

NEW SYSTEM RELATED TO THE ADMISSION OF FIXED-INCOME SECURITIES TO TRADING IN SPANISH REGULATED MARKETS

14 June 2023

- The article 63 of the Spanish Securities Market and Investment Services Law (LMVSI for its abbreviation in Spanish) aims to improve the Spanish securities markets' competitiveness and appeal.

Article 63 of the Law 6/2023 of 17 March on Spanish Securities Market and Investment Services (LMVSI for its abbreviation in Spanish) shall come into effect next 18 September. With its entry into force, the powers currently carried out by the CNMV to supervise the compliance of requirements set for the admission to trading shall be transferred to the governing bodies of markets in which non-equity securities are requested for admission (including fixed income, warrants and promissory notes). Due to the removal of the duplication that currently takes place in the admission process, with the involvement of the CNMV and markets, said measure, originally proposed by the CNMV, shall imply reduced cost and less administrative burdens for issuing companies.

Below is a summary of the main implications of such hand-over in procedures to be carried out by issuers in the CNMV for the admission to trading of non-equity securities (fixed income, warrants and promissory notes) compared to those currently being executed.

Before the entry into force of article 63 of LMVSI	After 18/09/2023
The CNMV approves the prospectus on admission when required by compliance of Regulation (EU) 2017/1129 of 14 June.	The CNMV shall continue approving prospectus on admission when required by compliance of Regulation (EU) 2017/1129 of 14 June.
The CNMV verifies the requirements on admission to trading of non-equity securities.	The governing bodies of markets in which admission is required (and not the CNMV) shall verify the compliance with admission requirements.
The CNMV records and verifies the final conditions of the public offering and/or admission prior to or as part of the process of verifying compliance with the admission requirements.	The CNMV shall record and publish the final conditions of the public offering and/or admission in compliance with article 8.5 of the Regulation (EU) 2017/1129 without carrying out any verification.

For further information:

[CNMV](#) Communications Department

Tel.: 91 5851530 - comunicacion@cnmv.es

	The final conditions must be submitted to the CNMV for registration and publication prior to verification of compliance with the requirements for admission to trading by the markets' governing bodies.
The CNMV shall record the necessary preliminary documentation to process the subsequent verification of the requirements for admission of promissory notes expiring in less than 365 days.	No documentation will be required for submission before the CNMV in relation to promissory note programmes with maturities of less than 365 days.

In addition to the simplification and removal of procedures mentioned above, it is worth highlighting the important reduction of fees collected by the CNMV in relation to admission procedures implemented simultaneously to the entry into force of the LMVSI adopted under the provisions of the eighth Final Provision of said Law, modifying Spanish Law 16/2014 of 30 September that regulates CNMV's fees.

Such measures allow Spanish securities markets to be more in line with supervisory practices in place in neighbouring countries, as well as boost Spanish securities markets in order to promote their use by issuers, reducing the dependency of companies on bank financing and reinforcing their capital structures.

In regard to the new way in which the CNMV will record and publish the final conditions of public offers and/or admission, an automatic filing and deposit procedure has been implemented through the **CFP procedure** of the Virtual Office, by means of which an XML file will be sent, to be developed by the issuers including information relating to the final conditions (PDF+metadata).

The new procedure and the instructions to complete the document can be consulted in the Virtual Office (CFP procedure). Such procedure has been assigned, by default, to issuers who provided general representation powers to register in the EEA procedure (telematic submission). Issuers with base prospectus in force or foreseeing the approval of a base prospectus for non-equity securities in the short or medium term are recommended to make sure to have the CFP procedure in place and, otherwise, execute the appropriate steps at the CNMV's Virtual Office.

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