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LEGAL ALERT

FMC and Superintendence of Pensions publish, for public consultation, new joint regulation on social security financial advisory

Considering the recent amendments on social security matters introduced by law 21,314 -especially those set through its article 4- on June 25, 2021, the Financial Market Commission ("**FMC**") and the Superintendence of Pensions ("**SP**") opened a public consultation process on a new regulation, to rule social security financial advisory (the "**Regulatory Proposal**").

The Regulatory Proposal's main provisions can be summarized as follows:

- It sets the Regulatory Proposal's regulatory perimeter, clearly delimiting which activities shall be subject and those excluded from the application thereof. Related thereto, the Regulatory Proposal is applicable only to Social Security Financial Advisory Entities and Social Security Financial Advisors, that is, entities and individuals that, regardless of whether they charge or not fees for their services, commit themselves to deliver by any means, non-personalized information to members, beneficiaries or pensioners of the pensions system, to make decisions with respect to the services and benefits contained in Decree Law No. 3.500.
- It sets obligations and prohibitions to the Social Security Financial Advisors and to the Social Security Financial Advisory Entities, as defined in the new text of the Law Decree 3,500, including those related to advertisement, marketing and offering of their services, and includes a specific regulation regarding their websites.
- It sets minimum content of the social security financial advisory agreement.
- It sets the application procedure for the registration in the Registry of Social Security Financial Advisors, held by the FMC and the SP on a jointly basis.
- It sets both the amount and conditions of the performance bonds and the security insurance deeds that the Social Security Financial Advisors and the Social Security Financial Advisory Entities shall issue.
- It sets obligations on safekeeping and delivery of material information to

both the FMC and the SP.

- It sets an oversight and penalties regime.
- It includes several schedules, singularizing all topics that shall be considered for purposes of the knowledge certification in pension-related matters, as well as other standard formats and documents.

The public consultation process regarding the Regulatory Proposal shall be open until July 9, 2021.

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