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FMC ISSUES NEW REGULATION ON COMPLEMENTARY ACTIVITIES OF PAYMENT CARD OPERATORS

After a public consultation process , on October 11, 2023, the Financial Market Commission (" **FMC** ") issued the new General Rule No. 498 (" **NCG 498** "), that regulates the complementary activities that may be developed by bank or non-bank payment card operators (" **Operators** ").

In particular, the NCG 498 amends the following rules:

Amendments to Circular 1 issued by the FMC for Operators

It is amended to include the following complementary activities to the Operators´ business:

• Sales reporting and reconciliation services or cash flow balancing.
• Service of issuance of electronic invoices or receipts, either by themselves or in association with another company for transactions made with any payment means.
• Collection of payments on behalf of third parties and processing for card payments, including the issuance of vouchers or receipts.

Note that the Operators can only provide these complementary services to companies they have contracts with, in connection with their line of business, i.e., payment card issuers, other Operators, Payment Processing Services Providers or related and unrelated affiliated entities, complying with the standards set in Chapter III.J.2 of the Financial Regulations Compendium of the Central Bank of Chile, on Payment Cards operation.

Amendments to Chapter 11-6 of the FMC´s Updated Regulations Compendium

Article 70 of the General Banking Act allows banks to incorporate subsidiaries in Chile whose purpose, among others, is the provision of financial services the FMC has deemed complementary to their line of business.

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In view of the above, NCG 498 incorporates the operation of payment cards to the list of businesses that may be carried out by banking subsidiaries.

The FMC expects this regulation to encourage Operators to participate in new activities -without jeopardizing the security of their core business-, to improve the service provided to merchants and clients and, potentially, to boost the expansion of the card operation network.