

D.L. N° 3,538¹

SUPERINTENDENCIA DE VALORES Y SEGUROS

TITLE I

Objectives and functions of the Superintendencia de Valores y Seguros (SVS)

Article 1.- The SVS is hereby created; it will be an autonomous institution governed by the present law, a legal entity with its own resources that will interact with the Government through the Ministry of Finance.

Its domicile is the city of Santiago, without detriment to other regional offices that the Chairman may establish in other cities in the country.

Its assets consist of the goods transferred to it by virtue of this statutory law, the funds that are annually allocated for such purpose by the Budget Law, the income it receives for services provided and any other goods it acquires at any title whatsoever.

Article 2.- Existing or future, general or specialized rules regulating the administration of the State, both centralized and decentralized, are not applicable to the SVS or its personnel, except those stipulated in statutory law N°1,263 of 1975.

When reference is made to the SVS or the Chairman in the stipulations of this law or in statutory decree N°251 of 1931, it is understood that reference is being made to the body to which this statutory law refers to or the officer that directs it.

Article 3.- The SVS is responsible for the highest supervision of the following:

- a) The persons that issue or act as brokers of publicly offered securities;
- b) Stock exchanges and brokerage transactions;
- c) Securities dealers associations and the securities transactions they conduct;
- d) Mutual funds and the companies that manage them;
- e) Corporations and partnership companies limited by shares that the law subjects to its surveillance;
- f) Companies that insure or reinsure, regardless of their nature or the nature of their operations, and
- g) Any other entity or individual or corporate entity that this or other laws so indicate.

Those banks, financial institutions, pension fund administration companies and the entities and individual or corporate entities that the law expressly excludes are not subject to supervision by the SVS.

Article 4.- The SVS is responsible for overseeing that the persons or institutions it inspects, from their initiation until the completion of their liquidation, comply with the laws, regulations, statutes and other

¹ The Statutory Law N° 3,538 was published in the Official Gazette of December 23, 1980: modified by a) D.L. N° 3,551, published in the Official Gazette of January 2, 1981; b) D.L. N° 3,628, published in the Official Gazette of February 25, 1981; c) Law N° 18,046, published in the Official Gazette of October 22, 1981; d) Law N° 18,073, published in the Official Gazette of December 1, 1981; e) Law N° 18,575, published in the Official Gazette of December 5, 1986; f) Law N° 18,660, published in the Official Gazette of October 20, 1987; g) Law N° 18,876, published in the Official Gazette of December 21, 1989; h) Law N° 19,301, published in the Official Gazette of March 19, 1994; i) Law N° 19,705, published in the Official Gazette of December 20, 2000; j) Law N° 19,806, published in the Official Gazette of May 31, 2002; and k) Article 9 of Law N° 20,190, published in the Official Gazette of June 5, 2007.

The modifications introduced by the last Law cited are highlighted in bold in this document.

ordinances that govern them, and without detriment to the powers that said dispositions grant it, it is endowed with the following general powers:

- a) To administratively interpret, in materials of its competence, the laws, regulations and other rules that govern supervised persons or entities and to set rules, give instructions and issue orders for their implementation and adherence.

The Supreme Court will settle any contests of competence with other administrative authorities arising from the exercise of these interpretation and implementation powers;

- b) To resolve inquiries and petitions and investigate charges or complaints formulated by shareholders, investors or other legitimate parties, in areas of its competence, determining any requirements or conditions that must be fulfilled prior to examination;
- c) To provide reports required by courts that are conducting criminal proceedings when such information corresponds to material within the SVS' competence and that is available within its records;
- d) To examine all of the transactions, goods, books, accounts, archives and documents of supervised subjects or activities and demand of them or their administrators, advisors or personnel the information and explanations that it deems necessary for its information.

It may request the formulation and submission of financial balance sheets and statements when it considers such actions to be appropriate in order to ascertain the exactness and investments of capitals and funds.

It may also request the presentation of any document, book or piece of information that is necessary for supervision purposes, without altering the affected party's normal operations.

