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FINANCIAL MARKET COMMISSION PUBLISHES OPEN FINANCE SYSTEM REGULATION

On July 3, 2024, the Financial Market Commission (" **FMC** "), and after a public consultation process , the FMC published its General Rule No. 514 (the " **NCG 514** ") that regulates the Open Finance System established by Law No. 21,521 (" Fintech Law ").

The Open Finance System (" **OFS** ") aims to create an environment for the exchange of financial client information (who have expressly consented to it) among various financial service providers qualifying, according to the provisions of the Fintech Law, as participants in the OBS.

Content of the NCG 514

The NCG 514 kept the structure of the regulatory proposal submitted to public consultation, and is divided into the following sections:

Section I: Scope of the OFS

Section II: Operation of the OFS

Section III: Security and Safeguards of the OFS

Section IV: Information of the OFS

Section V: Other Provisions

Section VI: Annexes

The most notable aspects of these sections are summarized as follows:

• Regarding the scope, the participating institutions of the OFS (the " **Participants** ")will be those that, according to the Fintech Law, qualify as (i) Information Providing Institutions (" **IPI** "), (ii) Account Providing Institutions (" **IPC** "), (iii) Information-Based Service Providers (" **PSBI** "), and (iv) Payment Initiation Service Providers (" **PSIP** ").

The NCG 514 sets that entities required to provide information or

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allow access to their accounts (i.e., IPI and IPC, respectively) must request their registration in "enabling lists" (which the NCG 514 denominates “IPI List” and “IPC List”). On the other hand, PSBI and PSIP must register in certain registries established by the NCG 514 (Registry of Information-Based Service Providers and Registry of Payment Initiation Service Providers, respectively). The NCG 514 sets out the requirements and supporting information these entities shall fulfill and provide to be registered in these lists and regstries.

• Regarding the OFS's operation, the NCG 514 rules that the main mechanism for data exchange within the system will be the Application Programming Interfaces or " **APIs** ", setting the basic standards applicable to APIs, along with the availability levels and performance that these interfaces must meet, and the quality of the information to be exchanged within the system. The specifications, operational flows, and technical dictionaries associated with the implementation of the standards will be developed in Annex No. 3 "Technical Annex" of the NCG 514, whose text will be made available for public consultation by the FMC later on.

Likewise, to facilitate interaction among different Participants, the FMC will manage a " **Directory of Participants** ," defined as a technological development that will allow the searching, consultation, and updating of Participants, including their registration or authorization data, roles and profiles, digital certificates, API resources, among others.

• Concerning the security and safeguards of the SFA, the NCG 514 sets, inter alia, requirements related to risk management and internal control of the Participants; cybersecurity and incident reporting; the mechanism for reporting operational incidents; and the elements that Participants must consider regarding business continuity, among others. Additionally, it considers the requirements and manner in which client consent must be given as an essential condition for entities to access their financial information. Regarding this and in line with the spirit of the Fintech Law, the NCG 514 allows such consent to be manifested through any means, physical, oral, digital, or electronic, as long as they offer sufficient certainty and meet other requirements established in the standard and establishes prohibitions and restrictions on Participants when obtaining it.
• Regarding the information of the OFS, the NCG 514 rules which data exchange is allowed to Participants and sets conditions, requirements, obligations, and responsibilities for Participants for this

purpose. For these purposes, the NCG 514 includes 2 annexes that regulate the taxonomies of variables and data to be provided and shared (Annex No. 1) and the coding that will allow distinguishing the different products reported in the system (Annex No. 2). By way of example, it will be allowed to share information in the OFS on terms and conditions of several financial products, such as different type of accounts, payment cards, loans, credit lines, insurance policies, among others.

Implementation of the NCG 514

The implementation of the OFS will be gradual and shall commence 24 months since the publication of this rule, i.e. as from July 4, 2026.

The graduality depends on the type of Participant and the type or category of information to be shared. Banks, credit and prepaid card issuers shall be subject to stricter rules, and shall implement the APIs to share information on General Terms and Conditions and Attention Channels within 6 months, as from July 4, 2026. On the other extreme we found the other Participants, which shall have a 36-month term to implement APIs on enrollment, historic financial positions, transactional history and existing products.

The FMC expects that the OFS favors the entry of new financial services providers to the market, boosting innovation in the provision of these services, with the benefits involved in connection therewith, and at the same time promotes the access of traditionally excluded persons and groups to financial services and products that better suit their needs.

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