

CNMV INTERNAL REGULATION

CHAPTER I

General provisions

Article 1. Nature of the National Securities Market Commission.

1. The National Securities Market Commission (CNMV) is a public-law entity with independent legal status and full public and private legal capacity, in accordance with the provisions of article 16 of the consolidated text of the Securities Market Act approved by Legislative Royal Decree 4/2015, of 23 October (hereinafter "the consolidated text of the Securities Market Act").

2. The CNMV shall be entirely independent in performing its functions. With regard to the National Securities Market Commission, the Government and the Ministry of Economy and Competitiveness shall exercise the powers conferred upon them by the consolidated text of the Securities Market Act, with strict respect for its sphere of autonomy.

3. The provisions and resolutions issued by the National Securities Market Commission in the exercise of the powers conferred upon it by the consolidated text of the Securities Market Act shall terminate the administrative phase and may be appealed before the contentious-administrative tribunals. The following exceptions apply to this rule:

a) resolutions dealing with penalties, which shall be subject to the system envisaged in article 273 of the consolidated text of the Securities Market Act.

b) resolutions dealing with questions of the intervention and replacement of administrators, which shall be subject to the system envisaged in article 311 of the consolidated text of the Securities Market Act.

Article 2. Legal status.

1. The CNMV is governed by the aforementioned consolidated text of the Securities Market Act and by any provisions that complement or implement it.

2. In exercising its public functions, and absent the provisions referred to in section 1 of this article, the Commission shall act in accordance with the provisions of Act 30/1992, of 26 November, on the Legal System of the Public Administrations and the Common Administrative Procedure, and Additional Provision Ten of Act 6/1997, of 14 April, on the Organisation and Functioning of the State General Administration.

3. Contracts signed by the CNMV shall conform to the provisions of the Consolidated Text of the Act governing Public Administration Contracts, approved by Legislative Royal Decree 3/2011, of 14 November.

4. The Commission shall also be governed by the applicable provisions of the General Budget Act, Act 47/2003, of 26 November, in the terms of its Additional Provision Thirteen.
5. The assets acquired by the National Securities Market Commission shall, without exception, be subject to private law.

CHAPTER II

Object and Functions of the National Securities Market Commission

Article 3. Object of the National Securities Market Commission.

The National Securities Market Commission shall seek to ensure the transparency of the securities markets, proper price discovery on these markets and the protection of investors by promoting disclosure of any information necessary in order to attain these ends.

Article 4. Functions of the Commission.

1. The CNMV has the following functions:
 - a) Supervision and inspection of the securities markets.
 - b) Supervision and inspection of the activities of any natural or legal persons involved in trading in those markets.
 - c) Imposition of penalties on such persons.
 - d) Authorisation and vetting of persons and entities that participate in the markets in securities and financial instruments, where the current regulations so provide.
 - e) Any other functions assigned to it by the current legislation.
2. The Commission shall advise the Government, the Ministry of Economy and Finance and, as appropriate, the equivalent bodies of the Autonomous Regions on matters relating to securities markets, at the request of such bodies or on its own initiative. It may also make proposals to those entities for procedures or regulations relating to those markets.
3. The Commission shall draw up and publish an annual report describing its activities and the general situation of the securities markets. Each year, it shall also present a report on its activities and on the situation of the organised financial markets to the Parliamentary Committee on Economics, Trade and Finance. The President of the National Securities Market Commission shall appear before the aforementioned Parliamentary Committee to respond to questions on the report as often as that Committee may require.
4. The CNMV shall draw up an annual report on its supervisory function, as provided in article 17.4 of the consolidated text of the Securities Market Act. That report, which must be presented to Parliament and to the Government of the Nation, shall include a report by the internal control body referred to in the aforementioned article.

CHAPTER III

Governing bodies of the National Securities Market Commission

Section 1. Governing bodies

Article 5. Governing bodies.

As provided in Chapter II of Title II of the consolidated text of the Securities Market Act, the governing bodies of the National Securities Market Commission are as follows:

- a) The Board
- b) The President
- c) The Vice-President
- d) The Executive Committee

Section 2. The Board

Article 6. Competencies of the Board.

1. The CNMV shall be governed by a Board, which shall have all the competencies referred to in article 4 of this Regulation.
2. To perform such functions, the Board shall have the following powers:
 - a) Approve the Circulars referred to in Article 21 of the consolidated text of the Securities Market Act.
 - b) Approve the Internal Regulation of the CNMV.
 - c) Approve the Commission's draft budgets.
 - d) Constitute the Executive Committee regulated by article 26 of the consolidated text of the Securities Market Act.
 - e) Appoint and remove the CNMV's executive staff.
 - b) Approve the annual reports referred to in article 17.4 of the consolidated text of the Securities Market Act and article 4.3 of this Internal Regulation.
 - g) Approve each year a report on the CNMV's supervisory function.
 - h) Refer the financial statements for the financial year to the Government for approval.
 - i) Approve or propose all matters that correspond to it by law.

3. The Board, at the proposal of its President, may amend the number, name, functions and scope of the Directorates-General and Departments, and determine the executive level to exercise any new powers attributed to the CNMV. The Board's decision shall be published in the Official State Gazette.

4. The powers of the Board may be delegated to the President, the Vice-President and the Executive Committee. The following powers may not be delegated:

- a) Approval of the CNMV's Internal Regulation.
- b) Approval of circulars.
- c) Approval of draft budgets.
- d) Referral to the Government of the financial statements for the financial year.
- e) Any other powers which are declared to be ineligible for delegation by a statute with the rank of an Act of Parliament.

In any case, the Board must be informed, in the manner which it determines, of any decisions or resolutions adopted by delegation.

5. The Board may revoke any delegations at any time.

Within three months from the time when any member of the Board takes office, the Board, at an extraordinary meeting, shall expressly confirm, amend or revoke each and every one of the powers conferred on the President, Vice-President and Executive Committee.

6. Delegations, and any amendments or revocations, shall be published in the Official State Gazette.

Article 7. Composition and appointment.

1. The Board shall be comprised of the following members:

- a) A President and a Vice-President, who shall be appointed by the Government from among persons of acknowledged competence in securities market matters, on the basis of proposals by the Ministry of Economy and Finance.
- b) The Director-General of the Treasury and Financial Policy and the Deputy Governor of the Bank of Spain, who shall be ex-officio members of the Board.
- c) Three Commissioners appointed by the Minister of Economy and Finance from among persons of acknowledged competence in securities market matters.

2. The Director-General of Legal Affairs shall act as Secretary and may speak but not vote. The Board of the CNMV shall appoint a Vice-Secretary to stand in for the Secretary in the event of vacancy, absence or illness.

Article 8. Terms.

1. The President, Vice-President and Commissioners other than those appointed ex-officio shall hold office for a term of four years. Upon expiration, they may be re-appointed for one further term only.

If the President, Vice-President or any of the Commissioners envisaged in Article 17.c) should retire or be removed during their term of office, their successor shall hold office only for the remainder of the predecessor's term. Should such removal take place within one year from appointment to the office, the limit provided in the last sentence of the preceding paragraph shall not apply and said term of office may be renewed twice.

