



PRESS RELEASE

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The Banco de España publishes the new Circular on the advertising of banking products and services

The Banco de España has today published **Circular 4/2020**, which updates the regulatory framework for the advertising of banking products and services, particularly in relation to advertising in digital media and channels and in social media. This Circular will play an important role in strengthening institutions' conduct vis-à-vis their customers, one of the objectives of the Banco de España's Strategic Plan 2024.

The Circular focuses on the need for pre-emptive action to mitigate potential misconduct in banking advertising. Accordingly, institutions are required to bolster internal procedures and controls in the design stage of their advertising campaigns.

Particularly relevant in the Circular are the further development and systematisation of the general principles and criteria that govern the advertising of banking products and services, and how they are adapted to the banking product or service advertised and the media used. This will help offer stronger protection to users of financial services. In this connection, a specific regime is set in place for advertising on radio and television and for advertising in digital media and social networks.

The Circular further aims to shore up legal certainty. To this end, its scope has been extended (to include institutions without an establishment and real estate brokers and lenders), the type of advertising activity regulated has been clearly delimited (any that offers or provides information on banking products and services) and a series of definitions have been introduced to smooth its application.

The new regulatory framework will enter into force on 15 October 2020.

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