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FINANCIAL MARKET COMMISSION CLARIFIES THE SCOPE OF REGULATIONS TO FACILITATE REMOTE PARTICIPATION AND ELECTRONIC SIGNATURE OF MINUTES

Under the faculties granted by the law, the Commission for the Financial Market (“**CMF**”), has issued the Official Letter No. 1149, dated April 21, 2020 (the “**Official Letter**”), to clarify the scope and tenor of the instructions given by Circular No. 1,530 of 2001 and General Rule No. 435 of 2020, regarding the board of directors meetings, assemblies of contributors or bondholders and shareholders’ meetings held by remote means.

I. *Participation of Directors in Sessions held by Technological Means*

First of all, the CMF clarified that Circular No. 1,530 of 2001, was intended to establish the requirements that the technological means had to fulfill to be understood as authorized by such entity, which, in no case should be understood as a limitation to the authorization granted by the law so that **each and every of the company’s directors can** participate in board meetings simultaneously and permanently, through technological means that meet those conditions.

In this way, the CMF clarifies and modifies the criteria held by such body prior to this date, allowing all directors to validly participate in a board session connected by technological means, without being necessary that at least one of them attend physically to the company’s registered office.

II. *Voting by a loud voice and by acclamation in Meetings and Assemblies that contemplate remote means of participation of shareholders, bondholders, or fund contributors.*

Likewise, and under the provisions, among other norms, of Law No.18,046 on Corporations and its Regulation, Law No. 18,045 on Stock Market, Law No. 20,712, which Regulates the Administration of Third Party Funds and Individual Portfolios and its Regulation, the CMF issued the General Rule No. 435 of 2020 (“**NCG 435**”), which establishes the requirements that must fulfill the employed technological means to allow the remote participation of shareholders, bondholders or funds contributors, as appropriate, and, concerning the voting mechanisms in which the legislator itself established the condition of simultaneity in the casting of the vote or that it must be secretly cast, it is reiterated that said means employed must safeguard compliance with such requirement.

In that sense, the instructions contained in aforementioned NCG 435, **in no case should be understood as additional requirements to those required by the law itself for the mechanisms expressly regulated by it**, such as voting by a loud voice or by acclamation, in those cases that the laws or its regulations so demand or allow the said form of voting.



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III. *Use of Electronic Signature in Minutes and Documents of Meetings, Assemblies and Sessions*

Finally, concerning the **minutes and documents that record the agreements adopted in the meetings, assemblies or sessions** referred to in the Official Letter, it is recorded that the subscription of electronic documents has been expressly regulated by Law No. 19,799, so the aforementioned documents may be electronically signed, under the provisions of the said law.

In that sense, the electronic signing of **board of directors meeting minutes** must be done in accordance with the provisions contained in General Rule No. 434 of 2020, which allows the use of advanced electronic signature and simple electronic signature. In the particular case of electronic signing of the **meetings and assemblies minutes**, it is possible to rely on the terms of Law No. 19,799 on electronic documents and electronic signature, in accordance to what is stated in the preceding paragraph, thus allowing the signature of such minutes by means of an advanced electronic signature or simple electronic signature.