



BOLSA DE MADRID

Circular 8/1991

OMBUDSMAN

The rise in the number of stock market transactions and their growing complexity increases the probability of errors and irregularities, which could affect the legitimate rights and interests of individuals or entities interested in trading and other activities.

The greater probability of errors and irregularities particularly affects those individuals and entities that channel their savings and investments via the Bolsa de Madrid and, within them, small investors.

Meanwhile, the growing volume of stock market traffic makes it advisable to establish flexible ways to correct such errors and irregularities, opening up to investors agile routes to ensure their wishes are efficiently carried out and that problems arising from them are resolved.

Reflecting these concerns, and without detriment to the recognised responsibilities of other entities, especially the National Securities Market Commission, the Bolsa de Madrid decided to create the office of the Ombudsman in order to help and protect investors.

The Board of Directors of the Governing Body approved this Circular at its meeting on October 22 1991, regulating the appointment, powers and actions of the Ombudsman.

1º.- Appointment and organisation.

The Ombudsman is appointed by the Bolsa de Madrid to tend to the complaints and claims of investors regarding stock market transactions, as well as the actions directly related to these operations.

The Ombudsman is appointed by the Board of Directors of the Bolsa de Madrid from among experienced individuals.

The Ombudsman enjoys full autonomy to develop his functions and can organise and avail himself of the material resources and administrative services need to carry out his work.

2º.- Length and termination of the post.

The Ombudsman is appointed for three years and can be re-elected.

He can leave the job for any of the following reasons:

- a) Expiry of the three year period.
- b) Resignation.
- c) Death or incapacity.
- d) Sentenced for a crime.
- e) Negligent behaviour in carrying out the obligations and functions, when this is perceived by a majority of three-quarters of the members of the Bolsa's Board of Directors.

3°.- **Functions.**

1.- The Ombudsman is responsible for examining and tending to complaints and claims made by individuals or entities regarding transactions on the Bolsa de Madrid and actions directly related to them.

2.- The development of functions corresponds to the Ombudsman.

a) Examine complaints and claims made regarding the departments and services of the Bolsa de Madrid.

b) Deliberate with members of the Bolsa de Madrid the complaints presented concerning the decisions taken by them.

c) Analyse, with credit entities, financial intermediaries, issuing entities and other individuals and entities interested in Bolsa de Madrid transactions, the complaints made about them.

d) Prepare and submit to the Bolsa's Board of Directors as many reports, recommendations, proposals, initiatives and suggestions as are necessary for the benefit of investors.

As well as the possibility of attending Board meetings for the reasons stated in the last paragraph, the Ombudsman can also attend them when invited by its Chairman to deal with matters directly related to the exercise of his functions.

3.- The Ombudsman's functions and responsibilities exclude the following:

a) Complaints whose handling and resolution could harm third parties.

b) Matters pending a court decision or which, after being raised, are submitted to a court.

c) Matters pending arbitration.

d) Complaints being handled by a customer defender or an equivalent body of any entity.

e) Complaints pending or submitted to the National Securities Market Commission and the Bank of Spain's Complaints Service.

4°.- **Procedure.**

Interested parties should write to the Ombudsman giving their name, ID card number and address, or the equivalent information in the case of companies, and set out the details of their complaint.

All activities regarding the process are free.

When the Ombudsman receives the letter he will acknowledge receipt of it and decide whether he can proceed with the complaint. He can reject cases where bad faith and unfounded reasons are detected. If the responsibility for examining the complaint corresponds, because of its contents or state of handling, to another entity or institution the Ombudsman will make this known to the interested party.

If the decision is taken to proceed with the case, the Ombudsman will get in touch with the relevant services, bodies or entities and gather the necessary documents and offer the other parties the possibility of presenting their side of the story.

The Ombudsman can ask other departments and services of the Bolsa de Madrid to collaborate, as well as its members, and co-ordinate their activities with those of the Supervision Committee.

5°.- **Resolution of claims and complaints.**

1.- The Ombudsman will present its reports to the Board of Directors of the Bolsa de Madrid and to other interested parties regarding the actions of the services and departments of the Bolsa

The Board will inform the Ombudsman of the agreements taken as a result of its reports.

2.- In the case of claims and complaints against Bolsa members, credit entities, financial intermediaries, issuing entities and other individuals and entities involved in the stock market, the Ombudsman will send its reports to interested parties.

Individuals and entities who receive the reports will inform the Ombudsman of the decisions taken.

3.- Without detriment to the aforementioned, the Ombudsman will submit an annual report to the Board on the activities and make the necessary suggestions and observations.

The Board will inform the Ombudsman of the measures taken as a result of the annual report.

Madrid, October 22 1991

THE VICE SECRETARY

Jaime Aguilar Fernández-Hontoria