

CMF issues regulation perfecting instructions to prepare Integrated Annual Reports

October 29, 2024 – The Financial Market Commission (CMF) issued today a regulation perfecting and clarifying the instructions to prepare Integrated Annual Reports that supervised entities under Section II of General Rule No. 30 must submit to the CMF.

[General Rule No. 519](#) amended General Rules 30 and 461 and established the adoption of IFRS standards S1 and S2 developed by the International Sustainability Standards Board (ISSB), as well as other adjustments. In November 2021, the CMF issued General Rule No. 461, which incorporated sustainability and corporate governance information requirements in the reports of securities issuers and other supervised entities to which the instructions of Section II of NCG No. 30 apply. This is to ensure both investors and the public have access to a complete set of information to help them differentiate those entities that are better prepared to identify, quantify and manage their risks and, therefore, evaluate and select investment alternatives in which their interests would be better protected.

As a result of ongoing monitoring of international standards and practices and the results of regulatory implementations, the Commission deemed it appropriate to introduce some improvements for ensuring that the information reported is useful, consistent, and comparable both at national and international levels. With this purpose, the CMF published for consultation a regulatory proposal between August 19 and September 27, 2024. Feedback gathered during this process stressed the importance of the Commission's proposal as ISRB standards S1 and S2 of the ISSB are the reference framework for sustainability disclosures, regardless of the challenge it implies for entities to prepare Integrated Reports.

The regulation issued requires reporting in accordance with IFRS S1 and S2 as of fiscal year 2026, which is reported in 2027. It provides a prudent timeframe to implement the reporting standard which will propel the local market to the vanguard in these matters. Additionally, the regulation incorporates other improvements aimed at facilitating the understanding of requirements or complementing current requirements with issues of relevance to investors.

Such is the case of diversity and inclusion on boards of directors, since a new obligation is included to expressly mention in the Report if gender quota policies on boards and mechanisms supporting the process of electing directors of both sexes by shareholders exist.

Finally, the regulation includes adjustments to the implementation system of Integrated Annual Reports, easing its entry into force and exempting from said obligation entities for which the process is proportionally more costly:

1. Extends implementation timeframe for entities which have not yet submitted an Integrated Annual Report pursuant to amendments to General Rule No. 461 by a year.
2. Entities with less than UF 1 million in average consolidated assets during the past two years are exempt from submitting an Integrated Annual Report. Such entities must prepare a Simplified Annual Report but can voluntarily adopt the full Integrated Annual Report standard.

Interested parties can check the [Rules and Norms section](#) of the CMF website to check the new regulation in detail.

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

Contact: prensa@cmfchile.cl | [Press Room](#) | [Subscribe to Relevant CMF Information](#)