

May 15, 2025

LEGAL ALERT

Regulatory Adjustments to Contribute to the Internationalization of the Chilean Peso

On May 7, 2025, and after the public consultation process initiated on January 16, 2025, Circular No. 2,363 issued by the Financial Market Commission ("CMF") came into effect, amending Chapter 8-1 of the Updated Compilation of Banking Regulations ("RAN") in order to reduce certain frictions identified by the authority that limit the internationalization of the Chilean peso.

****Key changes:****

- For legal entities that are neither resident nor domiciled in Chile, **the requirement of a promissory note (pagaré) documenting the contingent obligation of a line of credit associated with a current account is replaced** by other instruments suitable to facilitate judicial collection of the balance owed, in accordance with the applicable legislation of the relevant jurisdiction.
- If the beneficiary of the credit line holds an international long-term risk rating (as listed in Chapter 1-12 of the RAN) equivalent to or higher than that of the Republic of Chile, and/or is classified as a global systemically important bank (GSIB), **the bank may exempt the client from the aforementioned requirement, based on its internal policies and risk appetite.**
- The replacement instrument **must be approved by the bank's legal counsel**, and the exemption procedure must comply with the internal policies adopted by the bank's Board of Directors.

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