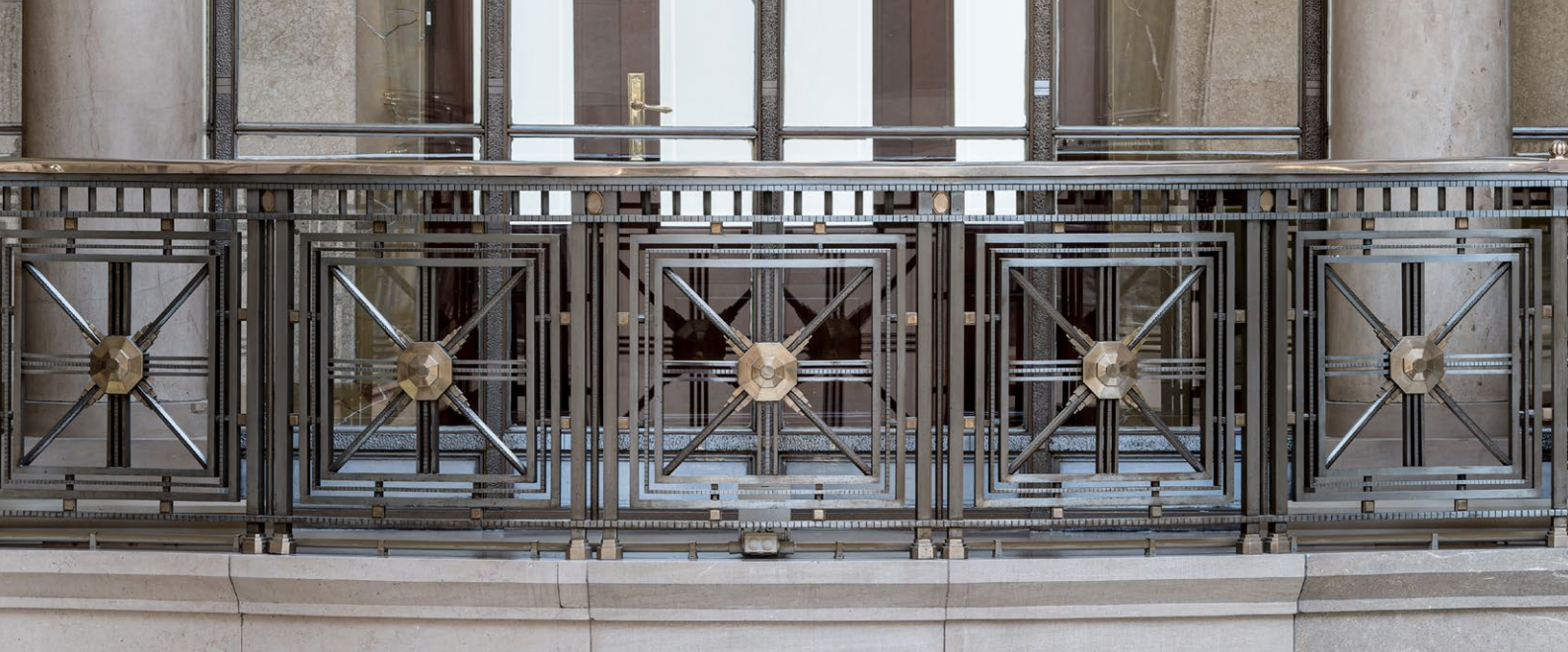




Chapter 6

Exercise of sanctioning powers



Chapter 6

Takeaways

- Among the main powers attributed to the Banco de España are sanctioning powers, which are intended to discipline the institutions supervised by the Banco de España. They are a necessary supplement to supervisory powers.
- In 2024, the Banco de España focused on institutions' internal control, management of conflicts of interest, compliance with remuneration regulations, the fight against intrusion and compliance with transparency and bank customer protection regulations.
- In 2024, the Banco de España imposed fines totalling more than €2.5 million, in addition to other types of penalties, such as disqualification.
- The penalties are published in the Official State Gazette and on the Banco de España's website (www.bde.es).

1 Exercise of sanctioning powers

Sanctioning powers are closely linked to supervisory powers and, therefore, the Banco de España exercises them as a necessary supplement to supervisory powers.

- Sanctioning powers are exercised both in the prudential area and in the transparency and customer protection area.
- In 2024, the Banco de España imposed fines totalling more than €2.5 million, in addition to other types of penalties, such as disqualification.
- The overview of this activity in 2024 is reflected in Table 6.1.

In the prudential area, the focus was on institutions' internal control, risk management and governance —paying particular attention to the management of conflicts of interest and compliance with remuneration regulations— and on the fight against intrusion.

- In this respect, in 2024 one proceeding against a credit cooperative and its directors and executives was resolved. Also, at the end of the year, another proceeding against a significant credit institution and its directors was being processed, the initiation of which, in 2024, had been requested by the European Central Bank, in accordance with the distribution of supervisory powers of the Single Supervisory Mechanism.
- Also in 2024, one proceeding was initiated against a payment institution and its sole director, and against holders of qualifying holdings. The reason is the possible non-compliance with their reporting and prior notification obligations, which allow the Banco de España to assess the suitability of the shareholders of this type of institution.
- Moreover, the fight against intrusion in its various forms was intensified. On the one hand, with regard to the unauthorised performance of restricted activities, two proceedings were resolved in 2024: one due to the collection of refundable funds from the public —initiated in 2024— and the other due to currency exchange. On the other hand, as regards the use of names reserved for credit institutions and cases of lack of cooperation with the inspection, one proceeding was resolved in 2024. Also, three other proceedings were initiated in 2024 that were still being processed at the end of the year.
- Appraisal companies and their respective directors continued to be a supervisory priority; of particular note are the issues of internal control, such as independence, compliance of incompatibilities and the correct application of valuation methods. In 2024, two proceedings were initiated in this area, one of which was resolved and the other was being processed at the end of the year.

Table 6.1

The Banco de España's sanctioning proceedings in 2024

	Proceedings initiated in 2024	Proceedings resolved in 2024
Number of proceedings	9	5 (a)
Number of institutions concerned in the sanctioning proceedings	18	5
Number of senior officers or individuals concerned in the sanctioning proceedings	37	26

SOURCE: Banco de España.

a Two of the proceedings resolved in 2024 were initiated this year. The rest of the proceedings resolved were initiated in 2023.

Lastly, it should be noted that transparency and bank customer protection is a priority issue for the Banco de España.

- At the end of the year, a proceeding initiated in 2024 was being processed, which included the investigation into the alleged violation of the prohibition on tie-in sales of mortgage loans and insurance.



For more information on the penalties imposed, please click on this [link](#) (publication within 15 days from the date on which the penalty becomes final in administrative proceedings).