Except when authorized by the SVS, all books, files and documents of supervised entities or persons must be made permanently available for examination at the affected party's main place of business;

- e) To set rules for the formulation and presentation of annual reports, balance sheets, statements and other financial reports of persons and entities subject to supervision and to determine guidelines for accounting activities.

For these purposes it may also issue instructions and adopt measures to correct deficiencies it observes and, in general, measures it deems necessary for the protection of shareholders, investors, insurance policy holders and the public interest.

Specifically, it may order the rectification or correction of the value at which a given accounting item is recorded when it establishes that said value does not correspond to the real value. The resolutions issued by virtue of this point may be appealed before the Appellate Court of Santiago within 10 working days from the time of notification. The Court will forward the case to the SVS for 6 working days and, with said process completed, will hand down a decision without further appeal. The cases originating from these appeals will be especially added to the next day's agenda. Notification of appeals will suspend the effects of the measures ordered by the SVS.

- f) To audit, using their own employees or external auditors, the persons or entities subject to supervision.
- g) To require that supervised persons or entities provide the public, through the channels indicated by the SVS, with accurate, sufficient and timely information on their legal, economic and financial situations.

The SVS may publish directly any documents that are necessary for the purposes indicated in the previous point, charging expenses to the supervised parties, with the stipulations of articles 5 and 6 of the current statutory law applicable in such cases.

- h) To summon representatives, administrators, advisors and employees of supervised entities or persons, or any other person that may have conducted or celebrated any kind of acts or conventions with them, to make declarations to provide information the SVS deems necessary for the fulfillment of its duties. **Those persons who conduct or celebrate acts or conventions whose object is either instruments or securities issued by supervised entities, without supervision or association with them, may also be summoned.**

Those persons indicated in article 361 of the Civil Procedures Code will not be obliged to appear to declare; the SVS, for the purposes expressed in the above point, may request written declarations from said persons.

- i) To issue rules that ensure the accuracy of the records, books and documents that the SVS indicates and to require, as the case may be, that communications be fully or partially recorded or attached to said documents.
- j) To order the designation of external auditors to supervised persons or entities decided upon by the SVS; these auditors will report on general account statements and, as the case may be, replace account inspectors and be invested with said inspectors' powers and duties. The SVS may set the requisites that said auditors and inspectors must meet for the fulfillment of their duties, in accordance with the characteristics of the supervised persons or entities;
- k) To oversee the activities of all external auditors and account inspectors designated by persons or entities subject to supervision; issue rules concerning the content of their reports and request any information relating to the fulfillment of their tasks.
- l) To designate external auditors for entities or persons subject to supervision to conduct the tasks it specifically assigns them, with the powers it deems necessary.

The external auditors assigned by the SVS will be bound by the requisite of confidentiality established and sanctioned in article 23 of this legal body and will be remunerated by the supervised party. The remuneration will possess the privilege established in article 2472, number 4 of the Civil Code.

- m) To maintain public records on professionals and information as dictated by law.
- n) To request reports from the State's technical bodies as it deems necessary and hire the services of experts or technicians; and
- ñ) **As it deems necessary, to see to it that the documents it keeps in its registries are filed by means electronically, through technological systems that ensure faithfulness to the original. At the same time, to authorize supervised entities to keep their documentation in electronic files. Paper print-outs of the documents located in these files, will have evidentiary value as a public or private instrument, according to the nature of the original. In the case that the printed copy of an electronically-filed document shows differences with the original or an authentic copy of it, these last two will hold precedence without the need for new authentication. Additionally, any document received by the SVS which is sent by the electronic methods authorized by the organization and that has been deemed to be factual, will also be considered as an original document. To this purpose, the SVS will authorize electronic methods that maintain integrity, authenticity and durability;**
- o) **To establish the manner, timeframes and procedures for supervised institutions to present the information referred to in the law relating to the securities market or insurance market, as is their case, through electronic methods or computing files as established by the SVS, as well as the manner for presenting the contents and details of the information.**
- p) **To charge and collect fees for registry, approvals and certifications established by this law;**
- q) **To estimate to the amount of benefits, expressed in its equivalent in U.F.s, that have been collected by violators of Title XXI of Law N° 18,045, and to indicate it in the resolution that applies the sanction. In estimating benefits, the SVS will consider the weighted average market price of the value of the public offering during the 60 days preceding the date of transactions made with privileged information.**

