

11 Organisation

11.1 Human resources and organisation

Changes in workforce and staff selection processes

At the end of 2018, the CNMV had 446 employees (the highest figure of the last 5 years). There were 45 new hires and 21 departures during the year. Tables 11.1.1 and 11.1.2 show the distribution of CNMV staff by professional category and by department.

CNMV staff: composition by professional category

TABLE 11.1.1

Number of employees at the end of each year

	2017			2018		
	Total	Men	Women	Total	Men	Women
Services	8	8	-	8	8	-
Clerical staff / Computer operators	62	12	50	59	11	48
Technical staff	327	148	179	354	165	189
Management	25	17	8	25	17	8
Total	422	185	237	446	201	245

Source: CNMV.

As a result of the 2017 Public Employment Offer, which was authorised to cover a total of 40 positions, 2 selection processes were undertaken in the first half of the year in order to cover 33 vacancies for technical staff for several CNMV directorates and departments, and 3 vacancies in the Information Systems Department. The selected candidates joined the CNMV in the last quarter of 2018. With the aim of promoting and facilitating internal mobility, the aforementioned positions were previously offered within the organisation.

In addition, as part of this Public Employment Offer, three selection processes were initiated in the second half of the year to cover technical staff positions in different departments: one position for the Financial and Corporate Reports Department, one position for Internal Control-General Secretariat and two positions for Human Resources-General Secretariat. Both the selection processes and the entry of the new staff will take place over 2019.

In the second quarter of the year, authorisation was given to cover two technical staff positions, on an interim basis until the vacancies are definitively filled, in order to provide services in the Human Resources Sub-directorate. The selected candidates joined the CNMV in the last quarter of 2018.

In addition, in 2018 authorisation was given to cover two technical staff positions in the Human Resources Sub-directorate with staff from public departments or bodies from the state public sector to which the CNMV belongs. The selection process and the entry of the new staff was completed in the first quarter of 2019.

A selection process was also started in the last quarter of 2018 to cover two temporary staff positions to perform research projects in the Research and Statistics Department. The selection process was completed in the first quarter of 2019 and the candidates will join the CNMV in the second quarter.

Breakdown of staff by department

TABLE 11.1.2

Number of employees at the end of each year

	2017			2018		
	Total	Men	Women	Total	Men	Women
Directorates-General	327	139	188	348	139	188
Entities	120	50	70	130	57	73
Markets	110	51	59	122	57	65
Legal Affairs	50	20	30	44	18	26
Strategic Policy and International Affairs	47	18	29	52	21	31
Departments	78	42	36	86	45	41
Chair, Vice-Chair and Board	17	4	13	12	3	9
Total	422	185	237	446	201	245

Source: CNMV.

Training

The initiatives implemented by the CNMV in 2018 in the context of its training programme include the following:

- Technical training actions, developed and given in cooperation with different specialised schools and training centres. A total of 5,083 training hours were given (57% of total training given), which were attended by 63% of the staff.
- Technical training actions taught internally, with participation from 60% of the workforce. A total of 2,727 hours were taught.
- International training actions, planned and given by ESMA, were attended by 16 CNMV employees.

In 2018, the training programme comprised a total of 61 training actions and 8,857 training hours. Each employee received, on average, 21 training hours, and 81% of the workforce participated in at least one of the planned training actions.

Furthermore, work on the ESMA technical training programme provided through e-learning continued, in which 19 CNMV employees participated.

As in previous years, a new edition of the Language Programme was implemented, with participation by 48% of the workforce. The participants received a total of 10,507 training hours, an average of 25 hours per student. As part of this programme, and with the aim of perfecting the language (English, French or German), the possibility of attending a summer course abroad was offered, both in Spain and in a native environment. In total, 8% of staff participated in the summer programme, with over 1,300 hours of training performed.

Other significant human resources initiatives

The number of employees that participated in the telework programme in 2018 stood at 86.

In addition, three editions of the internal magazine *Entre Nosotr@s* were published in 2018 to publicise information on human resources to CNMV employees.

In the last quarter of the year, the Seventh CNMV Drawing Competition took place under the theme of “Christmas”. A total of 119 children of employees, aged between 3 and 14, participated in this new edition. The results were published to employees in December and the awards were handed out.

New organisational developments

- On 30 April 2018, the appointment of Juan Manuel Santos-Suárez Márquez as a member of the CNMV Board was renewed under Order EIC/444/2018.
- On 24 August, María Dolores Beato Blanco was appointed as a member of the CNMV Board under Order ECE/898/2018.
- Following union elections and the creation of a new works council in 2018, a collective bargaining agreement is currently being negotiated.

