

## CMF publishes for consultation amendments related to modifications to Compendium of Financial Standards of the Central Bank on regulation of payment card issuers, operators

*Circular Letters for Payment Card Issuers and Operators are amended by incorporating modifications made by the BCCh to the III.J series of Chapters in its Compendium of Financial Standards.*

**December 18, 2024** – The Financial Market Commission (CMF) [published for consultation](#) today a series of regulatory amendments derived from modifications to the III.J series of Chapters in the Compendium of Financial Standards (CFS) of the Central Bank of Chile (BCCh). Said Chapters regulate payment card issuers and processors.

Agreement No. 2650-01-240627 by the Board of the BCCh, which updated regulations on issuance and operation of payment cards, was published in the Official Gazette on July 2, 2024. Said amendments were added to the III.J series to update these regulations in line with the evolution of retail payments. As per the Central Bank's reasoning, the amendments "reformulate regulations on Providers of Payment Processing Services (PPPS) and incorporate two new business models: alternative systems to process overseas payments made with payment card issued in Chile (i.e., cross-border processing), and payment systems between accounts managed by the same prepaid card issuer (i.e., closed payment systems).

Additionally, the regulatory amendments carried out by the BCCh now include the possibility of payment card operations by banking subsidiaries. Regarding banking subsidiaries under the provisions of Article 70, Letter B of the General Banking Act, these changes were already included and incorporated into CMF regulations through the issuance of Circular Letter No. 2,355 on July 30, 2024.

The present proposal covers updating regulations and instructions issued by the CMF pursuant to the corresponding modifications of the CFS. Some specific amendments include:

- Introduce precisions on wire transfers regarding Payment Cards with Provision of Funds to Circular Letter No. 1 on Non-Banking Payment Card Issuers.
- Incorporate requirements and guidelines linked to contractual relationships between issuers, third-party payment processors and PPPS.
- Introduce the concept of Third-Party Payment Processors to Circular Letter No. 1 on Payment Card Operators and modify the current framework applicable to PPPS.
- Introduce the concepts of cross-border processing and third-party cross-border processing by considering both their authorization conditions and line of business requirements.
- Incorporate new information duties, and perfect current reporting mechanisms related to operational activity of payment cards to allow the Commission to monitor and supervise these new entities and services.
- Provide instructions regarding the adequacy framework for entities detailed in the transitory dispositions of Chapter III.J.2 of the CFS.

Finally, the Commission expects to receive comments on the pertinence and convenience of expanding the set of complementary activities given the inclusion of Third-Party Payment Processors and cross-border processing in its supervisory perimeter.

Interested parties can check the [Draft Rules and Norms section](#) on the CMF website **until January 15, 2025** to review the Regulatory Report and submit their feedback.

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