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Informs

M&A and Commercial Law Department

5 July 2022

The CNMV gives the green light to a new multilateral trading system: the Portfolio Stock Exchange

On 30 June 2022, the Spanish National Securities Market Commission ("**CNMV**") published a press release to inform about the approval of a new multilateral trading facility ("**MTF**") in which first admission equity and fixed income securities, such as equities, debt and investment funds, will be traded through an online platform.

According to this announcement, the CNMV Board has agreed to authorise the internal operating rules of *Portfolio Stock Exchange* ("**Portfolio SE**"). A new Spanish-based MTF to be managed by the *European Digital Securities Exchange*, which will start trading next September.

Portfolio SE, which will specialise in family-owned companies, SOCIMIS and technology companies with a strong international outlook, thus joins the five multilateral trading systems currently operating in Spain: (i) BME MTF Equity, which includes the BME Growth segment; (ii) Latibex; (iii) Fixed Income Market (MARF); (iv) Electronic System for Trading of Financial Assets (SENAF); and (v) Dowgate MTF.

In addition, without prejudice to the licence received to operate as an MTF, the platform is authorised to operate as a securities company. Thanks to this licence, the platform will be able to operate in the European Union as a securities market under the supervision of the CNMV, which will give it the solvency and legal security required by the market.

In terms of its particularities, Portfolio SE will be the first stock exchange in the world to offer a primary and secondary market on a single platform. Portfolio SE will be both an exchange and a broker as it will allow investors to access the secondary market through a single trading and custody platform for equities, debt and investment funds.

In addition, this 100% Spanish-owned platform will be responsible for the direct onboarding of investors, both wholesale and retail, with the KYC/KYB, in a completely digital way, as well as the creation of the investors' securities account.

Secondly, the high level of digitisation that it will offer to its users should be highlighted. Taking Nasdaq as a benchmark, according to its founders, Portfolio SE will offer full digitisation of the entire process of issuing and managing the life cycle of the instrument, and the elimination of up to 14 intermediaries, which will make it more efficient in terms of costs and time. In particular, according to Portfolio SE itself, it will reduce a time-consuming process from months to days, enabling issuers to save up to 90% of total costs, both at issuance and throughout the life of the instrument.

Finally, it should be noted that Portfolio SE already has commitments from around thirty national and international companies that will be listed or issue debt on the platform, with a market capitalisation of between 20 and 650 million euros, for a total of 3,000 million euros.

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