



CNMV's 35th anniversary event

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Good morning,

I would like to thank Eloísa del Pino (CSIC Chair) for hosting us today and a big thank you to Jean-Paul for your introduction. Thank you very much, Jean-Paul for your kind words.

Firstly, I would like to start by paying homage to the victims, their families and all those affected by last week's tragic flood that hit numerous communities in the eastern coast of Spain. Our thoughts go out to everyone, and I am sure I speak for everyone when I say that we sincerely hope the affected areas can go back to their usual day-to-day lives as soon as possible. I would like to ask for us to keep a minute of silence to honour the victims.

The first thing to do in an anniversary like this one is to give thanks. Firstly, to the staff that has driven the CNMV all these years: personnel, managers, directors, chairs and vice-chairs. I have been fortunate enough to know and work with many of them and have witnessed their great expertise and human quality. I believe that has been the key to the institution's success.

Joining us today is a group, necessarily reduced, representing the staff, to whom I would like to convey, on behalf of the Executive Committee, the recognition and gratitude of the institution for their work. And allow me to highlight the members of the Steering Committee, with whom I have had the pleasure of meeting every Monday for the past four years to develop and guide the dozens of decisions that our institution must make every week. Particularly, the CNMV's Vice-Chairwoman, Montse Martínez, whose personal and professional stature is a real treat for any organisation, especially for the CNMV.

The CNMV was created at the end of 1988 and, by January 1989, there were only 15 employees. A lot has changed in this regard: today we are 450, and there will be 530 by next year. In January 1989 there was only one technician (out of 15). Today, technicians account for 80% of the workforce. I am also proud to say that 55% are women.

Thanks are also due to market participants, supervised entities, securities issuers and the many associations and organisations with which we have interacted over the years,

either directly, through committees such as the Advisory Committee or through numerous law firms, consultants or auditors. They have enriched our activities, have acted as legal, technical or intellectual “sparring partners” when assessing new products or new situations, which makes us better supervisors day by day. I must add that, the vast majority, have always acted with great respect for the supervisor. I would like to think that this was not led by fear or interest, but out of the conviction that the CNMV's decisions, although they may not always be in their favour or in alignment, are adopted in a fair and professional manner, with neutrality and independence. Our actions and decisions are, of course, subject to appeal, this being one of the three channels of accountability. The other two channels, parliament and public opinion through the media, have been essential for the CNMV to exercise its powers, subject to the scrutiny that is essential for independent authorities.

Looking back, I believe that the balance in terms of the soundness of the decisions made over recent years and the institution's valuation is clearly positive.

I must also thank our international colleagues, other financial supervisors, a select group of which are here today. The CNMV, along with ESMA and IOSCO, has always wanted to remain active, participate in regulatory debates, influence the consensus reached and to contribute to the effort of creating a solid system of international cooperation and regulation. One cannot comprehend the CNMV without such framework: we would be less efficient, less knowledgeable and we would be worse supervisors. 80% of the issues we regulate originates from European regulations or IOSCO standards. The CNMV is fully involved in such an ecosystem and is very proud to have contributed to IOSCO's establishment in Madrid 20 years ago, just a hundred meters from our current offices.

Today's event seems the appropriate moment to make a personal note, as only yesterday the IOSCO Board appointed me as the next Secretary General of the organisation, once my mandate at the CNMV comes to an end this coming month of December. I would like to thank such appoint and highlight that it is closely linked to the CNMV's permanent and highly active role in the international scope.

I think we have learned a lot over 35 years. Some lessons were learned by force during all types of crises, incidents and market events from which we have come out on the other side.

We have learned that markets always put us in our place, which is why we must listen and interpret what is happening, in addition to remaining humble while basing decision making on data and evidence in order to be able to adapt to the existing circumstance.

We have also always known that everything we do, even if sometimes the regulation sounds sophisticated or very technical, has a single objective: to protect investors and especially retailer investors, which has always been the first commandment of anyone who has led or worked at the CNMV.

But, I do not want to focus on the nostalgic side or the institution's past. We have very interesting times ahead of us as a market and as a supervisor. We are tackling the major challenge that is to revitalise capital markets to better serve our economies and citizens. The issue affects, not only Spain, but Europe as a whole, and there is still much to be done.

