



CMF suspends activities of “Sociedad Emisora de Tarjetas CYD S.A.”

- *This is due to non-compliance with minimum capital requirements established by the Central Bank of Chile's regulations for non-banking credit card issuers.*
- *Following the procedures established in the General Banking Act, the sanctioned entity may not issue loans to its customers or carry out new transactions with affiliated businesses, among other activities.*
- *The measures adopted intend to limit the potential risks these non-compliances could cause in payment of the obligations the entity has with businesses that accept its card as a means of payment.*

April 5, 2021 – The Board of the Financial Market Commission (CMF) suspended as of today and for a 90-day period the activities of “Sociedad Emisora de Tarjetas CYD S.A.” The decision of the Board, as stated on [Exempt Resolution No. 1,905](#), is based on non-compliance with the Central Bank of Chile's regulations on minimum capital and reserves to be maintained by non-banking payment card issuers.

The measures adopted by the Board of the CMF through the powers granted by the General Banking Act intend to limit the risks that this sanction could cause in the fulfillment of payment obligations CYD S.A. has with businesses that accept its issued cards as a means of payment. Therefore, the sanctioned entity is banned during this period from:

- Issuing new payment instruments in general, particularly new credit cards, including to its current cardholders.
- Affiliating with new businesses.
- Carrying out any type of transaction with the cards currently in circulation. This includes conducting new transactions with related and unrelated businesses; granting other types of loans to its customers, such as cash advances; and engaging in new debt restructurings.

As a result of these measures, holders of a CYD S.A. card will no longer be able to continue using it as a means of payment. However, they must still comply with payment of any acquired debts. Additionally, these measures do not imply the

postponement of CYD S.A.'s payment obligations with its associated businesses, which must be managed by the issuing entity itself.

The Commission will continue to monitor the entity's performance and will take any measures it deems appropriate within the scope of its powers.

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