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Regarding the provisions quoted in the response below, as far as possible, hyperlinks to these provisions (in the respective language or, if available, in English) are set out in Document CESR/04-075 for each country.

IMPORTANT NOTICE

In the interest of transparency and to inform interested parties, CESR has published the following (together the “Tables”):

- *the Correspondence Tables on the CESR Standards for Investor Protection (Ref. CESR/03-416b to 423b, CESR/03-134/Country);*
- *the Correspondence Tables on the CESR Standards for Alternative Trading Systems (Ref. CESR/03-415b, CESR/03-135/Country);*
- *the Synthesis Tables (Ref. CESR/03-427b and CESR/03-432b);*
- *the List of Alternative Trading Systems currently operating in Member States¹ (Ref. CESR/03-497b);*
- *the explanatory notes and caveats attached to the Tables.*

The Tables were produced by the Members of CESR¹ within the constraints of and solely for the purposes of the CESR Review Panel process of monitoring the status of implementation of the CESR Standards for Investor Protection² and the CESR Standards for Alternative Trading Systems³ in Member States.

The Tables have no legal effect; they do not present any interpretation of, or definitive position on, existing law or regulation in any jurisdiction. The Tables should not be relied upon for any purpose other than the purpose for which they were prepared. In particular, they should not be relied upon as a substitute for, or as guidance on, any aspect of the regulatory system of any Member State or as a defence in supervisory activities or enforcement proceedings; and they cannot be used to restrict competent authorities in taking regulatory or enforcement actions.

The information set out in the Tables is the response of each Member’s self-assessment. For this reason, the content of the Tables regarding a particular Member State has been prepared solely by the relevant Member on a best-efforts basis. (In a next step, the CESR Review Panel is going to conduct a common and collective peer exercise in reviewing the responses from all Members.) In case of discrepancy between the tables containing the responses from all CESR Members and the tables containing the individual responses from a particular CESR Member, the latter should be referred to.

The Tables provide a “snap shot” and will be up-dated on a regular basis to take account of regulatory developments in Member States. Therefore, they cannot be considered as fully finalised or definitive reflections of regulatory provisions in Member States. The Tables should also be read in light of current and future developments in the formulation of the proposed Directive on Markets in Financial Instruments (“ISD2”) and the future Level 2 implementing measures, and without prejudice to the position of any Member State in those developments.

For a more detailed account of the process, methodology and first, interim results, please see the “First Interim Report” by the Review Panel (Ref. CESR/03-414b).

¹ For reasons of simplicity, the term “Member” in this context refers to all participants in the Review Panel, i.e. CESR Members, CESR Observers, and the Polish securities regulators; this applies to the term “Member State” accordingly.

² “A European Regime of Investor Protection - The Harmonization of Conduct of Business Rules” (Ref. CESR/01-014d, April 2002) and “A European Regime of Investor Protection – The Professional and the Counterparty Regimes” (Ref. CESR/02-098b, July 2002).

³ Ref. CESR/02-086b, July 2002.



CORRESPONDENCE TABLE ON STANDARDS FOR ALTERNATIVE TRADING SYSTEMS

(REF. CESR/02-086B)

SPAIN

INTRODUCTION

In Spain all ATS are operating under the form of organised trading systems and all of them comply satisfactorily with the Spanish provisions to get fair and orderly trading activity .

Accordingly, trading systems have a legal entity different from Investment Firms (except one electronic trading platform of public debt) although Investment Firms can be the owners of a trading systems and are also competent to rule/manage any trading systems provided that they carry out this activity exclusively.

It is our opinion that investment firms operating qualifying systems seek their recognition and their approval by the competent authority, although taking into account the main characteristics of each trading platform.

Accordingly, this questionnaire was answered taking into consideration that ATS operating in our jurisdiction have the legal form of trading systems or market segments.

However, any change in the European legal framework regarding this issue, particularly those introducing by the amended ISD will be adequately dealt with in our legislation.

