

# Press RELEASE

## **The Financial Market Commission starts historic stage: From today it is responsible for supervising the securities, insurance and banking markets**

The Board of the Commission for the Financial Market (CMF) met today to formally take over the supervision and regulation of banking and financial institutions, in accordance with the provisions of Law 21.130 which modernizes the banking legislation, and which provided for the integration of the Superintendence of Banks and Financial Institutions (ex SBIF), to this Commission.

This session constitutes a historic milestone for the Chilean financial market, given that from today the Commission for the Financial Market will supervise 73% of our country's financial assets and will have under its oversight almost eight thousand entities belonging to the securities markets, insurance, banks and financial institutions.

The Board, headed by its President, Joaquín Cortez, Vice President, Rosario Celedón, and Commissioners Kevin Cowan, Christian Larraín and Mauricio Larraín, formally took over its new legal attributions. Among the main challenges that the Commission will face by adding banking within its perimeter of supervision is the implementation of the Basel III standards.



The Board during today's session, in which the intendants of supervision and regulation of banks and financial institutions also participated. From left to right: the Intendant of Supervision of Banks and Financial Institutions, Osvaldo Adasme; Commissioners Mauricio Larraín and Christian Larraín; President Joaquín Cortez; Vice President Rosario Celedón; Commissioner Kevin Cowan, and the Intendant of Regulation of Banks and Financial Institutions, Luis Figueroa.

### **Advantages of integrating banking supervision into the Financial Market Commission**

- Extends the advantages of autonomous and collegial corporate governance to banking supervision and other financial institutions supervised by the SBIF.
- The CMF is led by a Board, a collegiate and independent body that allows greater continuity to strategic decisions based on diverse opinions.
- Institutional integration broadens the CMF's duties of supervision, regulation, sanction and financial market development.
- The extension of the regulatory perimeter eases a systemic vision of the market and the supervision of financial conglomerates.
- Ensures consistency in the regulation of risks among different entities and increases regulatory transparency with public consultation of standards, regulatory impact reports and better regulatory coordination.
- Broadens the basis for the development and efficient use of expertise.
- Leverages available resources to strengthen the scope of supervision and take advantage of synergies, in addition to reducing costs of coordination and information exchange among regulators.
- Improves the accountability process, with a clear mandate to the market and a clear assignment of functions within the entity.
- Extends the benefits of an independent sanctioning process that separates the functions of investigation and sanction, relying on new powers (such as intrusive measures and a mechanism of compensated collaboration).

### **What is the Financial Market Commission?**

The Financial Market Commission (CMF) is the entity responsible for ensuring the proper functioning, development and stability of the Chilean financial market and aims to facilitate the participation of market agents and promote the care of public faith, considering the interests of investors, depositors and policyholders, as well as the safeguarding of the public interest.