

THE NEW GOOD GOVERNANCE CODE: THE SUPERVISOR'S VISION

CARLOS SAN BASILIO, CNMV CHAIR
8 October 2026

Good morning. I would like to begin by thanking ESADE for inviting me to participate in this annual conference on the different corporate governance models.

It is fair to say that the timing could not be more opportune. After almost a year of reflection, we have now reached the final stage in our review of the current Good Governance Code for Listed Companies. I would therefore like to share with you the reasons behind our decision to undertake this review, an overview of the process involved and the main elements of our proposal.

➤ **Let me start with the reasons for the review**

- **Regulatory changes:** starting with the specifics, a formal review of the current text was necessary due to regulatory changes at the national level—for instance, regarding matters that have now become regulated by law, such as the Gender Parity Law—and at the international level, with the approval, for example, of the OECD Principles.
- **A shift in focus:** at a more strategic level, recent years have seen a change in the approach of European and national regulators and supervisors. Our strategy is now centred around competitiveness, and simplification is key to successfully implementing it.
- **Changes in the environment:** and finally, the context in which companies operate has evolved. In particular, technological transformation and the development of AI, along with the associated cybersecurity and operational resilience risks. These phenomena will shape the coming years, and corporate governance could not remain indifferent to them.

➤ **How have we carried out this process?**

As I mentioned at the outset, it has been a lengthy process involving a learning curve over the years during which the current code has been in force. There has also been more intensive consultation and debate over the past few months:

1. **Analysis of corporate governance codes from other countries:** In addition to analysing international trends in corporate governance, we are part of a group of nine jurisdictions (Spain, Belgium, France, Germany, Italy, Denmark, Sweden, Switzerland and the United Kingdom) in this field. Overall, we share a common view on the usefulness of codes being principles-based, their voluntary nature under the “comply or explain” principle, the need to move toward simpler texts focused on what truly matters and keeping emerging issues that require special attention on the radar.

2. **Drafting of an internal proposal** that evolved progressively as we verified it against expert opinion and tested it with the CNMV's governing bodies.
 3. **Debate with the Expert Advisory Committee**, comprising 18 representatives from all sectors involved in corporate governance. In fact, today we held the group's final meeting.
 4. **Final stage:** At present, we have also submitted the review proposals to a second group of 23 other experts, whose feedback we are currently analysing to finalise the version to be put out to public consultation, foreseeably by the end of October. The goal is to have a new code in place by early 2027.
- Turning now to the **main elements of the review**, I would like to distinguish between those concerning form and those relating to substance.

I. **Regarding changes to form**

- **Modifying the code's structure** to start with the section dedicated to the Board, and moving general principles to the end. Through this change, we wish to highlight the importance we attach to the Board in corporate governance.
- **Simplification of the text:** the number of principles, recommendations and accompanying explanatory notes has been streamlined.
 - Recommendations that are already enshrined in mandatory regulations or followed as standard market practice have been removed. We are confident that these practices are firmly established within companies and will, therefore, continue to be adhered to despite their omission from the code. Nevertheless, should we observe any regression in compliance, we will consider reintroducing them.
 - The drafting has been simplified, such that the principles are based on high-level guidelines while the recommendations set out the specific details, limiting explanatory material to cases where it is strictly necessary.
 - The outcome is a shorter code focused on genuinely material issues (seven fewer principles, 12 fewer recommendations and a 46% reduction in overall length).

II. Finally, regarding substantive changes

In the new code, we aim to address three major changes: 1) a shift in approach; 2) strengthening of key areas and 3) the inclusion of new topics

1. **A shift in approach: positioning good corporate governance as a core driver of competitiveness**

We believe that good governance should be viewed as a competitive advantage—a core driver of competitiveness for companies. For this reason, this review aims to focus on what is truly relevant and simplify what does not add value. The goal is to ensure the code is not perceived as an additional burden for listed companies.

2. **Focused on what matters: simplifying or removing minor topics to reinforce requirements in key areas**

As part of this simplification process, we have also removed elements that we considered excessively prescriptive or intrusive. We have, however, strengthened the areas we view as essential to good governance, including:

- Reinforcing the role of independent directors.
- Preventing the concentration of power to ensure an appropriate balance of power within the Board.
- Strengthening the role of the lead independent director.
- Strengthening the balance between executive management functions and those of supervision and oversight.
- Strengthening the role of investors and stakeholders.
- Ensuring a diversity of knowledge and backgrounds on the Board.

3. **New topics: a pioneering code in integrating digitalisation, cybersecurity and AI into good governance**

As I noted at the beginning, since the approval of the code currently in force, the landscape has changed dramatically, giving rise to new realities that needed to be incorporated into good corporate governance:

- **Sustainability:** although not a new topic, the new code incorporates sustainability as a cross-cutting element of corporate governance.
- **Digitalisation, cybersecurity and AI:** the code will be among the first to include recommendations on these issues, which are transforming organisations and their operating environment. The opportunities and risks associated with such matters must be properly analysed within companies.

In conclusion, I hope that the new code helps to enhance corporate governance standards in Spain, boost the competitiveness of listed companies and ultimately bolster our stock market.

In any case, the code must be a living document that evolves alongside companies and their operating environment. It must also continue to strengthen key areas of good corporate governance.

Thank you.