

14 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. The Committee is chaired by the CNMV's Vice-Chairperson and includes representatives of market infrastructures, issuers, investors, credit institutions and insurance companies, professional groups designated by the CNMV, the Investment Guarantee Fund and each one of the autonomous regions with authority with regard to securities markets and in which there is an official secondary market. The appointment of these representatives was approved by the CNMV Resolution of 4 March 2016. The Advisory Committee must meet at least once every three months, but in practice it holds a meeting every month.

As a body providing advice to the CNMV's Board, the Advisory Committee informs on those issues referred to it by the Board. In particular, its report is mandatory in regard to: i) the CNMV provisions referred to in Article 21 of the recast text of the Securities Market Act (circulars and technical guides); ii) authorisations, revocations, mergers and takeovers of investment firms, and iii) authorisations and revocations of branches of investment firms from non-EU countries, and the other participants in securities markets when required by regulations, bearing in mind the economic and legal significance of said participants. In addition, the Advisory Committee provides advice on draft regulations relating in general to the securities market which are referred to it by both the government and the Ministry of Economy and Business.

In addition, as a consequence of the intense process of international integration affecting the CNMV's activity, the Committee's agenda also includes voluntary consultations from international bodies, such as IOSCO, ESMA or the European Commission, in addition to other initiatives of the CNMV or the Committee itself. In addition, since 2012 the Committee has been analysing many of the recommendations and standards issued by ESMA prior to their application in Spain. This allows greater participation from the sector, which is in line with international recommendations on analysing the impact of regulations.

Actions by the Advisory Committee in 2018

Table 14.1.1 offers a statistical summary of the issues addressed by the Advisory Committee in 2018, which shows that the number of mandatory reports remained practically unchanged on the previous year. Over the year, the CNMV applied its policy of publishing technical guidelines and criteria with the aim of increasing transparency on its guidelines and of facilitating compliance with regulations by supervised firms, above all taking into account the entry into force of new

regulations, such as MiFID II/MiFIR and MAD/MAR. However, the number of voluntary consultations increased considerably as the importance of the international activity has remained stable for the CNMV, as well as its desire to collect, through the Advisory Committee, the sector's opinion as often as possible and beyond that required by legislation.

Types of issues referred to the Advisory Committee

TABLE 14.1.1

	No. of issues	
	2017	2018
Mandatory reports on regulations	11	10
Voluntary consultations (IOSCO, ESMA and others)	9	13
Total	20	23

Source: CNMV.

Table 14.1.2 provides a breakdown of the issues addressed.

List of CNMV Advisory Committee actions in 2018

TABLE 14.1.2

Mandatory reports on regulations:

- Draft Technical Guide on managing conflicts of interest in related-party transactions of CIS and in other operations of CIS management companies (Session of 15 January).
- Draft CNMV Circular amending CNMV Circular 5/2013, of 12 June, establishing the templates for the annual corporate governance report of public listed companies, savings banks and other entities that issue securities admitted to trading on official securities markets, and CNMV Circular 4/2013, of 12 June, establishing the templates for the annual report on the remuneration of directors of public listed companies, and of members of the board of directors and control committee of savings banks that issue securities admitted to trading on official securities markets (Sessions of 5 March and 21 May).
- Prior public consultation on the Draft Ministerial Order regulating securities lending by collective investment schemes (Session of 21 May).
- Draft CNMV Circular on periodic reporting by issuers of securities admitted to trading on regulated markets regarding half-yearly financial reports, interim management statements and, where applicable, quarterly financial reports (Session of 21 May).
- Draft Law on measures for the digital transformation of the financial system (Session of 12 June).
- CNMV Circular 4/2018, of 27 September, amending Circular 1/2010, of 28 July, on confidential information of entities providing investment services and Circular 7/2008, of 26 November, on accounting standards and the annual accounts and confidential information statements of Investment Firms, Collective Investment Scheme Management Companies and Venture Capital Management Companies (Session of 16 July).
- CNMV Circular 1/2019, of 28 March, amending Circular 1/2009, of 4 February, on the categories of collective investment schemes on the basis of their investment profile, partially amended by Circular 3/2011, of 9 June (Session of 16 July).
- Draft Bill on measures for the digital transformation of the financial system (Session of 10 September).
- Draft Bill on the financial transactions tax (Session of 12 November).
- Draft Technical Guide on appointments and remuneration committees (Session of 10 December).

Voluntary consultations (IOSCO, ESMA and others):

International Organization of Securities Commissions (IOSCO)

- Consultation report on good practices for Audit Committees in supporting audit quality (Session of 21 May).
- Consultation on draft guidelines on risk factors under the Prospectus Regulation (Session of 10 September).

European Securities and Markets Authority (ESMA)

- Consultation paper. Draft regulatory technical standards under the new Prospectus Regulation (Session of 5 March).
- Call for evidence on periodic auctions for equity instruments (Session of 10 December).

European Central Bank (ECB)

- First ECB public consultation on developing a euro unsecured overnight interest rate (Session of 11 January).
- Second public consultation on the publication by the ECB of an unsecured overnight rate (Session of 16 April).
- First public consultation by the working group on euro risk-free rates on the assessment of candidate euro risk-free rates (Session of 16 July).

Financial Stability Board (FSB)

- Consultative document. Principles on bail-in execution (Session of 1 February).

Comisión Nacional del Mercado de Valores (CNMV)

- CNMV Strategic Areas 2017-2018 and 2018 Activity Plan (Session of 15 January).
- Public consultation on the adoption by the CNMV of intervention measures with regard to binary options and contracts for differences (Session of 10 December).

European Commission (EC)

- Legislative proposals on sustainable finance (Session of 12 June).
- Sustainable Finance Initiative - Benchmarks L1: Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) 2016/1011 on low carbon benchmarks and positive carbon impact benchmarks (Session of 16 July).

Joint Committee of European Supervisory Authorities

- Joint Consultation Paper concerning amendments to the PRIIPs KID. Draft amendments to Commission Delegated Regulation (EU) 2017/653 of 8 March 2017 on key information documents (KID) for packaged retail and insurance-based investment products (PRIIPs) (Session of 10 December).

Source: CNMV.