2. At least two months prior to the expiration of the terms of the President, Vice-President and Commissioners who are not ex-officio members, the President of the National Securities Market Commission, or the person legally occupying his/her place, shall apply to the Minister of Economy to commence the process of appointment to those positions.

If a vacancy arises during the four-year term of the President, Vice-President and Commissioners who are not ex-officio members, the President of the Commission, or the person legally occupying his/her place, shall proceed in the same way as established in the preceding paragraph in order to fill the vacancy for the remainder of the term.

Article 9. Removal of Commissioners.

1. The President and Vice-President shall be removed from office for the following causes:
 - a) Expiration of their term of office.
 - b) Resignation accepted by the Government.
 - c) Removal by the Government due to serious breach of their obligations, permanent incapacity to discharge their duties, supervening incompatibility or conviction for a wilful criminal offence, following an investigation and hearing by the Ministry of Economy and Finance.
2. The same causes for removal shall be applicable to the Commissioners who are not ex-officio members, in which case the Minister of Economy and Finance shall have the powers to accept their resignation or decide upon their removal.
3. The person whose removal is proposed shall be given a hearing to defend their position.
4. Except in the case envisaged in section 1.c) above, during the two-year period referred to in article 10.2, the Board of the CNMV may request advice from the outgoing President or Vice-President on matters related to the securities markets, to which end they may enable them to make use of the CNMV's available resources; however, this shall not entail an increase in budgetary allocations in any event.

Article 10. Incompatibility of office and duty of secrecy.

1. The President, Vice-President and the Commissioners of the CNMV shall be subject to the system of incompatibilities and oversight of interests established by Act 3/2015, of 30 March, regulating senior officials of the Central Government Administration (hereinafter, Act 3/2015).
2. Upon retiring from office, and for two years thereafter, the President, Vice-President and the Commissioners may not perform any professional activity relating to the securities market and shall be entitled to collect the monetary compensation established in Royal Decree 1079, of 11 September.
3. The members of the Board shall keep secret, even after retirement from office, any reserved or confidential information to which they may have been privy by virtue of their office.

Article 11. Remuneration.

The members of the Board shall collect the remuneration established by the Ministry of Economy and Finance in accordance with the procedure established by law for senior officials of public law bodies and entities.

Section 3. President, Vice-President, Commissioners and Secretary

Article 12. President.

1. The President of the National Securities Market Commission, who shall also be the Chair of its Board and Executive Committee, shall have the following functions:

- a) Legally represent the Commission.
- b) Convene ordinary and extraordinary meetings of the Board and Executive Committee of the CNMV, establish the agenda, moderate the debates, suspend meetings for justified causes, and break ties with a casting vote.
- c) Ensure compliance with the law.
- d) Countersign minutes and certificates of resolutions adopted by the collegiate bodies that he/she chairs.
- e) Notify the Government or the Minister of Economy of the resolutions adopted by the Board or the Executive Committee that such echelons should be made aware of.
- f) Take the actions and seek the remedies to which the National Securities Market Commission is entitled in defence of its interests.
- g) Direct and coordinate the activities of all the management bodies of the CNMV.
- h) Submit the draft budgets to the Board for approval.
- i) Allocate the Commission's expenses and order payments.
- j) Sign any contracts or agreements entered into by the CNMV.
- k) Lead the Commission's entire workforce.
- l) Sign and order publication of the circulars issued by the National Securities Market Commission.
- ll) Exercise the powers expressly conferred upon him/her by the Board.

- m) Decide on any matters not reserved for or attributed to other bodies by law or regulation.
- n) Execute the other duties assigned to him/her by the current legal code.

2. In the event of vacancy, absence or illness, the President shall be replaced by the Vice-President or, otherwise, by the most senior of the Commissioners who are not ex-officio members and, in the event of two or more Commissioners having the same seniority, by the older of them.

3. The President may delegate his/her powers to other organs of the CNMV, in the area of their respective competencies, except those which, because of their nature, may not be delegated.

4. The President may direct the activities of the organs that report hierarchically to him/her by means of service instructions. Additionally, the President may order the publication of such instructions in the Official State Gazette if this is warranted by their interest, impact or scope.

Article 13. Vice-President.

1. The Vice-President of the CNMV has the following functions:

- a) a) Stand in for the President in the event of vacancy, absence or illness.
- b) Chair the CNMV Advisory Committee.
- c) As Vice-President, form part of the CNMV Board and Executive Committee.
- d) Perform the functions delegated to him/her by the President or the Board.
- e) As a member of the Board, perform the functions referred to in article 14.1 of this Regulation.

2. In the event of vacancy, absence or illness, the Vice-President shall be replaced by the most senior of the Commissioners whose appointment is not ex-officio or, in the event of two or more Commissioners having the same seniority, by the older of them.

Article 14. Commissioners.

1. The Commissioners of the CNMV have the following powers and functions:

- a) Attend Board meetings.
- b) Vote and, where appropriate, express a dissenting vote setting out the motives.
- c) Receive notice of meetings, with the agenda, at least 48 hours in advance. The information on the matters referred to in the agenda shall be at the Commissioners' disposal with at least that same advance notice.
- d) Obtain any documents, reports, background information or data that may be necessary to perform their functions.
- e) Present requests and suggestions for inclusion in the agenda of meetings.
- f) Ask questions and raise points of order and appeals in meetings.
- g) Exercise any functions of the President that the latter delegates to them.
- h) Request the convening of extraordinary meetings of the Board in accordance with the provisions of article 17.3 of this Regulation.

- i) In general, exercise the powers attributed to the members of the collegiate bodies under article 24 of Act 30/1992, of 26 November, on the Legal Regime of the Public Administrations and Common Administrative Procedure.
2. Commissioners whose appointment is not ex-officio shall also exercise those management, coordination and oversight functions entrusted to them by the Board or the President.

Article 15. Secretary.

1. The Secretary of the Board of the National Securities Market Commission, who shall also be the Secretary of the Executive Committee and of the Advisory Committee, shall have the following functions:
 - a) Advise the Board, its members and the other collegiate bodies of the CNMV in matters of law.
 - b) Issue notices of meetings of all the collegiate bodies, by order of the President.
 - c) Receive notices, requests, corrections or any other written communications from the members of the Board and of any other collegiate bodies of which he/she should be aware by virtue of his/her position.
 - d) Prepare the paperwork for matters to be dealt with by the Board and other collegiate bodies of the CNMV, and draw up and sign the minutes of their meetings.
 - e) Issue certificates of the reports, opinions and resolutions approved by the Board.
 - f) Exercise any other functions that are inherent to the position of Secretary.
2. In the event of vacancy, absence or illness, the Vice-Secretary shall stand in for the Secretary of the Board.

Section 4. Executive Committee

Article 16. Composition of the Executive Committee.

1. The Executive Committee shall consist of the President, the Vice-President and the Commissioners whose appointment is not ex-officio.
2. The Directors-General and any other executives of the CNMV who are expressly summoned by the President, having regard to the matters to be discussed, may attend meetings of the Executive Committee and may speak but not vote.
3. The competencies of the Executive Committee are as follows:
 - a) Prepare and study the matters to be submitted to the Board of the CNMV.
 - b) Study, inform and deliberate on the matters submitted to it by the President for consideration.
 - c) Coordinate the actions of the Commission's various management bodies, without prejudice to the powers of the President.

