

➤ CMF publishes rule governing investment advisory services

The Financial Market Commission ("CMF") published on April 13, 2022, in effect as of July 12, 2022, the General Rule No. 472 that regulates the investment advisory services in Chile, specifically the requirements and procedures for registration, cancellation and suspension in the Registry of Investment Advisors (the "Registry") and the obligations to which such advisors will be subject to, including the requirements regarding the disclosure of information ("NCG 472").

The NCG 472 establishes that individuals and legal entities, except for banks, insurance and reinsurance companies, and securities intermediaries, among other entities already supervised by the CMF, who intend to make recommendations on a regular basis in Chile, by any means, related to the investment in financial instruments of any kind and directed to the public or to specific sectors of the public, must first register with the CMF.

The term "investment advisory services" does not encompass pension financial advisory services, which are governed by the provisions of NCG No. 459, issued jointly by the CMF and the Superintendency of Pensions. Likewise, those who perform activities or services of price projections of assets, and economic and financial analysis, which do not include investment recommendations, are not subject to the obligation of registration in the Registry.

The NCG 472 sets out the information required to apply for registration in the Registry, distinguishing between individuals and legal entities, and the obligations applicable to investment advisors registered in the Registry, consisting mainly on implementation of certain policies, procedures and controls, including a code of conduct, in order to ensure the truthfulness and suitability of the recommendations, the prioritization of the interests and needs of their clients, and the independence and knowledge of the advisors, among other aspects.

The obligations of investment advisors include the accreditation of the advisors in accordance with General Rule No. 412 of the CMF, the disclosure of information related to investment recommendations, and the recording of the recommendations made by the advisor, among other obligations. Likewise, special provisions and obligations are established with respect to advisory services that are the result of IT/computer processes without human intervention.

The NCG 472 is published after a public consultation process carried out by the CMF and reported in our [news alert on March 9, 2022](#).

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