11.2 Information systems

Introduction

The CNMV's information systems are generally structured by taking into account the functions and the sets of information that they manage into the following five subsystems: primary market registration and supervision, secondary market supervision, entity registration, entity supervision and horizontal subsystem. The horizontal subsystem covers services such as: internal management, legal services, electronic administration, document management, statistical series, project monitoring, information dissemination and external services.

IT developments that are carried out within the aforementioned subsystems currently arise as a result of legislative amendments, technology and security renewals, improvements in monitoring and control systems and the need for new functionalities.

Information is essentially disseminated through the CNMV's website, which allows consultations of all public registers, statements and press releases, Spanish and Community legislation relating to securities markets and information on the CNMV itself and a special section for investors.

The most requested information is that relating to the price sensitive information of issuers, which is disseminated both in real time through the web and by e-mail (the information received can be personalised by type of price sensitive information or specific entity).

IT infrastructure

The infrastructure of the CNMV's information systems, with regard to the physical and logical elements that support it, is configured on local area networks, with general database servers, file and application servers, SAN storage servers and servers specialised by services: web, intranet, firewall, email, File Transfer Protocol (FTP), image storage, office IT, printing, active directory, etc.

All logical elements used in the infrastructures, both central and workplace, are standard products in the market.

This infrastructure ensures flexibility and the ability to adapt to the needs of each moment as they may be quickly purchased and installed. It also guarantees, by means of redundancy, the continuity of basic and critical services, both internal (corporate applications) and external (website, virtual office or dissemination of official registers).

There are four types of external connections available: connection between offices and alternative centre, connection between supervised markets, lines of connection to the Internet and connection with professional disseminators.

Systems development

Applications are always developed and implemented under the direction of the staff of the CNMV's Information Systems Department. External support takes the form of the availability of a group of external programmers, under a service agreement, and the contracting of closed applications.

All projects conform to the successive stages of their life cycle: i) identification of needs, ii) definition of requirements, iii) planning of alternatives, iv) functional design, v) technical design, vi) construction and vii) testing and implementation. The user of the system must actively participate in the first two and the last two stages.

In order to manage the processes, there is a specific monitoring tool for the different projects and an incident management tool.

The most significant applications of the five subsystems are: i) primary market registration and supervision (management of issuance and admission prospectuses, management of takeover bids and monitoring of commercial paper placements); ii) secondary market supervision (management of price sensitive information, advanced secondary market monitoring system, online market supervision, market

suspensions and de-listings, management of settlement information, and receipt and processing of transaction reporting; iii) entity registration (entity files and register management); iv) entity supervision (receipt and processing of periodic statements, periodic public reports of CIS and management of supervisory tasks); v) horizontal subsystem (general incoming/outgoing document register, fee management, disciplinary proceedings, management of claims, complaints and enquiries).

Electronic administration

From its beginnings, the CNMV has been committed to electronic administration, one of the essential pillars of which is the receipt of information in electronic form. For this reason, in 1998 the CNMV was the first Spanish government body to implement electronic signatures in the receipt of documents.

Information enters the CNMV's systems through various **channels**: i) incoming document register: the vast majority of the information is received in the electronic register, and that which is received on paper is scanned and sent to the different departments on magnetic media; ii) information on securities markets: online information, for real-time supervision of markets and electronic systems through communication monitors that manage the online flow, and information consolidated at the end of the day received in the files designed for this purpose; iii) settlement information: received daily in the corresponding files; iv) information from other regulators; and v) other information.

It may be concluded that over 95% of the information currently received by the CNMV is in electronic format, which greatly facilitates its storage and automatic processing.

The CNMV's **virtual office**¹ is available to every natural and legal person in order to interact electronically with this body and to be able to use its incoming document register through this channel (with the possibility of signing the information to be sent). The office is structured into four sections aimed at different groups:

- i) *Cifradoc* area. Supervised entities can send information on more than 60 procedures for which the CNMV requires them to provide information (financial statements, CIS prospectuses, transactions performed, etc.). All submissions of information must be signed electronically by the person or persons (if more than one signature is required) authorised by the CNMV for that specific procedure. A legal person representative certificate is normally used for the signature. The CNMV is a registration office of the FNMT (The Spanish Mint and Stamp Factory) and therefore issues this type of certificate.
- ii) Open area. For natural persons. The following procedures may be carried out: administrative appeals; individual claims, complaints and queries; applications to participate in staff selection processes; complementary document to proceedings in progress; response to a request; notification of significant shareholdings, of directors and other standard forms of listed companies; auditor's report on the protection of assets of investment firms and financial institutions; notification of the transactions of persons discharging managerial

1 <https://sede.cnmv.gob.es/SedeCNMV/SedeElectronica.aspx?lang=en>

responsibilities and persons closely associated with them; notification of abusive practices and suspicious orders or transactions; complaints and suggestions regarding the service of the virtual office; and any document, request or communication addressed to the CNMV. All procedures require an electronic signature with natural person, national identity card or legal person representative certificate.