- d) Approve, within the scope of private law, the acquisition and disposal of assets by the Commission.
- e) Grant the administrative authorisations for which it is empowered by the Board and exercise the powers expressly conferred on it by the Board.

4. The Secretary of the Board of the CNMV shall be the Secretary of the Executive Committee and may speak but not vote.

CHAPTER IV

Working of the Board, Advisory Committee and Executive Committee of the National Securities Market Commission

Section 1. Board and Advisor Committee of the CNMV

Article 17. Meetings.

1. The Board of the National Securities Market Commission may hold ordinary and extraordinary meetings.
2. The Board shall meet regularly, once per month.
3. The members of the Board may request an extraordinary meeting, which must be convened whenever requested by at least two members. The request must expressly indicate the agenda for the meeting.

Extraordinary meetings must be convened within ten working days from the day following the one on which the request was presented.

Article 18. Quorum.

1. The Board shall be quorate to validly hold a meeting, debate and adopt resolutions when the President and Secretary, or the persons taking their place, and at least half of the members are present.
2. Board members must attend meetings in person. They may also grant proxy to another member.

Article 19. Agenda.

1. The agenda for meetings of the Board shall be set by the President, having regard to any requests by other members that were received sufficiently in advance.
2. Matters not on the agenda may not be debated or voted on except where all members of the Board are present and a majority vote to declare the matter to be urgent.

Article 20. Votes.

1. Resolutions shall be adopted by a majority of those present.
2. The President has a tie-breaking vote.

Article 21. Minutes.

1. The minutes shall necessarily indicate the names of the attendees, the agenda of the meeting, the place and time at which it was held, the main items of the debate, and the content of any resolutions that were adopted.

2. If members so request, any vote against a resolution or an abstention, and the reasons, or the fact that they voted in favour, must be reflected in the minutes.
3. Members who dissent from the majority may present a minority opinion within 48 hours, which must be included in the minutes in question.
4. Any Board members who vote against or abstain shall be exempt from any liability arising from the resolution in question.
5. The minutes shall be approved in the same meeting or the following one; nevertheless, the Secretary may issue certificates of specific resolutions that have been adopted without prejudice to the minutes being approved subsequently. In any event, certificates issued prior to the approval of the minutes must indicate this fact expressly.
6. Board debates are confidential, and any person who is privy to them by virtue of their position is bound to keep them secret.
7. Any person who can prove a legitimate direct interest may ask the Secretary of the Board to issue a certificate relating to any matters affecting them.

Article 22. Advisory Committee.

1. The CNMV Advisory Committee is the Board's advisory body and is governed by the provisions of Royal Decree 303/2012, of 3 February, regulating the Advisory Committee of the National Securities Market Commission, and its secondary legislation.
2. The CNMV shall place at the disposal of the Advisory Committee the resources required for it to perform its functions.

Section 2. Executive Committee

Article 23. Meetings.

1. The Executive Committee shall meet in the following cases: a) before meetings of the CNMV Board; b) when it is necessary to grant an administrative authorisation or exercise any other powers conferred on it by the Board; c) to coordinate the activities of the CNMV's various management bodies; d) whenever the President decides to hold a meeting in order to study, inform and deliberate on the matters he/she deems necessary.
2. The Executive Committee is in charge of permanent oversight and control of all external inspection and supervision activities of the CNMV. In connection with those activities, the Committee shall make proposals to the Board to initiate disciplinary proceedings where appropriate.

Article 24. Quorum.

1. The Executive Committee shall be quorate at first call when the President and Secretary, or the persons taking their place, and at least three of the members are present.
2. At second call, the Executive Committee shall be quorate when the President and Secretary, or the persons taking their place, and at least two of the members are present.
3. The Directors-General and any other executives of the CNMV who are expressly summoned by the President, having regard to the matters to be discussed, may attend meetings of the Committee and may speak but not vote.
4. Members of the Executive Committee must attend meetings in person. They may also grant proxy to another member of the committee.

Article 25. Agenda.

1. The agenda for meetings of the Executive Committee shall be set by the President, having regard to any requests by other members that were received sufficiently in advance.
2. Matters not on the agenda may not be debated or voted on except where a majority of members vote to declare the matter to be urgent.

Article 26. Minutes and votes.

1. The regulations and rules set out in articles 20 and 21 of this Internal Regulation for the CNMV Board shall apply to the minutes and votes of the Executive Committee.
2. Executive Committee debates are confidential, and any person who is privy to them by virtue of their position is bound to keep them secret.

CHAPTER V

Management bodies of the National Securities Market Commission

Article 27. Management bodies.

1. The CNMV, under the direction of its President, is structured into Directorates-General, each headed by a Director-General.
2. The Directorates-General may be organised into Departments and/or Units so as to distribute their assigned competencies, perform their allotted activities and assign objectives and responsibilities. Additionally, Departments may be attached directly to the CNMV's governing bodies. Each Department will be headed by a Director. In the case of the Legal Affairs Directorate-General, there will be a Deputy Directorate-General whose head will also be Vice-Secretary of the Board.
3. Appointments and removals of Directors-General shall be published in the Official State Gazette.
4. The President and Vice-President of the CNMV may each have a support staff. The members of the President's or Vice-President's staff who are not members of the CNMV staff shall be classified as non-permanent workers, given the special nature of the trusted advisory functions that they perform. They may be appointed and removed without restriction.

In any event, they shall be removed upon removal of the President or Vice-President, as appropriate.

5. The Markets, Entities, Policy and International Affairs, and Legal Affairs Directors-General, the Directors of Departments referred to in article 32 of this Regulation, the Director of the Internal Control Department, the Director of the Research and Statistics Department and the Deputy Director-General/Vice-Secretary of the Board shall be classified as executives in the terms of Royal Decree 451/2012, of 5 March, regulating the remuneration for senior management and executives in public sector businesses and other entities.

6. The Markets, Entities, Policy and International Affairs, and Legal Affairs Directors-General shall make proposals to the President for the designation, from among the Directors who report to them, of their alternates in the event of vacancy, absence or illness.

Absent a designated alternate under the preceding paragraph, the place of the Directors-General shall be taken by the Directors of the Departments reporting to them, in the order in which they appear listed in the Internal Regulation. The Deputy Director-General shall be the alternate for the Legal Affairs Director-General.

7. To manage relations with the media, the CNMV Board may create a Communication Department at the proposal of the President. The personnel assigned to that Department shall be subject to the same rules as the support staff of the President and Vice-President.

The Communication Directorate shall be entrusted with managing, maintaining the CNMV website and keeping it constantly up to date; in this connection, it shall report to the Strategic Policy and International Affairs Directorate-General.

Article 28. Functions of the Directors-General.

1. The Directors-General shall have the following functions:

- a) Coordinate and supervise the activities attributed to them by this Internal Regulation.
- b) Direct and organise the Departments and units that form part of the Directorate-General.
- c) Propose to the President, for submission to the Board or the Executive Committee, any matters that must be reported to or decided on by those collegiate bodies.
- d) Present, to the President and Vice-President, the matters over which they have decision-making powers.
- e) Initiate and pursue, in the scope of their competencies, the procedures for drafting and approving Circulars.
- f) Formalise and sign such documents, reports and proposals as may correspond to the Directorate-General.
- g) Within the scope of their competencies, issue orders and requests for information to entities and natural persons subject to the supervision regime envisaged in Chapter I of Title VIII of the consolidated text of the Securities Market Act, except where this is done by the President or Vice-President.
- h) Analyse and track the development of issues within their competency.
- i) Perform such other functions as are attributed to them by this Internal Regulation.

