



CNMV STREAMLINES ITS VERIFICATION PROCEDURES OF FIXED-INCOME ISSUES FOR QUALIFIED INVESTORS

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In recent years, there is an increasing number of cases in which Spanish issuers have placed their fixed-income securities issues aimed at qualified investors (mainly foreigners) admitting them to trading in non-Spanish secondary markets. This phenomenon took place for multiple reasons which do not only respond to the regulatory or supervisory scope nor are they exclusive to the Spanish market.

With the aim of contributing to making the Spanish market attractive for the admission to trading of bonds and notes, both for Spanish companies and for the rest of the European Union, CNMV has decided to introduce some changes in its verification procedures of fixed-income issues aimed at qualified investors, in order to speed them up.

The objective, always respecting the requirements established by the European Union Issuance framework (Prospectus Directive and Prospectus Regulation) is that the supervisory approach is as similar as possible to the European countries that act more efficiently in this area. To achieve this, CNMV will reduce the degree of review with respect to the customary one so far, avoiding unnecessary specificities, and seeking to combine rigorous supervision and agility in the process, taking into account that the veracity and accuracy of the information included in the prospectus is the responsibility of the issuer.

In particular, the approach and procedure changes are the following:

- The submission of comments to the final terms is reduced to three days, and to two working days in the case of subsequent comments.
- The verification of the admission requirements will be carried out within two business days after the documentation has been received (instead of the ten business days allowed by the regulation).
- The final terms of the issues based on programmes will not be reviewed prior to their placement.
- The delivery of statistical information ("dissemination tables") to CNMV will not be required.

Likewise, other relevant changes in the procedures in CNMV's internal processes will be adopted, in order to improve the review and approval deadlines. Thus, it is foreseen to adopt the necessary measures so that the corresponding signature processes takes place on any business day.

The aforementioned changes will not apply to equity issues or to fixed-income public offerings to be distributed among retail investors.

With the initiative described in this communication, CNMV tries to respond to the demands of fixed-income issuers in their transactions aimed at qualified investors so that, after registering in our country, investment demand can be satisfied with streamlined procedures for the securities admission to trading.

CNMV expects these changes to enable more issuers (and investment banks and legal advisers) to consider the Spanish market as an attractive option for the quotation of their fixed-income securities aimed at qualified investors.

ADDITIONAL INFORMATION

Qualified investor

Professional clients defined in Article 205 of the Securities Market Law and the rest of investors who have requested the professional client treatment as provided in Article 206 of said standard are considered qualified investors.

New EU regulations on prospectuses

The prospectus framework applicable to securities offered to the public and admitted to trading on regulated markets of the European Union is currently under review. The Directive 2003/71/EC (the current Prospectus Directive) will be replaced by Regulation (EU) 2017/1129 (the new Prospectus Regulation) that shall apply from 21 July 2019.

All the necessary level 2 developments (the Commission delegated acts and ESMA technical standards) must have been published before that date to ensure the correct implementation of the new framework. Regarding these developments, it is worth mentioning, inter alia, the review of the current prospectuses forms and templates as well as the creation of new forms and templates, elaboration of the criteria and procedures for the review and approval of the prospectus, etc.

"Final conditions" and programs

The base prospectus or program is the document that contains all the information that a prospectus must include, except for the final terms of the specific offer (issue).

The final terms of the offer are the information relating to a specific issue that are not known when a programme is approved and which can be determined only at the time of the issue.