



ACTIVITY REPORT

2016

SEPBLAC

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INTRODUCTION

Welcome to our Activity Report for 2016, a year in which the Executive Service of the Commission for the Prevention of Money Laundering (SEPBLAC) continued to engage in an intense level of activity.

In the exercise of its function as a Financial Intelligence Unit (FIU), it analysed information received about transactions in which there were grounds to suspect money laundering or terrorist financing, and exchanged information with other financial intelligence units as well as preparing financial intelligence information for use by the authorities.

As part of its supervisory activity, it conducted inspection visits and carried out other supervisory actions to verify regulatory compliance by obliged entities, and issued mandatory reports relating to new licenses or changes in the ownership of qualifying holdings of financial institutions.

The Mutual Evaluation Report of the Financial Action Task Force (FATF) Fourth Round of AML/CFT issued in 2014 concluded that "SEPBLAC is a strong financial intelligence unit and supervisor". The Spanish prevention framework, with its Financial Intelligence Unit, has established itself as an international benchmark in the field. In 2016, it dealt with numerous enquiries and hosted study visits to share its know-how on its tools and procedures.

Additionally, on 1 July 2016, the director of SEPBLAC, Juan Manuel Vega, was appointed president of the FATF. The agenda for his mandate (July 2016-July 2017) included strengthening the mechanisms to combat terrorist financing, advancing the fourth round of evaluations (with a special focus on system effectiveness), promoting a fluid dialogue with the private sector and civil society, and continuing to move forward on issues such as "de-risking", financial inclusion and cooperation between the public and private sectors, as well as analysing the new financial scenarios and the impact of Fintech and Regtech operators.

Another significant milestone reached in 2016 was the implementation of the Register of Financial Ownership, on 6 May. For the first time, the Activity Report includes a section on this Register, which is a new financial investigation instrument for authorities combatting money laundering and terrorist financing. A few facts suffice to give an idea of the size and importance of the Register. As at 31 December 2016, 135 million counterparties were registered in the database, almost 53 million other individuals and more than 120 million accounts and deposits.

Also in 2016, several meetings were held with obliged entities and industry associations representing groups of entities and professionals, in order to continue

sharing knowledge and best practices, with the ongoing objective of improving the systems for the purpose of money laundering and terrorist financing.

Of note in this connection are the meetings held in March and June with credit and payment institutions, to exchange experiences with a view to improving the systems for detecting operations linked to terrorist financing.

ACTIVITY AS A FINANCIAL INTELLIGENCE UNIT

1. Money laundering and terrorist financing cases

In 2016, a total of 4,842 cases (5.2% more than in 2015) were opened for analysis by SEPBLAC following reports of suspicious activity potentially relating to money laundering or terrorist financing. Such cases have increased significantly in recent years, with almost 1,000 reports received in the period 2013-2016.

	2013	2014	2015	2016
Obligated entities, Art. 2(1)(a) to (i), Law 10/2010	3,249	3,836	3,948	3,920
Obligated entities, Art. 2(1)(j) to (y), Law 10/2010	670	672	654	922
TOTAL	3,919	4,508	4,602	4,842

The increase in suspicious transactions reported in 2016 was mostly observed in relation to those conducted by credit institutions (banks) and by some non-financial obliged entities.

The total number of reports received from financial institutions (obliged entities listed under paragraphs a) to i) of Art. 2(1) of Law 10/2010) fell from 3,948 in 2015 to 3,920 in 2016, that is, 28 fewer reports.

As regards non-financial obliged entities (Art. 2(1)(j) to (y) of Law 10/2010), 922 suspicious activity reports were received, 41% more than in 2015.

The number of cases opened on grounds other than suspicious activity reports remained stable, with 148 in 2016, compared with 155 in 2015.

	2015	2016
SEPBLAC (alerts)	92	50
Public authorities	50	94
Other sources	13	4
TOTAL	155	148

A total of 6,905 cases were closed in 2016.

