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FINANCIAL MARKET COMMISSION PUBLISHES REGULATORY ADJUSTMENTS FOR CONSULTATION TO CONTRIBUTE TO THE INTERNATIONALIZATION OF THE CHILEAN PESO

On January 16, 2025, the Financial Market Commission (Comisión para el Mercado Financiero, " **CMF** "), published for consultation a regulatory proposal for amendment of the Updated Compilation of Banking Regulations (Recopilación Actualizada de Normas de Bancos, " **RAN** ") in order to reduce certain frictions identified by the authority that limit the internationalization of the Chilean peso, thus allowing a greater development of the local financial market in terms of efficiency, transparency, depth and inclusiveness.

Specifically, the proposal contains two changes:

• In the case of clients who are legal entities neither resident nor domiciled in Chile, it is proposed to amend chapter 8-1 of the RAN, to replace the requirement of the promissory note (pagaré) documenting the contingent liability of a line of credit associated with a current account, by a credit title (título de crédito), or an equivalent negotiable unilateral document, which is suitable to facilitate the collection of the balance owed on account of the overdraft line. This mechanism must be enabled by the banking institutions, and must be approved by the corresponding bank's fiscal office and in accordance with the policies adopted by its Board of Directors, being the legal report with such approval available to the CMF for its review, if required.
• In the case of foreign individuals not residing in Chile, it is proposed to amend Chapter 20-1 of the RAN, to replace the requirement to show the Identity Card (cedula de identidad) or Tax Identification Number (Rol Único Tributario), as applicable, with another internationally accepted means of identification previously defined by the bank through a procedure in accordance with the policies established by the bank itself.

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According to the CMF's press release, these regulatory amendments are expected to reduce frictions in the opening of bank accounts and the related transaction costs, to provide greater clarity of regulatory requirements for the parties involved, and the lowering of possible opacities in the use of bank accounts and/or cash.

The consultation process will be open until February 17, 2025.

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