

## THE CNMV PUBLISHES INTERPRETATIVE CRITERIA ON THE REGIME FOR REPORTING RELATED-PARTY TRANSACTIONS

15 November 2021

- The criteria are guidelines addressed to market participants for proper implementation of the reporting obligations, which have been applicable since 3 July
- The paper does not have a regulatory nature, and will be updated with future consultations, supervisory experience, regulatory changes or amendments due to case law, or common positions adopted by the European Union

The Spanish National Securities Market Commission (CNMV) has today published a [paper on interpretative criteria on the new regime for reporting related-party transactions](#), which entered into force on 3 July 2021.

This paper, which contains 13 questions and answers, includes the issues received which are considered most relevant and most widely applied by listed companies, together with the criteria that the CNMV considers most appropriate for their correct interpretation.

These developments were incorporated by Spanish Law 5/2021, of 12 April, amending the Recast Text of the Spanish Corporate Enterprises Act (LSC), which stipulates, among other matters, a specific regulation for transactions executed by listed companies with related parties. To this end, a new Chapter VII bis was added to Title XIV of the Spanish Corporate Enterprises Act, whose provisions have been applicable since 3 July 2021.

The above-mentioned law also amended Additional Provision Seven of the Spanish Corporate Enterprises Act, empowering the CNMV, inter alia, to supervise the content of Article 529(21) of the Spanish Corporate Enterprises Act, on the disclosure of information on related-party transactions.

In this context, the CNMV has received various questions on how to interpret certain requirements on the regime for reporting related-

For further information:

[CNMV](#) Communications Department

Tel.: 91 5851530 - [comunicacion@cnmv.es](mailto:comunicacion@cnmv.es)



party transactions, pursuant to the above-mentioned Article 529(21) of the Spanish Corporate Enterprises Act.

The matters addressed in the paper include, inter alia, criteria relating to:

- the transitional regime applicable for the new regime for reporting and approving related-party transactions;
- the aggregation of transactions;
- the persons linked to the directors;
- the thresholds for individualised disclosure;
- the relevant aggregates of related-party transactions;
- when the related-party transactions are disclosed;
- the audit committee's report;
- the distribution of dividends or other returns on similar contributions.

Bearing in mind that this new regulation incorporates important developments compared with the previous regulatory framework, it is important that the information disclosed by listed companies be comparable, also taking into account that related-party transactions are very important for shareholders and investors to assess and duly judge the financial position of companies and their performance, as well as the risks of these transactions.

This paper can be updated when matters that could be of interest for listed companies arise, and in respect of which the CNMV considers it advisable to offer non-binding interpretative criteria. These criteria may be expanded on the basis of supervisory experience, regulatory changes or amendments due to case law, or common positions adopted at the European Union level.

For further information:

[CNMV](#) Communications Department

Tel.: 91 5851530 - [comunicacion@cnmv.es](mailto:comunicacion@cnmv.es)