The solutions are not easy ones. They include the European, Spanish, taxation and financial education regulatory levels. For several years now, and not only over this last term, the CNMV has been doing what it can to make it easier for companies to approach the markets and for savers to become investors. Such a task has been secondary to supervision, of course, but let's not forget that only a liquid and deep market can establish prices in an orderly fashion; promoting market depth is closely linked to investor protection. This has been the basis for us to promote the OECD mission to revitalize the markets, which will present its conclusions on 5 December with recommendations for Spanish authorities and market participants. Therefore, for the same reasons, we have always defended opening the Spanish and European stock markets at an international level.

Another exciting challenge is that related to technological transformation. Innovation has always played a part in markets' transformation. It happened with the development of derivatives in the 80s or the extended use of the Internet in the 90s. The same is now true of distributed logging technology and artificial intelligence. DLT technology has the potential to transform many processes for the better and, from the end of the year forward, there will have a new regulation in place. It will not be a linear process, but will surely suffer advances and setbacks, euphoria and disappointment, as with any technological revolution: today we talk about the metaverse or NFTs in a very different way than we did just two years ago.

The CNMV is facing a Herculean task with the establishment of the regulation for crypto-asset markets, known as MiCA. We are fully committed to an orderly and controlled process. Nonetheless, it will be very important for the public not to mistake the regulation for its equalisation to complete safety. Financial products will remain safer, more controlled and less risky than crypto-currencies, even after 2025. It will be important for all of us to spread this message in order to avoid mass retail investment being completely ignorant of the risks assumed, which could be very harmful, in light of historical events that we all are aware of.

Artificial intelligence will, of course, be highly transformative, even in finance. It is still quite difficult to identify in what way, as we are undoubtedly in an initial stage of such phenomenon, but such transformation will surely entail a process of creative destruction that will shift the sociology of our financial system. We have been preparing for some time now in order to follow this movement from two perspectives:

- 1) The use of AI to improve supervision; and
- 2) The detection and control of risks resulting from their use in markets, where international cooperation is essential.

Another issue worth highlighting to keep in mind for the future and today is the framework of sustainability in finance. In this regard, the EU is certainly the economic area of greater regulations and the one leading the change. Nonetheless, we are also facing ups and downs, and it is likely that in the coming years the effort will focus almost exclusively on the implementation and clarification of what we already have rather than on the development of new regulatory elements.

Travelling down such a path and tackling the challenges will require for today's CNMV to be strengthened. A first dimension is resources, both human and technological, which has led to launching, this year, the largest public employment offer in our history, for profiles that are not only economic or legal, but also technological. Thus, we have launched a digitalisation plan that will entail major investments in the coming years. The idea is not only to gain in effectiveness and efficiency in supervision, where progress is promising, but also to enhance the service that the CNMV provides to society and citizens. The CNMV is probably the European supervisor that publishes the most regulated information free of charge. Our desire is for the information we produce and publish to be more accessible, to have more robust formats, to offer more advanced functionalities and to be more accessible and understandable to citizens. All this can be provided by digitisation.

The second dimension of strengthening is institutional. On one hand, I believe that, in the coming years, it will be essential to reflect on governance, financing and effectiveness of the CNMV's organic and functional independence, which can be improved.

On the other, the environment will surely change and shift in the near future, which will require attention. There are modifications planned in Spain, including the creation of a new authority for the management of claims. There are risks of deglobalisation, which may affect the international standards on which markets operate and their degree of openness. There also are plans in Europe to grant ESMA more powers, or at least to coordinate local supervision in a closely-linked manner. I am a strong supporter of allowing a single market to have a single and consistent standard and supervision, even if this is centralised in some sectors, joint in others and decentralised for the most part.

I will end by saying that this is an important year for the financial markets and for the CNMV, with huge transformations in the making. We are fortunate to have some of the most distinguished speakers today, whom I thank for their participation, who will address these and other subjects that will determine how the next 35 years will unfold in the financial markets.

I am sure that we will all contribute our experience and know-hows, from the public or private sector, to our main goal, adding on to society's progress from the financial sector, from the position we occupy at any given moment. Rest assured I will do the same.

Thank you all for everything we have achieved and I wish everyone courage and success for what lies ahead. Thank you very much.