



THE CNMV PUBLISHES THE ANNUAL SUPERVISORY REPORT ON THE ANNUAL ACCOUNTS OF ISSUING COMPANIES FOR 2022

24 April 2024

- Including the priority areas when supervising the annual accounts of fiscal year 2023: climate change, other environmental issues and the macroeconomic environment;
- The CNMV expects enough transparency by the insurance firms and financial conglomerates regarding the application of IFRS 17 Insurance contracts, in the second year of its application;
- Highlighting the importance of the qualitative disclosures, including those relating to the Alternative Performance Measures (APMs), and the fact they are clear, complete and provide specific information on the entity;
- In the case of APMs, it is relevant these are not granted pre-eminence over the figures of the financial statements and that the need for and usefulness of these are assessed periodically.

Today, the Spanish National Securities Market Commission (CNMV) published the [“Supervisory report by the CNMV on the annual financial reports and main areas of review for the following financial year.2022”](#).

The document describes the supervisory work carried out by the body in relation to the 2022 annual accounts submitted by securities issuers. It also includes certain priority areas of the 2023 annual accounts to be supervised by the CNMV.

The CNMV received the audited annual financial reports – individual and, where applicable, consolidated – for 2022, corresponding to 132 securities issuers.

Supervision of financial information

The report explains the review work carried out in 2023 by the CNMV on the 2022 annual accounts of securities issuers. All reports received are subject to a formal review of compliance with current regulatory requirements. In addition, an in-depth substantive review is performed on a limited number of audited annual accounts.

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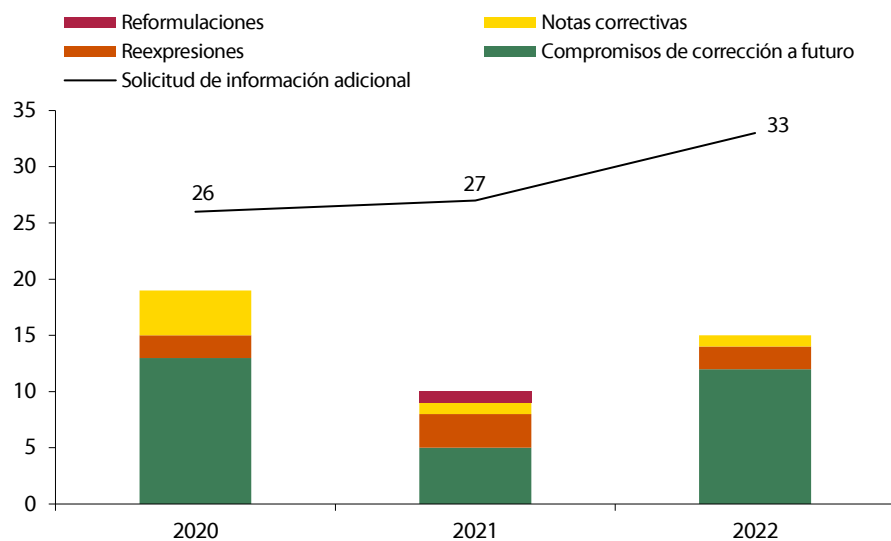
During 2023, requests were issued to 6 companies regarding formal matters, and additional information was requested to another 32 issuers for one or more of the following reasons:

- The provision of additional information on issues relating to recognition and measurement accounting policies (25 entities);
- A more detailed breakdown of the information provided in the annual financial report (31 companies).

Different recommendations were also made to 20 companies, for these to be considered in future annual accounts.

Furthermore, 12 companies were contacted to request clarifications or give recommendations relating to the Alternative Performance Measures (APMs), and 86 companies regarding issues related to the European Single Electronic Format (ESEF).

Supervisory actions relating to the annual accounts¹



Source: The CNMV

¹ The requests for information submitted to issuers subject to a formal and substantive review are included, without taking into account those relating to the NFS, the ESEF or those relating to delays in the delivery of financial information.

As a result of the supervision carried out by the CNMV, two issuers agreed to restate the figures corresponding to 31 December 2022 in subsequent financial reports.

Special analyses carried out in 2023

During 2023, the CNMV performed a detailed analysis of the following in the 2022 annual accounts:

- The breakdowns regarding the material assumptions, considerations and uncertainties issuers face in the current macroeconomic scenario. The result of this analysis was the request of additional information from 71.4% of the entities subject to a substantive review.
- The impact of inflation and the rise in nominal interest rates in the discount rates applied in the non-financial asset impairment tests. As a result of this analysis, additional information was requested from 42.9 % of the entities reviewed.

Supervision plan for the 2023 annual accounts

ESMA and the national supervisors of the European Economic Area will pay special attention to the following priority areas when supervising and assessing the application of the relevant requirements:

- Climate change and other environmental matters; and
- The macroeconomic environment.

In addition, ESMA requests transparency when implementing IFRS 17. Other areas European supervisors will pay special attention to are the Alternative Performance Measures (APMs), and to block tagging in the financial reports submitted in the ESEF.

On the other hand, the CNMV has decided to include, as additional priorities, a more detailed analysis of the assessment of fair value measurements and associated uncertainties in real estate investments and financial instruments. In this context, the methodologies and data used for the valuation of the most relevant real estate and financial assets of the entities under substantive review.

The importance of the qualitative disclosures is highlighted, including those relating to APMs and the need for these to be clear, complete and to provide specific information on the entity.

In the case of APMs, these should not have pre-eminence over the figures of the financial statements and the need for and usefulness of each one must be assessed periodically to remove or modify those not providing useful information.

Other relevant aspects the CNMV will pay special attention to in its review of the financial information of fiscal year 2023 are the adequate coherence between financial and non-financial information, the quality of the disclosure of the most relevant items and which are subject to uncertainty and opinion, particularly emphasizing on the fact they provide

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specific information of the entities' circumstances and a sufficient description of the methodology of the measurement criteria of the items in the main statements to which they refer.

Similarly, particular attention will be paid to the accounting criteria regarding operations that are very relevant and whose accounting regulation may be complex or significantly subject to professional judgement, such as business combinations, financial restructuring or the determination of fair value whenever there is no active market. In these cases, it is recommended the criterion is contrasted ex ante with the CNMV.