

**Press
RELEASE**



The CMF opens for consultation regulation which establishes infringements that will be submitted to a simplified procedure

June 22nd, 2018. – In compliance with the new regulations that Law N°21,000 introduced to the D.L N°3,538 in matters of sanctioning procedures, the Council of the Financial Market Commission (CMF) today opened for comments from the market and the general public, the regulation which determines less serious infringements which will be submitted to the simplified procedures and the range of applicable sanctions.

With this, a further step is taken by the CMF in the implementation of the changes introduced by Law N° 21,000 regarding the administrative sanctioning procedure matters which aim is to improve the effectiveness of the CMF to ensure compliance of the financial regulation and the safeguarding of the due process.

The incorporation of the simplified sanctioning procedures, of an abbreviated type, which will be applied under strict due process standards for those infringements qualified as less serious can be found within these measures, enabling the CMF Council to apply an administrative sanction within the range included in the regulation.

In such cases, the CMF Investigation Unit Prosecutor will initiate the simplified procedure, being the Council of the CMF able to resolve the sanctioning process with the merit of the requirements of the Prosecutor if it is known that the infringer has admitted responsibility, or the case may be, as a result of an abbreviated process that contemplates stages of pressing charges, discharges, and evidence.

By opening this regulation to consultation, the aim is to optimize the use of CMF investigation and pursuit resources, assigning them mainly to those infringements that have a greater impact on the market and, at the same time, allow an expeditious procedure and resolution of investigations carried out for minor infringements.

Contemplated offenses and range of sanctions

The infringements contemplated in the proposal are related to breaches of delivery requirements and information disclosure to the regulator, the investor or to the market in general, contained in current regulations, including the lack of timely and inaccurate or incomplete information delivery.

The proposal determines that the range of sanctions that may apply to the offenses subject to the simplified procedure will range from censorship to fines for a maximum of 700 "unidades de fomento".

The foregoing, to the extent that the infringements are not related to malicious or willful actions; no third party has been seriously affected; and they do not have a relevant impact on the preservation of the correct operation and stability of the market, in which case instruction for an ordinary sanctioning procedure will be carried out to determine eventual responsibilities.

Link to the regulations in process:

http://www.cmfchile.cl/institucional/legislacion_normativa/normativa_a_tramite.php

Direct link to the Progress Report:

http://www.cmfchile.cl/institucional/legislacion_normativa/normativa_a_tramite_ver_archivo.php?id=2018062225&seq=1