



# Presentation of the CNMV 2020 Annual Report





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## The COVID-19 crisis had an impact on the institution's work at all levels

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Organisation	→	<ul style="list-style-type: none"><li>• Human resources: the entire workforce switched to working from home ('teleworking') in a very short time</li></ul>
		<hr/>
		<ul style="list-style-type: none"><li>• The register: closure of the register for the physical presentation of documents and activation of alternative channels</li></ul>
		<hr/>
		<ul style="list-style-type: none"><li>• Suspension of administrative deadlines</li></ul>
		<hr/>
Supervision of the markets	→	<ul style="list-style-type: none"><li>• Restrictions on short positions in securities listed on Spanish securities markets</li></ul>
		<hr/>
		<ul style="list-style-type: none"><li>• Market infrastructures: special attention to the CCP and settlements (defaults)</li></ul>
		<hr/>
		<ul style="list-style-type: none"><li>• Listed companies: considerations in relation to the general meetings of shareholders and the formulation of annual financial statements</li></ul>
		<hr/>
Supervision of entities	→	<ul style="list-style-type: none"><li>• Specific efforts on CIS and, in particular, investment funds: daily monitoring of redemptions, asset valuation, portfolio liquidity, use of available tools</li></ul>
		<hr/>
		<ul style="list-style-type: none"><li>• Specific measures on reporting obligations of management companies of CIS and venture capital firms</li></ul>
		<hr/>
High degree of interaction with other institutions	→	<ul style="list-style-type: none"><li>• At national level: AMCESFI (Macroprudential Authority Financial Stability Board)</li></ul>
		<hr/>
		<ul style="list-style-type: none"><li>• At international level: ESMA, IOSCO, ESRB and FSB</li></ul>

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# I Securities markets and their agents

## 1 Economic and financial environment

### 1.1 Economic and financial environment: international

- The coronavirus pandemic marked economic and financial developments in 2020: world GDP fell 3.3% (compared to an advance of 2.8% in 2019).
- Essential role of central banks (interest rate cuts and massive asset purchases) and of governments (moratoriums, guarantees, direct aid).
- The international financial markets went through a bout of heavy turbulence in March, in the early days of the COVID-19 crisis, gradually recovering subsequently, with differences between regions:
  - Fixed income: short-term interest rates ended the year with decreases, in line with movements of official interest rates, as did long-term rates, which also declined over the year on balance, despite temporary spikes experienced in many countries in the early stages of the pandemic.
  - Equities: stock markets posted heavy losses in March 2020, accompanied by sharp increases in volatility, not seen since the global financial crisis. Later, the indices gradually recovered, supported by the decrease in uncertainties, but differences were observed between regions (rising indices in the US and Japan and declining in Europe, except for the German index).

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EXHIBITS → • Role of the European Central Bank in the context of the COVID-19 crisis

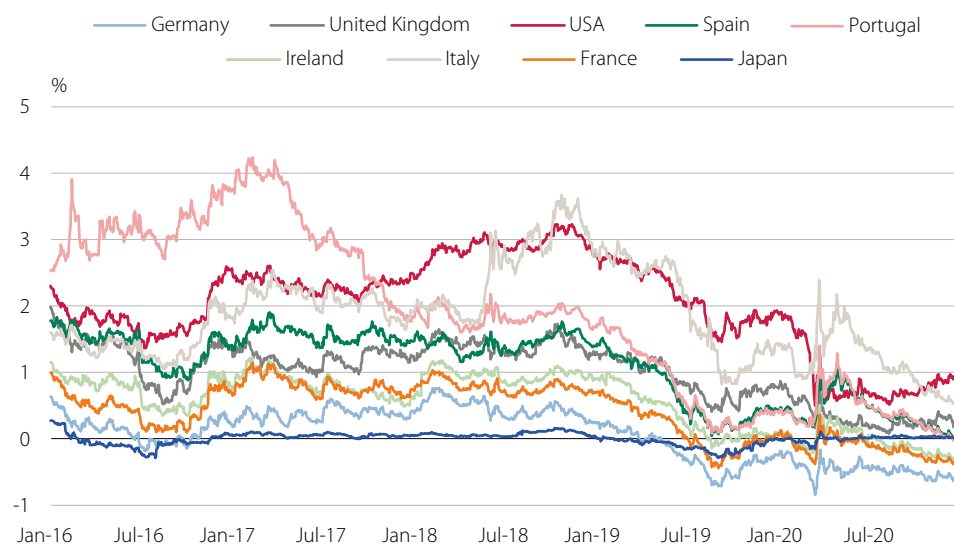
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### 1.2 Economic and financial environment: national

- The pandemic also profoundly affected activity and the evolution of national financial markets. Spain's GDP decreased by 10.8% in 2020 (-6.8% in the euro area as a whole) and the public deficit increased to 11% of GDP (2.9% in 2019).
- The **stress level of the financial system** rose from 0.19 to 0.64, the third highest value in its history.
- The debt markets showed an evolution similar to that of our environment, characterised by the context of ultra-low interest rates.
- The rebound in returns in March and April was completely reversed for most assets (except for companies with poor credit quality).
- The yield on the ten-year sovereign bond entered negative territory. The risk premium ended 2020 at 63 bp (66 bp in 2019), after reaching 156 bp in April.

### 10-year government bond yields

FIGURE 1.1.7

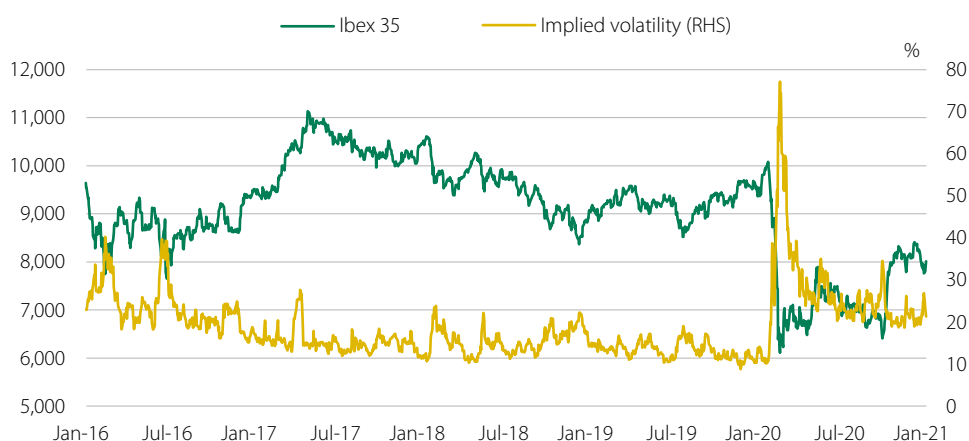


Source: Refinitiv Datastream.

- In the **equity markets**, the Ibx 35 presented a worse relative performance than the rest of the benchmark indices due to the greater specific weight in the Spanish index of the sectors most affected by the crisis, such as banking, leisure and tourism. At the peak of the crisis there were spikes in volatility and a deterioration in liquidity. Trading in equities decreased and the shift to other centres competing with BME continued.
- Non-financial listed companies faced losses in 2020: €600 million compared with profits of €19.11 billion in 2019, one of the most significant drops in annual net income in recent years.

### Performance of the Ibx 35 and implied volatility

FIGURE 1.2.5



Source: Refinitiv Datastream.

- Risks / vulnerabilities: intensity of economic recovery (related to the possibility of business bankruptcies), public indebtedness, intensification of quest for yield strategies.