The SVS, in order to look after the interests of aggrieved third parties, according to article 172 of Law N° 18,045, may request that the corresponding court order the precautionary measures as indicated by the law;

- r) In civil matters, to present to the courts of justice written reports on actions that have been verified, which will be evaluated in accordance with the rules of reasoning and will be granted civil status;
- s) To provide technical assistance and take part in the investigation of infractions to securities and insurance legislation, as requested by foreign regulatory and supervisory entities or international organizations, in virtue of agreements or memoranda of understanding that it has signed for technical collaboration, exchange of information, training and reciprocal assistance, in areas of its competence;
- t) To come to agreement with other public services and organizations of the State regarding the electronic transfer of information in order to facilitate the fulfillment of its functions. At the same time and before a resolution set forth by the Chairman, it may establish this interconnection with private organizations or institutions. Likewise, it may establish this interconnection with foreign public organizations or international organizations, with which it celebrates agreements or memoranda of understanding;
- u) To provide instruction, by resolution, for securities intermediaries, administrators of supervised funds regarding their resources, second-tier insurance companies, and securitizing corporations, regarding the resources of their separate equity, and to encourage them to abstain from making certain transactions with or through affiliated persons, for a period of at least three months, renewable for an equal period, when the financial situation of either one puts the respective fund administrators, separate equity or commitments to investors or policyholders, as is the case, at risk; and
- v) To exercise any other powers expressly conferred upon it by other laws or regulations.

Article 5.- The SVS may use funds from its budget to pay the expenses arising from the exercise of the functions conferred upon it in article 4, letters e) and g) and in article 23, point 2 of this statutory law. In such cases it will have the right to charge the amounts paid, plus the readjustments and interests indicated in article 53 of the Tax Code, to the entity or persons on whose behalf it made payment.

Article 6.- For the collection of the sums referred to in the previous article, the SVS may file summary proceedings against the debtor before the corresponding civil law court in Santiago, requesting the corresponding writ for execution and seizure.

In these cases, a liquidation will be conducted that, signed by the Chairman, will be legally binding.

In the corresponding trial, the defendant's opposition will not be admissible unless it is founded on one of the following exceptions:

1. Debt was paid. If this occurs subsequent to the notification of the suit, the defendant will be obligated to pay the legal fees.
2. The title does not apply to the defendant. By virtue of this exception, the legality of the resolution that produced the expenses that the SVS filed proceedings for may not be disputed.
3. Prescription

TITLE II

Organization of the SVS

Article 7.- An official with the title of Chairman of Securities and Insurance is the director of the SVS and is the legal, judicial and extra-judicial representation of the SVS.

The President of the Republic will select a person of his utmost confidence to act as Chairman.

The Chairman has the authority, powers and responsibilities inherent to his capacity as Director of the Organization and, by consequence, he is charged with the powers, responsibilities and obligations indicated in this Basic Statute and those granted to him by laws related to the securities and insurance markets, respectively.

He will be replaced, in the event of vacancy, absence or impediment, by the "Intendente" who holds the second level of hierarchy. If there are several "Intendentes", the subrogation will be in order of precedence as indicated by the Chairman.

The Chairman will designate the substitutes of any director or position at the SVS, establishing an order of preference, through generic or specific resolutions that will give authorization regarding the person or position, as indicated.

If legal actions are taken against the Chairman for actions or omissions in the carrying out of his position, the SVS will provide him defense. This defense will extend to all actions that are taken against him for the motives indicated, even after he has left the position.

Article 8°.- The Chairman, subject to the highest position and endowment of the SVS, will have the freedom to establish its internal organization in conformity with what is set forth in articles 28 of law N° 18,575 and 10, letter a), of this law, and through resolution, he will determine the charters that correspond to each of the Branches, Divisions, Subdivisions, Departments and other areas, in order to carry out the functions assigned to the SVS.

Article 9.- The Chairman may require an employee under his direction to make a deposition before the corresponding courts.

