



PUBLIC CONSULTATION ON THE AMENDMENT OF CIRCULAR 1/2017 OF 26 APRIL OF THE SPANISH NATIONAL SECURITIES MARKET COMMISSION ON LIQUIDITY CONTRACTS

17 May 2019

The Spanish National Securities Market Commission (CNMV) submits for public consultation the amendments that it plans to introduce in Circular 1/2017 of 26 April, of the Spanish National Securities Market Commission, on liquidity contracts ("Circular 1/2017"). Circular 1/2017 entered into force on 11 July 2017 and its purpose is to regulate liquidity contracts whose sole purpose is the provision of liquidity by a financial intermediary that, acting on behalf of an issuer under a contract, carries out transactions for the purchase and sale of the issuer's shares.

The proposed amendments are intended to facilitate access to the liquidity contracts of a greater number of issuing companies, especially those whose shares have lower liquidity, and to modulate certain restrictions on the operation of the financial intermediary in auction periods. In particular, the amendments consist of the following:

- Establishing a new operating limit, expressed in absolute terms in euros (20,000 euros) per session, applicable to contracts entered into by issuing companies whose shares do not have a liquid market and are traded on a multilateral trading system or on a regulated market through a fixing trading system.
- Eliminating the existing restriction on the possibility of simultaneously maintaining purchase and sale orders for shares at any time during the auction periods.

The details of the consultation can be found at:

http://www.cnmv.es/DocPortal/DocFaseConsulta/CNMV/ModificacionCircular12017_en.pdf

The deadline for interested parties to send their comments ends on **31 May 2019**.

Comments can be sent to the e-mail address mercados.amp@cnmv.es or to the postal address:

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