EXHIBITS	→	<ul style="list-style-type: none"> <li>• Influence of the State's guarantee facility on financing for SMEs</li> <li>• Actions taken by the CNMV to address the COVID-19 crisis</li> </ul>
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## 2 Markets and issuers

### 2.1 Markets and issuers equities

#### – Equities:

- The Ibex 35 fell by 15.5% in 2020, the biggest drop in the European benchmark indices.
- Trading in Spanish securities came to €780 billion (-3.2%), its lowest value since 2013. Rival trading venues to BME accounted for 46% of the trading.
- The number of listed companies stood at 138, three fewer than in 2019 (does not include MAB, Latibex or ETFs).
- The amount of capital increases was €10.85 billion, 10.7% more than in 2019. There were no IPOs.
- Aggregate short positions increased from 0.66% of capitalisation to 0.73%. The CNMV, in common with other authorities, decided to impose temporary restrictions on short trading during the crisis.
- Reorganisation in BME: the MAB ceased to exist, making way for BME MTF Equity, which has three segments: BME Growth (an SME growth market), BME IIC (CIS) and BME ECR (venture capital and private equity firms).

### Cash traded in Spanish equities admitted to trading on Spanish stock exchanges<sup>1</sup>

TABLE 2.1.6

Amounts in millions of euros

	2016	2017	2018	2019	2020	% change 20/19
<b>Total</b>	<b>878,329.9</b>	<b>933,416.3</b>	<b>931,019.3</b>	<b>806,217.3</b>	<b>780,697.4</b>	<b>-3.2</b>
<b>Admitted to SIBE</b>						
<b>electronic platform</b>	<b>877,408.4</b>	<b>932,763.1</b>	<b>930,607.1</b>	<b>805,826.6</b>	<b>780,341.0</b>	<b>-3.2</b>
BME	634,914.5	633,385.7	579,810.4	460,267.4	418,512.6	-9.1
Chi-X	117,419.4	117,899.2	106,869.7	80,678.9	65,006.5	-19.4
Turquoise	51,051.8	44,720.1	42,883.4	30,550.6	23,242.2	-23.9
BATS	44,839.8	75,411.6	171,491.3	176,093.6	210,675.8	19.6
Other <sup>2</sup>	29,182.9	61,346.5	29,552.2	58,236.1	62,903.8	8.0
<b>Open outcry</b>	<b>7.9</b>	<b>8.1</b>	<b>8.2</b>	<b>6.2</b>	<b>2.5</b>	<b>-59.9</b>
<b>Secondary market</b>	<b>3.2</b>	<b>0.7</b>	<b>0.8</b>	<b>0.1</b>	<b>0.0</b>	<b>-100.0</b>
<b>ETFs<sup>3</sup></b>	<b>910.4</b>	<b>644.5</b>	<b>403.2</b>	<b>384.3</b>	<b>353.9</b>	<b>-7.9</b>

Source: Bloomberg and CNMV. (1) Includes trading subject to market or MTF rules (lit plus dark) of equity instruments admitted to trading on Spanish official secondary markets and identified by means of an ISIN issued in Spain; therefore, foreign securities admitted to trading in these markets whose ISIN is not issued in Spain are not included. (2) Calculated as the difference between the amount traded of the EU Composite calculated by Bloomberg for each share and the amount traded for the markets and MTFs included in the table, and hence includes trading on other regulated markets and MTFs and systems. (3) Only ETFs with Spanish ISIN.

## 2.2 Markets and issuers fixed income

### – Fixed income:

- Sharp increase in fixed income issues registered with the CNMV (+46.6%, to €132,12 billion). However, issues abroad had their expansion interrupted by a fall of 10%, to €90.17 billion).
- There was a significant increase in trading of public debt on Spanish trading venues.
- The increase was less marked in the case of private sector fixed income, with trading through the two Spanish systematic internalisers being most notable. Decrease in OTC trading.

### Trading of public debt<sup>1</sup> in Spanish trading venues

TABLE 2.2.4

Nominal amounts in millions of euros

Venue	Place of debt issue	2019	2020	% change 20/19
AIAF	Total	158,531	140,339	-11.5
	Spain	118,503	111,454	-5.9
	Abroad	40,028	28,885	-27.8
<b>MTF</b>				
SENAF		150,623	120,686	-19.9
Dowgate	Total		1,090.1	–
	Spain		73.1	–
	Abroad		1,017.0	–
<b>OTF<sup>2</sup></b>				
CAPI	Total	139,548	180,150	29.1
	Spain	120,900	170,940	41.4
	Abroad <sup>3</sup>	18,648	9,210	-50.6
CIMD	Total	340,927	370,596	8.7
	Spain	265,014	293,736	10.8
	Abroad	75,913	76,860	1.2

Source: CNMV. (1) This table shows the total trading of public debt assets carried out in Spanish trading venues regardless of the issuer's nationality and includes issues made in Spain and abroad. (2) Organised trading facility. (3) Of the amounts traded in 2019 and 2020, €30 million and €25.9 million, respectively, correspond to debt issued by Spanish issuers abroad.

## 2.3 Markets and issuers derivatives and clearing, settlement and registry

### – Derivatives:

- Activity in the Spanish organised markets for derivative products (MEFF) fell in 2020 in the number of contracts (-7% in financial derivatives), as against the advance of these contracts worldwide.
- Trading of derivatives on the OTFs created in 2018 remained stable.
- Activity in the secondary market for warrants grew, favoured by increased volatility in the market, although issues in the primary market continued to decline.

### – Clearing, settlement and registry:

- Registry. At the end of 2020, the total number of issues registered with Iberclear was 7,402 (down by 12.9%) for a nominal amount of €1,791.75 billion. This advance is explained, above all, by public debt assets.
- Settlement. The number of transactions settled in 2020 amounted to 9,972,561 (6.7%), with a cash amount of €25,773.40 billion (19.2%). Very uneven distribution between assets, the largest increases being in public debt.
- Efficiency. Settlement efficiency ratios improved in 2020 both in number of transactions and in cash volumes (the failure rate for transactions went from 9.6% to 8% and for cash from 5.4% to 4.2%).
- Clearing. The number of BME Clearing members decreased by 4m to 131, with differences between segments. In the equity segment, there was an increase in the number of transactions and a decrease in the effective volume (-8.8%).

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EXHIBITS → • Entry into force of EMIR 2.2 and creation of ESMA's CCP Supervisory Committee (CCP SC)

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## 3 Financial institutions and investment services

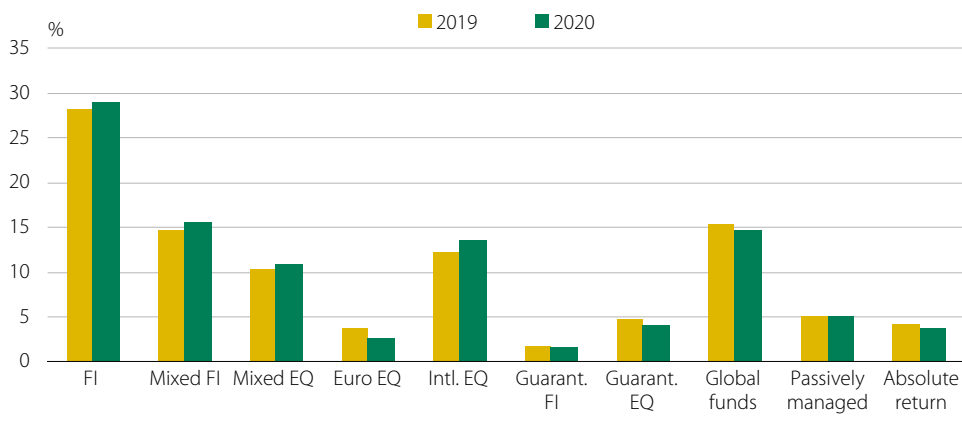
### 3.1 Financial institutions and investment services: collective investment

- The pandemic temporarily halted the expansion of the **investment funds** industry. Its assets declined in March 2020 by nearly 11% due to both negative portfolio performance and increased redemptions. April saw the start of a new period of expansion, albeit irregular, which allowed a new increase in the assets of these institutions. The **annual balance** at the end of December is:
  - Assets: €279.67 billion (+ 0.1%). The IF portfolio continues to be oriented towards assets issued abroad (72.1%, 68.1% in 2019). Investments in other CIS account for about one third of total assets.
  - Net subscriptions: €621 million (€2.47 billion in 2019).