Article 10.- The Chairman is specifically responsible for:

- a) Planning, organizing, directing, coordinating and controlling the SVS' operations;
- b) Overseeing compliance with the rules applicable to the SVS and adopting the necessary measures for ensuring its efficient operation;
- c) Establishing regional offices when such measures are required for the proper functioning of the Service;
- d) Carrying out the actions and celebrating the conventions necessary for fulfilling the SVS' purposes.

In the exercise of these powers the Chairman may freely manage, acquire and dispose of goods, except those buildings whose acquisition or disposal requires the Minister of Finance's approval;

- e) Delegating specific powers or faculties to employees of the SVS' managerial, professional or technical areas;
- f) Applying the sanctions indicated in this statutory law, in accordance with the stipulations of Title III.

Article 11.- The statements of SVS employees who pertain to or are associated with Supervisory, Professional and Technical positions, and of Directors designated as supervisors, regarding confirmed actions performed during the carrying out of their functions and in the verification of infractions will be evaluated in accordance with the rules of reasoning and will be granted civil status.

Article 12.- Notwithstanding other allowances, entitlements and benefits, permanent and contracted personnel of the SVS will have rights to the incentive bonus with the same terms, amount and timeframe as stipulated in article 5 of Law N° 19,528.

Article 13.- Permanent and contracted SVS staff may carry out executive functions, and in each case these will be assigned by the Chairman. The staff assigned to such functions must not exceed the 7% maximum allowance of the SVS.

Article 14.- The persons, institutions and entities wish to be listed in the registries maintained by the SVS, or that solicit approvals or certifications, will pay the fees as indicated in the following, expressed in U.F.s²:

- a) Fees for inscription in the Registries maintained by the SVS.
- b) The amount charged inscription in the Securities Registry will be fixed and equivalent to 20 U.F.

Notwithstanding the amount indicated above, the issuance of securities will be charged an additional fee of 0.5 per thousand of capital involved in the operation, with a maximum limit of 200 U.F.
- c) Annotations to the Registries.

The amount will be set at 3 U.F. for each annotation made.
- d) Fees for approvals and authorizations of Stock-Market Regulations or securities deposit and custody.

The amount will be set at 30 U.F.
- e) Fees for approvals and authorizations of Internal Regulations and fund contracts authorized by law.

The amount will be set at 15 U.F.
- f) Fees for approvals and authorizations of incorporations, statute reforms, mergers, split-ups, cancellations and dissolutions of entities subject to authorization by the SVS.

The amount will be set at 20 U.F.
- g) Fees for approvals of contracts and insurance policies.

The amount will be set at 6 U.F.
- h) Fees for certifications found in the Registries.

Certifications issued for registrations or approvals granted by the SVS that are found in the public registries that the SVS by law is required to maintain, will have a value equal to 0.2 U.F. per copy.

The fee for a certification will not be charged when it is issued in instances where a registration has been made or an approval granted and fees have already been paid.
- i) Fees for modifications related to letters c), d), and f).

The amount will be set at 0.5 U.F., as indicated in these letters.

Article 15.- The fees indicated in article 14 will be paid in the SVS offices at the moment when the corresponding registration, approval or certification is received, according to the value of the U.F. on the last working day of the month previous to payment.

² U.F. stands for *Unidad de Fomento*, a monetary index used in Chile for business purposes. Its worth is tied to the value of a basket of leading prices. As of March 2008, 1 U.F. equals \$19,794.47 Chilean pesos or US\$44.09.

Article 16.- The fees determined and charged by the SVS will be of fiscal benefit and will not be part of the annual budget.

Articles 17 to 21.- Articles repealed by article 12 of Law N° 19,705.

Article 22.- The Chairman will name SVS personnel and determine their duties and responsibilities.

The President of the Republic, in a declaration issued through the Ministry of Finance and at the Chairman's proposal, will decree within a period of six months from the time this statutory law enters into force a Personnel Statute that will contain the requisites and labor rules which SVS personnel will be subject to. Matters not addressed in the Statute or in this statutory law will be governed by the Labor Code.

