

CMF Chairwoman Solange Berstein presented the 2023 Institutional Public Account

April 23, 2024 — Solange Berstein, Chairwoman of the Financial Market Commission (CMF), presented today the Institutional Public Account corresponding to fiscal year 2023. The ceremony was held at the Moneda Bicentenario Building in Downtown Santiago and hosted authorities and representatives of the public and private sectors.

Chairwoman Berstein stressed the importance of the CMF's mandate to safeguard the correct functioning, development, and stability of the financial market. "Chile has a deep and solid financial system, which has been able to withstand turbulences and crises. We are convinced that its proper functioning is essential for the welfare of the people and the growth of the country," stated Mrs. Berstein.

The Commission supervises over 7,000 entities managing 77 percent of the Chilean financial market's assets, which are worth USD 642 billion and double the country's GDP recorded last year. The Chairwoman also reminded that, as part of the Fintech Act, enrollment of investment advisors was transferred during 2023 to the Registry of Financial Service Providers, which were also brought within the CMF's supervisory perimeter.

Citizen Services

Mrs. Berstein stated that the CMF has a wide offer of citizen services, both on-site and remote, for citizens to make inquiries and file complaints regarding institutions supervised by the Commission. The ChileAtiende network throughout the country is also part of this effort, allowing individuals to get information and submit queries/complaints.

Among citizen services, the Commission's Debt Report is a particular highlight. It includes information on current and outstanding debts of individuals and companies in the financial system and was issued over 6.6 million times in 2023 (40 percent more than in 2022).

Regulatory Perfectioning

Solange Berstein brought to attention that the CMF issued 91 regulations last year, as well as carrying out 35 public consultations and regulatory impact assessments. 49 percent of regulations issued concern banks; 46 percent deal with insurance; and 5 percent are about the securities market.

In the prudential field, which focuses on the solvency, liquidity and risk management of supervised entities, highlights include a regulation on the Internal Liquidity Self-Assessment Process for banks and another establishing new mortality rates for pensions paid by insurance companies (General Rule No. 495).

On market conduct, which aims to protect investors and users of financial services through more transparency and fair treatment by financial entities, Chairwoman Berstein focused on the issuance of

a regulation on alimony payments and another setting basic disclosures for transactions with related parties and Standard Operation Policies.

The Chairwoman underlined the issuance of General Rule No. 502, which oversees the enrollment, authorization, and obligations of financial service providers; and the current regulation under consultation for the Open Finance System (OFS). Additionally, the CMF is developing a regulation on supervisory information.

Financial Market Supervision

Mrs. Bernstein said that the market conduct supervision work program was fully completed, with a total of 69 supervisions. Some of the main market conduct focuses were on compliance with the Fraud Act; claim settlements for damages to motor vehicles; supervising the quality and use of information on the Registry of Debtors; and managing reimbursements of uncollected insurance premiums.

In prudential matters, the work program was also fully completed with 65 on-site visits, a work complemented by permanent monitoring of all entities under prudential supervision through diverse management aspects. Highlights include detailed analysis of exposure to real estate and health sector risks; monitoring of emerging risks; a supervisory assessment process (Pillar 2 of Basel III); and monitoring of financial conglomerates.

Sanctions and Anonymous Whistleblowers

In 2023, the CMF received 391 complaints on infractions against financial market laws and regulations and applied 122 sanctions. 75 percent of them were fines for fiscal benefit. The Chairwoman also spoke positively of the role played by anonymous whistleblowers, which became recognized as of June 2021. As of the end of 2023, 55 anonymous whistleblower requests were submitted to the Commission, while the CMF paid UF 11,160 as financial compensation to parties in that role.

Mrs. Bernstein also valued the consolidation of Citizen Alerts aiming to warn financial customers about potentially fraudulent activities.

Main Challenges

Among the many challenges for 2024 and the years to come, the Chairwoman mentioned the implementation of the OFS as part of the Fintech Act; incorporation and quantification of climate risks; cybersecurity risks linked to technological breakthroughs; and the need of reviewing legal and technical frameworks to strengthen the resilience of the financial system.

"We must continue progressing in closing existing legislative gaps to enhance financial stability. Financial system resilience, consolidated debt, risk-based capital in insurance, conglomerate supervision and bank resolution initiatives contribute to this," she stated.

Links to Relevant Resources

- [Presentation by Chairwoman Solange Bernstein](#) of the Institutional Public Account.
- [Video](#) of the Institutional Public Account.

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