Obligated subjects, paragraphs Art. 2(1)(a) to (i) of Law 10/2010

	2015		2016	
	Cases	Number of obliged entities	Cases	Number of obliged entities
Banks	2,406	43	2,646	40
Savings banks	2	1	5	1
Credit cooperatives	125	24	179	26
Branches of EU credit institutions	73	12	84	18
Branches of non-EU credit institutions	15	4	5	2
EU credit institutions under freedom to provide services	4	1	2	1
Electronic money institutions	0	0	1	1
Specialised lending institutions	25	6	39	9
Currency-exchange bureaux and money transfer agencies	4	1	7	3
Payment institutions	1,264	26	911	25
Investment services firms and branches	13	11	12	9
Insurance companies (life insurance sector)	11	6	19	10
Pension fund management entities	0	0	2	1
Collective investment institution management companies	2	2	1	1
Venture capital fund management companies	0	0	2	2
Mutual guarantee companies	4	3	5	3
TOTAL	3,948	140	3,920	152

As mentioned, the overall figures for financial institutions have remained stable, with a decrease in the number of reports received, thus compensating for the entities for which the number of reports has increased.

The breakdown of suspicious activity reports received from financial institutions shows a notable increase in the number of reports received from banks, SEPBLAC's main information providers. Banks sent a total of 2,646 suspicious activity reports, representing:

- i. an increase of 9.9% with respect to the previous year;
- ii. 67.5% of total reports from financial institutions (6 points up on 2015), and
- iii. 54.6% of total suspicious activity reports received by the Executive Service of the Commission.

The number of reports from banks has risen by 408 in recent years.

Regrettably, despite this growth, the following points should be noted in connection with the reports received from some credit institutions:

- In a significant number of suspicious activity it is difficult to find genuine signs of money laundering. A few, straightforward steps would have clarified this and shown that there were no links with criminal activities.
- We continue to receive suspicious activity reports relating to operations that are well-known to the obliged entities (they have been reported on for more than 10 years), but where there seems to be no intention of applying preventive measures and where institutions have become accustomed to performing the transactions and subsequently reporting on them. This is giving rise to supervisory actions owing to the deficient application of due diligence measures.

Other financial institutions from which a higher number of reports were received were credit cooperatives (an increase of 54), branches of EU credit institutions, specialised lending institutions and insurance companies.

Conversely, the largest decrease occurred in payment institutions. This sector, which in recent years has stepped up its monitoring of transactions and control over its agents, has reached an acceptable level of detection of unlawful behaviour, and therefore the number of reports has tended to stabilise or decrease.

In 2016, the number of obliged entities rose to 152: 40 banks, 26 credit cooperatives, 25 payment institutions, 18 branches of EU credit institutions and 10 insurance companies.

Obligated entities, paragraphs j) to y) of Art. 2(1) of Law 10/2010

	2015		2016	
	Cases	Number of obliged entities	Cases	Number of obliged entities
Notaries	252	--	398	---
Land, commercial and moveable property registrars	124	--	271	--
Lawyers	24	19	19	17
Auditors, accountants and/or tax advisers.	18	17	18	17
Casinos	5	3	5	2
Property developers and estate agents	45	18	47	20
Jewellers	2	2	32	5
Cash-in-transit companies	51	3	46	3
Dealers in goods (Art. 2(1)(w))	31	7	0	0
Postal services (giro or international transfers)	8	1	5	1
Lotteries or other gambling	91	10	67	10
Art. 2(1)(o)	2	1	2	2
Art. 2(1)(k), without granting loans/credit	0	0	10	3
Brokerage of loans or credit	0	0	1	1
National Greenhouse Gas Emission Rights Registry administrator	0	0	1	1
Other independent professionals (Art. 2(1)(ñ))	1	1	0	0
TOTAL	654	82	922	82

There was a significant increase in reports from obliged entities and professionals under Art. 2(1)(j) to (y) of Law 10/2010. Overall, their number rose by 41%, an increase of 268 reports with respect to the previous year.

The rise was chiefly in two of the groups obliged entities (notaries and land, commercial and moveable property registrars), from which a significantly higher number of suspicious activity reports were received. Notaries and registrars submitted 146 and 147 more reports, respectively, than in the previous year, representing increases of 58% (notaries) and 118% (registrars) with respect to 2015. Notaries provided 43% of total reports from the group of obliged entities under paragraphs (j) to (y), whilst registrars contributed almost 30% of such reports.

There was also significant growth in the sector of entities dealing in jewellery, gemstones precious metals, from which 32 reports were received in 2016, compared with only 2 in 2015.

