Press
RELEASE

COMISIÓN PARA EL MERCADO FINANCIERO

The CMF issues a regulation which puts into operation the simplified sanctioning procedure for minor infractions, and establishes the range of applicable sanctions

September 10th, 2018-The Financial Market Commission (CMF for its initials in Spanish) reports today that its Council passed General Regulation No. 426, which establishes those offenses qualified as of **minor severity which can be subject to a simplified procedure**, in case the Investigation Unit of the CMF starts a sanctioning procedure.

Regulation Purpose

With the goal of enabling the CMF to allocate its investigation and prosecution efforts, primarily to the breaches of greater market effect, the Organic Law of the Commission included a simplified procedure applicable to those breaches done by persons or overseen entities that are qualified as minor entity (severity).

According to the simplified procedure, such breaches can be punished by the sole merit of the Prosecutor in charge of the Investigation Unit of the CMF making the requirement, if he or she acknowledges that the person or overseen entity accepts its responsibility.

Those entities or persons, whom the Investigation Unit of the CMF presses charges for having incurred in this type of offense and do not accept them, shall be subject to the sanctioning procedure, in which they will be able to present their evidence and rebuttals.

The purpose of this procedure is to achieve a clear processing and resolution of the investigations of these regulation violations, under appropriate standards of due process.

Scope of Application

It is aimed at persons or entities overseen by the CMF which incur in any of the behavior qualified by the regulation as minor severity breaches.

Minor severity breaches

The regulation establishes a list of breaches, corresponding to the non-compliance of the information delivery or broadcasting requirements to the regulator, investors, or the market in general, included in the regulation in force.

Such non-compliance includes:

- **Lack of a timely delivery of information as requested by the CMF,**
- **Delivery of incomplete or inaccurate information to the CMF,**
- **Delivery of information which does not adjust to the regulatory requirements.**

The aforementioned, as long as the breaches are not considered to be offenses, do not seriously affect third parties and have no relevant impact on the preservation of the correct operation and stability of the market, in which case the carrying out of a regular sanctioning procedure will be required.

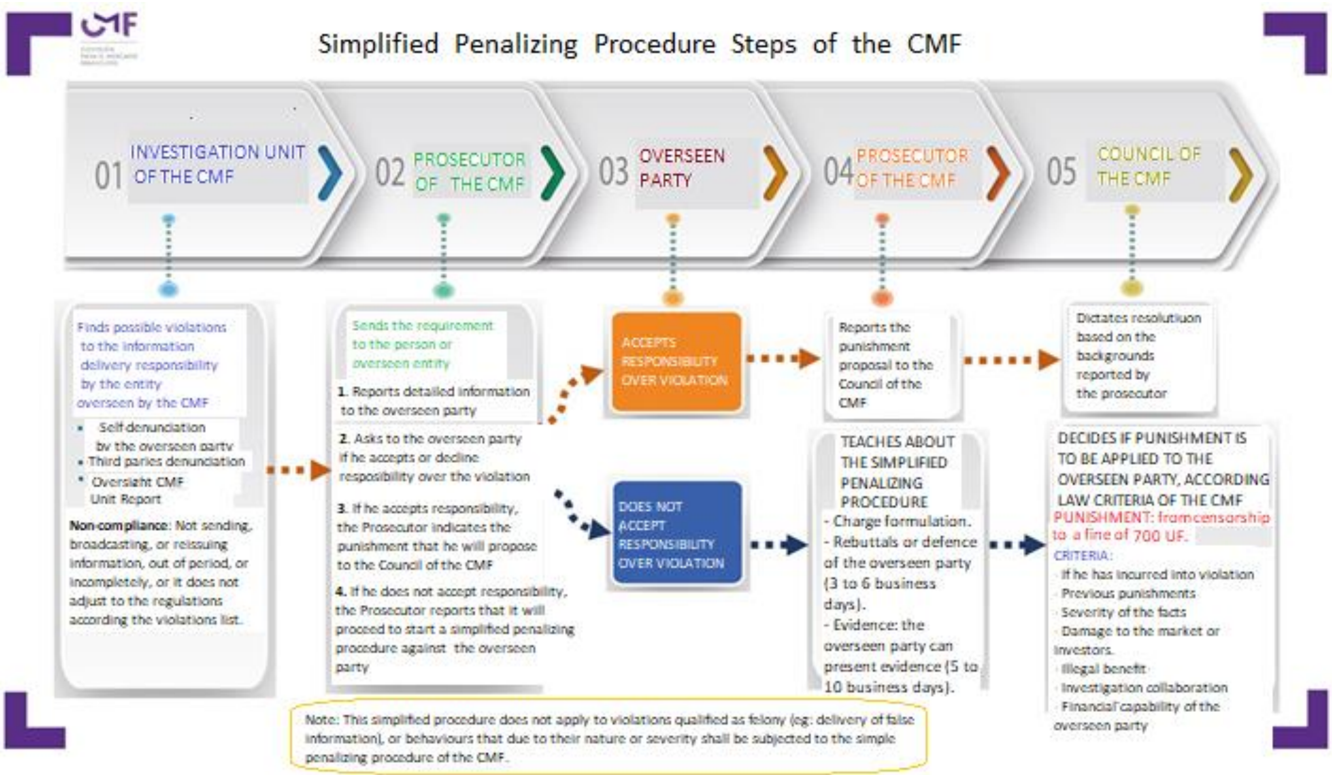
Sanctions

The range of sanctions which the Council of the CMF will be able to apply to these types of breaches, could vary from censorship to a fine up to a maximum value of 700 UF.

Public Enquiry and Regulatory Impact Analysis

The regulation was up for enquiry for comments from the market and the general public between June 22nd and July 20th of the current year, a period in which comments were received on behalf of four entities. As of that enquiry process procedure, some refinements were made to the regulation finally issued, as per indicated in the Regulatory Report, **which includes the corresponding regulatory impact analysis.**

New simplified sanctioning procedure of the CMF:



Link to [General Regulation No. 426](#).

Link to the [Regulatory Report](#).

Link to Information Graphics with the steps of the sanctioning procedure of the CMF.