

**Press
RELEASE**



The CMF endorses the Multilateral Memorandum of Understanding of the International Organization of Securities Commissions (IOSCO)

- ***The signing of this agreement acknowledges the advance of Chilean regulation regarding the compliance of the highest international standards, which opens development and growth opportunities for the Chilean market abroad.***

November 22nd, 2018 The Commission for the Financial Market (CMF for its initials in Spanish) reports that it endorsed the Memorandum of Understanding (MoU) Concerning Consultation and Cooperation and the Exchange of Information of the International Organization of Securities Commissions, after its application to be signatory of this international instrument had been accepted.

The Multilateral Memorandum of Understanding (MMoU) of IOSCO provides our country with a framework for international cooperation amongst securities market regulators. Its signatories have a mutual assistance and information exchange commitment in fields related to licensing, supervision, and investigative purposes and prosecution of possible infringements to the rules of the mentioned markets. The aforementioned must be carried out under adequate protection standards regarding the confidentiality of the information exchanged.

The incorporation of the CMF to the IOSCO MMoU, will allow the Commission to count on a procedure to channel assistance requests, cooperate, and exchange information with securities regulators from more than a hundred jurisdictions for purposes of supervision and enforcement.

The application process for the IOSCO MMoU was initiated by the Superintendence of Securities and Insurance (SVS for its initials in Spanish), predecessor of the CMF and reactivated when Law No. 21,000 took effect, where the National Congress granted new powers to the Commission. Some of those powers are access to banking information in sanctioning procedures, or for assistance requests from foreign regulators. The foregoing allows the CMF to fully comply with international standards, and therefore, to access this MMoU.

This procedure, led by the CMF, was supported by the Ministry of Finance, and furthermore, and counting with reports from the State Defense Board, the Financial Analysis Unit, and the Public Prosecutor Office.

Effects of the MMoU of IOSCO

Upon endorsing the MMoU of IOSCO, the CMF will be incorporated into the group made up of more than one hundred countries which have signed this agreement, confirming their commitment to international cooperation, and better global standards in matters of securities markets regulation and supervision.

Because this recognition improves the Chilean Securities Market credibility and reputation abroad, amongst other benefits, it will allow entities from the Infrastructure Market to be recognized as a valid party for other international regulators and similar entities.

Furthermore, endorsing the Multilateral Memorandum of Understanding (MMoU) will allow the CMF to boost its participation in IOSCO through different work groups and committees, in subjects established as important by the Board, and in turn to recover regional leadership in securities matters.

What is IOSCO?

The International Organization of Securities Commissions (IOSCO), is an international body which brings together almost every regulatory and supervisory authorities from securities market around the world (128

jurisdictions to date), and it is considered to be a reference entity regarding the establishment of standards and international cooperation for the mentioned markets. The CMF has been a member of IOSCO since its creation in 1983.

What is the MMOU of IOSCO?

The Multilateral Memorandum of Understanding of IOSCO (hereinafter IOSCO MMoU) is the main instrument for the cooperation and information exchange among securities regulators worldwide. It was developed in 2002, attending the uprising international activity in the securities market and derivatives, and the subsequent cooperation necessity and mutual consultation amongst the IOSCO members to secure the application and the effective compliance of the legislation on securities in each country.

Signing this MMoU has become an essential requirement to meeting international standards applied to collaboration among regulators. Additionally, fulfilling the requirements of this MMoU is considered in various evaluations in the financial system, for example those carried out by the International Monetary Fund, the World Bank, and the Financial Stability Board, among others.