Conversely, there was a drop in the number of reports from entities dealing in goods under the terms of Art. 2(1)(w), mainly owing to the behaviour of the sale of vehicles sectors in relation to transactions with payment in cash; and the lotteries and gambling sectors, after several years of growth, 24 fewer reports.

Once again, the small number of reports received from lawyers engaging in activities subject to the provisions of regulations on the prevention of money laundering and terrorist financing stands out, particularly considering the risk deriving from the involvement of law firms and professionals specialising in corporate structures, the use of their bank accounts to channel customers' financial flows in real estate transactions or administration and wealth management, in the case of customers on whom insufficient due diligence has been carried out to determine the lawful source of their capital. In 2016, 17 legal professionals submitted reports to SEPBLAC.

Also significant is the low number of suspicious activity reports from other professionals such as auditors, accountants and tax advisors; and the group of entities linked to the real estate sector, which submits reports that are generally based on objective facts (transaction amount, nationality of parties involved, etc.), without thoroughly verifying the lawful nature of the source of the funds committed in real estate transactions and without "know your customer" checks having been performed.

The number of obliged entities was similar in both years.

The total number of suspicious activity reports whose analysis concluded in 2016 was 5,048.

2. Cooperation with national authorities

There was a decrease in the number of requests for cooperation from national authorities, in the exercise of the assistance function envisaged in Art. 45(4)(a) of Law 10/2010, in 2016. Following two years of growth, 43 fewer requests were received than in 2015.

The behaviour of the different public bodies was mixed. Thus, the number of requests from the Civil Guard rose to 206, representing an increase of 38% with respect to the previous year. In contrast, the National Police made 27 fewer requests, although the total number was still significant (214 requests).

As regards the Tax Revenue Service, the Customs and Excise Duties Department submitted 69 requests and the National Fraud Investigation Office requested cooperation on 38 occasions.

Under "Other requests", the *Mossos d'Esquadra* (Catalan police force) sent 17 requests for information.

In 2016, analyses of a total of 602 requests for information from national authorities were completed.

	2015	2016
Prosecutor's offices and courts	44	35
National Police	241	214
Civil Guard	149	206
Customs Department - Tax Revenue Service	121	69
National Fraud Investigation Office – Tax Revenue Service (AEAT)	73	38
Other requests	22	45
TOTAL	650	607

3. International exchange of information

In the international sphere, the number of requests for information from other FIUs fell by 113, down 18% from 2015.

The five countries which submitted the largest number of requests to SEPBLAC were: the United Kingdom (147), the Netherlands (59), Luxembourg (44), France (41) and Portugal (35).

Of the 126 requests made by SEPBLAC, the majority were sent to the following countries: the United Kingdom (16), Switzerland (13), Andorra (7), Luxembourg (7) and Portugal, Cyprus, Panama and Gibraltar, each with 6 requests.

	2015	2016
Requests for information received from FIUs	607	494
Requests for information sent to FIUs	126	107
TOTAL	733	601

As regards the so-called "spontaneous information exchanges", consisting of the voluntary sending of information to the affected country without the receiving FIU being required to respond, there was a very sharp decrease, mainly resulting from the significant decline in the number of "flash reports" that had until then been received from other intelligence units.

	2015	2016
Spontaneous reports received from other FIUs	992	500
Spontaneous reports sent to other FIUs	85	59
TOTAL	1,077	559

A total of 1,225 information exchanges were processed in 2016, 7.1% more than in 2015 (1,171).

4. Dissemination of intelligence reports

SEPBLAC's main function as a financial intelligence unit is to prepare intelligence information for use by the authorities. In this connection, the number of cases arising from suspicious transactions reports the analyses of which concluded in 2016 amounted to 5,048, 9.6% up from the number of reports finalised in 2015. These cases relate not only to reports received during 2016 but also to cases which had been opened in 2015.

These cases generated a total of 5,542 financial intelligence reports, 7.7% more than in 2015 (5,145 reports). The table below shows the breakdown of financial intelligence reports disseminated to public authorities.

	2015	2016
International cooperation	27	49
Judicial authorities and prosecutors	85	97
National Police	2,369	2,663
Civil Guard	1,317	1,376
National Fraud Investigation Office – Tax Revenue Service (AEAT)	1,080	1,084
Customs Department - Tax Revenue Service	239	167
Other agencies	28	106
SEPBLAC (provisional file)	1,355	1,611

The largest number of reports (2,663) went to the National Police, representing an increase of 12.4%, followed closely by the Civil Guard (1,376 reports) and the National Fraud Investigation Office of the Tax Revenue Service (1,084 reports).

