

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

- *The regulation clarifies the concept of corporation subject to said ban, defines the term “indirectly” pursuant to the General Banking Act, and incorporates civil partners created under the Civil Union Partnership as equivalent of a spouse.*

June 27, 2025 – After a public consultation process, the Financial Market Commission (CMF) issued today the 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, define the term “indirectly” as per Article 84, Number 4 of the General Banking Act (LGB, for its Spanish acronym) and incorporates civil partners created under Civil Union Partnerships as an equivalent of spouses.

Both the LGB 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 corporations 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. Under these terms, the regulations keep said exclusion in place when parties subject to the ban have a collective participation under 5 percent.

The regulation also includes amendments to Chapter 12-4 of the RAN and the Information Systems Manual for Banks on limits for loans granted to related parties. This is to ensure that banks report civil partners as related parties.

[These amendments](#) become effective immediately. If banks have granted loans breaching them, they cannot be refinanced.

The Commission also makes available the corresponding [Regulatory Report](#) with the regulation's core elements and impact assessment, including an analysis of potential cases.

Communication & Image Area — Financial Market Commission (CMF)

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