2. The competencies of the Directors of Departments attached to the governing bodies shall include those powers attributed to Directors-General in paragraph 1 above, in their respective scopes.

Article 29. Functions of Directors of Departments within Directorates-General.

Directors of Departments within Directorates-General shall have the following functions:

- a) Coordinate and supervise the activities attributed to them by this Internal Regulation.
- b) Direct and organise the units and services that form part of the Department.
- c) Formalise and sign such documents, reports and proposals as may correspond to the Department.

- d) Analyse and track the development of issues within their competency.
- e) Perform such other functions as are attributed to them by this Internal Regulation.

Article 30. Directorates-General.

1. The Directorates-General of the CNMV are as follows:

- a) Entities Directorate-General.
- b) Markets Directorate-General.
- c) Strategic Policy and International Affairs Directorate-General.
- d) Legal Affairs Directorate-General.

2. The Entities Directorate-General has the following duties:

- a) Investigate, report on and process proceedings for authorisation of investment firms and those related to the revocation of existing authorisations, and recovery plans for such entities.
- b) Investigate, report on and process proceedings for authorisation of collective investment schemes and venture capital firms, their management companies, and management companies of securitisation trusts, and those related to the revocation of existing authorisations.
- c) Investigate, report on and process proceedings for authorisation of crowdfunding platforms.
- d) Process proceedings for registration and deregistration of the entities mentioned in paragraphs a), b) and c) above in the CNMV Special Register, in the terms of the applicable regulations.
- e) Supervise and inspect investment firms, their branches and their agents or authorised signatories.
- f) Supervise and inspect collective investment schemes, their management companies, agents or authorised signatories, and their depositaries.
- g) Supervise and inspect venture capital firms, other closed-end collective investment schemes and their management companies, agents and authorised signatories, and their depositaries.
- h) Supervise and inspect credit institutions, their branches and their agents and authorised signatories, in their actions in connection with the securities markets.
- i) Supervise and inspect crowdfunding platforms.
- j) Supervise and inspect securitisation trust management companies.

3. The Markets Directorate-General has the following functions:

- a) Investigate, report on and process proceedings in connection with the issuance of securities, including securitisation trusts and bank assets trusts, and the listing of securities, and tender offers for, and public offerings of, securities.
- b) Process proceedings for the registration of acts, documents and events in connection with the matters referred to in the preceding paragraph.
- c) Oversee and analyse disclosures of significant holdings in listed companies and of holdings by them of own shares.
- d) Supervise compliance by issuers with the obligation to issue regulatory disclosures of price-sensitive and inside information; compliance with the conditions for trading and transparency in transactions involving own shares as provided by regulation; and supervision of the obligations imposed upon persons who issue investment recommendations by their specific regulation.
- e) Investigate, report on and process proceedings for authorisation of market infrastructures and their internal regulations; supervise their activity and that of their members; supervise trading in instruments traded in the trading platforms and compliance with the obligations and prohibitions contained in the regulations on short selling.
- f) Where appropriate under the law, investigate proceedings for suspension of trading in the official markets, or for exclusion of certain securities from trading.
- g) Oversee, verify and analyse the auditors' report of securities issuers, securitisation trusts and bank asset trusts and of companies with listed securities, and process the corresponding applications for registration in the Special Registers.
- h) Monitor, verify and analyse the regular disclosures to be sent to the CNMV by the above-mentioned firms, and process registrations.
- i) Perform such other functions in connection with auditing and accounting of companies with listed securities as may be attributed to the CNMV.
- j) Perform the functions assigned to national supervisors by the regulations on credit rating agencies, with regard to both issuers of securities and, where appropriate, to the agencies themselves.
- k) Direct and coordinate the National Securities Numbering Agency (ANCV).
- l) Supervise and inspect the activities performed in the securities markets, including trade disclosures required of market participants in connection with OTC derivatives transactions; supervise the obligations with regard to clearing, risk mitigation and filing of information with trade repositories.
- m) Disseminate public information with respect to the activities referred to in the preceding items.

4. The Strategic Policy and International Affairs Directorate-General has the following functions:

- a) Support the President, the Vice-President and the other higher and management bodies of the CNMV in the area of relations with other bodies and institutions in Spain, the European Union, other Member States and third countries.
- b) Draft reports, studies and proposals to support the definition of the CNMV's strategy in the bodies, commissions and committees of which it is a member at a national and international level, and provide the necessary advice to the President, the Vice-President and the other higher and management bodies of the CNMV to ensure strategic coherence of public messages.
- c) Internally coordinate the analysis and strategic assessment of draft legislation and regulations in connection with the CNMV or its sphere of competence that are referred to it for comment, focusing particularly on any changes in the scope of the regulation.
- d) Promote and coordinate strategic horizontal initiatives of the CNMV, including drafting and monitoring the institution's annual Activities Plan.
- e) Foster coordination of relations and consultations with market participants, including acting as technical secretariat of the Advisory Committee.
- f) Assess the CNMV's policies and management systems in a risk environment and propose strategies and plans for adapting the CNMV in organisational and operational terms.
- g) Advise on applications for authorisation of market infrastructures and investigate, advise on and process applications for authorisation of the corporate organisation, financial and institutional aspects of such infrastructures, and supervise and monitor developments in their environment, the profile of their participants and the general regulatory framework.
- h) Coordinate the CNMV's participation in international agencies and programmes connected with the securities markets.
- i) Coordinate internally and centralise cooperation by the CNMV with the competent authorities of other States in the cases envisaged in Chapter II of Title VIII of the consolidated text of the Securities Market Act.
- j) Monitor European regulations and directives, and Memoranda of Understanding (MoU).
- k) Draw up annual reports on the CNMV's activities and the situation of the securities markets.
- l) Perform research and draft reports on the securities markets.
- m) Design, produce and maintain the CNMV's statistical information.

- n) Coordinate, promote and distribute the CNMV's publications.
- ñ) Plan and implement activities focused on improving investors' financial education.
- o) Assess complex financial transactions and products.
- p) Internal coordination, analysis, report and proposal in the field of the functions of resolution attributed to the CNMV by law.
- q) Analyse and track financial stability and macroprudential policy in matters relating to the capital markets, and coordinate actions and participation in work groups to which the CNMV is assigned or in which it is interested.
- r) Supervise the functions performed by the Communication Directorate in connection with the management, maintenance and constant updating of the CNMV website.
- s) Internal coordination, analysis, report and proposal in the field of the functions in terms of benchmarks attributed to the CNMV by law.

