

A NEW SPANISH CORPORATE GOVERNANCE CODE FOR LISTED COMPANIES

Posted on 27/02/2015



Category: [Uncategorized](#)

Tag: [cat-compliancenesws](#)



The new Spanish Corporate Governance Code for listed companies, approved by resolution of the board of the National Securities Market Commission (**CNMV**) on 18 February 2015, dispenses with the recommendations that currently are legal rules, retains other recommendations that had already been included in the previous code, and incorporates some new recommendations regarding different subjects, based on the proposals made by the Committee of experts regarding corporate governance.

The new Spanish Corporate Governance Code for listed companies, approved by resolution of the board of the National Securities Market Commission (**CNMV**) on 18 February 2015, dispenses with the recommendations that currently are legal rules, retains other recommendations that had already been included in the previous code, and incorporates some new recommendations regarding different subjects, based on the proposals made by the Committee of experts regarding corporate governance.

The Spanish Corporate Governance Code for listed companies (the **Code**), in contrast to its predecessors, is influenced by two unique circumstances: on the one hand, it was preceded by a broad reform of the Spanish Companies Act (*Ley de Sociedades de Capital*), a reform that made mandatory many of the rules that in the previous code were considered to merely be recommendations; on the other hand, the severe economic crisis that has afflicted the companies markedly increased the awareness of the convenience of improving the control and degree of transparency in the management of companies, specifically in the largest companies.

The continuity of the Code in its orientation should be emphasized: (i) the voluntary character of its compliance, subject in any event to the principle of “comply or explain”; and (ii) the reference to the market (shareholders, investors, etc.) as a means of appraising the behaviour of the destined company. Meanwhile, the amendment of its subjective scope of application by express reference to the rules governing listed companies in general, even taking into account their different size and capitalisation, means that an unequal level of implementation is expected.

Formally, the Code presents a well-known systematic structure: the recommendations are assembled and organised into three blocks (general aspects, general shareholders' meeting and board of directors), in accordance with traditional structures; but, this time, the detail of the recommendations is preceded by certain “principles” that synthetically anticipate their particular content, which undoubtedly provides a useful prior overview which might assist the understanding of the Code. Each principle is reiterated afterwards in the body of the Code, where the particular recommendations are analysed, always with a brief explanatory statement, precedents, scope, etc., of any of them.

More information

<https://www.allenoverly.com/publications/en-gb/Pages/A-new-Spanish-Corporate-Governance-Code-for-listed-companies.aspx>

By Iñigo del Val, senior associate, Allen & Overy