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LEGAL ALERT

FMC opens public consultation process regarding two amendments to its regulation on financial system debtors

On March 18, 2021, the Financial Market Commission (“FMC”) opened a public consultation process regarding 2 regulations:

Amendment to the files that configure the report of financial system debtors

The proposed regulatory changes, applicable to banks, supervised cooperatives and bank support companies (sociedades de apoyo al giro), aim to reduce the frequency of the delivery of the files D10 (Information on debtors article 14 LGB (General Banking Act) and D27 (Obligations of lessees in leasing transactions) of the Information System Manual for banks, from a monthly delivery to a weekly one. As consequence of such adjustment, the periodicity with which the CMF delivers the file R04 (Consolidated debts of the financial system) to the financial entities, pursuant to article 14 of the General Banking Act, will be adjusted in the same way.

The new delivery terms shall be valid as from the information referred to the first week of July 2021. Likewise, a 2-month trial period as from the first weekly delivery shall be considered.

Regulation of the delivery and access to the FMC’s debtors report by non-banking credit card issuers (the “TC Issuers”)

The second proposed regulatory change that aims to amend Title III of Rule No. 1 of the FMC for non-banking payment card issuers, sets the following general guidelines:

- **Information access:** Pursuant to article 14 of the General Banking Act, the right of the TC Issuers, to access to the consolidated information of financial system debts prepared by the FMC, is acknowledged.
- **Confidentiality:** The FMC remarks that this information is confidential

and its use is exclusive to the TC Issuers and is subject to article 154 of the General Banking Act, on banking reserve. Consequently, it forces the TC Issuers, besides fulfilling Chapter 18-5 of its Updated Regulations Compendium, to adopt a series of safeguards, including information security, cybersecurity, internal audit management, information processing outsourcing, training to the personnel which is involved in this process, etc.

- **Information delivery:** Shall be made through the abovementioned file D10, and with the frequency the FMC seeks to amend, as per what has been explained above.

By means of these amendments, the FMC declares that it seeks to improve the satisfaction levels of the citizens requesting their debt report, by having more updated information and to improve the credit risk management of the entities that are users of the consolidated debt report.

The public consultation process will be in place up to April 5, 2021.

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