5. The Legal Affairs Directorate-General has the following functions:

- a) Provide legal advice to the President, the Vice-President, the Commissioners and the Directorates-General or Departments of the CNMV in performing their functions.
- b) Examine, provide legal advice and, as appropriate, draft CNMV circulars and decisions.
- c) Provide legal advice on matters to be submitted to the CNMV Board or Executive Committee for approval or information purposes.
- d) Provide legal advice on draft provisions in connection with the CNMV and any others submitted to it for comment.
- e) Assist with the legal defence of the CNMV.
- f) Investigate disciplinary proceedings within the scope of the CNMV's powers.
- g) Propose the adoption of any provisional measures that may be necessary to ensure that the decisions adopted in penalty proceedings are enforced.
- h) Draft proposals for decisions in penalty proceedings.
- i) Provide assistance, support or advice to the judges and courts in the performance of their functions.
- j) Perform the functions inherent to the Secretariats of the CNMV Board, Executive Committee and Advisory Committee.
- k) Respond to complaints to the CNMV by investors.
- l) Maintain a helpdesk service for investors.

- m) Ensure processing of complaints of malfeasance that are received by the CNMV.
- n) Supervise and inspect any persons or entities that breach the rules on naming or activities set out in the securities market regulations.
- ñ) Receipt and processing of whistleblower reports in connection with violations of the securities market regulations, as provided in the consolidated text of the Securities Market Act.
- o) Keeping the Register of associations of minority shareholders, and supervising compliance by them with the requirements of article 539.4 of the Securities Market Act, whose consolidated text was approved by Legislative Royal Decree 1/2010, of 2 July.

6. The CNMV Directorates-General, Departments and other units must not have direct relations with the justice system. All such relations must be conducted via the Legal Affairs Directorate-General, which should be informed, with the maximum urgency, of any communications received from the judges or the courts.

Article 31. Departments of the Directorates-General.

1. The Entities Directorate-General is structured into the following Departments:
 - a) Entity Authorisation and Registration Department, which is entrusted with performing the functions referred to in article 30.2, items a), b), c) and d).
 - b) Investment Firm and Credit and Savings Institution Department, which is entrusted with performing the functions referred to in article 30.2 items e), h) and i).
 - c) CIS and Venture Capital Firm Supervision Department, which is entrusted with performing the functions referred to in article 30.2, items f), g) and j).
2. The Markets Directorate-General is structured into the following Departments:
 - a) The Primary Markets Department, which is entrusted with performing the functions referred to in article 30.3, items a) and b), and those activities in items l) and m) of same that correspond to it.
 - b) The Secondary Markets Department, which is entrusted with performing the functions referred to in article 30.3, items d), e), f), j) and k), and those activities in items l) and m) of same that correspond to it.
 - c) The Financial and Corporate Reports Department, which is entrusted with performing the functions referred to in article 30.3, items c), g), h) and i), and those activities of items l) and m) of same that correspond to it.
3. The Strategic Policy and International Affairs Directorate-General is structured into the following Departments:
 - a) The International Affairs Department, which is entrusted with performing the functions referred to in article 30.4, items a) and b), in the international sphere, as

well as items h), i) and j).

b) The Strategy and Institutional Relations Department, which is entrusted with performing the functions referred to in article 30.4, items a) and b) in the domestic sphere, as well as items c), d), e), f), g) ñ) and r).

c) The Research and Statistics Department, which is entrusted with performing the functions referred to in article 30.4, items k), l), m), n), o) and q).

The functions listed in article 30.4.p) shall be performed by a unit reporting directly to the Director-General of Strategic Policy and International Affairs, who may assign to this unit specific matters related to financial stability in the conditions of independence envisaged in article 3.3 of Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms.

The head of the Research and Statistics Department shall be directly responsible for presenting to the CNMV Board the report on the institution's activities and the situation of the financial markets that the CNMV is required to present annually to the Parliamentary Committee on Economics under article 13 of the Securities Market Act. The head of this department shall also stand in for the Chairman and Vice-Chairman in international bodies with competencies in connection with financial stability.

4. The Legal Affairs Directorate-General is structured as follows:

a) A Deputy Directorate-General, whose head shall assist the Director-General in discharging his/her duties and who shall act as Vice-Secretary of the Board and perform the functions listed in article 30.5, items a) to j) and m).

b) The Investor Department, which is entrusted with performing the functions referred to in article 30.5, items k), l), n), ñ) and o).

The functions referred to in items a), b), c), d) and j), on the one hand, and those referred to in items e), f) g) h), i) and m), on the other, shall be performed by separate units reporting to the Legal Affairs Deputy Director-General, without prejudice to overriding orders from the Legal Affairs Director-General.

There may also be attorneys reporting directly to the Legal Affairs Director-General, where this is considered to be appropriate.

Article 32. Departments attached to the Presidency.

1. The following executive bodies report directly to the President:

a) Information Systems Department.

b) General Secretariat.

2. The Information Systems Department has the following functions:

a) Plan and manage the CNMV's computer systems.

b) Design, programme, implement and maintain the Commission's software applications.

c) Direct the CNMV's computer security policy.

- d) Provide technical support to the CNMV's other units in computing matters.
- e) Draft general principles for assessing and selecting computer hardware.

3. The General Secretariat has the following functions:

- a) Manage the Commission's governance, administration and internal regulations.
- b) Manage the Commission's human resources.
- c) Coordinate the Commission's finances, keep its accounts, draw up draft budgets, manage amendments, and coordinate the cashier's office and the collection of fees.
- d) Direct and organise the general services of registry, filing, security, vigilance, communications, upkeep and maintenance of the CNMV.
- e) Direct and coordinate the various special registers.
- f) Organise and process any administrative procurements.

Article 33. General Register of the CNMV.

1. Within the CNMV, a General Register shall be kept in which all written communications that are presented for registry shall be entered. That same Registry shall log outgoing written or official communications addressed to other agencies, entities, companies or individuals.
2. The CNMV shall have an electronic register for receiving, sending and logging the receipt or transmission of electronic documents, following the procedures and specifications to be defined in the regulations governing its creation.

Article 34. Special Registers of the CNMV.

1. The CNMV shall keep the Special Registers entrusted to it by law or secondary legislation. Those Special Registers, which are referred to in the Sole Annex of this regulation, shall register the acts, events, documents and communiqués that the applicable regulations determine in each case. The Board of the CNMV may amend that Annex in order to adapt it to the legislation in force at any given time.
2. Inscription in the CNMV's Special Registers shall be obligatory except where expressly provided otherwise.
3. Documents, writs and communications for inscription in any of the Special Registers shall be presented via the General Register or electronic register of the CNMV, without prejudice to the subsequent transfer of the matter for processing to the appropriate Directorate-General.
4. All of the CNMV's Special Registers are public.

CHAPTER VI

Procedures

Section 1. Matters relating to the Board

Article 35. CNMV Circulars.

