



Procedure for the authorisation and registration of organisations and for the revocation of such authorisation and registration (P09)

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1. APPLICABLE SCOPE

This internal procedure has been developed in accordance with the contents of Article 39 of the Internal Regulations of the National Securities Market Commission (*Comisión Nacional del Mercado de Valores*, CNMV), and it shall apply to all actions taken in the exercise of the following powers:

1. Authorisation and registration of organisations that provide services in the financial markets. Specifically:
 - Investment Services Firms, authorised both in Spain and in other non-EU Member States.
 - Collective Investment Scheme Asset Management Companies, authorised both in Spain and in other non-EU Member States.
 - Closed-End Collective Investment Scheme Management Companies.
 - Open-ended Collective Investment Schemes (Investment Companies and Funds).
 - CIS Depositaries.
 - Securitisation Fund Asset Management Firms.
 - Self-managed Venture Capital Firms (VCF).
 - Self-managed Closed-Ended Collective Investment Firms.
 - Participatory Financing Platforms (PFP)
2. Registration of Spanish and foreign companies that do not require prior authorisation and that must be entered in the CNMV's official registers, specifically:
 - Venture Capital Schemes (VCI).
 - Closed-Ended Collective Investment Schemes, except for the Venture Capital Firms and the Closed-Ended Collective Investment Firms mentioned in the preceding section.
 - European Venture Capital Funds (EuVECA) and European Social Entrepreneurship Funds (EuSEF)
 - Credit institutions that offer investment services.
 - Investment Services Firms authorised in other EU Member States.
 - Branches and agents of Investment Services Firms and Collective Investment Scheme Asset Management Companies.
 - Collective Investment Scheme Asset Management Companies authorised in other EU Member States.

2. APPLICABLE REGULATIONS

The regulations that apply to this procedure are set out, *inter alia*, in the following provisions:

- The consolidated text of Securities Market Act (*Ley del Mercado de Valores*, TRLMV), approved by Royal Legislative Decree 4 of 23 October 2015.
- Collective Investment Institutions Act 35 of 4 November 2003.

- Act 22 of 12 November 2014, which regulates venture capital schemes, other closed-ended collective investment schemes and closed-ended collective investment scheme asset management firms, and which amended Collective Investment Firms Act 35 of 4 November 2003.
- Royal Decree 1082 of 13 July 2012, which approved the Regulations for Collective Investment Firms Act 35 of 4 November 2003.
- Royal Decree 217 of 15 February 2008, on the Legal Regulations governing Investment Services Firms.
- Act 5 of 27 April 2015, on the promotion of corporate financing. Title III of the Legal Regulation of Securitisations and Title V of the Legal Regulation of participatory financing platforms.
- Act 9 of 14 November 2012. Restructuring and winding up of credit institutions.
- Royal Decree 1559 of 15 November 2012, which establishes the legal regulations governing asset management firms.
- Royal Decree 304 of 5 May 2014, which approved the Regulations for Act 10 of 28 April 2010, on the prevention of money laundering and the financing of terrorism.

This present procedure shall incorporate any directive or recommendation issued by the European Security and Markets Authority (ESMA), pursuant to Article 16 of Regulation (EU) No. 1095/2010 of the European Parliament and of the Council, of 24 November 2010, which established a European Supervisory Authority, provided that the CNMV has confirmed its compliance or its intention to comply under the terms of paragraph 3 of the aforementioned Article.

The following provisions also apply to this procedure:

- Act 30 of 26 November 1992, on the Legal Regulations Governing Public Authorities and Common Administrative Procedure¹.
- The Agreement of 11 March 2015 by the Board of the National Securities Markets Commission, on the Delegation of Powers.
- The Resolution adopted on 16 November 2011 by the National Securities Markets Commission, creating and regulating the CNMV's Digital Register.

3. DEPARTMENT RESPONSIBLE FOR PROCESSING

The processing of the files referred to in this internal procedure shall be the responsibility of the Department for the Authorisation and Registration of Institutions, belonging to the Institutions General Division.

¹ From 2 October 2016, Act 39 of 1 October 2015, on Common Administrative Procedure for Public Authorities, shall apply.

