



CMF issues regulation allowing banks to offer checking accounts without checkbooks

- *The amendment to Chapter 2-2 of the Updated Compilation of Rules for Banks allows persons not domiciled or residing in Chile to open checking accounts without checks without needing to establish residence in the country.*

April 28, 2021 – The Financial Market Commission (CMF) has issued a regulation allowing banks to offer checking accounts without checkbooks to the public if this is established in the respective contract. Said regulation amends Chapter 2-2 of the Updated Compilation of Rules for Banks and intends that banks provide more adequate products suited to each customer's needs at a lower cost – since checkbooks will not be issued – while reducing the risks inherent in the handling of these documents, like theft or forgery.

Due to widespread use of debit cards and electronic fund transfers, the use of checks as means of payment has steadily declined in recent years, particularly for smaller amounts.

Likewise, this initiative intends to complement the recent changes introduced by the Central Bank of Chile to its regulations, which allow foreigners who are not domiciled or residing in Chile to open and keep checking accounts in Chilean pesos. Prior to the amendment, the requirement to establish residence in Chile to open a checking account was due to the need of notification in case of dishonored checks.

The regulation [was on public consultation](#) between January 11 and 29, 2021. As a result of the submitted feedback, it was improved in the following aspects:

- Allows banks to use remote means to underwrite a checking account contract, provided they have policies, procedures and other legal safeguards and security measures approved by their Board of Directors.
- No requirement of a National Identity Card or Unique Tax Number for persons not domiciled or residing in Chile, unless explicitly required by the Central Bank of Chile or the Internal Revenue Service.
- The amendment to Chapter 2-2 does not exempt banks from compliance with regulations to prevent money laundering and financing of terrorism.
- Sets forth the need to expressly indicate whether the checking account contract considers providing forms to cash checks.

- Banks offering checking accounts must keep published in a prominent place on their websites the alternatives to generate payment orders (low- and high-value electronic fund transfers, vista vouchers, etc.), including their updated fees.

To access the details of the new regulation, interested parties can visit [the Rules and Norms section](#) on the CMF website. Additionally, the Commission makes available a [Presentation](#) with its core elements.

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