

April, 2011

## NEW REGULATIONS FOR THE "HUASO BONDS"

In Chile, the debt market has continued modernizing and taking steps towards global integration. Besides the amendments already enacted that enabled the simplification of bond issuances on a local basis and that enabled the issuance of securitized bonds through the system of bond lines, now there has been an improvement in the regulations applicable to the placement of bonds in Chile by foreign companies. Such placement of bonds in Chile by foreign companies is also known as the "Huaso Bonds".

On April 1, 2011 the Generally Applicable Rule ("NCG" for its Spanish acronym) No. 304, issued by the Superintendency of Securities and Insurance ("SVS") was enacted. Such NCG No. 304 abrogated "NCG" No. 193, under which América Móvil and Banco de Crédito del Perú carried out their Huaso Bonds issuance.

Under the provisions of NCG No. 304, foreign states, through their central governments, public treasury, ministries, central banks and other governmental agencies and international or supranational organizations and other corporate entities, will be able to issue debt titles in Chile.

To that effect, NCG No. 304 requires that the aforementioned entities are incorporated in countries which sovereign debt has at least 3 risk classifications. They also must be a member of the Financial Action Task Force ("FATF") or of any intergovernmental organization of an equivalent regional base as "FATF", destined to fight money launderings and the financing of terrorism. Regarding the international or supranational organizations, NCG No. 304 requires that such entities belong to organizations in which at least 2/3 of their state members comply with the above-mentioned requirements.

Among the innovations of NCG No. 304, we find that foreign issuers which are members of the International Organization of Securities Commissions ("IOSC"), will be able to file in Chile the information already delivered to their relevant regulators. Such information can also be delivered by the foreign issuers indicating the web sites where such information is being published, provided however they comply with certain requirements. The aforementioned, shall be applicable to the issuers and to the information they must provide in Chile on a continuous basis.



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