4. INITIATION: REQUESTS FOR AUTHORISATION AND REGISTRATION

1. Requests for the authorisation and registration of institutions shall be accompanied by the documents referred to in the current regulations listed in section 2, and they shall preferably be submitted to the CNMV's Digital Register in the form of a standardised digital document via the process enabled for this purpose under the CIFRADOCC/CNMV service, using the standard forms provided by the CNMV.
2. When an analysis of the file concludes that it is incomplete or the documents submitted are insufficient or do not conform to the established regulatory requirements, a demand shall be sent to applicants in the terms set out in point 2 of section 4 of the *Procedure for the issue of demands and requests for information and reports from individuals and organisations that are active in the stock markets*.
3. The Chairman or Deputy Chairman of the CNMV shall have the power to accept the withdrawal of an application.

5. PROCESSING: REPORTS

1. During the processing of authorisation files, where applicable and pursuant to the regulations in force, the CNMV shall request the compulsory reports from:
 - The supervisory authorities in the country of origin of the project's promoters or applicants or of the foreign institution in question.
 - The Executive Service of the Commission for the Prevention of Money-Laundering and Monetary Offences (SEPBLAC).
2. It shall also request reports for both authorisation and registration procedures, even where such reports are not compulsory, from other institutions, such as the Bank of Spain, the General Department of Insurance and Pension Funds, the General Department of Taxes and other similar institutions, when this is advisable on the basis of the information available.
3. If a report is not issued by the deadline established to this end in the relevant request, the procedure may continue, regardless of the nature of the report requested, on the understanding that there are no issues that may adversely affect authorisation, except in the case of the compulsory reports required for ruling on the procedure, in which case the deadline may be suspended in the terms set out in section 9.

6. COMPLETION: AUTHORISATION AND REJECTION

1. Authorisation for the incorporation of investment services firms shall be the responsibility of the CNMV's Executive Committee, at the proposal of the General Director of Institutions. The authorisation granted shall record the category of investment services firm involved, along with the specific investment and ancillary services being authorised.

The administrative ruling shall be reasoned, and it must be notified within three months of receipt of the relevant application or the receipt of all the necessary documentation and, in all cases, within six months following receipt of the relevant application. Applications that are not ruled upon within the aforementioned term may be understood to have been rejected.

Authorisation may only be denied for the reasons set out in Article 155 of the TRLMV.

2. Authorisation for the incorporation of collective investment scheme asset management companies shall be the responsibility of the CNMV's Executive Committee, at the proposal of the General Director of Institutions. Authorisations shall be reasoned, and they must be notified within three months of receipt of the relevant application or receipt of all the necessary documentation. The foregoing terms may be extended by three months where deemed necessary and this shall be previously notified to the interested party. If the said term expires without any express resolution being handed down, it may be understood that the application has been rejected, on the grounds of administrative silence.

Authorisation may only be denied for the reasons set out in Article 42 of Collective Investment Institutions Act 35/2003.

3. Authorisation for the incorporation of closed-ended collective investment scheme asset management firms shall be the responsibility of the CNMV's Executive Committee, at the proposal of the General Director of Institutions. Rulings, which must in all cases be reasoned, must be notified within three months of submission of the relevant application or of the date on which all the necessary documentation is received. This term may be extended by three months, on the basis of a reasoned ruling, where this is deemed necessary due to the specific circumstances of the case, and this shall be previously notified to the closed-ended collective investment scheme asset management firm in question. If the said term expires without any express resolution being handed down, it may be understood that the application has been rejected, on the grounds of administrative silence.

Authorisation may only be denied for the reasons set out in Article 51 of Act 22 of 12 November 2014, which regulates venture capital schemes, other closed-end collective investment schemes and closed-ended collective investment scheme asset management firms.

4. Authorisation for the incorporation of investment companies and funds shall be the responsibility of the CNMV's Chairman or Deputy Chairman, at the proposal of the General Director of Institutions. Authorisation by the CNMV shall be reasoned, and it must be notified within two months of receipt of the relevant application (three months in the case of investment companies that have not appointed a management company) or of the date on which all the necessary documentation is received. If five months pass without any express resolution being handed down, it may be understood that the application has been rejected, on the grounds of administrative silence.