1. In order to properly exercise the powers conferred upon it by the consolidated text of the Securities Market Act or other provisions with the rank of an act of Parliament, and in accordance with the provisions of article 21 of the consolidated text of the Securities Market Act, the CNMV may issue any provisions required to implement and enforce the rules contained in the Royal Decrees approved by the Government or in Orders issued by the Ministry of Economy and Competitiveness, provided that such statutory instruments expressly empower it to do so.
2. The Directors-General, in the scope of their respective competencies, or the Directors of Departments attached to governing bodies, shall order and direct the drafting of circulars provided that the President has expressly authorised them to do so.
3. The process of drafting a Circular shall commence with a technical report signed by the appropriate Director which must contain the following:
 - a) Identification of the regulation(s) granting powers to issue the circular.
 - b) The reasons why the circular is needed, the proposed technical measures or solutions, and the goals that are pursued.
 - c) The draft text of the Circular.
4. The technical report referred to in the preceding paragraph must be accompanied by the mandatory legal report issued by the Legal Affairs Directorate-General.
5. Once the document is complete, the Director in charge will submit it to the Commission's Board via its Secretariat.
6. If the Board considers it appropriate, the draft Circular is referred to the Advisory Committee for comment.
7. Once the procedures described above have been completed, the draft Circular shall be presented to the CNMV Board for approval; in no event may this power be delegated to any other governing body.
8. Circulars shall be published in the Official State Gazette and shall come into force as provided in article 2 of the Civil Code.

Article 36. Penalty proceedings.

1. The CNMV's power to commence and investigate penalty proceedings and impose sanctions shall be governed by the following rules:

- a) The rules and regulations established in Chapters IV, V, VI, VII and VIII of Title VIII of the consolidated text of the Securities Market Act.
- b) The provisions of Royal Decree 2119/1993, of 3 December, on penalty procedures applicable to parties acting in the financial markets.
- c) The rules contained in Royal Decree 1398/1993, of 4 August, approving the Regulation on the Procedure for exercising the power to sanction.
- d) The specific regulations that subject it to the CNMV's powers to supervise, inspect and sanction.

2. Penalty proceedings are always initiated by the CNMV, by means of a resolution by the Board of the National Securities Market Commission, either at its own initiative or on the basis of a reasoned report from one of its units or of a complaint.

3. Where the procedure is initiated following a reasoned report by any of the units, it must be signed by the appropriate Director-General and specify any breaches, the rule(s) allegedly violated and any information needed to clarify or explain the perceived misconduct. The report must be accompanied by a legal opinion issued by the Legal Affairs Directorate-General. In any event, the power to initiate penalty procedures shall lie with the CNMV Executive Committee. The same process shall be followed in the case of a complaint.

Article 37. Processing of other matters where decisions are reserved for the Board.

1. Other matters not envisaged in articles 35 and 36 of this Regulation for which the power to make a decision or adopt a resolution lies with the CNMV Board must be referred to the Board after first completing the following steps:

- a) Initially, a technical report is required that must be signed by the corresponding Director-General or Director.
- b) Where appropriate, the report shall be accompanied by a proposal for a decision.
- c) Where appropriate, the Legal Affairs Director-General shall issue a legal report on the proposed decision or resolution.
- d) Once the procedures described above have been completed, the corresponding Director-General or Director shall present the matter to the CNMV Board for a resolution or decision.

2. Matters which the Board has delegated to the President, Vice-President or Executive Committee for a resolution shall follow an identical procedure to that indicated in the preceding paragraph, except that the resolution or decision shall be taken directly by the body empowered for this purpose.

Section 2. Internal procedures of the CNMV

Article 38. Rules that are generally applicable.

The proceedings investigated or processed by the National Securities Market Commission in exercising its public functions shall conform to the provisions of Act 30/1992, of 26

November, on the Legal System of the Public Administrations and the Common Administrative Procedure and any applicable complementary legislation.

Article 39. Internal operating procedures.

The CNMV shall have at least the following internal operational procedures.

1. Internal procedures in connection with the securities markets.
 - a) Procedures for the supervision and inspection of companies, institutions, persons and entities operating in the secondary markets in securities.
 - b) Procedure for issuing orders and requests for data and reports from the companies, institutions and entities operating in the securities markets.
 - c) Procedure for the presentation of regulatory disclosures.
 - d) Procedure for vetting compliance with the requirements for listing, secondary public offerings and registration of prospectuses for primary offerings of securities.
 - e) Procedures for the suspension and exclusion of certain securities from trading on the official markets.
 - f) Procedure for processing tender offers for securities.
 - g) Procedures for regular disclosures by issuers.
 - h) Procedures for disclosing significant holdings and the acquisition of own shares.
 - i) Procedure to authorise investment firms and collective investment schemes.
 - j) Procedure on amendments to by-laws, regulations and services provided by the companies, institutions and entities operating in the secondary markets in securities.
2. Internal procedures relating to administration and services:
 - a) Procedure for the administration, settlement, notification and collection of the applicable fees for activities and services provided by the CNMV.
 - b) Procedures for economic management.
 - c) Procedures for the selection and hiring of staff.

Article 40. Drafting and approval of the CNMV's internal operational procedures.

1. Draft internal operational procedures of the CNMV shall be drawn up by the Directorate-General or Department that is competent in the area in question or by the General Secretariat.
2. The processes, time periods, content of communications, requirements as to standard forms and other requirements of internal operational procedures shall conform to the

aforementioned provisions of article 38 of this Internal Regulation and the rules contained in the Royal Decrees, Ministerial Orders and CNMV Circulars that regulate the matters in question.

3. The initial draft of internal operational procedures shall be drawn up by the Directorate-General that is competent in the matter, based on any guidelines or models approved by the President.
4. Draft internal operating procedures shall be submitted to the General Secretariat in order to standardise and complete their content.
5. The Internal Control Department shall issue a report on draft internal operating procedures.
6. The power to approve internal operating procedures lies with the CNMV Executive Committee at the proposal of its Chair, following written consultation with the Legal Affairs Directorate-General.
7. The procedures shall be signed by the CNMV President and shall adopt the form of service instructions.
8. The President of the CNMV may order their publication in the Official State Gazette if this is warranted by their interest, impact or scope.

Section 3. Internal control of the CNMV

Article 41. Internal Control Department.

1. Reporting directly to the Board, there shall be an Internal Control Department entrusted with checking that the CNMV's actions achieve an appropriate level of compliance, efficacy and efficiency in pursuit of its objectives; this Department shall perform its functions in accordance with the principles of impartiality, objectivity and independence with respect to the units that it oversees.
2. The Board of the CNMV shall approve the regulations governing the Internal Control Department and, each year, shall authorise the Plan of Internal Control Audits and Actions.
3. The Internal Control Department has the following functions:
 - a) Report the outcome of work performed as part of the Plan of Internal Control Audits and Actions.
 - b) Perform such other internal control actions as may be assigned to it by the Board on a permanent or sporadic basis.
4. The Internal Control Department shall be the body entrusted with exercising oversight on the procedures through which the CNMV performs its functions in the securities markets, particularly those relating to supervision, inspection and sanction that are assigned by current legislation, and with producing the specific report by the internal body on the conformity of the decisions adopted by the CNMV's governing bodies to the procedural

regulations applicable in each case, as provided in article 17.4 of the consolidated text of the Securities Market Act.

5. The Director of the Internal Control Department shall be appointed by the CNMV Board at the proposal of the President.

CHAPTER VII

CNMV staff.

Section 1. Nature, staffing and categories of personnel

Article 42. Nature and categories of personnel.

1. The CNMV's personnel shall be subject thereto under an employment relationship.
2. In general, the CNMV's personnel shall have the status of permanent workers.
3. Exceptionally, and subject to the agreement of the CNMV's Board, non-permanent workers may be recruited to do work that cannot be done by permanent workers.