A smaller number were sent to the Customs Department of the Tax Revenue Service, judicial authorities and prosecution offices, and to other FIUs (not arising from international exchanges).

Under "Other agencies", a total of 92 intelligence reports were sent to the *Mossos d'Esquadra*.

A total of 1,611 files were provisionally closed by SEPBLAC without external dissemination, since proof of links of transactions or parties involved with money laundering or terrorist financing could not be found or confirmed.

5. Cases involving means of payment movements

After several years of continuous growth, the number of cash seizures and other actions concerning means of payment movements decreased in 2016. A total of 602 actions in customs areas resulting in seizures of cash at the border were recorded, a decrease of 14%. The number of seizures of cash in domestic movements remained stable.

Origin of cases	2015	2016
Seizures at the border	688	602
Seizures within the country	45	41
Information proceedings concerning means of payment	64	31
TOTAL	797	674

Article 45(3) of the implementing regulations of Law 10/2010 provides for so-called *information proceedings* in situations where, while there are insufficient grounds for the means of payment to be seized, customs officials or police officers consider that the information may be of relevance to the police or tax authorities. In 2016 a total of 31 cases of this type arose.

6. Systematic reporting

The number of transactions included in systematic reporting or statutory monthly reporting, pursuant to Article 20 of Law 10/2010, continued to grow strongly in 2016, with the number of transactions rising at a rate of 6.4%, from 1,500,000 in 2014 to over 2,157,000 in 2016.

	2015		2016	
	Transactions	Number of institutions	Transactions	Number of institutions
Commercial banks	365,977	52	325,019	50
Savings banks	170	2	167	2
Credit cooperatives	9,282	50	6,892	42
Specialised credit institutions	109	3	3,226	5
Branches of EU credit institutions	65,808	27	97,204	23
Branches of non-EU credit institutions	1,733	4	1,824	4
EU credit institutions under freedom to provide services	4	1	10	1
Insurance companies (life insurance sector)	1,229	13	1,350	12
Insurance companies under freedom to provide services (life insurance sector)	15	1	7	1
Securities firms and agencies	7,596	15	1,888	17
Branches of foreign EU investment firms	73	1	159	1
Collective investment institution management companies	355	12	659	12
Pension fund management companies	1	1	0	0
Venture capital fund management companies	8	1	11	4
Mutual guarantee companies	2	1	0	0
Payment institutions	1,545,640	37	1,683,007	33
Branches of payment institutions	2,826	2	6,084	2
Currency-exchange bureaux	1,036	6	3,874	5
Casinos	1,115	12	752	13
Banco de España	52	1	70	1
Customs Department - Tax Revenue Service	23,938	1	25,333	1
General Council of Notaries	39	1	30	1
TOTAL	2,027,008	244	2,157,566	230

A total of 230 obliged entities reported transactions.

As in the previous year, reported transactions were affected by the application of the provisions of Art. 27(1)(b) of the implementing regulations of Law 10/2010, establishing that obliged entities remitting money are to inform SEPBLAC in the case of transactions involving amounts exceeding €1,500. This article of the regulation reduced the notification threshold for money remittance transactions from €3,000 to the current €1,500, which has been reflected in the increase in the number of transactions reported.

For this reason, payment institutions (33 obliged entities) were the main source of notified transactions in the monthly reports, with a total of 1,683,007 in 2016. They were followed by banks, of which there were 50, reporting a total of 325,019 transactions, a drop of 11.2%.

	2015	2016
Cash transactions not reflected in the accounts [Art. 27(a) and (b) of the implementing regulations of Law 10/2010, previously 7(2)(a) of the implementing regulations of Law 19/1993]	1,503,765	1,640,295
Transactions with or by residents of designated territories or countries [Art. 27(c) of the implementing regulations of Law 10/2010, previously 7(2)(b) of the implementing regulations of Law 19/1993]	311,758	286,032
Transactions involving transfers of funds to or from designated territories or countries [Art. 27(c) of the implementing regulations of Law 10/2010, previously 7(2)(b) of the implementing regulations of Law 19/1993]	390,974	414,357
Adjustment for transactions included in several categories simultaneously	-302,340	-323,802
Subtotal	1,904,157	2,016,882
Means of payment movements (Form S1) [Art. 27(d) of the implementing regulations of Law 10/2010, previously 7(2)(c) of the implementing regulations of Law 19/1993]	46,437	45,956
Transactions not executed (Ministerial Order EHA/2619/2006) [Art. 27(g) of the implementing regulations of Law 10/2010, previously 7(2)(c) of the implementing regulations of Law 19/1993]	75,639	93,714
Other	775	1,014
TOTAL	2,027,008	2,157,566

