

THE CNMV PRESENTS ITS BIENNIAL STRATEGIC LINES OF ACTION AND THE ACTIVITY PLAN FOR 2019

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- The activity plan will consist of three main strategic lines of action: prioritising supervision, boosting the competitiveness of the Spanish market and focusing on technological developments in the financial sector
- It contains 44 specific activities and objectives to be completed in 2019, which are added to the institution's normal activity
- It seeks to make the CNMV a more flexible and agile supervisor, open to dialogue and innovation

The Spanish National Securities Market Commission (CNMV) today has presented an [Activity Plan for 2019](#), which includes 44 specific activities and objectives to be completed by the CNMV during the course of 2019.

The Plan also defines the three major strategic lines of action that will guide the CNMV's activity in 2019 and 2020: prioritising supervision, boosting the competitiveness of and strengthening the Spanish market and focusing on technological developments in the financial sector.

When presenting the Plan, Sebastián Albella, the CNMV's Chairman, pointed out that "placing the emphasis on supervision, the CNMV's main function, is compatible with continuing to help make the Spanish financial market as competitive as possible". For the CNMV's Chairman, "it is important for the Spanish supervisor to be perceived as an institution that is competent and rigorous but, at the same time, agile and open-minded".

1. Supervision as a priority

The CNMV will continue to give priority to its **supervisory function**, promoting the integrity and transparency of the markets and protecting investors' interests. It will focus its supervisory activities on particularly relevant issues and will place emphasis on supervisory measures that generate added value. The CNMV will

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1

further develop the use of IT tools, including big data analysis tools, which can help focus efforts on the areas of greatest risk and be useful for increasing the level of efficiency of authorisation and supervision processes. Another objective will be to continue promoting the supervisory body's public presence.

2. Boosting the competitiveness of and strengthening the Spanish market

The CNMV must not only step up its commitment to modernisation but must also continue to advance in a culture of providing service to investors and other market participants. In order to ensure that its activities are coherent, predictable and easy to understand, the policy of publishing technical guides and Q&As will be maintained and dialogue with the sector will continue to be promoted.

3. Focus on changes and new market phenomena driven by technology

The CNMV will continue to focus largely on changes and new **technology**-driven phenomena with a positive attitude, but without neglecting the monitoring of risks, such as those highlighted by phenomena such as the proliferation of cryptocurrencies and ICOs (Initial Coin Offerings). It will promote the design and implementation of regtech/suptech projects capable of increasing the efficiency of the procedures established by the supervised entities to comply with the applicable regulations, as well as of the processes aimed at facilitating financial supervision. The CNMV will carefully analyse these projects, which can be based on various technologies, such as big data or artificial intelligence, and the development of market infrastructures whose objective is to make use of blockchain technology (DLT).

Specific objectives

The 44 objectives selected are intended to help improve the efficiency of the institution, increase transparency and encourage the exchange of information with the market, investors and supervised entities.

The CNMV plans to **improve its operation** in order to boost digital transformation and increase the efficiency of its processes. This involves projects such as the acquisition of a new technological tool for the processing and analysis of large volumes of data for

supervisory purposes and the conducting of a survey among market participants on the operation of the CNMV.

Specific training courses will also be given to staff on new technologies.

The objectives of **the market supervision area** include the automatic publication of notifications of voting rights and financial instruments, as well as the review of some specific recommendations of the Good Governance Code of Listed Companies to clarify their scope or adapt them to legal changes, three years after the approval of such code.

Among other initiatives, a specific analysis will be performed on the non-financial information statement of securities issuers and the recommendations on discretionary treasury operations of securities issuers will be reviewed.

Horizontal reviews

The financial intermediary supervision area will place emphasis on horizontal reviews, including most notably the review relating to the online operation of investment firms (IFs), the review of compliance with the decision issued by ESMA (the European Securities and Markets Authority) regarding CFDs (contracts for differences) and binary options, as well as specific measures adopted in the interests of the quality and consistency of the information collected from clients to assess suitability and appropriateness. A new exercise will also be carried out to supervise the process of marketing financial products in the commercial networks of a sample of entities using the mystery shopping technique and work will be carried out with external experts that can collaborate through mystery shopping techniques, at the CNMV's request, in specific investigations, for example, in obtaining information on the activity of unauthorised companies (financial boiler rooms).

In 2019, financial intermediary supervision will include new areas on which monitoring will focus: the activities carried out in Spain by entities under the freedom to provide services regime and entities with certificates accrediting qualifications to inform or advise. In addition, the CNMV will publish new technical guides containing criteria that it considers appropriate for entities to comply with the regulations applicable to them.

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The CNMV will continue to **simplify** as far as possible the **requirements and formalities** necessary for its authorisations, in order to reduce processing times. For this reason, it will also publish a Technical Guide on the authorisation of entities (containing general guidelines applicable to the processing of authorisation projects) and a critical review of authorisation procedures (authorisation manuals) with the aim of facilitating, simplifying and expediting procedures.

Investor relations

The CNMV will also reinforce its actions in relation to the activities of **unauthorised entities or "financial boiler rooms"** for which it will equip itself with new detection tools, cooperate with external experts and enter into an agreement with the Directorate General of the Police to strengthen collaboration in investigations. Furthermore, it will issue a circular on the **advertising** of investment services and products and will take steps to restrict the advertising of CFDs and other complex products to the general public.

The selection of the three strategic lines of action described above does not imply that attention will be deflected from objectives such as continuing work in the area of **financial education** (new investor guidelines will be published) or focusing on **financial stability** (a report will be prepared on macroprudential policy and other specific studies will be carried out, including a study on the costs and profitability of Spanish investment funds compared with European investment funds).

The Activity Plan document includes the keys to the economic and financial context in which the CNMV's work will be carried out during 2019 and explains in detail the degree of compliance with the 2018 Activity Plan, which was 78%, in line with that of previous years.