- Yield: 0.78% (7.1% in 2019).
- Number of funds (of a financial nature): 1,515 (1,595 in 2019).
- Sharp differences by categories: polarisation of investment between fixed income, mixed fixed income and global equities.

### Investment funds: breakdown of assets

FIGURE 3.1.1

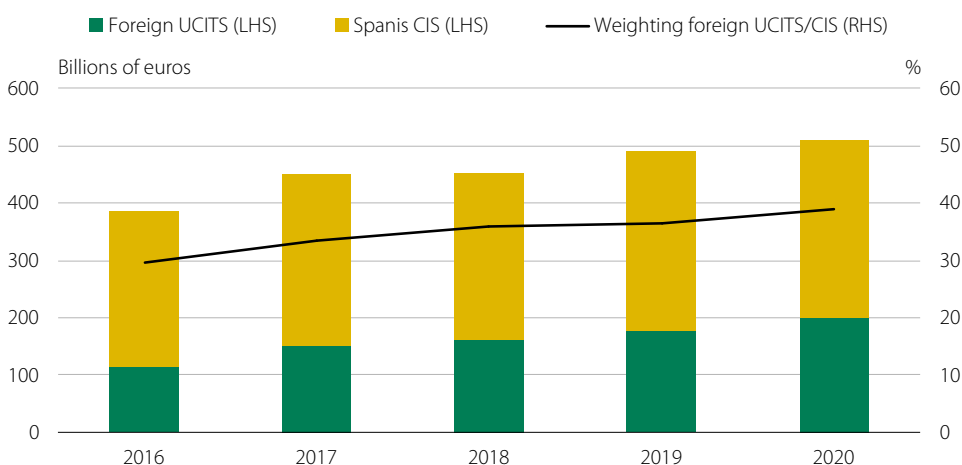


Source: CNMV.

- SICAVs continued the decline which began in 2016, both in number of entities and in assets. Number of companies: 2,427 (2,569 in 2019), assets: €26.94 billion (-6.4%).
- Foreign CIS marketed in Spain continued to expand; their assets were close to €200 billion in 2020, almost 40% of the total sold. In total there were 1,048 CIS (407 funds and 641 companies), 1,033 in 2019.
- The number of CIS management companies remained at 123, while their aggregate earnings fell by 6.2%.

### Assets of foreign CISs marketed in Spain<sup>1</sup>

FIGURE 3.1.2



Source: CNMV. (1) From the first quarter of 2018, the data of unitholders and investment volume are estimated with the data received to date. With the entry into force of CNMV Circular 2/2017, of 25 October, the number of entities required to submit statistical information has increased and therefore the data for the last three years may not be fully comparable with the information published up to December 2017.

### 3.2 Financial institutions and investment services: provision of investment services, venture capital firms and crowdfunding platforms (CPs)

#### – Provision of investment services:

- Credit institutions. Credit institutions continued to concentrate most of the commissions received for the provision of investment services (88.9%). An alternative view of the analysis reveals that 67% of this business corresponded to traditional commercial banks or entities that belong to their groups.
- Broker-dealers and brokers.
  - The number of entities remained at 95.
  - In a year marked by the pandemic, broker-dealers' activity was boosted by the transfer of part of the business of a UK entity to a Spanish broker-dealer in the context of Brexit. Broker-dealers' pre-tax profit amounted to €128.7 million (double that of 2019), and that of brokers came to €7.75 million (-25.7%). The change in broker-dealers' and brokers' business model continued.
  - Solvency margins were high in 2020 but much lower than in 2019 (2.8 times compared with 4.9).
- Financial advisory firms: sharp decline in assets under advice (-44%, to €12 billion).

#### Fees and commissions received for investment services. 2020

TABLE 3.2.2

Amounts in millions of euros

	Broker-dealers and brokers <sup>1</sup>	Credit institutions (CI)	Total	% CI/total
<b>Total investment services</b>	<b>464</b>	<b>3,714</b>	<b>4,179</b>	<b>88.9</b>
Placement and underwriting	7	355	362	97.9
Order processing and execution	276	605	882	68.7
Portfolio management	28	530	558	95.0
Investment advisory services	40	643	683	94.2
Marketing of CIs	113	1,581	1,694	93.3
<b>Total ancillary services</b>	<b>227</b>	<b>1,023</b>	<b>1,250</b>	<b>81.9</b>
Administration and custody	40	651	691	94.2
Other ancillary services	187	372	558	66.6

Source: CNMV and Bank of Spain. (1) Includes portfolio management companies.

- Venture capital firms and crowdfunding platforms (CPs):
  - Venture capital firms. The upward trend in the number of registered vehicles and managers continued (+112 vehicles, to 546 and +18 managers, to 119). Of the new vehicles, 94 were venture capital firms and 18 were closed-end collective investment schemes.
  - Crowdfunding platforms (CPs). No requests for authorisation were submitted. There were two registrations and three deregistrations, bringing the total number of platforms to 27. Of these, ten are securities platforms, eight are lending platforms and nine are mixed.

### Registrations and deregistrations in 2020

TABLE 3.3.1

Type of entity	Entities registered at 31/12/19		Entities registered at 31/12/20	
	Registrations	Deregistrations	Registrations	Deregistrations
Venture capital companies	148	44	8	184
Venture capital funds	210	33	8	235
SME venture capital companies	19	0	1	18
SME venture capital funds	10	4	1	13
European venture capital funds	20	12	1	31
European Social Entrepreneurship Funds (EuSEF)	5	1	2	4
<b>Total venture capital undertakings</b>	<b>412</b>	<b>94</b>	<b>21</b>	<b>485</b>
Closed-ended collective investment companies	26	4	2	28
Closed-ended collective investment funds	20	14	1	33
<b>Total closed-ended collective investment undertakings</b>	<b>46</b>	<b>18</b>	<b>3</b>	<b>61</b>
<b>Total venture capital undertakings+closed-ended collective investment undertakings</b>	<b>458</b>	<b>112</b>	<b>24</b>	<b>546</b>
<b>Management companies of closed-ended collective investment undertakings</b>	<b>106</b>	<b>18</b>	<b>5</b>	<b>119</b>

Source: CNMV.



## II CNMV actions in the securities markets

### 4 Issuers' financial and corporate governance reporting

- Financial reporting:
  - The number of annual reports received for 2019 was 277, from 144 individual issuers. The percentage of reports with unqualified opinions was 97.8% (97.3% in the previous year). The Non-Financial Information Statement (NFIS) continued to be one of the supervisory priorities and some progress can be seen in the quality of these statements.
  - Approval of Law 5/2021 transposing Directive 828/2017, which abolishes the obligation of listed companies to prepare quarterly financial reports, although they may do so voluntarily.
- Significant shareholders and treasury stock:
  - In February 2020, the CNMV issued two notices bringing the obligations to notify shareholdings of directors and executives of listed companies into line with those required in by EU law, which led to a decrease in the number of notifications (1,738, -44.9%).
  - Notifications of significant shareholders: 1,338 (1,591 in 2019) and of treasury stock: 196 (170 in 2019).