Authorisation may only be denied if the requirements and conditions set out in Article 10 of Collective Investment Institutions Act 35/2003 are not respected.

5. Authorisation to acquire the status of CIS Depositary and the corresponding entry in the Register of CIS Depositaries shall be the responsibility of the CNMV's Chairman or Deputy Chairman, at the proposal of the General Director of Institutions. Authorisations shall be notified within fifteen days of receipt of the relevant application by the CNMV's Registry or receipt of all the necessary documentation. If one month passes without any express resolution being handed down, it may be understood that the application has been rejected, on the grounds of administrative silence.

Authorisation may only be denied if the requirements and conditions set out in Article 59.3 of Collective Investment Institutions Act 35/2003 are not respected.

6. Authorisation for the creation of securitisation fund asset management firms shall be the responsibility of the CNMV's Executive Committee, at the proposal of the General Director of

Institutions. Authorisations shall be ruled upon within six months of receipt of the relevant application or of the date on which all the necessary documentation is received. If this term elapses without any express ruling being handed down, the application shall be understood to have been rejected.

Authorisation may only be denied if the requirements and conditions set out in Articles 29 and 30 of Corporate Financing Promotion Act 5 of 27 April 2015 are not respected.

7. Authorisation for the creation of self-managed venture capital firms (VCF) or closed-ended collective investment firms shall be the responsibility of the CNMV's Chairman or Deputy Chairman, at the proposal of the General Director of Institutions. Authorisations shall be reasoned, and they must be ruled upon within three months of submission of the relevant application or of the date on which all the necessary documentation is received. This term may be extended by three months, on the basis of a reasoned ruling, due to the specific circumstances of the case, when previously notified. If the said term expires without any express resolution being handed down, it may be understood that the application has been rejected, on the grounds of administrative silence.

Authorisation may only be denied for the reasons set out in Article 51 of Act 22 of 12 November 2014, which regulates venture capital schemes, other closed-end collective investment schemes and closed-ended collective investment scheme asset management firms.

8. Authorisation for the creation of participatory financing platforms shall be the responsibility of the CNMV's Executive Committee, at the proposal of the General Director of Institutions. Applications for authorisation shall be ruled upon within three months of their receipt or of receipt of all the necessary documentation and, in all cases, within six months following their receipt. Applications for authorisation shall be understood to have been rejected on the grounds of administrative silence if the aforementioned terms end without any express ruling being notified.
9. The proposed rulings referred to in the preceding points must be supported by a report from the Legal Services Department, as required under Article 37 of the National Securities Markets Commission's Internal Regulations.

7. ENTRY IN THE CNMV'S SPECIAL REGISTERS

1. The CNMV shall enter all the applications for registration that it receives as quickly as possible. Individual people acting as financial advisers and collective investment scheme depositaries shall not be required to apply for registration, and once authorised by the CNMV they shall be included *ex officio* in the relevant register.
2. Institutions that are not subject to prior authorisation and institutions authorised by another EU Member State or by another national authority shall be entered at the request of the interested party in the relevant special register.
3. When applications for registration are not accompanied by all the necessary documentation, or they are defective or incomplete, the company, institution or organisation in question shall be sent a written notice requiring it to remedy any defects identified or to submit the necessary documents by the deadlines established from time to time.
4. Registration shall be formalised in a ruling by the CNMV's Chairman or Deputy Chairman, at the proposal of the General Director of Institutions.

5. The maximum term for ruling and notification shall be the term specifically established in the applicable regulations and, where no special provision is made, it shall be three months from the date of application.

8. REVOCATION OF AUTHORISATIONS

1. Investment services firms: revocation may only be agreed in the cases provided for in Article 160 of the TRLMV.

It shall conform to the general procedure regulated under Title VI of the Legal Regulations Governing Public Authorities and Common Administrative Procedure Act, with the special conditions described in Article 161 of the TRLMV.

2. Collective investment scheme asset management companies: revocation may only be agreed in the cases provided for in Article 49 of the Collective Investment Firms Act.

