

Press Release



SUPERINTENDENCIA
VALORES Y SEGUROS

SVS ORGANIZES PUBLIC-PRIVATE WORK GROUP TO IMPROVE EFFICIENCY OF THE ISSUANCE OF BONDS AND TRADABLE ITEMS

Today the Superintendencia de Valores y Seguros (SVS) formed a work group comprised of market representatives in order to make the issuance of bonds and tradable items more efficient, through improvements made to the process of registration and review.

Specifically, the SVS has requested that these market representatives work to prepare proposals of standardized contracts for bond issuances, tradable item issuances, bond lines and tradable item lines. These standardized contracts will allow those companies that voluntarily opt to use them to have a quicker process of review than other more sophisticated instruments.

This change, which is expected to go into effect at the beginning of next November, responds to an objective need to facilitate financing alternatives for Chilean companies in the capital market.

These standardized contracts will be available to market agents, as a draft open to public comment (on the SVS website) during the week of October 20th, and will be available for 7 days. At the end of this period, observations will be collected in order to prepare the documents that, as is mentioned in the paragraph above, will be effective as of the first few days of November.

Participating in this work group are the research groups Carey, Guerrero, Olivos, Novoa & Errázuriz y Morales, Valdivieso & Besa, who will propose the standardization of clauses found in the issuance contract and will present their proposals for modifications to the rules for registering debt titles.

Regarding the financial conditions that these standardized contracts will have, these will be proposed by representatives of security intermediaries, who will contribute their experience and knowledge of the structuring and placement of bonds and tradable items.

This initiative reinforces the changes incorporated by the Social Security Reform, with regards to the functions of the Risk-Rating Commission (CCR), an entity that, as of last October 1st, approves issuances ex post, thereby making the process considerably more efficient.

Santiago, October 2, 2008