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FMC AMENDS REGULATION ON CHECKS AND BANKING CHECKING ACCOUNTS

Considering the increasing disuse of the check as payment method, from January 11 to January 29, 2021, the Financial Market Commission (" **FMC** ") kept opened a public consultation process on an amendment to Chapter 2-2 of its Updated Regulations Compendium, to allow banks to offer checkless checking accounts to the general public.

Having considered a series of consultations and comments received during this period (including some raised by our law firm) and with the purpose of modernizing its regulations, on April 27, 2021, the FMC enacted a rule, by means of which it has amended, in addition, other provisions of this chapter, which were not part of the original public consultation, including the following:

• To allow the remote opening of checking accounts, incorporating new provisions regarding remote contracting, identity check and authentication of the requestors.
• To allow the opening of checking accounts to both individuals and entities without domicile or residence in Chile, under the following conditions: (a) If it is agreed with the bank that it will not provide them checkbooks, they shall register a domicile abroad, and (b) On the contrary, they shall set a determined place within Chile as domicile for these purposes.However, it is now permitted for this latter requirement to be fulfilled through the appointment of an attorney, authorized to be notified of any judicial or extrajudicial process the bank or third parties may initiate because of the checking account agreement.
• To exempt both individuals and entities not domiciled in Chile, of the requirement of holding a local tax identification number (rol único tributario) or identification card, except in those cases the Chilean Tax Authority of the Chilean Central Bank require so for the fulfillment of their regulations, in relation to the transactions executed by the accountholder, and
• To set that in case the opening of a checkless checking account has been agreed, banks shall make available in their branches a form, so

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their clients may solely make cash withdrawals (giros por caja) from their accounts. Likewise, they shall keep published, in a highlighted place of their websites, the available alternatives to give payment instructions on the relevant accounts (cashier's checks, high and low value electronic transfer of funds, etc.), including their updated fees.

The abovementioned amendments are applicable to new contracts entered into as from April 27, 2021.

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