/Carey

November 2022

CMF UPDATES RULES ON ANTI-MONEY LAUNDERING AND COMBATING THE FINANCING OF TERRORISM

On November 9, 2022, the Financial Market Commission ("CMF") published General Instruction No. 2,325 which updates the regulations on the prevention of money laundering, financing of terrorism and non-proliferation of weapons of mass destruction ("New Instruction") applicable to: (i) banks (including their subsidiaries and support companies); (ii) savings and credit cooperatives; (iii) and payment card issuers.

This update is part of the work developed by the CMF in recent years together with the multisectoral working group formed by all public agencies related to the prevention, detection and criminal prosecution of money laundering and terrorist financing offenses in Chile.

The amendments introduced to the CMF regulations consider an update of the instructions for the entities indicated in (i), (ii) and (iii), to agree them with General Instructions No. 54, 55, 57, 58 and 59 of the Financial Analysis Unit ("UAF"). The above includes the necessary adjustments to strengthen the definitions of the standards associated with the 40 recommendations of the Financial Action Task Force (FATF), as well as its best practices, focusing mainly on the identification of the beneficial owner, customer due diligence determined under a risk-based approach, in addition to a greater emphasis on the prevention and detection of terrorist financing.

Likewise, some of the recommendations indicated in the Mutual Evaluation Report of the Republic of Chile, through which its anti-money laundering and anti-terrorist financing system is evaluated, which was approved on July 29, 2021, at the XLIII Meeting of the Plenary of Representatives of the Financial Action Task Force of Latin America (GAFILAT), are also addressed.

The regulatory changes are introduced in Chapters 1-7, 1-13, 1-14 and 1-16 of the Updated Regulations Compendium for banks (applicable in this matter to their subsidiaries and business support companies), in General Instruction N°123 for cooperatives and in General

This news alert is provided by Carey y Cía. Ltda. for educational and informational purposes only and is not intended and should not be construed as legal advice.

Carey y Cía. Ltda.
Isidora Goyenechea 2800, 43rd Floor.
Las Condes, Santiago, Chile.
www.carey.cl

Instruction N°1 for issuers of payment cards, considering in each case the emphasis corresponding to the nature and volume of operations of each type of institution.

The details of the New Instruction are available at here.

Details of the comments received during the public consultation period and the UAF's recommendations can be consulted in the regulatory report available at here.

Authors: Guillermo Acuña