Without detriment to the contents of article 2 and the previous point, the Chairman and other SVS employees will have the status of public employees for the effects of criminal responsibility, dismissal and social security. Similarly, the Chairman, in accordance with the Personnel Statute, may name and dismiss personnel with complete independence from other authorities. Legislation on union organizing as referred to in statutory law N°2,756 of 1979 will not be applicable to said personnel, nor will they be able to bargain collectively in accordance with the stipulations of statutory law N°2,758 of 1979.

The Chairman may celebrate freelance contracts for the lending of services for specific tasks. The persons thus contracted will not, under any circumstances, have the legal status of employees or contributors of the *Caja de Prevision* which personnel hold.

Article 23.- The employees or persons that under any title lend services to the SVS will be bound to confidentiality regarding the documents and information of persons or entities subject to the SVS' supervision when said documents or information are not public. The breaking of this obligation will be sanctioned in the manner established in the first point of article 247 of the Penal Code.

The stipulations of the previous point will not prevent the Chairman from publishing or making public through the persons or means he deems appropriate, information or documentation regarding supervised subjects in order to protect the public trust and the interests of shareholders, investors and the insured.

SVS personnel may not lend professional services to the persons or entities subjected to the SVS' supervision.

Article 24.- The General Budget Law will establish, in overall figures, the funds necessary for the maintaining of the SVS and for other SVS expenses.

Article 25.- The SVS will be subjected to review by the Comptroller General of the Republic exclusively with regard to the examination of income and expenditure accounts.

TITLE III

Compulsory Sanctions and Penalties

Article 26.- In cases in which the full exercise of the powers granted to the SVS by article 4, letters d) and g) of this statutory law is obstructed or impeded, the SVS may request the ordinary courts to apply the compulsory proceedings stipulated in articles 93 and 94 of the Tax Code in order obtain the full compliance and execution of said powers.

These proceedings will also be applied to those persons that, having been called upon to declare by the SVS in accordance with article 4, letter h), do not appear without a justified reason.

The persons that make false testimonies before the SVS will be penalized in accordance with article 210 of the Penal Code.

The competent court to hear these proceedings, as requested by the SVS, may be the corresponding civil court in Santiago or that of the offender's residence.

In the event of opposition to the exercising of the powers indicated in article 4, letters d) and f) of this statutory law, the SVS may directly ask the corresponding Regional Governor for assistance from the police with search and entry powers.

Article 27.- The corporations subject to enforcement by the SVS that commit infractions of the laws, regulations, statutes or other rules that govern them, or do not comply with the instructions and orders given to them by the SVS, may be subjected by the SVS to one or more of the following sanctions (without prejudice to penalties specifically established in other legal or regulatory bodies):

- 1) Censure;
- 2) Fines to be paid to the treasury up to overall sums per corporation equivalent to 1,000 U.F. In the event of repeated infractions of the same nature, a fine of up to five times the above amount may be applied; and
- 3) Cancellation of the corporation's operating authorization, when appropriate.

The fine amount indicated in number 2) will be determined based on the severity and consequences of the event, the financial capacity of the offender and if he has committed other infractions of any nature in the last 24 months. This circumstance will not be taken into consideration in those cases in which the repetition alone has determined an increase in the amount of the basic fine.

The sanctions indicated in numbers 1) and 2) may be applied to the corporation, directors, managers, employees or account inspectors or liquidators as is deemed appropriate by the SVS.

When the sanctions included in numbers 1) and 2) of this article are applied, the SVS may inform stockholders meetings of the infractions, acts of non-compliance or acts which directors, managers, account inspectors or liquidators have committed so that they may remove said persons from their positions if it is deemed appropriate, without prejudice to carrying out the legal actions the SVS deems pertinent. The board of directors must make the convocation of stockholders meetings within a period of time set by the SVS, with the SVS being able to make said convocation if it is deemed it necessary.

Article 28.- Persons or entities other than those referred to in the first point of the previous article but subject to the SVS' enforcement or supervision that transgress the laws, regulations, statutes or other rules that govern them or do not comply with the instructions and orders given to them by the SVS may be subjected by the SVS to one or more of the following sanctions (without detriment to sanctions specifically established in other legal or regulatory bodies):

- 1) Censure;
- 2) Fines to be paid to the treasury up to overall sums per entity or person equivalent to 1,000 U.F. In the event of repeated infractions of the same nature, a fine of up to five times the above amount may be applied; and
- 3) In the event the persons in question have been named or authorized by the SVS to carry out certain tasks or actions, the SVS may also apply the following sanctions:
 - a) The suspension of their post for up to one year, and
 - b) In serious cases, the cancellation of their authorization or assignment.

