

Applied to securities market entities:

CMF issues regulations on corporate governance, integral risk management, and operational risks

- *Issuance of these regulations is a significant improvement compared to currently required standards for these industries, as well as strengthening control mechanisms used by the Commission, which follow the best international practices.*

May 8, 2024 — The Financial Market Commission (CMF) issued today the regulations which set requirements for corporate governance and integral risk management, plus a third one establishing a transversal operational risk management standard.

Issuance of these regulations is a significant improvement to regulate participants in the securities market and have a resilient financial market. Said regulations rise the standards currently required for such industries and strengthen the Commission's control mechanisms in line with the best international practices. They also maintain proportionality with equivalent regulations for other financial markets.

Regulations on corporate governance and integral risk management set forth requirements regarding roles and responsibilities of the Board of Directors or its equivalent; on entities' policies and procedures, including mechanisms to approve and control them; and govern risk management and internal audit functions, among other matters.

[General Rule No. 508](#) applies to Stock and Commodity Exchanges, and [General Rule No. 509](#) to Clearing and Settlement Systems and Securities Depository and Custody Companies. Both industries had no regulations on the matter until now.

[General Rule No. 507](#), which applies to General Fund Managers (GFMs), involves updating current rules and regulations. Regarding operational risk management, this General Rule states that such entities perform adequate risk management on issues like security information and cybersecurity; business continuity; externalization of services; and reporting operational incidents and losses. This aims to have a more robust securities market and safeguard the stability of the financial system, including participating clients.

[General Rule No. 510](#) gives instructions on operational risk management for GFMs; Stock and Commodity Exchanges; Financial Instruments Clearing and Settlement System Management Companies; and Securities Depository and Custody Companies.

All regulations were under public consultation between August 8 and September 14, 2023. The CMF continues working on regulations on risk management applicable to securities intermediaries to complete its modernization of corporate governance and risk management standards for the securities market.

These General Rules will become effective as of February 1, 2025.

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