



FOGAIN

25th Anniversary Commemorative Conference

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Good morning,

I would like to begin by thanking the FOGAIN board and its Chairman, Jaime Álvarez de las Asturias, for inviting me to participate in this event marking the twenty-fifth anniversary of the Fund.

I would also like to join in the heartfelt remembrance of Antonio Moreno and to acknowledge the outstanding work he carried out over many years on behalf of the CNMV with FOGAIN.

The relationship between FOGAIN and the CNMV has always been based on close cooperation. Your active participation in the Advisory Committee, as well as in the Financial Education and Anti-Fraud Plans, are clear examples of this, and we are deeply grateful for your contribution.

Anniversaries are always the perfect occasion to look back and reflect on milestones achieved, while also looking ahead and consider the challenges that remain.

Therefore, in today's speech I will review the highly significant role that FOGAIN plays, both as an investor guarantee mechanism and as a representative body for the ESI sector.

For institutions such as FOGAIN, whose purpose is to preserve confidence in exceptional circumstances, anniversaries also provide an opportunity to reflect on what often goes unnoticed when markets are operating normally. Because talking about FOGAIN ultimately means talking about trust: trust in firms, and in market infrastructures.

Trust that, even in extraordinary circumstances, effective mechanisms are in place to protect investors in the event of fraud or insolvency.

Investor guarantee schemes constitute a key asset of this institutional framework, as they strengthen confidence by providing protection against misconduct. Ideally, such measures should never need to be taken. However, in the case they are needed, such measures shall meet investors' expectations. This has been one of FOGAIN's most important contributions over the past twenty-five years.

As a guarantee mechanism, FOGAIN has also helped ensure that investors acknowledge that firms participating in the Fund operate under demanding standards and are subject to CNMV supervision, thereby reinforcing trust in the sector.

Over the past years, the regulatory framework has experienced major changes: controls have been strengthened, responsibilities clarified, and reforms introduced that allow

for a more precise delineation of the risks covered by the various guarantee mechanisms in place.

This evolution has been accompanied by the continuous enhancement of firms' internal control systems, stronger supervisory capabilities, and a growing culture of risk management across the sector as a whole.

Among the most significant regulatory developments in recent years we have the reform of the contribution system, changes to reporting requirements, and the inclusion of financial advisory firms (EAFs and EAFNs) within the scheme.

The reform of the FOGAIN contribution system led to a reduction of just over 70% in contributions for the first financial year in which the new regulations were applied (2024) compared with the previous year.

This reduction was possible thanks to FOGAIN's assets, which are projected to reach €149 million by 2026, covering more than 1.6 times the historical value of payments made, as well as to the gradual decline in risk resulting from enhanced sector controls and various regulatory improvements. These figures compare favourably with those of equivalent schemes.

Alongside FOGAIN's adaptation to the changes of the past 25 years, I would also like to highlight the positive development of the sector it serves, as well as the challenges it faces:

- As regards broker-dealers and securities brokers, following several years during which the number of broker-dealers and securities brokers remained relatively stable (below 100), 2025 saw a moderate increase in the number of firms registered with the CNMV, a trend that has continued during the first months of 2026, reaching 105 as of June.

It is an overall strong sector. More than half of the firms (57%) have capital ratios above 200%, significantly exceeding the regulatory minimum requirement of 100%, therefore constituting a healthy sector with sound levels of profitability.

In addition to the challenge posed by intense competition, the sector is characterised by its relatively small scale. Aggregate balance-sheet assets amounted to approximately €4 billion in 2025, more than half of which were concentrated in a single entity. In that same year, only 16 firms served more than 5,000 retail clients, out of an aggregate sector total of around 460,000 retail clients. Moreover, no broker-dealer or securities broker employs more than 250 staff.

Nevertheless, given the high level of competition in this sector as regards the provision of investment services, both among broker-dealers and securities brokers themselves and from credit institutions, newly established firms face considerable challenges in generating business.

As a result, in recent years there has been a noticeable trend towards specialisation, with broker-dealers and securities brokers focusing on specific activities in order to identify market niches that allow for profitability.

At the same time, some investment firms have pursued growth strategies, either organically or through corporate transactions, in order to achieve the scale necessary to enhance their competitiveness.

- The inclusion of EAFs and EAFNs within FOGAIN, meanwhile, has contributed to strengthening investor confidence, which may in turn help increase their still modest market share.

Such inclusion has occurred without major difficulties, despite requiring a substantial organisational and administrative effort on the part of FOGAIN's management.

Looking ahead to 2026, a total of 152 financial advisory firms (94 EAFs y 58 EAFNs) are contributing to the Fund's budget.

In any case, these are also small entities, with a customer base of just 12,600.

If there is one characteristic that defines the financial system (and investment firms are no exception) it is constant transformation. It is therefore essential to consider the challenges facing participating firms. I would like to highlight two in particular: the provision of services under MiCA and the fragmented nature of the sector.

1. The first one has to do with technological challenges, encompassing three key elements:
 - The incorporation of AI into both supervised entities and the supervisory activities we undertake.
 - Cybersecurity, which currently represents the main risk we are currently addressing.
 - The entry into force of the MiCA Regulation, which opens a new chapter to European crypto-asset markets.
2. The second major challenge concerns the structure of the sector itself.
 - Spain is home to a large number of specialised firms that make a highly valuable contribution to both markets and investors. Many of these entities are relatively small, as is the case with the broker-dealers and securities brokers I have previously mentioned. Such specialisation is a strength, but it also gives rise to certain challenges.

Allow me to conclude now.

I am certain that FOGAIN will continue to play a key role in this endeavour over the coming decades.

And I am equally confident that the next twenty-five years will prove just as important for investor protection as the first twenty-five have been, and that cooperation with the CNMV will remain as active and fruitful as it has been to date.

Thank you very much.