It shall conform to the general procedure regulated under Title VI of the Legal Regulations Governing Public Authorities and Common Administrative Procedure Act, with the special conditions described in Article 50 of the Collective Investment Firms Act.

3. Closed-ended collective investment scheme asset management firms: revocation may be agreed in the cases provided for in Article 53 of Act 22 of 12 November 2014, which regulates venture capital schemes, other closed-ended collective investment schemes and closed-ended collective investment scheme management firms, and which amended Collective Investment Firms Act 35 of 4 November 2003.

It shall conform to the general procedure regulated under Title VI of the Legal Regulations Governing Public Authorities and Common Administrative Procedure Act, with the special conditions described in Article 50 of the Collective Investment Firms Act.

4. Open-ended collective investment schemes: revocation may be agreed in the cases provided for in Articles 13 and 85 of the Collective Investment Firms Act.

It shall conform to the general procedure regulated under the Legal Regulations Governing Public Authorities and Common Administrative Procedure Act.

5. Venture capital firms (VCF) and Self-managed closed-ended collective investment firms: revocation may be agreed in the cases provided for in Article 53 of Act 22 of 12 November 2014, which regulates venture capital schemes, other closed-ended collective investment schemes and closed-ended collective investment scheme management firms.

It shall conform to the general procedure regulated under Title VI of the Legal Regulations Governing Public Authorities and Common Administrative Procedure Act, with the special conditions described in Article 53 of Act 22 of 12 November 2014.

6. Participatory financing platforms (PEP): revocation may only be agreed in the cases provided for in Article 59 of Act 5 of 27 April 2015, on the promotion of corporate financing.

It shall conform to the general procedure regulated under Title VI of the Legal Regulations Governing Public Authorities and Common Administrative Procedure Act.

7. The revocation procedure shall be initiated and resolved by agreement of the Executive Committee or, where applicable, the Chairman or Deputy Chairman of the CNMV, at the proposal of the General Director of Institutions, except for revocation due to an express waiver from the institutions, in which case it shall be the Director of the Department for the Authorisation and Registration of Institutions who initiates the process.
8. Revocations must be registered when they are ordered, in all cases, in the corresponding special register, pursuant to the terms set out in section 7 of this procedure.

9. SUSPENSION OF THE MAXIMUM TERMS FOR RESOLUTION

The passage of the maximum terms for processing and resolving the administrative processes referred to in section 6 of this present Procedure may be suspended in the following cases:

- a) When an interested party is required to remedy defects and submit documents and other necessary items required in order for a ruling to be handed down, the term shall be suspended between notification of the requirement and effective compliance therewith by the party in question.
- b) When necessary and decisive reports are required, the term shall be suspended between the date on which such reports are requested, which must be notified to the interested parties, and the date on which they are received, which must also be notified to the said parties.
- c) When technical tests or comparative or decisive analyses have to be carried out at the behest of the interested parties or the CNMV, the term shall be suspended for the time required in order to include the results in the file, in the cases involving revocation set out in the preceding section.

10. PROCEDURAL MANUALS

1. The General Director of Institutions shall approve the “Procedural Manuals” required for compliance with and the practical application of the provisions contained in this present Procedure.
2. The criteria or standards included in the “Procedural Manuals” shall provide basic guidelines and specific operational rules to ensure that duties are performed in the most appropriate and effective way.
3. The “Procedural Manuals” shall contain the controls deemed necessary under the terms of the CNMV’s Risk Management System, in order to ensure effective compliance with provisions set out in law and in this procedure.
4. The process for the preparation of the “Procedural Manuals” shall adhere to the criteria and standards issued by the ESMA in order to promote common supervisory practices, pursuant to the contents of Article 29.2 of Regulation (EU) no. 1095/2010, as well as to any guidelines that the CNMV may publish in relation to this procedure.
5. The “Procedural Manuals” shall be submitted to the CNMV’s Executive Committee.

11. EFFECT

This present procedure shall apply from 21 September 2016, and it shall be revised every year or whenever there is a regulatory change that significantly affects its contents.