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November 2020

# COMMISSION FOR THE FINANCIAL MARKET ISSUES INSTRUCTIONS REGARDING THE TECHNOLOGICAL MEANS AUTHORIZED FOR HOLDING BOARD MEETINGS AND REPEALS CIRCULAR NO. 1,530 OF 2001

The Commission for the Financial Market (" **CMF** "), on November 17, 2020, has issued the General Rule No. 450 (the " **GR 450** "), whereby a series of instructions are imparted regarding the remote assistance to the **board meetings of publicly- held corporations** ("sociedades anónimas abiertas"), **special purpose corporations** ("sociedades anónimas especiales"), **and closely-held corporations** ("sociedades anónimas cerradas") **subject to CMF's oversee** (hereinafter, " **Corporations** ").

Per the provisions of GR 450, **any system of bidirectional transmission and reception of sounds, images, or information is authorized for remote participation in board meetings, to the extent that they allow the interaction of the board members in real-time, simultaneously and permanently.** The foregoing, regardless of whether physical line, radio-electricity, optical means, electromagnetic systems, or mechanisms of any other nature, are used for said communication.

Likewise, the CMF indicated the following:

1. **That every Corporation must have at least one system that allows the board members to perform their right to attend board meetings remotely** . This system must be made available to the directors, to the board's secretary, or whoever takes their place, at no cost to them. The foregoing, regardless of whether the sessions are held in a physical, virtual, or mixed manner.

For purposes of determining the place where the session is held, **the registered corporate office** should be understood as both the legal address of the company and the virtual one made up of the concurrence of the different systems and means that the company

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has made available to the attendees, according to the provisions of GR 450.
2. It is the responsibility of the general manager, or the secretary of the board if the function has been delegated by the general manager, to notify each director, in due time, the form and time in which such systems will be available for that purpose, and must also provide them the information and documentation that the board members may need to carry out their deliberations and definitions on each of the matters or issues that will be dealt in the respective session, which may be held either physically or by electronic means.
3. It is the responsibility of the Chairman, or whoever takes his place, and the board's secretary, to certify, for the respective session (i) that the remote assistance systems were duly enabled, allowing all board members to attend and participate, as well as being communicated throughout the session simultaneously and permanently, and (ii) the identity of who used such systems to participate in it.
4. It is the responsibility of the Chairman, or whoever takes his place, and the board's secretary, to record said certification in the board meeting's minutes.
5. **That the board meetings' minutes can be stored in physical or digital media which guarantees their fidelity and integrity** , and which must be signed by all the board members who attended the session, through mechanisms that give certainty regarding the authenticity of the signatures of those directors.

Likewise, the CMF reiterated the authorization so that the board meetings' minutes can be signed physically or employing electronic signature, may it be simple or advanced. **However, the CMF resolved and clarify that the signatures must be contained in a single document and must be signed either physical or by electronic means, not being able to do some directors physically and by others employing electronic signature** .

Finally, **GR 450 repeals Circular No. 1,530** [1] , dated March 9, 2001, whereby the CMF regulated the rules on participation of directors in board meetings by technological means.

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[1] **Circular No. 1,530** , dated March 9, 2001, and that it imparts rules on the participation of directors in board meetings by technological means ( http://www.svs.cl/normativa/cir_1530_2001.pdf )

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