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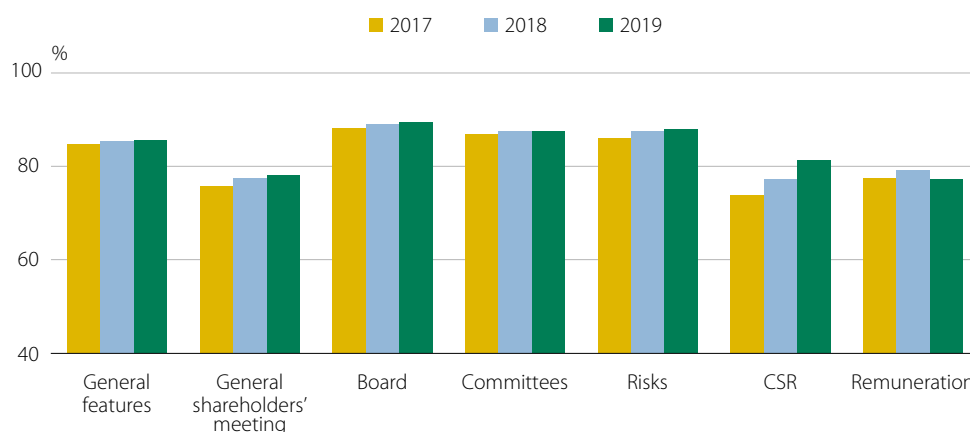
EXHIBITS	→	<ul style="list-style-type: none"><li>• European Single Electronic Format (ESEF)</li><li>• Partial review of the Code of Good Governance of Listed Companies</li></ul>
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- Annual Corporate Governance Report (ACGR): presented by 127 listed companies (139 in 2019) and 18 fixed income issuers (20 in 2019):
  - "Comply or explain": High degree of compliance with the new Code (85.7% of recommendations followed in full and 7.1% in part), but areas for improvement were detected.
  - The percentage of women on Boards increased from 19.7% in 2018 to 23.4% in 2019 and 26.1% in 2020, but is still far from the 30% recommended target. On the other hand, the objective has been achieved in all the Ibex 35 companies (23.1% in 2018, 27.5% in 2019 and 31.3% in 2020).

### Degree of compliance with recommendations of the Code of Good Governance

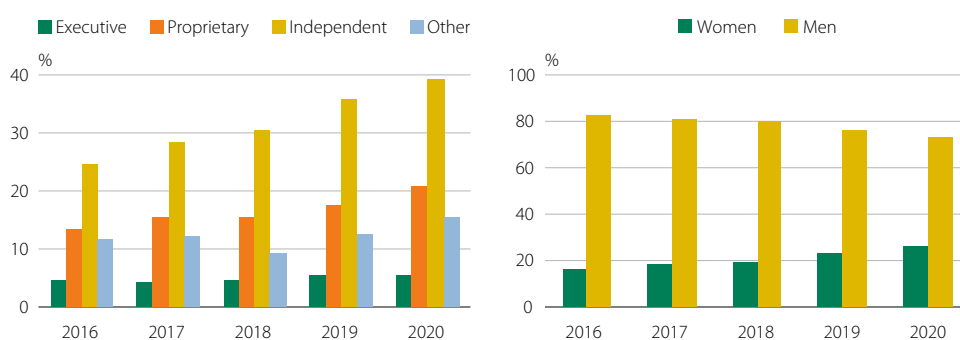
FIGURE 4.3.1



Source: ACGR of companies and CNMV.

### Women directors as a percentage of the total number of directors

FIGURE 4.3.2



Source: ACGR of companies and CNMV.

## 5 Market supervision

### – Market abuse monitoring tools:

- In 2020, the CNMV received over 256 million registrations (55% up on 2019) of transactions executed in financial instruments.
- Reference database (FIRDS): It includes six regulated markets, five MTFs, two OTFs and seven systematic internalisers. New: SMN Dowgate and BME Growth.
- The number of suspicious transactions reported (STOR) was 280 (-18%).
- The number of actions carried out by the CNMV in its market supervision work was 177 (187 in 2019).

## Summary of market supervisory activities

TABLE 5.1.2

Markets	Deficiency letters	Supervisory reports	Reports sent to other bodies and agencies	Periodic reports
<b>Equity</b>				
2019	107	67	39	0
2020	84	53	41	0
<b>Fixed income</b>				
2019	0	0	9	4
2020	3	12	8	12
<b>Derivatives and trading infrastructures</b>				
2019	4	9	5	34
2020	12	31	40	9
<b>Settlement</b>				
2019	7	0	7	0
2020	7	3	4	2
<b>Clearing</b>				
2019	29	12	8	0
2020	22	14	1	0
<b>Other</b>				
2019	40	1	0	10
2020	53	0	24	25
<b>Total</b>				
<b>2019</b>	<b>187</b>	<b>89</b>	<b>68</b>	<b>48</b>
<b>2020<sup>1</sup></b>	<b>183</b>	<b>113</b>	<b>120</b>	<b>48</b>

Source: CNMV. (1) The total includes two requirements and two reports sent to other departments related to the transfer of ownership of Bolsas y Mercados Españoles (BME).

- Inside information and other significant information: The number of communications registered was 6,284 (-19.6%).
- Market abuse supervision actions: The number of issuers suspended was nine, and the number of temporary trading halts was also nine.
- Transactions carried out by executives and related parties: 2,432 notifications were registered, 95.5% more than in 2019, due to a change in criteria for directors having to notify.
- Short selling:
  - From 16 March 2020 to 19 March 2021, ESA reduced the threshold for reporting short positions to 0.1%. This measure led to a notable increase in communications received (+ 43%, to 6,171).
  - In the context of the pandemic, and with the approval of ESMA, the CNMV decided to impose restrictions on short trading. Similar measures were taken in Austria, Belgium, France, Italy and Greece.

**Price-sensitive information notices and inside  
or significant information disclosure**

TABLE 5.2.1

Type	2019	2020		
		Price-sensitive information notices to 7/02/2020	Inside information	Significant information
<b>Financial instruments</b>	<b>4,022</b>	<b>420</b>	<b>129</b>	<b>3,135</b>
Public offerings (for sale or subscription)	27	3	6	20
Block trades	24	–	10	–
Trading halts and resumptions	22	1	16	20
Credit ratings	92	3	35	32
Securitisation funds	2,432	256	3	1,978
Other financial instruments	1,425	157	59	1,085
<b>Business and financial position</b>	<b>2,079</b>	<b>123</b>	<b>435</b>	<b>1,424</b>
Earnings information	1,471	76	194	–
Insolvency proceedings	15	3	8	–
Other business and financial position	593	44	233	1,424
<b>Corporate transactions</b>	<b>503</b>	<b>29</b>	<b>105</b>	<b>129</b>
<b>Corporate governance and official notices</b>	<b>1,210</b>	<b>48</b>	<b>26</b>	<b>281</b>
<b>Total</b>	<b>7,814</b>	<b>620</b>	<b>695</b>	<b>4,969</b>

Source: CNMV.

- MiFID market supervision:
  - Electronic trading: Spanish markets functioned normally in 2020 and were not affected by the activation of their contingency plans. Nor were they significantly affected by cyberattacks.
  - Highlights in the fixed income markets included the start of activity of the Dowgate MTF in October, while in derivative products the supervisory tasks in both regulated markets and in the two operating Spanish OTFs stand out.
- Clearing, settlement and registry: In the field of CCPs, the main supervisory work focused on verifying certain aspects of regulatory compliance, reviewing operational risk management and, in the context of the pandemic, assessing the ability of CCPs to apply their non-compliance management procedures.
- Market monitoring:
  - As a result of investigations carried out by the CNMV's Market Monitoring Unit (UVM in the Spanish abbreviation), two disciplinary proceedings were initiated in 2020 against two natural persons, one for manipulation in the alternative stock market (MAB as it then was, now BME Growth) and the other for manipulation of several stocks on the regular market.
  - Eleven advisory or warning letters were also sent (one to an insurance company, eight to credit institutions and one each to a communication group and a communication consultancy).

