairman**

**Mr. Ruslan Magomedov
Chairman**