

Press Release



SUPERINTENDENCIA
VALORES Y SEGUROS

SVS PUBLISHES NEW REGULATIONS TO MITIGATE INFORMATIONAL IRREGULARITIES AND TO INCREASE MARKET DEPTH

- *The regulatory entity creates new requirements for “Investor Information” to be provided by corporations and given to all market agents simultaneously.*
- *In the Securities Market, investment alternatives were expanded for the administration of third-party portfolios done by stockbrokers.*

One new rule and two modifications to existing rules were published today by the Superintendencia de Valores y Seguros. Each of these, within their respective scopes of action, are concerned with making advances in corporate governance, mitigating the risk of privileged information use in the Chilean market, and modernizing regulation on portfolio administration activity performed by stockbrokers.

The new regulations are the product of extensive internal analysis and the valuable contributions made by different market actors via the SVS website during its period of comment.

One of the changes is related to the [General Rule N°210](#), which modifies General Rule N° 30 and what it says about the communication and treatment of Important Facts, and the regulation of Private Information.

General Managers will classify information as “Important Facts”.

Along with providing a few general lines that will allow corporations to understand more clearly what and when to send relevant information to the market, the rule will allow the board of directors of a given company to delegate a General Manager who will decide upon and submit these Important Facts.

In practice, this will allow for greater promptness and fluidity from the moment an important decision is made until the market is notified of it, minimizing the risk of privileged information usage.

Investor Information

Additionally, the modification of General Rule N° 30 incorporates the requirements for “Investor Information” to be provided by corporations. According to this rule, this will include all information that, *without disguising the character of the fact or important information, is useful for an adequate financial analysis of the entities, their securities or the offering of these.*

In the event that this type of information has not been provided formally by the entity and is going to be provided, directly or indirectly, to a determined party, this information must be distributed to the market as a whole, *at the same time* that it is provided to the specific group. It is understood that the entity will provide information to the entire market, insofar as it is published in clear view on its website.

If it is not possible to simultaneously distribute the information, the entity must make sure that it is provided to the market in the shortest amount of time possible.

Corporations must provide their information policies

In turn, the new [General Rule N° 211](#) is directed towards the issuers of public offering titles who must adopt internal policies and norms regarding the type of information that will be considered to be of interest to the investors, and the systems implemented in order to guarantee that this information is communicated in a timely manner.

These rules and policies must be reflected in the “Management of Investor Information for the Market Manual” that each entity must publish on its webpage. In this rule, the SVS specifies the material that it considers necessary to include in this document. In the event that an entity does not include this material, it must make a note of this in the respective manual.

In this way, it will be the companies themselves that must set their own parameters and the market that will evaluate how demanding these are and, based on their analysis, apply rewards or punishments as they see fit.

New investment options for the administration of third-party portfolios.

The regulating entity also issued [Circular N° 1.862](#) -which replaces circular N° 619 -, and which expands investment options for the administration of third-party portfolios done by stockbrokers for other instruments such as foreign securities, invoices, and representative certificates for products, contracts and invoices.

The new circular also requires that the securities intermediary make it clear to his clients any possible conflicts of interest that he may have with the entities through which operations, their counterparts, distribution of shares are performed, or issuing parties or the securities to be invested in.

Additionally, the stockbroker must have policies, procedures and formal controls that allow him to effectively manage the inherent risks of administrating third-party portfolios and to correctly resolve conflicts of interest that may arise as a result of this.

Santiago, January 15, 2008.