

## THE CNMV PRESENTS ITS 2023 ACTIVITY PLAN

23 February 2023

- Five strategic lines have been defined for 2023 and 2024.
- The Plan details 48 specific objectives to be developed over the course of the year.
- It envisages boosting the digital transformation of the institution and to speed up its procedures.
- It reinforces supervision in view of the risks in the current context and defines the identification of greenwashing as a priority.
- It will monitor that the financial information on listed companies is reliable.
- It will carry out thematic reviews and review online advertising of investment products and services via mystery shopping.
- It will facilitate access to its information and will follow a new communication strategy on social networks.

The Spanish National Securities Market Commission (CNMV) presented today its [Activity Plan for 2023](#), which includes 48 specific initiatives and activities to be carried out this year.

When presenting the Plan, Rodrigo Buenaventura, Chairman of the CNMV, highlighted that “in a particularly complex and changing environment, we wish to combine the reinforcement of supervision aimed at investor protection with the revitalization of the primary securities market. The issues related to sustainability, fraud prevention and technological innovation will continue to have priority”.

The CNMV has defined five strategic lines that will guide its actions for 2023 and 2024 which, in general, extend those followed in the 2021-2022 biennium:

- 1. Rigorous supervision of securities markets paying special attention to financial stability. It will strengthen its risk identification and analysis processes, with the use of new tools to build indicators of systemic risk in the markets. It will safeguard the resilience and robustness of the market infrastructures and the entities providing investment services.
- **2. Strengthening the protection framework for retail investors in the face of new challenges** using financial education as the basic means for investor self-protection. Within this context, the CNMV will

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supervise that the design of investment products and services is in the best interest of the client. It will perform horizontal reviews both to verify that the entities fulfil their obligations and to identify practices which may affect investor protection, to intervene before these take root. It will focus on the products and services that promote ESG characteristics or sustainable investment objectives, and on those which are most complex and have a long-term impact, while also on the marketing of fixed-income products. Along these lines, it will intensify the actions foreseen in the framework of the **Financial Fraud Action Plan** (FFAP) to protect investors against financial fraud and inappropriate practices, focussing on warnings regarding unauthorised entities (financial boiler rooms), on advertising which is not legally compliant – unclear or deceitful messages – and on information spread via social networks and the Internet which may be understood as investment recommendations.

- **3. Revitalising capital markets to support growth and the transition to a sustainable economy:** This will involve speeding up authorisation procedures for certain types of entity and those aimed at encouraging the participation of issuing companies in the market. Emphasis will be placed on the disclosure of standardised and comparable information to investors, and on reinforcing the supervision of non-financial information, particularly regarding sustainability, to facilitate the flow of investments to sustainable activities. The identification and follow-up of possible greenwashing practices will be prioritised.
- **4. Monitoring the effects of financial and technological innovation on the securities markets** with the intention of assessing the impact of such innovation, supporting development opportunities and mitigating possible risks. Boosting the digital transformation of the institution, to improve its supervisory capabilities and increase its efficacy and efficiency, is also envisaged.
- 5. A supervisor more accessible and connected to society: The CNMV considers it necessary to boost institutional communication and to strengthen its social commitment. It intends to make the information it generates more accessible and to create new communication channels on social networks with messages that are more understandable and useful.

### Specific objectives

The 2023 Activity Plan details a set of 48 objectives in four areas of action:

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The first is to **improve the operation** of the CNMV. The project for a critical and compared analysis of the CNMV's sanctioning activity stands out in this area, apart from the initiatives to boost the execution of the strategic Digital Transformation Plan of the institution together with other measures affecting personnel.

Initiatives are foreseen in the **market supervision** area to ensure the financial information of the issuing companies is reliable, such as reviewing the breakdown of accounts concerning the uncertainties to which they are exposed and the adequate demonstration of inflation and increasing interest rates in their tests for impairment of assets, among others. A follow up and ongoing conversations with the listed companies regarding the breakdowns related to the information on sustainability is also expected, together with an update of the Technical guide on audit committees. Objectives related to the supervision and resolution of the central counterparties and securities settlement are also included.

The **supervision of financial intermediaries** will boost its actions in 2023 with six horizontal reviews, from among these highlighting the compliance with the obligations regarding commercial communications and advertising, in an initiative coordinated by ESMA, which is to be supplemented with a mystery shopping in relation to these matters focussed on online channels, including the activity of entities operating in Spain under the freedom to provide services regime. Compliance with the regulations on sustainability, on the best execution, liquidity of CIS and the information contained in the Key Investor Information (DFI) document will also be reviewed.

The degree of readiness for DORA of IFs and fund management companies will be assessed and the Technical guide on the reinforcement of the transparency of CIS with the specific performance objective and fixed income CIS with a buy-and-hold strategy, currently in the public consultation stage, will be published. A comparative analysis of the methodology and transparency of the Ibex 35 will also be performed.

Furthermore, an Anti-Money Laundering Unit will be created and the formalities for venture capital firms, fund management companies and investment firms (IFs) will be speeded up.

The **relations with investors and other stakeholders area** considers many initiatives for 2023. Two actions will be carried out as part of the fight against fraud and of the PAFF:

- An improvement of the system warning on unauthorised entities to have a common international database of financial boiler rooms that can be queried online;



- A disclosure and communication campaign for the prevention of fraud.

The investor service channels of the CNMV will also be extended and improved, while initiatives will take place to improve public awareness of the institution. For this, a new communication strategy on social networks will be promoted and there will be activities boosting knowledge on the services offered by the CNMV. A financial education programme on the nature and risks of crypto-assets will be developed.

The CNMV wishes to boost the dialogue and training regarding sustainable finance, placing emphasis on the risk of greenwashing and, in this sense, developing actions that are supplementary to its supervisory activities. The creation of an advisory committee of financial economists within the scope of securities markets is also considered.

The Spanish Presidency of the EU Council in the second semester will entail the reinforcement of the cooperation and advice at both European and international levels. Likewise, the meetings of the governing bodies of ESMA will be coordinated to be held in Spain and all three European supervision authorities are expected to hold the Joint ESAs Consumer Protection Day in Spain.

- The Activity Plan also details the degree of fulfilment of the objectives set for the previous year, which reached 91%, similar to that in prior years: 91% in 2021 and 86% in 2020 and 84% in 2019.

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