



Sebastián Albella's speech at an event in the Embassy of Spain in the United Kingdom

London, 5th April 2017

Mr. Ambassador, Director-General of the Spanish Treasury, ladies and gentlemen,

Good evening and thank you very much for joining us here today.

I would like to thank in particular the Embassy of Spain and the Ambassador, Mr. Bastarreche, for kindly hosting this event. Also, I would like to give special thanks to the representatives of the Spanish companies and institutions who have joined us this evening.

Those who have preceded me in the floor have already provided you with an overview of the Spanish economy and Spain as an attractive country for business.

Now, as Chairman of the CNMV, the Spanish independent supervisor of the securities markets and investment services, let me add some words about our role and the initiatives the CNMV is currently undertaking.

First of all, let me clarify something. This is not, by any means, an unfriendly initiative towards the City.

Not only we profoundly respect the City; we genuinely admire it.

And we are convinced that, whatever the outcome of the negotiation process is, the City will remain being the most important financial centre in Europe and even in the world. (Needless to say that my personal preference would be that the negotiation results in something as similar as possible to the single market that we enjoy today).

Second, we are not exactly trying to attract business from the City.

We are focused on doing our best to ensure that financial institutions based in London (broker-dealers, asset managers, private equity houses) that may be thinking to relocate part of their businesses to other European countries -this being a prerequisite- would consider Spain for such purpose, as we truly believe Spain is a very good option.

And, more generally, we are interested in communicating the message that Madrid, as the main Spanish financial centre, and also Barcelona -that is, ultimately Spain- is willing to compete in a context in which, going forward, any new investments and growth in the financial sector will follow a more distributed model across Europe. Our efforts and initiatives are not just focused on London.

We would also like to show abroad that we are ambitious and self-confident. We are one of the main countries in Europe and, after Brexit, Spain will increase its relevance in the EU.

This is also valid in respect of financial services, a field in which we feel that we are at the same level as countries like Germany or France: we have strong and dynamic international banks, many brilliant and talented professionals working in the financial services sector, a vibrant and sophisticated investment funds industry, efficient regulated markets, significant presence of all the main international PE houses (and a growing private equity local industry, by the way) and a very active presence of all the international investment banks.

And, last but not least, we have a supervisory authority, the CNMV, with the knowledge, experience, capabilities and attitude that enable us to offer a sensible and prudent supervision which not only makes possible, but also, encourages all legitimate business initiatives.

As you may know, I was appointed Chairman of the CNMV less than six months ago. It is clear to me that in a highly sensitive environment with great social demands as a result of the financial crisis of the past years, the main task of the CNMV is to exercise its powers efficiently, and vigorously, in order to ensure the integrity and transparency of the market and investors' protection.

However, at the present time, in which competition among financial markets is becoming more intense than ever, our objective should also be that the CNMV is perceived, both internally and internationally, as one of the most modern and efficient supervisors in Europe. And let me say that we are working hard at achieving this.

We know well that the "supervision factor" is important for those institutions in the process of deciding where to grow or where to relocate part of their activities.

So, what are we doing (apart from making the greatest effort to improve in all aspects)?

1. First, we have created a "welcome programme" for investment and management firms interested in coming to Spain.

This has involved defining specific procedures to make things as easy and fast as possible, which include

- personalised advice,
- a 15-day pre-authorisation phase, and
- a commitment that the formal authorisation will be granted, in normal conditions, within a maximum of two months.

Detailed information on this may be found on the CNMV website and also on the CNMV's Handbook that we will be giving you today.

2. Second, we are promoting, in particular for the benefit of any firms considering to relocate part of their activities to Spain, the use of English for any communications with the CNMV.

We have produced standardised application forms in English and, from the very first moment of the process, an English-speaking coach will be assigned to each applicant.

We will accept all the relevant documentation in English without requiring any translations. (By the way, in the authorisation process we will take into account pre-existing documents filed by the applicant with other supervisory authorities.)

3. Third, we are reinforcing our resources and capabilities. This includes hiring additional qualified staff. The CNMV currently employs more than 400 people. Our objective is to increase our staff significantly in this year 2017.

In this same line, we have entered into a specific cooperation agreement with the Bank of Spain just in case we need to complement our capabilities at a certain moment in order to approve and supervise internal advanced counterparty and market risk models in an efficient manner.

4. Fourth, with respect to outsourcing -that is, the possibility of delegating functions or activities-, the CNMV has undertaken to adopt a flexible approach, obviously based on the full respect, on the one hand, of the legal principles which govern this matter and, on the other hand, of the supervisory convergence criteria that may be established at the EU-27 level. Needless to say that we support all efforts towards a sufficient level of supervisory convergence, in particular in this area. We want a level playing field across Europe, not a race to the bottom.
5. Finally, I would also like to mention that we are well aware of the importance of the proportionality principle when applying the relevant rules and regulations, as well as of the importance that Spanish law does not impose requirements beyond those set by European Union law.

In summary, I must say we are strongly committed to ensuring that firms that decide to relocate part of their business to other European country, and, in that context, wisely make the decision to come to Spain, will find a sensible and sound supervisory environment that at the same time will be very welcoming.

Thank you very much for your attention.