

NEW FINTECH LAW: REGULATORY FRAMEWORK, OPEN BANKING AND ENTRY INTO FORCE

On January 4, 2023, Law 21.521, which promotes competition and financial inclusion through innovation and technology in the provision of financial services, known as the "Fintech Law" was published in the Chilean Official Gazette.

The Fintech Law establishes a regulatory framework for services based on Fintech technologies, such as crowdfunding platforms, alternative transaction systems, credit and investment advice, custody of financial instruments, order routers and financial instrument intermediaries, which were not regulated or supervised by the Commission for the Financial Market ("CMF"). In addition, it creates an Open Banking System that allows the exchange of customer information between different financial or related service providers.

With some exceptions, this law will become effective thirty days after its publication in the Official Gazette. Among these exceptions, Titles II and III of the law, relating to technology-based financial services and the open finance system, respectively, stand out. These titles will come into force as of the date of entry into force of the regulations issued by the CMF, the contents of which we refer to below.

Regarding the Title II of the Fintech Law, relating to technology-based financial services, the CMF must issue a series of rules regulating, among other matters, the information requirements to be met by financial service providers, both for their registration and once they are registered; the exceptions or less burdensome forms of compliance established for the provision of services in a smaller volume or which, by their nature, do not compromise public faith or financial stability; the requirements to be determined for the services provided by the regulated entities; the guarantee and minimum equity requirements to be imposed on certain providers, as well as the corporate governance and risk management standards to be established for the latter.

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Carey y Cía. Ltda.
Isidora Goyenechea 2800, 43rd Floor.
Las Condes, Santiago, Chile.
www.carey.cl

As for Title III of the Fintech Law, regarding the open finance system, the law mandates the CMF to issue a series of rules that regulate, among other aspects, the institutions and information that will be subject to the open finance system; the requirements for consultation, access, delivery and exchange of this information; the operation of the various registries that the CMF must create in accordance with this title; the minimum standards and security mechanisms to be set for the operation of the interfaces involved in the operation of the open finance system and for the entities that are part of it, as well as the requirements for the consent given by the clients so that their information may be subject to the open finance system.

The aforementioned titles, as indicated above, will be in force as of the date of entry into force of the respective regulations issued by the CMF. The Fintech Law indicates that such regulations must be issued within a maximum period of eighteen months from the publication of the Fintech Law.

More details about the Fintech Law are available at this [link](#).

Authors: Francisco Guzmán; Sebastián Melero