1. Market Integrity Standards fro Alternative Trading Systems

Standard	Implementing authority(ies)	Implementing measure ⁴	Comments
<i>1. Investments firms should be required by their home state regulatory authority to notify the establishment of a qualifying system. They should also notify the home state regulatory authority (and, where different, the home state regulatory body in that member state responsible for the oversight of markets) of its key features and significant changes to its operation.</i>	Government/ CNMV	According to article 31.4 of the Spanish Exchange Act (Law 24/1998), the establishment of any trading system not considered official market will require the approval of the Government after receiving a favourable report by the CNMV.	
<i>2. Investment firms operating a qualifying system should establish trading arrangements that result in fair and orderly trading.</i>	CNMV	The listing and operating rules of any trading system and the governing rules of its governing body will require the authorisation of the CNMV.	
<i>3. An investment firm operating a qualifying system providing trading in an instrument traded on a regulated market must make publicly available, on a reasonable commercial basis, information about quotes and/or orders that the qualifying system displays or advertises to the system users. Similarly, operators must make publicly available, on a reasonable commercial basis, information relating to completed transactions that the system provides to users.</i>	Bank of Spain/ CNMV	Article 43 of the Spanish Exchange Act (Law 24/1998), says that the CNMV or the Bank of Spain will set up the trading information that shall be publicly disclosed.	
<i>4. Investment firms operating a qualifying system should monitor user compliance with the contractual rules of the system.</i>	Governing bodies of the trading systems	The governing bodies of the trading systems are responsible from the monitoring of the compliance with the rules of the system.	
<i>5. Investment firms operating a qualifying system should, where their home state regulatory authority requires it for the purposes of investor protection and market integrity, establish arrangements with that authority to facilitate satisfactory monitoring of the markets in the instruments traded and the detection of market abuse.</i>	CNMV	The CNMV is responsible for the detection and sanction of market abuse practices (articles 13 and 84 of the Spanish Exchange Act).	

⁴ Any derogation to the application of the implementing measures should be mentioned.



<p><i>6. Investment firms operating a qualifying system should be able to demonstrate to the relevant home state regulatory authorities that the system is capable of delivering the proposed service, that there are satisfactory arrangements for the management of the technical operation of the system and that there are satisfactory contingency arrangements in the event of system disruption.</i></p>	<p>CNMV</p>	<p>The listing and trading rules of the trading system include rules for the management of the technical operation of the system that include contingency arrangements in the event of system disruption.</p> <p>The listing rules and its modifications are authorised by the CNMV</p>	
<p><i>7. Investment firms operating qualifying systems should ensure that there is clarity of obligations and responsibilities for the clearing (where applicable) and settlement of transactions.</i></p>	<p>CNMV/Iberclear</p>	<p>The rules and regulations of the trading systems include specific arrangements for the clearing and settlement assuring also the access to the clearing and settlement systems available for the kind of financial instruments</p>	

2. Application of Conduct of Business Rules to Alternative Trading Systems

Standard /Rule	Implementing authority(ies)	Implementing measure	Comments
<p><i>8. Investment firms operating a qualifying system should make clear the nature of the relationship between operator and user.</i></p>	<p>CNMV</p>	<p>According to article 79 of the Spanish Exchange Act, Investment Firms will arrange their activity to avoid possible conflicts of interest with their clients.</p>	
<p><i>9. Investment firms operating a qualifying system should supply sufficient information about the system to enable a user to use the system efficiently and to understand any risks arising in using the system.</i></p>	<p>CNMV</p>	<p>The information about the rules of the trading systems is included in their listing and trading rules and it is publicly available. The CNMV is responsible of authorising the trading rules and their changes.</p>	
<p><i>10. Investment firms operating a qualifying system should provide, or be satisfied that there is access to, sufficient publicly available information to enable users to form an investment judgement, taking into account both the nature of the users and the type of instruments traded.</i></p>	<p>CNMV</p>	<p>To develop the formerly mentioned article 82 of the Spanish Exchange Act, Circular 3/99 of the CNMV sets up the trading information that shall be made public by each trading system.</p>	