In terms of the numbers of transactions reported, those of the types envisaged under Article 27(1)(a) and (b) of the regulation stand out: a) [transactions involving physical movement of currency of over €30,000 not reflected in the accounts] and b) [cash remittances of amounts of over €1,500], totalling 1,640,295 transactions, which, as mentioned, have increased significantly.

Transactions of the types envisaged in Article 27(1)(c) [transactions with or by residents of designated countries and territories, or entailing the transfer of funds to or from countries designated by the Order of the Minister for Economic Affairs and Competitiveness, exceeding €30,000] performed differently: while the former dropped by 8.3%, with 286,032 fewer transactions, the latter rose by 6%, to 414,357 transactions.

As regards reports of means of payment movements, there was also a slight drop (1%), to 45,956 transactions.

So-called "transactions not executed", envisaged in Art. 27(1)(g) in relation to Order EHA/2619/2006, regarding money laundering prevention measures incumbent upon entities engaging in currency exchange or cross-border transfer management activities, i.e. transactions not completed because the customer is unwilling or unable to submit the necessary documentation, rose by 23.9%, to a total of 93,714 transactions.

	2015	2016
Entering Spain	6,228	6,393
Leaving Spain	8,809	9,611
Movements within Spain	5,479	4,389
Means of payment delivered to obliged entities	6,335	5,849
Means of payment withdrawn from obliged entities	8,525	7,858
Other	11,061	11,856
TOTAL	46,437	45,956

In the case of reports of cash movements, the situation was similar to that in the previous year, with trends in cross-border and internal movements going in opposite directions, i.e. entries and exits across borders grew while internal movements decreased. Thus, reports involving cash entering Spain increased by 2.6% and those involving cash leaving the country by 9.1%, with more than 6,300 reports of cash entering the country and 9,000 reports of cash leaving. Reports of cash movements within Spain decreased by almost 20%.

Reports of both cash withdrawals and deposits at obliged entities decreased last year, with 486 fewer reports of deposits and 667 fewer reports of withdrawals. These were similar in percentage terms, at 7.7% of deposits and 7.8% of withdrawals.

ACTIVITY AS SUPERVISORY AUTHORITY

In 2016, SEPBLAC continued its intense supervision and inspection work.

	2015	2016
Inspections	71	65
Requests for reports on establishment of institutions	199	179
Requests for reports on qualifying holdings	68	55
Requests for reports on amendment of articles of association	10	16
Requests for reports on structural changes	10	25
TOTAL	358	340

In 2016, 340 actions were carried out, including on-site inspections and preparation of the necessary reports relating to the establishment of financial institutions or changes to their shareholder structure, articles of association or structure. This figure represents a slight drop with respect to 2015.

1. Inspections

SEPBLAC's decision as to what inspections to conduct takes a risk-based approach to ensure supervisory attention is focused on those sectors of the economy, and their constituent obliged entities and activities, which represent a greater risk from the standpoint of preventing money laundering and terrorist financing. The supervisory cycle needs to be shorter and more intensive whenever a heightened risk is perceived.

In drawing up its inspection plans, SEPBLAC takes several factors into account: i) the distinction between financial institutions subject to prudential supervision and other obliged entities; ii) the big difference in the economic significance of the various obliged entities; and iii) their differing vulnerability to the risk of money laundering and terrorist financing.

It is with these factors in mind that the Commission for the Prevention of Money Laundering and Monetary Offences approves SEPBLAC's on-site inspection plan each year.

The 2016 inspection plan included the conducting of 65 inspections. In all cases, the inspections are thematic in nature: the scope of inspections refers to the verification of compliance with specific obligations under the AML/CTF regulations, the scope of which is the same for all obliged entities in any given sector of activity. This enables an overall view of each sector subject to inspection to be obtained, while allowing the results of the various inspections of obliged entities making up these sectors to be compared.

