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CMF ISSUES NEW RULES ON COLLATERAL AS CREDIT RISK MITIGANTS

On July 14, 2026, the Chilean Financial Market Commission (CMF) issued Circular No. 2,373, incorporating a new Chapter 21-10 into the Updated Compilation of Rules for Banks (RAN), entitled “Collateral as Credit Risk Mitigants,” together with amendments to Chapters 1-13 and 12-3 of the RAN, Chapter B-1 of the Accounting Standards Compendium (CNC), and the Information Systems Manual (MSI).

The Circular consolidates into a single regulatory framework the rules governing collateral used as credit risk mitigants, following a recommendation made by the IMF and World Bank’s Financial Sector Assessment Program (FSAP).

Main aspects

New Chapter 21-10 of the RAN

A comprehensive regulatory framework is established for collateral used as credit risk mitigants, including general admissibility requirements, rules applicable to different types of collateral (real collateral over corporeal assets or financial collateral, and personal guarantees), legal assessment, valuation and revaluation, as well as policies governing administration, custody and enforcement, among others. The Chapter also establishes uniform criteria for determining commercial, adjusted and mitigating values of collateral and minimum revaluation frequencies for certain assets.

Amendments to Chapter B-1 of the CNC

The provisioning framework is updated to align with the new Chapter 21-10, harmonizing the prudential treatment of collateral across the different portfolio assessment models and the substitution method applicable to certain personal guarantees.

Amendments to Chapter 1-13 of the RAN

Collateral management is expressly incorporated into the credit risk management framework, strengthening governance requirements,

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requiring board-approved policies, periodic reviews, monitoring mechanisms, adequate information systems and internal audit.

Amendments to Chapter 12-3 of the RAN

Collateral used to expand individual credit limits must comply not only with the existing requirements but also with the new admissibility, legal assessment, valuation and management requirements established under Chapter 21-10.

Amendments to the Information Systems Manual

Several regulatory reporting files are updated to reflect the new treatment of collateral and align references throughout the regulatory framework.

Entry into force

The amendments to Chapter 1-13 entered into force upon publication of the Circular. The remaining amendments will become effective on January 1, 2028.

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