

January, 2018

END OF THE SUPERINTENDENCE OF SECURITIES AND INSURANCE

On January 15, 2018, after a history of more than 37 years, the Superintendence of Securities and Insurance (**SVS** by its Spanish initials) ceased to exist. This is one of the steps included in Law N° 21,000 (the "**Law**"), which created the Commission for the Financial Market (the "**Commission**").

In the context of the Law, on December 14, 2017, a transitory implementation period started for the Commission, which lasted until January 15, 2018, during which the Commission and the SVS coexisted. Ultimately, the Law provides that the Commission will be to all effects the survivor and legal successor to the SVS, and, hence, any reference made to the SVS must be understood as being made to the Commission.

With the elimination of the SVS, the elected commissioners who serve on the Council of the Commission, which is the administration body of the new Commission, assumed their duties with all their authorities. The commissioners are: **Carlos Pavez** (Chairman of the Commission and former Superintendent of the SVS), **Rosario Celedón** (Vice Chairman of the Commission), **Mauricio Larraín**, **Kevin Cowan**, and **Christian Larraín**. Additionally, **Andrés Montes** (former Center-North Metropolitan Region Prosecutor of the Public Prosecution) was appointed as the new Prosecutor Attorney of the Commission. In this role he will lead the Investigation Unit of the Commission, one of the innovations introduced by the Law.

In general terms, the Commission maintains a scope of competence and oversight similar to that of the SVS, however, in investigative matters, it is endowed with additional powers. This increased investigative authority allows the Investigation Unit of the Commission to conduct more invasive searches including accessing bank secrecy and intercepting communications. Further details regarding the purpose, extent, authorities and operation of the Commission are available here:

<http://www.carey.cl/en/law-n21000-establishes-the-national-financial-market-commission-of-chile/>

Finally, the bill that modernizes Chilean banking legislation has been approved by the Chilean Chamber of Deputies and has entered the second constitutional procedural stage. This bill includes an amendment that requires the current Superintendence of Banks and Financial Institutions ("**SBIF**") to be absorbed by the Commission. Following the publication of this act, the President of the Republic will have one year to issue a legal decree establishing the date on which the Commission will assume the functions of the SBIF, and when the SBIF will be eliminated. This measure will further increase the authorities and functions of the Commission.



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