Of the 65 inspections, 39 were of obliged entities in the financial sector, of which 13 were credit institutions. The credit institutions inspected were the largest in the sector in balance sheet terms, such that over 75% of the total banking system was covered.

In particular, inspections of credit institutions have focused on verifying compliance with ML/TF prevention obligations in relation to high-risk operations in the form of cash deposits subsequently transferred abroad, this type of activity being a particularly high risk for money laundering and terrorist financing. Without prejudice to the individual conclusions regarding each inspected entity, these inspections make it possible to obtain an overall picture and to identify specific areas in which there appears to be potential for improvements to the banking system as a whole. In particular, aspects regarding the application of due diligence measures and procedures for the detection and reporting of suspicious transactions stand out.

The remaining inspections of financial institutions correspond to the securities and insurance sectors, payments and electronic money institutions, specialised lending institutions, and currency-exchange bureaux.

As regards non-financial obliged entities, inspections were carried out in various sectors. In terms of the number of inspections, those concerning lawyers, and to a lesser degree, the property sector and gambling, stand out.

Inspections	2015	2016
Credit institutions	22	13
Specialised credit institutions	2	0
Electronic money institutions	0	3
Payment institutions	4	2
Currency-exchange bureaux	2	7
Investment services firms and fund management companies	6	10
Insurance companies, brokerages and pension fund management companies	0	4
Estate agents	4	2
Casinos, lotteries and on-line gambling	1	5
Auditors, accountants and tax advisers	7	1
Notaries and registrars	1	0
Lawyers	5	15
Jewellers	5	0
Company service providers	4	0
Real estate firms	8	3
TOTAL	71	65

As required under the legislation, SEPBLAC sends its inspection reports to the standing committee of the Commission for the Prevention of Money Laundering and

Monetary Offences for the exercise of its specific powers, including those relating to the application of its penalty system.

2. Supervisory actions

The legislation envisages the need for SEPBLAC to issue a report on matters relating to its powers in particular administrative procedures, primarily concerning financial institutions.

Thus, the functions conferred upon SEPBLAC by Article 4 of Law 10/2010 on the prevention of money laundering and terrorist financing, include the following:

- Reporting on the adequacy of internal control measures envisaged in the programme of activities [Art. 45(4)(i)] during procedures to establish credit institutions.
- Report on procedures concerning the prudential assessment of acquisitions and increases in shareholdings in the financial sector [Art. 45(4)(i)].

SEPBLAC's reports are geared towards protecting the integrity of the Spanish financial system and reducing the risk of money laundering and terrorist financing. Institutions authorised to operate in Spain are required to have an internal AML structure within their organisation and adequate procedures in place to deter and prevent money laundering and terrorist financing.

- Establishment of financial institutions:

In 2015 and 2016, SEPBLAC received requests for reports from the relevant sector-level supervisory bodies, the General Secretariat for the Treasury and Financial Policy and the Directorate General for Gambling, in relation to the issuing of on-line gambling licences:

	2015	2016
Banco de España	100	103
National Securities Market Commission (CNMV)	63	62
Directorate General of Insurance and Pension Funds	1	0
General Secretariat of the Treasury and Financial Policy	10	14
Directorate General for Gambling	25	0
TOTAL	199	179

- Acquisition of qualifying holdings:

The breakdown of the requests SEPBLAC received for reports on acquisitions of qualifying shareholdings in 2015 and 2016, primarily from sectoral supervisors, was as follows:

	2015	2016
Banco de España	14	5
National Securities Market Commission	44	42
Directorate General of Insurance and Pension Funds	10	7
Regional Government of Andalusia	0	1
TOTAL	68	55

- Amendments to articles of association (Article 5 of Royal Decree 712/2010 of 28 May 2010 on the legal regime governing payment services and payment institutions, with reference to Article 1):

Amendment of the articles of association of payment institutions will be subject to the authorisation and registration procedure established in Article 1 of the RD, which stipulates that the Minister for Economic Affairs and Finance shall have responsibility for authorising the establishment of payment institutions, following a report by the Banco de España and the Executive Service of the Commission for the Prevention of Money Laundering and Monetary Offences in those areas in which it has competencies.

