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FINANCIAL MARKET COMMISSION ANNOUNCES NEW MEASURES TO MITIGATE ADVERSE ECONOMIC EFFECTS

In the context of the pandemic and its financial, health and other consequences, the Chilean Commission for the Financial Market (CMF) has announced new measures aimed at mitigating their adverse effects.

Thus, within the framework of its powers and in coordination with the Central Bank of Chile, it has announced the postponement of the application of the rules needed for the Chilean banking to be able to reach the Basel III standards introduced by the modifications to the General Law of Banks, published in January 2019. Initially, those standards should have been gradually begin applied as of 2021.

Among the mitigation measures mentioned are the postponement by one year of the implementation of the matters related to Risk-weighted Assets, which will take effect in 2022, as well as the postponement by one year of additional capital charges to banks of systemic importance, the requirements associated with the conservation buffer and discounts to effective equity.

The CMF will continue with the issuance of the different pronouncements required for the implementation of such measures, including the new agreed terms.

The CMF communication with the detailed description of the measures is here (spanish).



If you have any questions regarding the matters discussed in this news alert, please contact the following attorneys or call your regular Carey contact.

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