The fine amount indicated in number 2) will be determined based on the severity and consequences of the event, the financial capacity of the offender and if he has committed other infractions of any nature in the last 24 months. This circumstance will not be taken into consideration in those cases in which the repetition alone has determined an increase in the amount of the basic fine.

The sanctions established in this article may be applied to corporations, companies, entities, individual and corporate entities, administrators and representatives as the SVS deems fit.

Article 29.- Without detriment to the stipulations of articles 27 and 28, when applying fines the SVS, at its discretion, may set fines in accordance with the limits established in said articles or up to 30% of the value of the issue or irregular operation.

For the effects of the above-mentioned articles, repetition will be understood to mean two or more infractions committed within a period of 12 months.

Article 30.- The value of fines applicable in accordance with the law will be set by the Chairman and must be paid to the district treasury that corresponds to the offender's residence within a period of 10 days from the time the Chairman announces the decision via certified mail, and the respective proof of payment must be delivered to the SVS offices within five days of payment.

The affected party may appeal the application or amount of a fine before the corresponding Civil Judge within the ten-day period indicated in the previous point, after paying a consignment fee equal to 25% of the total fine amount to the State Treasurer's Office. This consignment fee shall not be greater than 500 U.F. or 1,000 U.F. if the fine is applied to an individual or company, respectively, except in the case of repeated infractions or those of Title XXI of Law N° 18,045, in which case the consignment fee should be set at 25%.

If the appeal is filed within the period of allowance, the period allowed for payment of the fine will be suspended, notwithstanding the interests indicated in article 34, which will begin to accrue on the eleventh day after notification of the SVS' resolution to apply the fine. Nevertheless, notification of a claim must be made in writing in conformity with article 44 of the Code of Civil Proceedings, within ten working days after the period of allowance for the filing of an appeal.

The time limit established for the payment of fines will be suspended when appeals are opportunely filed, without detriment to the adjustments and interests referred to in article 34 of this statutory law, which will begin to accrue on the eleventh day after the notification of the fine.

The appeal will be resolved in summary proceedings and the decision may be appealed.

First and second decisions that reject appeals will make the claimants liable for legal fees.

The payment of fines along with the adjustments and interests referred to in article 34 must be made within five days of the court's decision.

Article 31.- If a fine is not paid and the time limit for appeal has expired or an appeal has been rejected, the SVS may file summary proceedings against offenders before the corresponding civil court in Santiago, including a copy of the resolution applying the fine or the legal decision, as the case may be, which alone will be legally binding. The above is without detriment to the stipulations of article 233 of the Code of Civil Proceedings.

In these proceedings the defendant may only submit the exceptions of prescription, that the title does not apply to him/her and that of payment was done. In the case of payment done, defendants will always be liable for legal fees unless they can prove having delivered on time the proof of payment to the SVS.

Article 32.- The responsibility for fines applied to companies or their directors or liquidators will be shared by the directors or liquidators that voted in favor of the decisions that resulted in the fine.

Article 33.- The SVS may not apply fines to offenders after four years have passed since the last date upon which the infraction was committed or the oversight occurred.

The action of collecting fines prescribes in a period of two years from the time it was issued, in accordance with the stipulations of articles 30 and 31 of this statutory law.

Article 34.- Delays in the payment of fines applied by the SVS, in accordance with the law, will be subject to the interests and adjustments established in article 53 of the Tax Code.

If a fine is not appropriate and is nonetheless paid, the SVS or corresponding court, according to the case, must order a properly adjusted refund as indicated in articles 57 and 58 of the Tax Code.

Article 35.- The rules established in the preceding articles will be applied in all cases in which the SVS sanctions supervised persons or entities with fines.