	2015	2016
General Secretariat of the Treasury and Financial Policy	10	16
TOTAL	10	16

- Structural modifications:

Under the twelfth additional provision of Law 10/2014 of 26 June 2014 on the regulation, supervision and solvency of credit institutions (in the case of banks), and Article 90 of Law 20/2015 of 14 July 2015 on the organisation, supervision and solvency of insurance and reinsurance undertakings (in the case of insurance companies), the Minister for Economic Affairs, Industry and Competitiveness will be responsible for authorising mergers, demergers or global transfers of assets and liabilities, in whole or in part, in which a bank or insurance company is involved, or any agreement that has similar economic or legal effects to the foregoing.

For these purposes, before granting authorisation, the General Secretariat for the Treasury (in the case of the authorisation of structural modifications in which a bank is involved) and the Directorate General for Insurance and Pension Funds (in the case of authorisations concerning insurance companies) will request a report from SEPBLAC on the matters over which it has competence.

	2015	2016
General Secretariat of the Treasury and Financial Policy	10	21
Directorate General of Insurance and Pension Funds	0	4
TOTAL	10	25

In any event, the effectiveness of the anti-money laundering and terrorist financing bodies and procedures of the institutions on which reports are requested, whether as a result of establishment, acquisition of qualifying holdings, amendments to the articles of association, or structural modifications, may be subject to verification by SEPBLAC in the exercise of its supervision and inspection functions.

REGISTER OF FINANCIAL OWNERSHIP

The register of financial ownership is an administrative registry set up with the purpose of deterring and preventing money laundering and terrorist financing.

The State Secretariat for Economic Affairs and Support to Enterprise is responsible for the register, with data processing being delegated to SEPBLAC.

The reference date set for collecting the initial data to be included in the file was 31 December 2015. Between 2 and 22 January 2016, obliged entities submitted details of all current accounts, savings accounts, time deposits and securities accounts in effect on the reference date, accompanied by information on all the parties to them.

Following initial loading of the data, institutions update the information monthly by sending details in the first seven working days of each month of all openings, cancellations and changes to reportable products taking place in the preceding month.

On 6 May 2016, the date set for the implementation of the register of financial ownership, the first queries of the information in the register were carried out by the authorised agencies.

1. Data reported to the register of financial ownership

The institutions that are required to report information to the register of financial ownership are banks, savings banks, credit cooperatives and branches in Spain of foreign credit institutions, whether based in the EU or elsewhere.

Credit institutions are required to report certain information about current accounts, savings accounts, securities accounts and time deposits opened in Spain and the parties to them (information about accounts or deposits abroad should not be included) to SEPBLAC for it to load this information onto the register of financial ownership.

As mentioned, the information available is based on the products in effect on 31 December 2015, and has been updated monthly since then through a report by all institutions of all openings, cancellations and modifications taking place in the previous month.

The information in the register of financial ownership on 31 December 2016 was as follows:

Register of financial ownership		31 December 2016	
Number of obliged entities (in effect)			159
Number of different persons			52,980,201
Of which: natural persons			49,260,271
Of which: legal persons			3,719,930
Total accounts and deposits	120,047,770		%
Subtotal in effect	103,069,967		85.86
Subtotal cancelled	16,977,803		14.14
Type of involvement in effect	Natural persons		Legal persons
Account holders	136,369,255		7,514,186
Proxies	37,018,806		0
Beneficial owners	6,867,569		0
Representatives	7,206,516		41,158
Other types of involvement	1,975,590		100,876

2. Register of financial ownership queries

Investigating judges, the public prosecution service, and law enforcement agencies, can obtain access to the data reported in the register of financial ownership with the authorisation of the court or the public prosecution service when investigating crime related to money laundering and terrorist financing. SEPBLAC can also access these data for the exercise of its powers. The State tax revenue service can obtain these data under the terms envisaged in Law 58/2003 of 17 December 2003, General Tax Law.

Access and queries are performed on-line, and the results obtained are reported by the same channel.

All data requests must take place through the so-called "single-access points", which have been set up for this purpose in the following bodies: General Council of the Judiciary, public prosecution service, national and regional law enforcement agencies, and the State tax revenue service. SEPBLAC can also obtain these data for the exercise of its powers.

Queries may be based on a specific product or party, but open-ended generic or approximate searches are not permitted.