Article 43. Staffing and categories of personnel.

The CNMV's staffing, which shall consist of all the positions thereof, shall be duly classified by categories and bodies, and be approved by the Board, at the proposal of its Chairman.

Section 2. Personnel selection

Article 44. General rules.

1. The selection of the CNMV's personnel, with the exception of managerial personnel, shall be made through a public procurement process and in accordance with systems based on the principles of equality, merit and ability.
2. In accordance with the provisions of this article, managerial personnel shall be deemed to be the General Directors, the Directors of Divisions and the Directors attached to the President and Vice President's Office.
3. The selection of personnel who have the status of career civil servants of the State General Administration or of other Public Administrations shall be through an invitation to tender.
4. The selection of personnel who do not have the status of career civil servants shall be made through tenders or open competitions.
5. The CNMV may launch, whenever it considers it appropriate and in accordance with the staffing referred to in Article 43 of this Regulation, the appropriate selection processes to fill vacancies.
6. Vacancies that are not for newly-hired employees shall be filled through tenders or free selection procedures, depending on the nature thereof.

Article 45. Calls and selection processes.

1. Calls and selection processes shall be subject, for all matters relating to reviewing and challenging, minimum content of the calls, the order of action of the candidates,

applications, disabilities, lists of successful and unsuccessful candidates and the announcements of the entrance exams, to the provisions of Articles 14, 16, 17, 18, 19, 20 and 21 of the General Regulations on the Recruitment of Personnel for the Central State Administration, approved by Spanish Royal Decree 364/1995, of 10 March.

2. The selection tests for tenders shall include a written and an oral exercise on a subject that shall be announced together with the call. Likewise, there may also be a practical exercise, whose content shall be adapted to the nature of the vacancies to be filled.
3. In the tender procedure, the qualifications, certified expertise, approved courses, previous positions and experience of the candidates shall necessarily be assessed, all of this in relation to the job to be done. In any event, the call may include interviews to verify and assess the candidates' merits.
4. By means of procedures that ensure general dissemination, an announcement shall be made, including, at least, the number of vacancies per category and the location thereof contained in the terms of the call.
5. Upon completion of the candidates' assessment, the selection body shall publish the list of successful candidates, ordered according to the score obtained, at the CNMV's premises and at the installations where the final test was held.
6. Within twenty calendar days from the date of publication of the list of successful candidates referred to in the preceding paragraph, the latter shall file the documentary evidence of the expertise and requirements laid down in the call.

Except in cases of force majeure, the candidate's failure to file the documentation within the deadline date or in the event of such documentation revealing that the requirements are not fully complied with, such candidate shall not be recruited, and the candidate's formalities shall become null and void.

Article 46. Selection bodies.

Selection bodies shall be constituted for each call and shall be made up by a Chairman and four Members. One of the members of the selection body shall act as Secretary. All members must have qualifications that are equal to or higher than those required to fill the vacancy concerned. One of the Members shall be designated at the proposal of workers' representatives.

Article 47. Announcement of the commencement of selection tests.

Within one month from the expiry date for filing applications for each call, the place, date, place and time for the first exercise of the selection tests shall be published. The announcement shall indicate the place where the lists of successful candidates are available.

Article 48. Shortlists.

Upon conclusion of the selection tests, the relevant proposal for the conclusion of contracts shall be submitted to the General Secretariat. The number thereof may not exceed the number of vacancies in the call.

Article 49. Acquisition of the status of permanent worker.

1. The CNMV's President shall formalise the contracts upon justification of the expertise and requirements laid down in the call. The candidate shall not be entitled to receive any remuneration until the relevant contract is formalised and the candidate takes up the post.

2. Upon termination of the probationary period laid down for each call, short-listed candidates who have successfully passed said period shall become permanent workers.

Section 3. Incompatibilities and duty of secrecy

Article 50. General Incompatibility Regime.

1. In general, the CNMV's personnel shall be subject to Spanish Law 53/1984, of 26 December, on Incompatibilities of Personnel Serving the Public Administration.
2. The CNMV's personnel shall carry out their functions on a full-time basis.

This regime shall imply general incompatibility with any other public or private activity and working on a full-time basis.

3. The activities mentioned below are exempted from the incompatibility regime referred to in the preceding paragraphs:
 - a) Those deriving from the management of private or family property, without prejudice to Article 12 of the Spanish Law on Incompatibilities of Personnel Serving the Public Administration and Article 54.4 of this Regulation.
 - b) Attending selection board meetings for admission in the Public Administration and in the CNMV.
 - c) Literary, artistic, scientific and technical productions and creations, as well as the publications thereof, insofar as they do not result from an employment relationship or the provision of services.
 - d) Collaboration and attendance at conventions, seminars, conferences and vocational courses.
 - e) The training, educational and social communication activities laid down in Article 19 (b), (d) and (g) of the Spanish Law on Incompatibilities of Personnel Serving the Public Administration.

Article 51. Special Regime for Incompatibilities of Personnel.

1. Staff members of the CNMV who, in view of their public post, play a decisive role in relation to individuals, companies, institutions or firms that trade on the Securities Market, in the two successive years therefrom, may not conclude private deals with or for the individuals or the companies concerned, or companies from the same group, even if they have left office.
2. The decisive nature of the activities referred to in the preceding paragraph shall be determined by the Executive Committee.

Article 52. Duty of secrecy.

1. The CNMV's personnel must maintain, even after they have left office, the secrecy of any confidential information of which they may become aware of during the performance of their duties.
2. The personnel referred to in the preceding paragraph may not give statements, testify, publish, report or display confidential data or documents, not even after they have left office, unless express consent is given by the CNMV's Board.
3. Exempted from this duty of secrecy under this article are the information and activities listed in Article 90.4 of the Spanish Securities Market Act.

Article 53. Duty of reporting certain transactions.

1. The CNMV's personnel must report to the General Secretariat, according to the procedure laid down in the General Code of Conduct for the CNMV's personnel, the transactions listed below, if the transactions are closed directly by the personnel or through a proxy:
 - a) Subscription, purchase, sale and redemption of shares or debt securities admitted to trading on any regulated securities market.
 - b) Subscription and redemption of investment fund units.
 - c) Purchase and sale of derivative products on the shares or debt securities referred to in point a) above.
 - d) Transactions on shares of companies that have announced their intention to request admission to trading.
2. New personnel must, upon joining the CNMV, provide a formal statement on the securities held, provided that they are referred to in the preceding paragraph of this article.

Article 54. Limitations for closing certain transactions.

1. The CNMV's personnel may not sell, within a period of less than eleven months from the date of the relevant subscription or acquisition, the securities listed in Article 53.1.(a) and (d).
2. Notwithstanding the foregoing, interested parties may request authorisation from the General Secretariat of the CNMV for the disposal of such securities. The authorisation shall be deemed to be granted if the reply to the request is not received within three business days of the receipt thereof. The refusal of the authorisation must, in any event, be substantiated.
3. The CNMV's personnel may not acquire the derivative products referred to in Article 53 (c), unless the transaction is made to hedge a securities portfolio.
4. Staff members wishing to conclude a portfolio management contract to manage their property assets must request authorisation from the CNMV in accordance with the procedure laid down in the preceding paragraph.

