



PRESS RELEASE

Law No. 21,521 becomes effective as of February 3, 2023

CMF begins implementation of Fintech Act

- *The process starts with the issuance of a regulation that transfers the Registry of Life Annuity Sales Agents to the Registry of Insurance Sales Agents, as well as the public consultation of another regulation on enrollment in the new Registry of Financial Service Providers and the transfer of investment advisors to said Registry.*
- *All regulations related to the Fintech Law must be issued within a maximum period of 18 months.*
- *At the end of March, the Commission will organize the first consultative roundtables on applicable regulations, which are part of a public, transparent, and participative process.*

January 16, 2023 — The Financial Market Commission (CMF) informs that the implementation of Law No. 21,521, known as the Fintech Act, and which introduces one of the most relevant reforms of the last decade to the capital market, begins today. The process will require the issuance of over 70 regulations over the next 18 months and begins when the law becomes effective on February 3, 2022. The Fintech Act will expand the Commission's regulatory perimeter to include crowdfunding platforms; alternative transaction systems; investment and loan advisory services; custody of financial instruments; order routing; and intermediation of financial instruments.

Aware of the relevance and impact of the Fintech Act, the Commission will engage in intense, detailed dialogue with the industries involved and supervised entities that will be added to its supervisory perimeter. It published [a schedule](#) in December with the stages to be completed over the next 18 months and set up an email address (**leyfintec at cmfchile dot cl**) to receive feedback from interested parties during January and February. Between the end of March and the beginning of April, the CMF will publish the calendar of consultative roundtables organized to receive feedback from interested parties on the Act's most relevant issues. This process will be public, transparent, and participative.

Avant-Garde Capital Market

The Fintech Act introduces significant changes to the capital market.

- Regulates a set of new financial services arising from intensive adoption of new technologies, including crowdfunding platforms, alternative transaction systems, and order routers.

In addition, it regulates the secondary market of certain recently developed financial instruments, like cryptocurrencies and so-called tokens, maintaining the principle of technological neutrality to the provision of services, and recognizing many of them can be performed by computer algorithms, as is the case of investment- and loan-related advice.

- Amends the General Banking Act, the Insurance Law, and the Law on the Securities Market to promote competition in the financial industry, provide a level playing field for all participating players, and raise customer service standards.
- Creates the Open Finance System and establishes rules that mandate certain service providers to share customer information with their consent to receive better offers of financial services and products. Information sharing will be carried out according to strict standards of personal data protection and under security requirements defined by the CMF, which providers must comply with in to exchange this information. This is to promote and improve financial inclusion and competition.
- Introduces a set of amendments intended to contribute to innovation, competition, and security, such as the regulation of payment initiators and the obligation of regulated entities to report suspicious transactions to the Financial Analysis Unit.

First Fintech Act Regulations

I. Registry of Life Annuity Sales Agents

Since the Fintech Act repeals Article 57 of the Insurance Law, the Registry of Life Annuity Sales Agents will be transferred to the Registry of Insurance Sales Agents. Accordingly, the CMF amended General Rule No. 471, which regulates both Registers.

General Rule No. 491, which introduced these amendments, states that companies must send their list of agents in force for the month of February between February 13 and 14, 2022, and the list for March between the March 6 and 7, 2022. Following lists shall be submitted during the first two business days of the month.

II. Registry of Financial Services and Investment Advisory Services Providers

The second regulation necessary to implement the Fintech Act is the one that regulates investment advisory services. This is due to Act repealing Article 3 of Law No. 21,314, which regulated these services as part of the Market Agents Act. Pursuant to the Fintech Act, anyone wishing to provide investment advisory services,

in addition to other Fintech services, must enroll in the new Registry of Financial Service Providers (RFSP) and obtain authorization from the Commission. To provide an adequate transition to parties currently enrolled in the Registry of Investment Advisors (RIA), the Commission must issue a regulation on the procedure to enroll in the new RFSP and request authorization to provide this service.

Starting today, the CMF opens a public consultation process about a regulation which covers enrollment in the RFSP, and another on how to request authorization to provide financial services. Said regulation may also be subject to amendments improving it, especially considering the experience gathered with the implementation of the Market Agents Act and the new provisions of the Fintech Act, which raise the standards, among others, on the following issues:

- Information and disclosure obligations of financial service providers.
- Suitability and knowledge.
- Risk management and corporate governance.

To ease the transition from the RIA to the RFSP, the regulatory proposal considers the following:

1. Investment advisors enrolled in the RIA at the date of entry into force of the Fintech Act will be reputed as enrolled in the RFSP without needing to conduct any additional procedures.
2. These natural or legal persons will be considered authorized to provide investment advisory services as of February 3, 2022. They may continue their activities and are subjected to the supervision of the CMF.
3. Pending applications for enrollment in the RIA as of the date the Fintech Act becomes effective will continue to be processed in accordance with General Rule No. 472. Should such applications be approved, involved parties will be directly enrolled in the RFSP and the Commission will automatically authorize them to provide investment advisory services.
4. Whoever wishes to enroll in the RFSP after the Fintech Act becomes effective must follow the provisions stated in the regulations on registration. Once their enrollment is approved, they may apply for authorization to begin performing investment advisory services.

The CMF will also do parallel work on the regulation that sets definitive standards for obtaining authorization and providing investment advisory services. Both parties enrolled under this transitional scheme and those which apply for enrollment later will have to comply with the new regulation.

Interested parties can check the [Draft Rules and Norms section](#) of the CMF website until January 27, 2013 to review the regulatory proposal in detail and submit their feedback. In addition, the Commission makes available a [Presentation, Informative Brochure](#), and [FAQ Document](#) with its core elements.

Area of Communications, Education & Image — Financial Market Commission (CMF)

Contact: prensa@cmfchile.cl | [Press Room](#) | **Twitter:** [@CMFChile](#) [@CMF Educa](#)
[@CMF HEenciales](#) | **LinkedIn:** [CMF](#)