

CMF publishes for consultation amendments to regulation banning banks from granting loans to their directors, representatives, parties related to them

These amendments precise the concept of corporation subject to said ban and incorporate civil partners created under the Civil Union Partnership as equivalent of a spouse.

January 23, 2025 – The Financial Market Commission (CMF) published for consultation today amendments to the regulation that bans banks from granting loans to their directors and representatives, as well as parties related to such persons. They precise the concept of corporation subject to said ban and incorporate civil partners created under Civil Union Partnerships as an equivalent of spouses.

Both the General Banking Act and Chapter 12-12 of the Updated Compilation of Banking Regulations (RAN, for its Spanish acronym) ban banks from granting, whether directly or indirectly, loans to their directors and any person holding the position of said entity's general representative. This ban also extends to spouses or young children, as well as any corporation in which any such party is part of or holds participation shares in.

Such regulations also state that the CMF can exclude societies in which the parties mentioned earlier hold participation shares below a certain percentage from the ban. A sanction for entities breaching the regulations also exists: an amount equal to the granted loan or any surplus value.

Exclusion Criteria

Current regulations except parties from the ban when “the corporation in which they indirectly participate has an effective line of business, real activity, and equity proportional to its business so as to avoid even the slightest doubt of possible interposition of parties pretending to evade the ban.”

To precise the exclusory scope, the amendments propose a definition applicable to loans granted to corporations with direct participation, or indirect participation through one or more corporations, by parties or their related persons subject to the ban, of over 5 percent in equity or profits. As

for Law No. 20,830 which creates Civil Union Partnerships, civil partners are added to the list of related parties subject to a ban.

The regulation under consultation also includes amendments to Chapter 12-4 of the RAN on limits for loans granted to related parties.

Interested parties can check the [Regulations Under Consultation section](#) of the CMF website to review the proposal in detail and submit their feedback. The Commission also makes available the corresponding [Regulatory Report](#) with its core elements and impact assessment.

Communication & Image Area — Financial Market Commission (CMF)

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