Article 36.- The periods of days established in this statutory law are understood to be made up of working days. **For the effects of this document, Saturdays will not be considered as working days.**

The notifications made by the SVS will be communicated via certified mail and the relating time limits will begin three days after the notification is received by *Correos y Telégrafos* (Chilean Post Office).

The appeals heard by the respective courts in accordance with this statutory law would receive preferential placement on the agenda.

Article 37.- The stipulations of this statutory law take precedence over the stipulations established in the statutes of the persons or entities subject to the SVS' supervision.

TITLE IV

Miscellaneous Provisions

Article 38.- (Repealed by N° 10 of Article 142 of Law N° 18,046)

Article 39.- The amounts of the fines established in this law that are greater than those included in other legal bodies regarding entities and persons supervised by the SVS will take precedence over the amounts established in said legal bodies.

Article 40.- The SVS referred to in this statutory law will be the legal successor to the service entitled Superintendencia de Compañías de Seguros, Sociedades Anónimas y Bolsas de Comercio.

References made to the Superintendencia de Compañías de Seguros, Sociedades Anónimas y Bolsas de Comercio or to the Chairman de Compañías de Seguros, Sociedades Anónimas y Bolsas de Comercio in laws, decrees, regulations, stipulations, statutes or any other regulatory body will be understood to be made to the SVS or the Chairman of the SVS, respectively.

Article 41.- (Replaces Article 7 of D.L. N° 1,078, of 1975)

Article 42.- (Repeals Articles 1, 2, 49, 85, 136, 138, 139b), 154, 155, 156, first paragraph, 161 of D.F.L. N° 251, of 1931, on Insurance Law)

Article 43.- (This article does not exist. Due to a legislative technical error, Title V was started with article 44)

TITLE V

Appeals

Article 44.- The persons or entities that consider the SVS' administrative actions or omissions do not adhere to the law, regulations or rules that it is competent to apply, may challenge said actions via the recourses indicated in this title.

Article 45.- Appeals may be made before the SVS when a SVS administrative act resolves a petition as long as the appeal presents new information that was not considered at the time the resolution in question was issued. The petition must be made in writing and clearly and concisely present the facts and laws upon which are based.

The time limit for lodging an appeal will be five working days from the notification of the respective decision and the SVS will have five more working days to make a decision. If the SVS has not made a pronouncement after this time it will be understood that the appeal has been denied for the purposes of the following paragraph.

The filing of this appeal will suspend the time limit for claiming illegality of the matters affected by said appeal, **and the period of allowance for contesting a fine or its amount will be that set forth in article 30.**

Article 46.- The persons who believe that a SVS general rule, instruction, communication, resolution or omission is illegal and prejudices them may make an appeal before the Santiago Appellate Court, which will first decide if the appeal is admissible, for which purpose the interested party must precisely indicate in writing the stipulation that has allegedly been transgressed, the way in which the infraction took place and the reasons why it is prejudicial.

The court will reject the appeal outright if the presentation does not comply with the conditions indicated in the preceding point.

Appeals must be made within 10 working days from the notification of the action being appealed or from the time the interested party became aware of the omission.

Filing an illegality appeal will not suspend the effects of the act under appeal, unless it regards the cases established in articles 15, 36, 51 or 87 of Securities Market Law N°18,045, numbers 3, 4 or 5 of article 44 of Ministry of Finance Statutory Decree N°251 of 1931, Insurance Law, point three, article 12 and point four, article 126 of Corporations Law N°18,046, the final point of article 3 of the Statutory Law N°1,328 of 1976 on Mutual Fund Administration, or in the final point of letter e), article 4 and numbers 3 of articles 27 and 28, respectively, of this law.

If the Appellate Court declares the appeal to be admissible, it will forward the appeal for six working days to the SVS, with notification being made by official letter.

When the SVS has completed this procedure, or in the event of default, the Court will issue a decision within 15 days that may not be appealed.

Article 47.- (This article repeals Title XII of the Securities Market Law)

PROVISIONAL ARTICLES

Article 1.- The personnel of the Superintendencia de Compañías de Seguros, Sociedades Anónimas y Bolsas de Comercio (Insurance Companies, Corporations and Stock Exchanges) that currently work for the SVS will continue to do so until the SVS' new personnel and placements take effect; they will continue to be governed in the meantime by the legal rules in force at the time this statutory law is issued.

