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COMMISSION FOR THE FINANCIAL MARKET ISSUES RULE AUTHORIZING MECHANISMS FOR THE USE OF ELECTRONIC SIGNATURE IN BOARD OF DIRECTORS MINUTES´ IN CORPORATIONS THAT ARE SUBJECT TO ITS OVERSIGHT

On February 13th, 2020, the Commission for the Financial Market (Comisión para el Mercado Financiero or “**CMF**”) issued General Rule No. 434 (“**GR 434**”), by means of which authorizes corporations that are subject to the surveillance of the CMF to use electronic signatures for the signature of board of directors´ minutes.

Previously, the directors of corporations were authorized to participate in board meetings through technological means, without being physically present, complying with certain requirements. Notwithstanding the foregoing, in order to carry out the adopted agreements, the minutes must be signed by all the directors attending the session. In this sense, NCG 434 facilitates the process of signing the board meetings´ minutes with respect to all attending directors, who can sign them by electronic signature.

NCG 434 sets forth the following requirements to verify the identity of the director who electronically signed the minutes (in those cases in which the advanced electronic signature is not used): (i) a previous board agreement that sets forth the means to verify the identity of the signer; and (ii) the general manager, or who has acted as secretary in the respective meeting, records, when incorporating the minutes in the book that is maintained for these purposes, the fact that said electronic signature corresponds to the director who appears subscribing the respective minutes.

With this change, progress is being made in the modernization of processes in corporations controlled by the CMF, taking advantage from the existing technology and the value that the law has recognized to it, as it is the case of the electronic signature.



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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