## 6 Supervision of entities

- Investment firms: Supervision was carried out normally, although some processes were readjusted in the context of the crisis. As a result of the actions, 881 deficiency letters were sent to supervised entities (683 originated in remote supervision). In addition, as a result of work carried out and in view of the changes in MiFID II, it was decided to update the CNMV Guide to appropriateness and suitability assessments.
  - Prudential requirements: the sector continues to present a comfortable equity situation in relative terms. A notable exception was Esfera Capital AV, which suffered a sharp increase in losses that it could not face, and had to be put into administration.
- Collective investment schemes and closed-ended investment schemes: Supervisory work intensified significantly during the crisis to achieve adequate liquidity management and respect for the principle of equity (daily monitoring of repayments, monitoring of the management company valuation processes, liquidity analysis of portfolios and promotion of use of the supported tools (new: power to establish notice periods)).

### Supervision of IFs and CIs: deficiency letters sent by the CNMV in 2020

TABLE 6.1.1

Type of deficiency letter	On-site	Off-site	Total
For late filing of information	8	118	126
Requests for information	101	324	425
Corrective measures or recommendations	31	124	155
Other notifications	58	117	175
<b>Total</b>	<b>198</b>	<b>683</b>	<b>881</b>

Source: CNMV.

### Supervision of CISs and venture capital firms: deficiency letters sent by the CNMV in 2020

TABLE 6.2.1

Type of deficiency letter	Off-site	On-site	Total
For late filing of information	365	0	365
Requests for information	77	39	116
Corrective measures or recommendations	330	39	369
Other notifications	70	52	122
<b>Total</b>	<b>842</b>	<b>130</b>	<b>972</b>

Source: CNMV.

- Management companies: Management companies of collective investment schemes, closed-ended investment schemes and asset securitisation funds. The general assessment of the solvency of the sector is positive, although in the case of CISMVs there was an increase in the number of entities making losses

(from 22 to 37) as well as in the volume of the losses; this is the subject of continuous monitoring.

- Depositories: Special attention to reports prepared by depositories of venture capital firms and closed-ended collective investment schemes, given the new requirement for these investment vehicles to have a depository.
- Crowdfunding platforms: After analysing the information received on financing raised, clients, results, project delinquencies and claims received, specific actions were planned for 2021.
- Cooperation in the prevention of money laundering: Within the framework of the collaboration agreement between SEPBLAC and the CNMV, it was agreed to carry out the review work programme for seven entities (investment firms and CISMCS).
- FOGAIN (investment guarantee fund): In December 2020, the number of member entities was 179 (one more than in 2019): 95 Broker-dealers/brokers, 80 CISMCS, three closed-ended investment fund management companies and one portfolio management company.
- Resolution of central counterparties (CCPs): The CNMV continued to work on preparing and analysing the resolvability of the Spanish CCP (BME Clearing), following the steps of the FSB Guide. In addition, a first analysis of the criticality of the participants in infrastructures managed by BME was completed.
- Benchmark indices: Once the main providers of Spanish benchmarks have been registered, the CNMV monitors their activity and changes.
  - The CNMV continued its work as a member of the Euribor college and of the Eonia and Libor colleges.
  - Specific supervision of Spanish members' contributions to the Euribor panel during the crisis.
  - Pushing for the application of the new regulation (BMR) and the knowledge and adaptation of the entities.
- Resolution (preventive stage) of investment firms: The update of the previously approved resolution plans, which started in 2019, continued in 2020. Of a total of 29 initial plans, 12 have been updated.

	<ul style="list-style-type: none"> <li>• Implementation of Regulation 2019/2088 on sustainability-related disclosures in the financial services sector</li> </ul>
	<ul style="list-style-type: none"> <li>• Review of the Guide to assessing appropriateness and supervisory experience</li> </ul>
	<ul style="list-style-type: none"> <li>• Technical Guide 3/2020 on non-professional advisers to CIS</li> </ul>
EXHIBITS →	<ul style="list-style-type: none"> <li>• Supervision at national and European level on liquidity management of CIS during the COVID-19 crisis</li> </ul>
	<ul style="list-style-type: none"> <li>• Automated review of advertising and information disseminated on the websites of CIS management companies and CIS marketing undertakings</li> </ul>
	<ul style="list-style-type: none"> <li>• Status of interest rate benchmark reform</li> </ul>
	<ul style="list-style-type: none"> <li>• Climate benchmarks and information disclosure on ESG factors</li> </ul>

## 7 Investor assistance

- **Claims:** 1,242 claims were registered (+15.3%), of which 477 were not accepted for processing. 739 were processed in the year. The most frequent were on subsequent information, commissions and purchase orders. There has been a substantial increase in recent years in entities' acceptance of reports favourable to claimants.
- **Enquiries:** in 2020, 11,150 enquiries were answered, 47.5% more than in 2019, above all on data from the registries and on functions and services of the CNMV.

### Claims processed broken down by type of resolution

TABLE 7.1.1

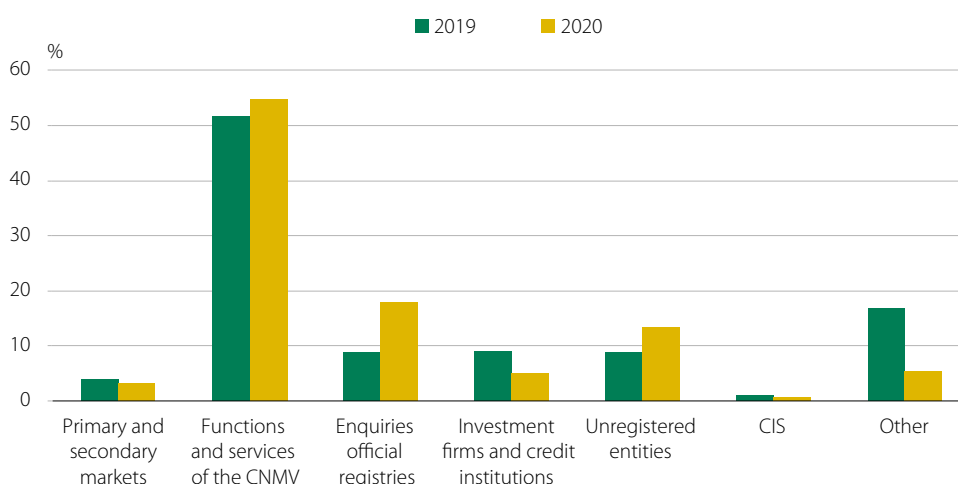
Number of claims and complaints

	2018		2019		2020		% change 20/19
	Number	%	Number	%	Number	%	
<b>Registered with the CNMV's Claims Service</b>	<b>1,018</b>	–	<b>1,077</b>	–	<b>1,242</b>	–	<b>15.3</b>
<b>Not accepted for processing</b>	<b>348</b>	–	<b>345</b>	–	<b>477</b>	–	<b>38.3</b>
<b>Processed without a final reasoned report</b>	<b>107</b>	<b>15.4</b>	<b>129</b>	<b>18.8</b>	<b>137</b>	<b>18.5</b>	<b>6.2</b>
Acceptance or mutual agreement	97	13.9	112	16.3	117	15.8	4.5
Withdrawal	7	1.0	12	1.7	15	2.0	25.0
<i>Ex post facto</i> non-admission	3	0.4	5	0.7	5	0.7	0.0
<b>Processed with a final reasoned report</b>	<b>590</b>	<b>84.6</b>	<b>557</b>	<b>81.2</b>	<b>602</b>	<b>81.5</b>	<b>8.1</b>
Report favourable to the complainant	353	50.6	285	41.5	311	42.1	9.1
Report unfavourable to the complainant	237	34.0	272	39.7	291	39.4	7.0
<b>Total processed</b>	<b>697</b>	<b>100.0</b>	<b>686</b>	<b>100.0</b>	<b>739</b>	<b>100.0</b>	<b>7.7</b>
<b>Being processed at the end of the year</b>	<b>196</b>	–	<b>242</b>	–	<b>268</b>	–	<b>10.7</b>

Source: CNMV.

