



CMF issues regulation on stock exchange interconnection systems

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July 25, 2022 — The Financial Market Commission (CMF) issued today a regulation governing stock exchange interconnection systems between the Santiago Stock Exchange and the Chilean Electronic Stock Exchange. This is pursuant to Law. No. 21,314, which made stock exchange interconnection mandatory and empowered the CMF to regulate such procedures.

Said regulation was in public consultation twice, first between January 17 and February 11, and later between May 30 and June 17, 2022. In addition, the Commission hired the advice of an expert in stock exchange interconnection to develop the most suitable model for the local market and follow international standards for the process.

Details of the New Regulation

The regulation states that both stock exchanges must implement a real-time interconnection system between their automatic matching systems ("Telepregón" for the Santiago Stock Exchange and "Pregón" for the Chilean Electronic Stock Exchange). This is to ensure bids on domestic equity instruments made in these systems are binding among themselves. In other words, orders made by a broker will be placed in the stock exchange where their best execution is possible, regardless of the stock exchange to which the broker belongs.

The regulation also sets the form, conditions, technical, communication and security requirements to be met by the interconnection mechanisms, stock exchanges, and their participants.

Validity

There is a 12-month timeframe from the date of issuance of the regulation for the interconnection to be fully operational. Both exchanges must comply with the following stages in the meantime:

- **2 months** to agree on the real-time messaging standard referred to in the regulation.
- **4 months** to submit their updated rulebooks to the Commission.
- **9 months** to design, develop, and implement the real-time interconnection mechanism.
- **6 months for system testing once half a year has elapsed** so the interconnection is completely in place when the 12-month timeframe expires (July 25, 2023).

Interested parties can access the [Rules and Norms section](#) of the CMF website to check the details of the new regulation. The Commission also makes available a [Presentation](#), an [Informative Brochure](#), and a [Frequently Asked Questions](#) document with its key elements.

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