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CONGRESS APPROVES GENDER QUOTA LAW FOR BOARDS OF DIRECTORS OF CORPORATIONS

On July 23, 2025, the National Congress approved the bill known as **"More Women on Boards,"** which amends Law No. 18,046 on Corporations with the goal of increasing **women's participation on the boards of publicly traded corporations and special corporations supervised by the Financial Market Commission** (CMF). The new legislation introduces gender quotas, reporting obligations, periodic evaluations, and the creation of an advisory committee to promote gender equity in corporate governance.

Key aspects of the law:

• **Gender quotas on boards:** No more than 60% of board members may be of the same gender. A transitional regime will apply: 80% during the first 3 years, 70% from the fourth to sixth year, and 60% from the seventh year onward. Corporate bylaws must include mechanisms to ensure compliance with this proportion during board elections.
• **Reporting and transparency obligations:** While the proportion remains recommended, companies must report the identity and gender of each board member to the CMF, as well as any reasons for non-compliance. This information will be published on the CMF's website, in the company's annual report, and on its corporate website.
• **Periodic evaluations and compliance mechanisms:** Every four years, starting in July of the sixth year after entry into force, the CMF will evaluate compliance. If fewer than 80% comply or more than 5% have single-gender boards, a four-year mandatory regime will be triggered. Companies must then adjust board composition, including repeating elections if necessary. Alternate and replacement directors must match the gender of those they replace.
• **Incentives and advisory committee:** The law includes incentives under the Public Procurement Law for companies complying with the suggested proportion. A public-private Advisory Committee will also be created to support implementation, propose additional measures, and promote female leadership in senior management.

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Entry into force

The law will enter into force on January 1 of the year following its publication in the Official Gazette. It is expected to take effect on January 1, 2026.

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