### Enquiries by topic

FIGURE 7.2.1

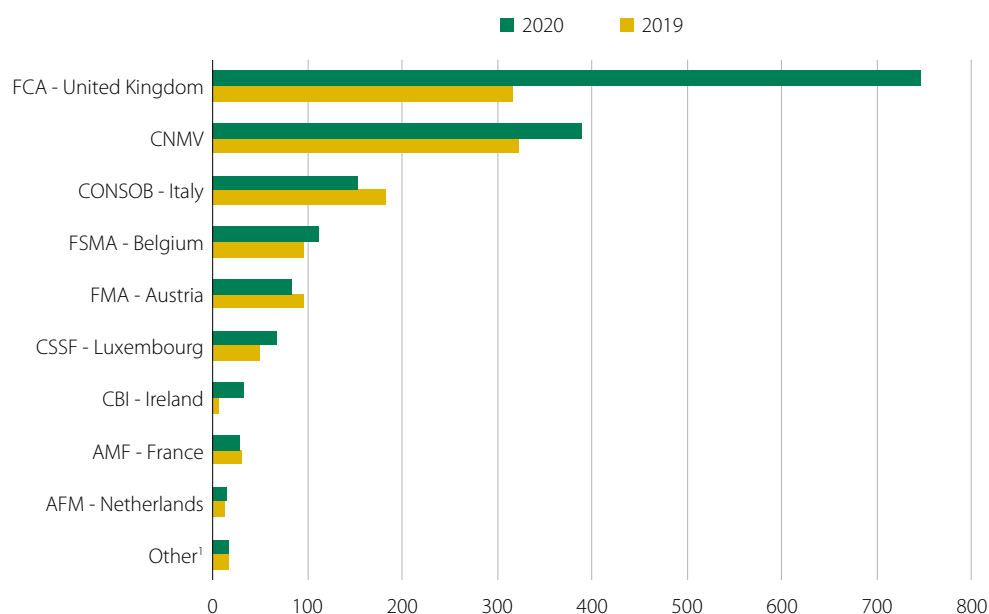


Source: CNMV.

- Warnings about unauthorised firms: In total 389 warnings were issued (323 in 2019). Second only to the UK.
- Communication of possible infractions (whistleblowing): 807 were received in 2020 (5 channels), 26.5% more than in 2019. These communications led to 42 new warnings and in 41 cases to supervisory actions.
- Investor training:
  - Financial education plan. New collaboration agreements were signed with various institutions, work began on the new portal [www.finanzasparatodos.es](http://www.finanzasparatodos.es) and the promotion of financial education in schools continued (517 centres). Financial Education Day was once again celebrated on the first Monday of October.
  - Training activities: i) publication of new resources (*The stock market and investment products*) and ii) participation in numerous conferences and seminars (including two webinars, radio and press).

**Number of warnings issued by EU Member States on unregistered entities**

FIGURE 7.3.2



Source: CNMV. (1) Four supervisory bodies with fewer than ten warnings in 2020.

EXHIBITS →

- Financial education and savings and investment decisions: an analysis of the Survey of Financial Competences (SFC)
- Guide to basic investor skills
- New training resources for investors



## 8 Disciplinary action

- Disciplinary proceedings:
  - In 2020 seven new disciplinary proceedings were initiated (18 in 2019), relating to eight alleged infractions were charged. Fines proposed totalled €2.84 million. The number of proceedings concluded was 13 (with 20 infractions).
  - Sanctions: a total of 27 fines were imposed, for an amount of €9.03 million in addition to two dismissals with a total disqualification period of 10 years.

### Number of infringements of each type addressed in disciplinary proceedings

TABLE 8.1.2

	Open		Concluded	
	2019	2020	2019	2020
<b>Very serious breaches</b>	<b>17</b>	<b>7</b>	<b>9</b>	<b>13</b>
I. Failure to disclose/incorrect disclosure of significant holdings or treasury trading	6	1	4	2
II. Breach of disclosure requirements by issuers	1	1	1	–
III. Operating without authorisation	1	1	–	–
IV. Breach of rules of conduct	4	2	–	8
V. Breach of general investment firm regulations	3	–	1	2
VI. Breach of general crowdfunding platform regulations	1	–	2	–
VII. Breach of general CIS regulations	–	1	–	–
VIII. Breach of legislation on short-selling	–	–	–	–
IX. Resistance to CNMV inspections	1	–	–	1
X. Market manipulation	–	1	–	–
XI. Inside information	–	–	1	–
<b>Serious breaches</b>	<b>8</b>	<b>1</b>	<b>20</b>	<b>7</b>
I. Breach of annual reporting requirements of issuers	–	–	2	–
II. Breach relating to the audit committee of issuers	–	–	8	–
III. Market abuse breaches	–	–	1	–
IV. Breach of rules of conduct	1	–	–	1
V. Breach of general investment firm regulations	–	–	–	–
VI. Breach of general CIS regulations	1	–	2	–
VII. Breach of general crowdfunding platform regulations	–	–	1	–
VIII. Operating without authorisation	1	–	–	1
IX. Inside information	–	–	–	–
X. Market manipulation	5	1	6	5
<b>Minor breaches</b>	<b>1</b>	<b>–</b>	<b>1</b>	<b>–</b>

Source: CNMV.

## Penalties imposed

TABLE 8.1.3

	2019			2020		
	Number	Amount <sup>1</sup>	Period <sup>2</sup>	Number	Amount <sup>1</sup>	Period <sup>2</sup>
I. Fine	39	3,931	–	27	9,030	–
II. Removal/general disqualification	–	–	–	2	–	10

Source: CNMV. (1) Thousands of euros. (2) Years.

- Litigation department: judicial review of disciplinary proceedings and other actions:
  - In 2020, seven appeals were filed with the Ministry of Economic Affairs and Digital Transformation against sanctioning resolutions. 15 of those pending were resolved.
  - A total of 20 appeals were filed with the administrative courts in 2020, 11 of them against sanctions imposed. 13 of those pending were resolved.
  - The number of requests for collaboration with judges and courts was 125 (216 in 2019).
- Denunciations: In 2020 the CNMV received a letter which was classified as an administrative denunciation, regarding the alleged breach of market abuse regulations.

## Cases in which the CNMV participated in 2020

TABLE 8.2.1

	Presented	Resolved
<b>Appeals against administrative decisions</b>	<b>7</b>	<b>15</b>
Appeals to a higher court	7	15
Motions to set aside the decision	–	–
<b>Appeals to the courts against administrative decisions/judicial review</b>	<b>20</b>	<b>13</b>
		<b>Requests received for collaboration</b>
<b>Collaboration with courts</b>		125

Source: CNMV.