- iii) Investor area. Allows the submission of claims, complaints and enquiries. Electronic certificate identification with *@clave* or with username and password may be used.
- iv) Special communications and notifications. For communications and notifications in which, due to their special characteristics, it is not possible to use electronic certificates.

For some types of procedures with large volumes of data, the information is received via FTP on a secure server and must also arrive signed. This system allows the automation of the sending of information, although the signature has to be made by people by their own means.

Each procedure performed through any of the virtual office sections has its corresponding entry number in the electronic register and acknowledgement of receipt – sent to the e-mail address indicated by the user.

Annual activity

MiFID II significantly extended the information that regulators must receive from participants in securities markets regarding the transactions they perform.

This increase in the volume of information to be received made it necessary for the CNMV to undertake a project to extend the available space in its systems. This project began in 2017 and ended in 2018 with the installation of new storage subsystems, extension of the SAN network and the new systems of backup, auxiliary elements and connected services, in order to provide the CNMV's IT systems with greater capacity, user-friendliness and processing speed.

The installation that covers the corporate Wi-Fi network was fully modernised in order to extend its connection capacity and its features. New equipment was installed in the main building, at the Barcelona office and in the facilities that the CNMV has available at its alternative centre. The capacity of the connection line was also extended in order to obtain a higher transmission speed. The Wi-Fi system currently has two differentiated environments: one for CNMV staff and another available for people who access the buildings on a temporary basis.

The CNMV continues to renew obsolete applications and develop other new applications to support the published rules and processes necessary to comply with the functions entrusted to it.

The **modules** and **applications** developed during the year include the following:

- i) Development and implementation of functionalities related to the international projects driven by ESMA for the implementation of MiFID II, mainly the

FIRDS (Financial Instruments Reference Data System) project and the TR (Transaction Reporting) project. The following functionalities were developed in the FIRDS project: receipt, control and storage of the data received from the different markets and trading venues; internal management of control of the information received and verification of its quality; sending of information to ESMA; and daily downloading of the consolidated information provided by ESMA to be used in the TR. The TR project already existed prior to the entry into force of MiFID II, but the modifications introduced by this Directive have been so far-reaching that the project had to be restarted almost from scratch. One of the new aspects introduced has been the obligation for every country to use the same file schema to receive and send transactions, as well as the large number of validations to be performed before admitting the information received. The main functionalities developed over 2018 were: the internal management of the control of the information received and the verification of its quality; the sending of transactions to the different authorities of the Member States of the European Union through ESMA; and the receipt from ESMA of the information provided by regulators from other Member States.

- ii) New version of the CIS prospectus. The new European and Spanish legislation has modified the content of the CIS prospectus, which has been received electronically for over 10 years. Consequently, a series of modifications has been made affecting the following processes: the application made available to managers and CIS for generating the file to be sent; the validation and incorporation of the prospectus' data; the generation of the final prospectus document; the process of verification of the changes in the different versions of the prospectus; and the *ex officio* generation of the prospectus due to changes in the registrations of the entities.
- iii) New system for managing the investment firm register. As a result of the technological renewal, the register management application has been replaced by a completely new one which, in addition to the previous functionalities, incorporates new functionalities and improves the user interface for greater ease of use.
- iv) Processing of the information received from BME Clearing. In 2018, this entity began to send the CNMV information on its activity, which entails the receipt, validation and incorporation of the information received and management of the enquiries on such information.
- v) Infringement reporting service. Any person who is aware of actual or potential infringements relating to the organisation and discipline of securities markets, and who wishes to report it confidentially, may contact the CNMV. In order to manage this information, the CNMV has carried out the following processes: a website to gather the information, a process for downloading recorded telephone communications and an internal management application.
- vi) New procedures in the virtual office to comply with European legislation to make it possible to send derivative asset position reports, requests for waivers from position limits and notifications of transactions of persons discharging managerial responsibilities and persons closely associated with them.

The electronic channel continues to take over from paper in the CNMV's **registers of incoming and outgoing documents**. As shown in Table 11.2.1, the electronic

channel was used for 90% of the documents received and 85% of the documents sent. A significant volume of the incoming and outgoing documents on paper correspond to claims, complaints and enquiries submitted by natural persons, who are not required to submit them electronically. When a person submits documentation on paper for a claim, enquiry or complaint, the CNMV also replies on paper.

Incoming and outgoing documents at the CNMV

TABLE 11.2.1

	2017		2018	
	Number	%	Number	%
Incoming				
Total	136,913	100	145,825	100
Electronic	119,180	87	130,612	90
On paper	17,733	13	15,213	10
Outgoing				
Total	146,550	100	163,180	100
Electronic	123,438	84	138,722	85
On paper	23,112	16	24,458	15

Source: CNMV.