

Financial services: Commission refers Spain to Court for not applying EU prudential rules for banks and investment firms

The European Commission has decided to refer **Spain** to the Court of Justice of the EU for failing to fully implement the Capital Requirements Directive ([Directive 2013/36/EU](#)).

To date, Spain has not fully implemented these EU rules and some provisions are still missing from national law. Those refer mostly to the following aspects: certain powers and discretions of national competent authorities in relation to investment firms; and the imposition of administrative penalties or other measures applicable to institutions found liable of a serious breach in anti-money laundering. Missing provisions also include whistle-blowing mechanisms in case of capital requirements' breaches, rules on the integrity and independence of the members of the management body and the obligation by the Spanish competent authorities to contact the consolidated supervisor in order to obtain information, thereby making supervisory cooperation more difficult. Lastly, corporate governance rules are weaker in Spain given that the obligation to have diverse and skilled management bodies of institutions is not transposed.

Together with the Capital Requirements Regulation ([Regulation \(EU\) No 575/2013](#)), the Directive sets out the prudential requirements for credit institutions and investment firms in the EU, laying down rules on the amount of capital that institutions must have in order to cover potential losses of the risks to which they are exposed. The Directive also formulates rules on the authorisation and supervision of institutions, on supervisory cooperation, on risk management, on corporate governance (including remuneration) and on capital buffers.

Background

Member States had to transpose the Directive into national law by 31 December 2013. In January 2015, the European Commission formally requested Spain to transpose the Directive. In January 2018, a reasoned opinion was issued against Spain. Since then, Spain did not notify the missing measures related to the Directive at stake.

For More Information:

- On the key decisions in the July 2018 infringements package, see full [MEMO/18/4486](#).
- On the general infringements procedure, see [MEMO/12/12](#).

– On the [EU infringements procedure](#).