

January 27, 2026

LEGAL ALERT

CMF opens consultation on structural changes to banks' corporate governance, management assessment and recovery planning

On January 21, 2026, the Chilean Financial Market Commission ("CMF") opened a public consultation on a regulatory proposal introducing significant adjustments to the regulatory framework applicable to the banking industry, with particular emphasis on strengthening corporate governance, integrated risk management, and the formal incorporation of recovery planning as a new component subject to evaluation in banks' management assessment.

The initiative is based on recommendations made to the Chilean financial system in the context of the Financial Sector Assessment Program conducted in 2021, as well as on international standards developed by the Basel Committee on Banking Supervision and the Financial Stability Board. Its objective is to align local banking supervision with international best practices, thereby strengthening the resilience of the financial system.

Below is a summary of the main aspects of the regulatory proposal:

** Strengthening and consolidation of the banking corporate governance framework**

The proposal provides for a reorganization and consolidation of rules currently dispersed throughout the Updated Compilation of Banking Regulations ("RAN"), through the full replacement of Chapter 1-4, which will be renamed "Principles and best practices of banking corporate governance".

This new chapter systematizes the guidelines applicable to the role and responsibilities of the board of directors, the suitability of its members and senior management, the functioning of board committees, and the implementation of an integrated risk management and compliance function, all under an approach proportionate to the size, complexity and risk profile of each institution.

In parallel, Chapter 1-13 of the RAN (on management and solvency classification)

is amended to incorporate a new specific assessment area relating to corporate governance, expressly cross-referenced to the new Chapter 1-4, and the current Chapter 1-15 on audit committees is repealed, with its contents integrated into the consolidated framework.

Incorporation of recovery planning as a component of management assessment

The proposal introduces a new Chapter 21-15 of the RAN, explicitly requiring banks to have a recovery plan as part of the regulatory and supervisory framework, in line with international recovery and resolution standards.

Recovery plans must be kept available to the CMF for review and assessment and must be reviewed by banking institutions at least annually, being ratified or updated as appropriate. The absence of a recovery plan will be considered negatively in the management assessment of banks, in accordance with Chapter 1-13 of the RAN.

The amendments relating to corporate governance and the integration of recovery planning will be assessed by the CMF as from the 2028 management assessment process, providing institutions with a gradual adaptation horizon to the new standards. In this regard, the CMF acknowledges that implementation of the regulatory proposal will entail compliance costs for supervised entities, which may be relatively higher for smaller banks. Key adjustments identified include the creation or adaptation of internal committees, the formalization of roles and responsibilities, the review of policies and internal controls, and the development of recovery plans. Nevertheless, the CMF notes that many of the new requirements are based on principles already considered in the current management assessment framework, meaning that, in many cases, the necessary adjustments will primarily involve greater formalization of existing practices, with costs mitigated through the application of the principle of supervisory proportionality.

The regulatory proposal is available on the CMF's institutional website under the "Public Consultation" section and will remain open for comments until April 29, 2026.

Authors: Diego Peralta; Fernando Noriega; Gonzalo Ramos