## 9 International activity

- The pandemic multiplied the activity of the CNMV in all the international organisations in which it participates, to assess the impact of the crisis and share strategies to face the new challenges. Sustainability issues were also to the fore.
- ESMA: in addition to its usual tasks (drafting a single regulatory code, risk assessment, promoting supervisory convergence and direct supervision of certain entities) its activity was marked by the COVID-19 crisis, Brexit, the new action plan for the CMU and its participation in the normative reviews of the European Commission.

- IOSCO: creation of the Financial Stability Engagement Group (FSEG), which prepared three studies (asset management, impact of volatility on margin adjustments and risks of procyclicality of credit ratings) in which the CNMV actively participated.
- FSB: the main lines of action in the context of the crisis were: i) the evaluation of financial reforms and the effects of COVID-19, ii) NBFIs and iii) financial risks associated with climate change.
- ESRB: as a result of the crisis, the ESRB issued seven recommendations, four of which affected the CNMV: i) restrictions on distributions, ii) liquidity risks arising from margin calls, iii) implications for financial stability of fiscal measures adopted and iv) identification of legal entities (LEI).
- Cooperation and information sharing with foreign authorities. During 2020 there was a slight decrease in the number of requests for collaboration and exchange of information with foreign authorities (-13% to 391).

## Acts of cooperation

TABLE 9.6.1

Requests for support	2020		2019		2018		2017		2016
	Requests	Annual increase (%)	Requests	Annual increase (%)	Requests	Annual increase (%)	Requests	Annual increase (%)	Requests
Sent	193	-3	199	114	93	3	90	43	63
Received	198	-22	253	60	158	49	106	-4	110
<b>Total</b>	<b>391</b>	<b>-13</b>	<b>452</b>	<b>80</b>	<b>251</b>	<b>28</b>	<b>196</b>	<b>13</b>	<b>173</b>

Source: CNMV.

- 
- Financial sustainability: ESMA, IOSCO and the role of the CNMV in both bodies
  - ESMA work programme for 2021
- 
- EXHIBITS →
- The CNMV and Brexit
  - New European Commission Plan for Capital Markets Union
  - New European regulation and FSB guidance on CCP recovery and resolution
-

### III CNMV: organisational, financial and institutional aspects

#### 10 CNMV strategy

- Strategic lines for 2021-2022 and 2021 Activity Plan:
  - The COVID-19 crisis forced a review of the 2020 Plan, with 33 of the 44 initial objectives being maintained and two new ones added.
  - The 2021 Plan indicates that 86% of the objectives foreseen in the previous plan had been completed and redefined the lines for the years 2021-22 (rigorous supervision based on investor protection and use of data, promotion of capital markets, promotion of financial sustainability and technological advances applied to securities markets).
  
- Key Performance Indicators (KPIs) of the CNMV:
  - Third year in which they are published (provided in the 2018 Activity Plan).
  - Performance and activity indicators, 2019 and 2020.
  - Transparency regarding the institution's activities, performance and efficiency improvements.

Areas	Indicator	
	2019	2020
<b>Authorisation and registration of IFs</b>	<b>123 proceedings</b>	<b>93 proceedings</b>
Total average time <sup>1</sup>	1.1 months <sup>2</sup>	1.3 months <sup>2</sup>
<b>Authorisation of service providers (CISMCs, closed-ended investment scheme MCs, IFs and CPs)</b>	<b>45 proceedings</b>	<b>52 proceedings</b>
Average time from last documentation <sup>3</sup>	0.4 months <sup>4</sup>	0.5 months <sup>4</sup>
Total average time from initial application <sup>5</sup>	7.8 months	7.0 months
Corresponding:		
To the sponsor	2.5 months	2.4 months
To the CNMV	2.9 months	2.5 months
To report procedures of other authorities	2.4 months	2.2 months
<b>Fixed income issues for wholesale investors</b>	<b>263 proceedings</b>	<b>197 proceedings</b>
Percentage processed in the agreed period <sup>6</sup>	90.5	98.5
<b>Investor complaints</b>	<b>1,077</b>	<b>1,242</b>
Percentage of complaints concluded in the year with regard to those filed that year and outstanding from the previous year	81.0	81.9
Average time to resolve complaints	81 days	76 days
<b>Investor enquiries</b>	<b>7,560</b>	<b>11,150</b>
Average time for responding to enquiries	22 days	22 days
<b>Disciplinary proceedings</b>		
Average time to process disciplinary proceedings	179 calendar days	260 calendar days
Average time for processing requests for cooperation with the courts:		
Submission to competent D.G.	4 calendar days	5 calendar days
Final submission to the court	8 calendar days	13 calendar days
<b>Requests for international cooperation</b>		
Average response time	32 days	33 days
Excluding suspicious transaction and order reports	49 days	50 days
Average response time received	36 days	37 days
Average response time sent	58 days	60 days
Suspicious transaction and order reports	14 days	6 days
Average processing time received	3 days	1 day
Average processing time sent	43 days	14 days

Source: CNMV. (1) The maximum legal period is two months following receipt of the application or from the time when the required documentation is completed. (2) The figure shown is the total period from the initial application, although in the vast majority of cases additional documentation to that initially provided is required. (3) Depending on the type of entity, the maximum legal period is three or six months from the request or from the time when the required documentation is completed. (4) The figure shown is the period elapsed from the time when the documentation is completed to the date the proceedings are resolved. (5) The breakdown reflects the time periods taken by the sponsor to complete the documentation required by the CNMV for its analysis and for obtaining the mandatory reports (from other supervisors or SEPBLAC). (6) Essentially includes three stages: Three days from receipt of the application in order to submit the first comments, two days for sending comments relating to the modifications resulting from the first comments, where appropriate, and three days for admission of the securities from when the information is complete. In any event, given the usual nature of the operations, most of them do not require comments and hence they are fully completed in three days or less.

## 11 Other activities and work areas of the CNMV

- Advice on regulatory projects and other requests for information: the work on the future new Securities Market Law and transposition of European Union regulations are noteworthy.
- Financial stability (new heading): risk analysis and development of indicators, publications (NBFI Monitor and Financial Stability Note), AMCESFI, international activity (IOSCO, ESRB, ESMA).
- Monitoring, analysis and actions on tax matters that may affect the securities markets.
- Fintechs and cybersecurity:
  - Fintech Portal: created in 2016. Up until December 2020, 435 inquiries have been received (129 about crypto assets and blockchain and 98 about crowdfunding).
  - Cybersecurity: in the first quarter of 2020, a questionnaire was sent to collect information on cybersecurity from the entities supervised by the CNMV. A high degree of maturity in technological risk management was concluded.
  - Sandbox: collaboration in commissioning and start-up in 2021.

### Enquiries received on the Fintech Portal

TABLE 11.1.1

Verticals	Up to		
	31 December 2020	2019	2020
Crowdfunding platforms	98	13	10
Crypto-assets and blockchain	129	34	32
Token sales	65	18	16
Marketplaces	33	8	13
Other	31	8	3
Robo advice and management	69	8	20
Customer relations	14	2	9
Technology provider	20	4	41
Other	105	21	32
<b>Total</b>	<b>435</b>	<b>82</b>	<b>95</b>

Source: CNMV.

- EXHIBITS →
- The capital markets recovery package
  - Europe's digital transformation: the digital finance package presented by the European Commission
  - The Spanish sandbox

## 12 Organisation

### – Human resources and organisation:

- At the end of 2020 the workforce numbered 435 employees (9 joined and 15 left): service personnel (8), administrative and IT operators (53), technicians (351) and management (23).
- Training actions: 28 training actions in 2020 and 2,576 hours of training. 67% of the workforce participated in at least one. 47% of the workforce benefited from the language

### CNMV staff: composition by professional category

TABLE 12.1.1

Number of employees at the end of each year

	2019			2020		
	Total	Men	Women	Total	Men	Women
Services	8	8	–	8	8	–
Clerical staff/Computer operators	54	10	44	53	10	43
Technical staff	354	164	190	351	159	192
Management	25	17	8	23	16	7
<b>Total</b>	<b>441</b>	<b>199</b>	<b>242</b>	<b>435</b>	<b>193</b>	<b>242</b>

Source: CNMV.

