

Press RELEASE



The CMF emits rule about codes of conduct for entities forced to self-regulate and that will not be part of the Financial Self-Regulation Committee

April 27th, 2018.- With the purpose of promoting the best practices in matters of corporate governance, business ethics, legal transparency and competition, the Financial Market Commission (CMF) issued the General Nature Rule N° 424 which establishes topics that shall include Codes of Conduct that those entities subject to oversight for whom it is mandatory to self-regulate according to what is established by the Act N°21,000 shall present.

It is worth remembering that on March 2nd this year, the commission disseminate the options that the aforementioned act includes so that actors of the private sector can self-regulate themselves, being able to express either the intention of participating in the Financial Self-Regulation Committee that might be set up or by sending their Codes of Conduct to the CMF for its approval.

On this occasion, the CMF asked for comments from the market and general public regarding a normative proposal that detailed structure and delivery procedures of Codes of Conduct that public offer securities intermediaries, securities markets, product markets, general manager of fund and individual portfolio managers supervised by the Commission and which decide not to participate in the aforementioned Financial Self-Regulation Committee, shall present

After concluding the public enquiry process, the CMF established in Rule N°424 that entities shall present, for approval by the Commission, topics to be reported by those actors that will be referred to as corporate governance, business ethics, legal transparency and competition, and organized under the following subject areas: **Relationship with clients, Relationship with third parties and Relationship inside the entity.**

In the case of relationship with clients, they shall report:

- Negotiation, commercialization and advertising rules.

- Confidentiality rules about client's information.
- Delivery of relevant information rules to the client.
- Customer service and complaint handling management.
- Other rules.

In terms of relationships with third parties, they shall report:

- Rules that promote fair competition.
- Rules that promote sustainable development of the entity.
- Rules that prevent the commission from frauds, market abuse or other crimes or offenses.
- Other rules.

While in terms of relationships inside the entity, the codes of conduct shall address:

- Rules of corporate governance.
- Rules of prevention, management and communication of conflicts of interests.
- Rules that prevent from committing internal frauds or other crimes or offenses.
- Rules in relation to observance of the Code of Conduct and possible penalties for unfulfillment.
- Other rules.

Approval of Conduct Rules

Conduct rules shall have the approval of the superior body of the entity's management, that is, the board of the entity obliged to self-regulate themselves.

Entities shall send their Self-Regulation Code for the approval of the Commission, through the Online Information Delivery System (SEIL,) no later than June 14th, 2018.

Once they are approved, those Self-Regulation Codes shall be published by the entity on their institutional website and, additionally, they will be available at www.cmfchile.cl.

According to the regulatory transparency standards included by Act N°21,000, the CMF disclosed the final report of the normative process including the comments received during the public enquiry process, just as the corresponding regulatory impact analysis.

Link to regulations

http://www.cmfchile.cl/institucional/legislacion_normativa/normativa2.php?ultima=mes

Link to Regulations Report

http://www.cmfchile.cl/portal/principal/605/articles-24867_doc_pdf.pdf