In the event that the SVS' personnel and staff placements are established before the passing of the statute referred to in article 22, the Administrative Statute contained in the statutory decree N°338 of 1960 will be applied to said personnel to the extent that it is compatible and until said actions occur.

Article 2.- The Chairman is hereby granted the power to place current SVS employees in the new personnel positions referred to in article 22 of this statutory law, without subjection to the requisites indicated for the provision of positions in the statute on personnel. It will be understood that such placements have been carried out without resolving continuity with respect to previous positions held and the seniority of the personnel in question.

For the purposes of the retirement of personnel that are not placed, it will be understood that a compulsory termination of functions has occurred and, if retirement does not take place, the stipulations of article 29, letter e) of statutory law N°2,879 of 1979 will be applied.

Article 3.- SVS employees will continue to be affiliated with the social security program of the Government Employee and Journalist Fund.

The above is without detriment to the stipulations of statutory laws Nos. 3,500 and 3,501 of 1980.

Article 4.- This statutory law hereby transfers to the SVS the real estate owned by the Treasury which is currently occupied by the Superintendencia de Compañías de Seguros,

Sociedades Anónimas y Bolsas de Comercio (Insurance Companies, Corporations and Stock Exchanges); the personal property in its inventory, the balances available in its checking accounts and any other tangible or intangible personal property assigned to it.

During the 60 days following the publication of the present statutory law, the SVS will send the Federal Property Department of the Ministry of Federal Property and the Comptroller General of the Republic an inventory of the personal and real estate property that are transferred to the SVS by this statute.

The real estate is registered in the record files 14,781 N°17,169 of the Property Registry of the Real Estate Registrar of Santiago for the year 1968, record files 11,305 N°13,455 of the same Registry for the year 1969, record files 4,956 N°5,734 and 4,957 N°5,735 of the Property Registry of the Real Estate Registrar of Valparaiso for the year 1969.

The Real Estate Registrars will perform the corresponding inscriptions on the basis of this provision.

The inscriptions that are made in compliance with this article will be exempt from all type of taxes and fees.

The Ministry of Finance is granted the power to transfer to the SVS the funds necessary for its maintenance from the Nation's General Budget.

Article 5.- (This article is no longer valid, and was repealed by N° 10 of Article 142 of Law N° 18,046.)

SUPPLEMENTARY STATUTES

Transitory Articles of Law N° 19,705 related to Statutory Law N° 3,538 of 1980

Transitory Article Five.- The increase in SVS personnel, due to the modification introduced by article 13 of this law, will be made as of January 2000, representing an increase equivalent to 22 positions during the following 2 years and according to the timeframe stipulated in this statute.

The first addition of new positions, to the degree stipulated, of permanent Professional, Technical and Supervisory personnel will be done by public bidding.

Transitory Article Six.- The assignment established in article 12 of statutory law N° 3,538, of 1980, of the text approved by article 12 of the present law, will be applied as of January 1, 2000.

Transitory Article Seven.- Greater fiscal expenses represented by the application of this law will be financed with the resources considered in the SVS budget, and that which is not covered by the budget will be charged to those resources requested in the Public Treasurer Budget Allocation of the corresponding year.

Transitory Article Eight.- The rights mentioned in article 14 of statutory law N° 3,538 will be applied as of the 1st day of the fourth month following the enactment of the present law.

STATUTES OF LAW N° 20,190, RELATED TO THE SVS

“Article 18 bis.- With the objective of ensuring compliance with their respective supervisory responsibilities, the Chairmen of the Superintendencia de Bancos e Instituciones Financieras (Banks and Financial Institutions), the SVS, and the Superintendencia de Administradoras de Fondos de Pensions (Pension Fund Administrators) may share any information among themselves, except that subject to banking privacy. When the shared information is confidential, it must remain so for those that receive it.”³

³ Article 3 of Law N° 20,190, published in the Official Gazette of June 5, 2007, introduced the General Law of Banks, contained in the DFL N° 3, of Finance, of 1997, the statute transcribed beforehand.