Article 55. Liabilities and legal-institutional support granted by the CNMV.

1. Any staff members of the CNMV who consider that an order or an instruction given does not comply with prevailing rules and regulations must, prior to the execution thereof, report such circumstance to the superior of the staff member who gave the instruction or the order. If the superior provides written ratification thereof, the subordinate personnel must carry it out and shall not be liable to disciplinary action.
2. The CNMV shall guarantee free legal defence and advice for its managerial personnel and personnel for any liabilities arising from the performance of their duties, and shall have the necessary funds available to cover securities and guarantees that may be required for procedural purposes. Exempted from the foregoing are those cases in which the CNMV acts as complainant or defendant, by express agreement of its Board.

CHAPTER VIII

Capital, Budget and Financial Control of the National Securities Market Commission

Article 56. Capital and financial resources.

1. The CNMV shall have its own capital, separate from the assets of the State.
2. The resources of the CNMV shall comprise the following goods, securities and revenues:
 - a) Assets and securities making up its capital and the proceeds and yields from that capital.
 - b) Fees received for performing its activities or rendering its services.
 - c) Transfers by the Ministry of Economy and Finance from the State Budget.

Article 57. Application of the financial result.

1. Any surplus obtained by the CNMV in each financial year shall be allocated to the following purposes:
 - a) Covering losses incurred in previous years.
 - b) Creating the reserves needed to finance the investments required by the CNMV in order to fulfil the objectives envisaged in Article 17 of the consolidated text of the Securities Market Act.
 - c) Creating reserves to ensure the availability of sufficient working capital for its operating needs.
 - d) Transferring the surplus to the State as revenues for the year in which the financial statements corresponding to the year in which the surplus was recognised were approved.
2. Together with the financial statements for the year, the Board of the CNMV shall submit, for approval by the Government, a proposal for the distribution of surplus and an explanatory report to the effect that the proposal meets the requirements envisaged in paragraphs a), b) and c) of the preceding paragraph.

Article 58. Budgets.

1. The CNMV shall prepare a draft budget on a yearly basis, the structure of which shall be laid down by the Ministry of Economy and Finance, and shall send this draft to that Ministry for approval by the Government in order for it to be put before the Parliament within the General State Budget.
2. The power to approve the draft budget lies with the CNMV Board.
3. Changes to the budget of the CNMV that do not exceed 5 per cent of the budget must be authorised by the Minister of Economy and Finance; any other changes must be authorised by the Cabinet.

Article 59. Economic and financial oversight.

1. Economic and financial oversight of the National Securities Market Commission shall be conducted exclusively by means of periodic checks or audit procedures, performed by the Comptroller General of the Central Government, without prejudice to the functions of the National Audit Office.
2. The President of the CNMV shall submit to the Board any financial oversight reports issued by the Comptroller General of the Central Government.

Additional provision one. Rules governing management personal after removal.

In the event of termination, the managerial personnel defined in Article 44.2 of this Regulation shall receive the maximum approved consolidable remuneration, regardless of any supplements, that applies to the position they occupied, provided that they were members of the CNMV's workforce and held the managerial position for at least eight years.

Additional Provision Two. Application of the law

Once Act 39/2015, of 1 October, on the Common Administrative Procedure for the Public Administrations, and Act 40/2015, of 1 October, on the Legal System of the Public Administrations, come into force, the references made in this Regulation to Act 30/1992, of 26 November, on the Legal System of the Public Administrations and the Common Administrative Procedure or Act 6/1997, of 14 April, on the Organisation and Functioning of the Central Government Administration, shall be understood as referring, as appropriate, to those statutory instruments.

Final provision one. Barcelona Office.

1. The CNMV shall have an office in Barcelona.
2. This Office, which shall report directly, in functional terms, to the competent Directorates-General in each area, shall have the following functions:
 - a) Cooperate in the supervision of investment firms, collective investment schemes and venture capital firms that have their headquarters in Catalonia.
 - b) Receive, analyse and process applications for registration of entities and the inscription of issuing prospectuses, provided, in each case, that they refer to companies with headquarters in Catalonia.
 - c) Advise entities, institutions, companies or investors about matters relating to the securities markets.
3. The National Securities Market Commission Office in Barcelona shall have a document entry register which shall have the status of an ancillary register of the CNMV General Register referred to in article 33.1 of this Regulation.

Final provision two. Entry into force.

This amendment shall enter into force on the day following its publication in the Official State Gazette.

SOLE ANNEX

Special registers of the National Securities Market Commission:

1. Registers related to Companies that Issue Securities.

- a) Register of Entities entrusted with Book-keeping of Securities Issues.
- b) Register of Public Instruments of Securities Issues.
- c) Register of Supporting Documents relating to Securities Issues.
- d) Register of Periodic Public Disclosures by Companies that Issue Securities.
- e) Register of Auditors' Reports of Companies that Issue Securities.
- f) Register of Prospectuses of Companies that Issue Securities.
- g) Register of Owners of Significant Holdings in Companies that Issue Securities.
- h) Register of Regulatory Disclosures by Companies that Issue Securities.
- i) Register of Tender Offers for Securities.

2. Registers related to Investment Firms:

- a) Register of Broker-Dealers, Brokers and Portfolio Management Companies.
- b) Register of Agents of Broker-Dealers, Brokers and Portfolio Management Companies.
- c) Register of Audits of Investment Firms.
- d) Register of Foreign Investment Firms that provide services in Spain.
- e) Register of Significant Holdings in Investment Firms.

3. Registers related to Collective Investment Schemes (CIS):

- a) Register of Financial Investment Companies (SICAV).
- b) Register of Financial Mutual Funds (FI).
- c) Register of Securities Investment Companies (SII).
- d) Register of Securities Investment Funds (FII).
- e) Register of Hedge Funds (IICIL).
- f) Register of Funds of Hedge Funds (IICIICIL).

- g) Register of collective investment scheme management companies (SGIIC).
- h) Register of CIS depositaries.
- i) Register of other CIS.
- j) Register of significant holdings.
- k) Register of prospectuses, regular disclosures and auditors' reports.
- l) Register of foreign CIS marketed in Spain.
- ll) Register of foreign management companies that operate in Spain.
- m) Register of appraisal companies that have notified the CNMV of their intention to appraise properties for real estate CIS.
- n) Register of regulatory disclosures.
- o) Register of agents and authorised signatories of SGIIC.

4. Registers related to Venture Capital Firms:

- a) Register of Venture Capital Firm Management Companies.
- b) Register of Venture Capital Firms.
- c) Register of Venture Capital Funds.
- d) Register of Significant Holdings.
- e) Register of Prospectuses and Annual Reports.
- f) Register of Simplified Regime Venture Capital Firms.

5. Other Registers:

- a) Register of prospectuses of Securitisation Trusts.
- b) Register of Auditors' Reports of Securitisation Trusts.
- c) Register of Fees of Institutions operating in the Securities Markets.
- d) Register of Standard Form Contracts of Institutions operating in the Securities Markets.
- e) Register of penalties imposed in the last five years for serious and very serious violations.
- f) Register of Auditors' Reports of Market Governing Companies, the Sociedad de Bolsas and the Securities Clearing and Settlement Service.