



EL ECONOMISTA
CHALLENGES AND OPPORTUNITIES OF BANKING
“EUROPEAN INTEGRATION, DIGITIZATION AND THE RISE
IN RATES, FUTURE ENGINES OF THE SECTOR”

SEBASTIÁN ALBELLA, CNMV’S CHAIRMAN
Madrid, 8 June 2018

Commissioner Dombrovskis, ladies and gentlemen.

It is an honour for me to introduce Commissioner Dombrovskis at this event organized by El Economista.

As you know, Mr. Dombrovskis, Vice-President of the European Commission, is also the Commissioner in charge of Financial Stability, Financial Services and the Capital Markets Union. Therefore, he is the most important Commissioner for all the attendants at this event, including, and above all, myself.

Among other roles that he has held, he was previously Minister of Finance and, for more than four years, between 2009 and 2013, Prime Minister of Latvia, a country with which we sometimes have the impression we don’t have any real connection (apart from some isolated events such as the death of Angel Ganivet, a celebrated Spanish writer, in the river Daugava in 1898). But this sensation belongs to the past. Now, we are not partners merely because we are fellow members of the EU, we are in fact very close partners since we share a genuine enthusiasm for the EU project.

Last year, Mr. Dombrovskis’ work in the European Commission was focused on completing the Banking Union and driving the Capital Markets Union forward.

This speech was going to be just a presentation, but I would like to make the most of the presence of Commissioner Dombrovskis to say a few brief words about an important proposal by the European Commission that particularly affects CNMV, i.e. the review of the European System of Financial Supervision, especially with respect to the role and powers of ESMA (the European Securities and Markets Authority).

This proposal stresses the importance of an integrated supervision system as a key element of the Capital Markets Union. As I had the opportunity to convey in the European Parliament a few months ago, I fully agree with this.

However, the mere fact that supervision is integrated does not necessarily mean that it has to be very centralized.

The reform should respect what I like to call the national supervisory factor. Member States should continue to have robust supervisory bodies, entrusted with relevant powers, which help Europe continue to maintain a plurality of markets and financial centres with a critical mass. In my view, this is important in terms of achieving a European capital market with real penetration, which truly helps to improve the

financing of our companies – not only the big ones – and to reduce their level of dependence on bank financing, one of the main objectives of the Capital Markets Union.

Having said this, and despite reluctance shown by many countries, I genuinely believe that ESMA should be assigned additional powers in specific areas where this is fully justified, like all matters related to third countries or critical benchmarks, and become a more efficient and agile organization that exercises its role as coordinator, and even certain strategic or high-level management functions of the competent national authorities, as effectively as possible.

One relevant example would be the creation of an Executive Board, or the reform of the current Management Board to include full-time independent members to ensure that an ESMA with a key coordination function is really led by an efficient body, truly inspired by the common goals of the Union.

The second matter I would like to mention is the phenomenon of cryptocurrencies. As you know, this is an increasingly popular and relevant issue, including among investors, but it is important to distinguish between what are known as Initial Coin Offerings, the famous ICOs, and pure cryptocurrencies such as Bitcoin and Ether.

In the case of the former, ICOs, my perception is that the current EU regulatory framework in place could be enough to ensure an adequate level of investor protection based on a substance over form approach.

However, I believe that the issuance, commercialisation and trading of pure cryptocurrencies requires a specific EU regulation as they do not clearly fall within the remit of the current financial rules. Aspects such as the minimum information to be provided to potential buyers or investors, custody (a critical aspect), transparency on fees or rules for a proper functioning of trading platforms should be subject to appropriate and common regulation in Europe. At CNMV we welcome the words expressed by Commissioner Dombrovskis in February stating that the European Union is prepared to regulate cryptocurrencies if the associated risks are not tackled at global level soon. Again, on this point, we agree.

Thank you very much for your attention.

I now give the floor to Commissioner Dombrovskis.