### Distribution of staff by CNMV departments

TABLE 12.1.2

Number of employees at the end of each year

	2019			2020		
	Total	Men	Women	Total	Men	Women
Directorates-General	346	153	193	340	147	193
Entities	128	56	72	126	54	72
Markets	121	56	65	118	54	64
Legal Affairs	44	19	25	43	18	25
Strategic Policy and International Affairs	53	22	31	53	21	32
Departments	84	43	41	85	42	43
Chair, Vice-Chair and Board	11	3	8	10	4	6
<b>Total</b>	<b>441</b>	<b>199</b>	<b>242</b>	<b>435</b>	<b>193</b>	<b>242</b>

Source: CNMV.

### Breakdown of training by training area

TABLE 12.1.3

	No. of participants	Trained employees (% on staff)	Training hours
General training	132	33	365
Skills training	43	10	43
Technical training	355	54	2,168
<b>Total</b>	<b>530</b>	<b>67</b>	<b>2,756</b>

Source: CNMV.

- Information systems (development and infrastructure):
  - Working from home in the pandemic: In March, the entire CNMV staff started working from home ('teleworking') following the indications of the health authorities. This required the expansion of virtual workstations, their processing capacity, and the acquisition of 87 laptops in March and another 30 in July.
  - Information reception: Participants in the securities markets and (in real time) the operations carried out in the BME markets. Around 95% of the information is received through the electronic registry (and 88% of that sent).
  - Electronic office: New for September 2020: CNMV rates are notified electronically at headquarters.
  - Annual activity: Development, through an external provider, of the global strategic plan for information systems. Among the systems and applications developed during the year, the first FARO modules (global supervision of markets) and the module for the reception and validation of ESEF documents (European Single Electronic Format) stand out.

### Incoming and outgoing documents at the CNMV

TABLE 12.2.1

	2019		2019	
	Number	%	Number	%
<b>Incoming</b>				
<b>Total</b>	<b>137,774</b>	<b>100</b>	<b>137,594</b>	<b>100</b>
Electronic channel	125,729	91	130,492	95
On paper	12,045	9	7,102	5
<b>Outgoing</b>				
<b>Total</b>	<b>160,584</b>	<b>100</b>	<b>164,495</b>	<b>100</b>
Electronic channel	138,828	86	145,543	88
On paper	21,756	14	18,952	12

Source: CNMV.

## 13 Finances

- In 2020, the CNMV obtained €65 million in revenue and incurred €48.9 million in expenses. Therefore, the surplus for the year amounted to €16.1 million, an increase of 9.9% compared with the previous year. This surplus was higher than it would have been if the pandemic had not occurred.
- Ordinary revenues (mostly fees) grew 2% due to the higher volume of operations in the markets and ordinary management expenses decreased by 0.5%.



Activity or service	2019	2020	% change 20/19
<b>Registration of prospectuses and entities</b>	<b>9,520.2</b>	<b>8,139.3</b>	<b>-14.5</b>
Registration of prospectuses	3,773.3	3,559.9	-5.7
Issue prospectuses	363.4	158.9	-56.3
Listing prospectuses	3,409.9	3,401.0	-0.3
Securitisation funds and bank asset funds	75.3	83.0	10.3
Authorisation and registration of entities	4,957.1	4,333.1	-12.6
Authorisation of takeover bids	714.5	163.2	-77.2
<b>Market supervision</b>	<b>18,451.0</b>	<b>20,554.0</b>	<b>11.4</b>
Activity of stock market and MTF members	6,027.0	8,199.9	36.1
Activity of MEFF members	155.8	157.1	0.8
Activity of Sociedad de Sistemas members	4,786.8	4,704.7	-1.7
Activity of CCP clearing members	525.9	819.2	55.8
Activity of market management companies	1,173.1	1,224.1	4.3
Activity of listed issuers	5,782.4	5,448.9	-5.8
<b>Supervision of entities</b>	<b>32,276.1</b>	<b>32,982.9</b>	<b>2.2</b>
CIS solvency supervision	12,998.4	12,549.6	-3.5
Solvency supervision of CIS and securitisation fund management companies	166.4	172.7	3.8
CIS management companies	151.4	157.3	3.9
Securitisation fund management companies	15.0	15.5	2.9
IF solvency supervision	500.3	610.8	22.1
Venture capital solvency supervision	549.3	686.1	24.9
Management companies of closed-ended collective investment schemes	98.9	113.2	14.4
Closed-ended collective investment schemes	450.4	572.9	27.2
Supervision of CIS and venture capital firm depositories	3,130.1	3,135.0	0.2
Supervision of rules of conduct of IFs, credit institutions and CISMCS	9,012.3	8,914.4	-1.1
Marketing of foreign CISs	5,919.1	6,914.2	16.8
<b>Issue of certificates</b>	<b>16.4</b>	<b>18.0</b>	<b>9.9</b>
<b>Total</b>	<b>60,263.7</b>	<b>61,694.2</b>	<b>2.4</b>

Source: CNMV.

## 14 National Securities Numbering Agency (ANCV)

- **ISIN-LEI project:** This project is being carried out through an agreement between ANNA (International Association of National Coding Agencies) and the Global Legal Entity Identifier Foundation (GLEIF). The ANCV also participates in WG6, which is entrusted with the task of establishing criteria and solving incidents that may appear in the connection of an issuer's ISINs with its LEI code.
- With regard to the figures of the ANCV's activities, the number of securities and financial instruments assigned an ISIN in 2020 totalled 48,852, a slight decrease on 2019 (-5.1%). There are differences between instruments (downwards in equities and derivatives and upwards in Fixed Income).

**Numbers assigned to issues by the ANCV in 2019 and 2020**

TABLE 14.1.1

	2018	2019	% change 20/19
<b>Equity</b>	<b>655</b>	<b>604</b>	<b>-7.79</b>
Shares	126	115	-8.73
CISs and venture capital firms	529	489	-7.56
<b>Fixed income</b>	<b>811</b>	<b>955</b>	<b>17.76</b>
Public sector debt	50	49	-2.00
Treasury bills and commercial paper	12	12	0.00
Bonds	38	37	-2.63
Private fixed income	761	906	19.05
Commercial paper	648	776	19.75
Medium-term bonds	19	13	-31.58
Long-term bonds	16	17	6.25
Covered bonds	26	35	34.62
Securitisation bonds	52	65	25.00
<b>Additional Tier 1 financing securities</b>	<b>2</b>	<b>3</b>	<b>50.00</b>
<b>Structured products</b>	<b>187</b>	<b>140</b>	<b>-25.13</b>
<b>Rights</b>	<b>47</b>	<b>35</b>	<b>-25.53</b>
<b>Warrants and certificates</b>	<b>1,817</b>	<b>442</b>	<b>-75.67</b>
<b>Options</b>	<b>46,583</b>	<b>45,540</b>	<b>-2.24</b>
<b>Futures</b>	<b>1,117</b>	<b>886</b>	<b>-20.68</b>
<b>Swaps</b>	<b>290</b>	<b>247</b>	<b>-14.83</b>
<b>Total</b>	<b>51,509</b>	<b>48,852</b>	<b>-5.16</b>

Source: CNMV.



