



Regulador y Supervisor Financiero de Chile

Market development in Chile: Implementation of a mandate Virtual IARC meeting

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Chilean Commission for the Financial Market (CMF)

The CMF supervises more than 7 thousand entities, which represents 77% of the assets of the Chilean financial market.

Its main objective is to ensure the proper functioning, development and stability of the financial market, facilitating the participation of market agents and promoting the care of public faith.

3 mandates

Financial stability

Seeks to promote the solvency, liquidity and risk management on financial institutions, to avoid financial stability problems that may have an impact on financial well being.

Market conduct

Seeks to protect financial consumers and investors, promoting the transparency and integrity of financial markets and fair treatment.

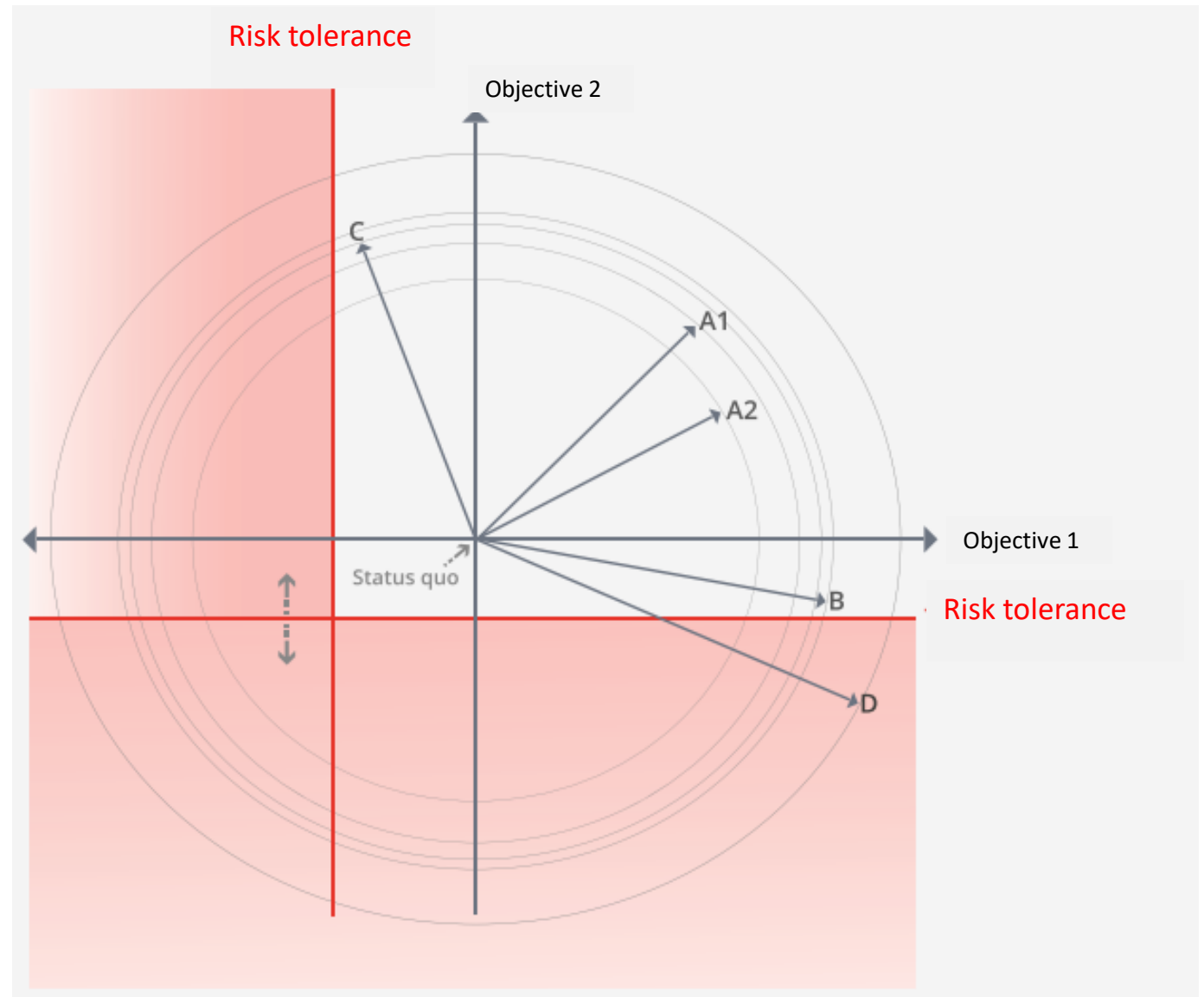
Market development

Seeks to improve the efficiency, access, depth and resilience of the financial system, to foster inclusive and sustainable economic growth.

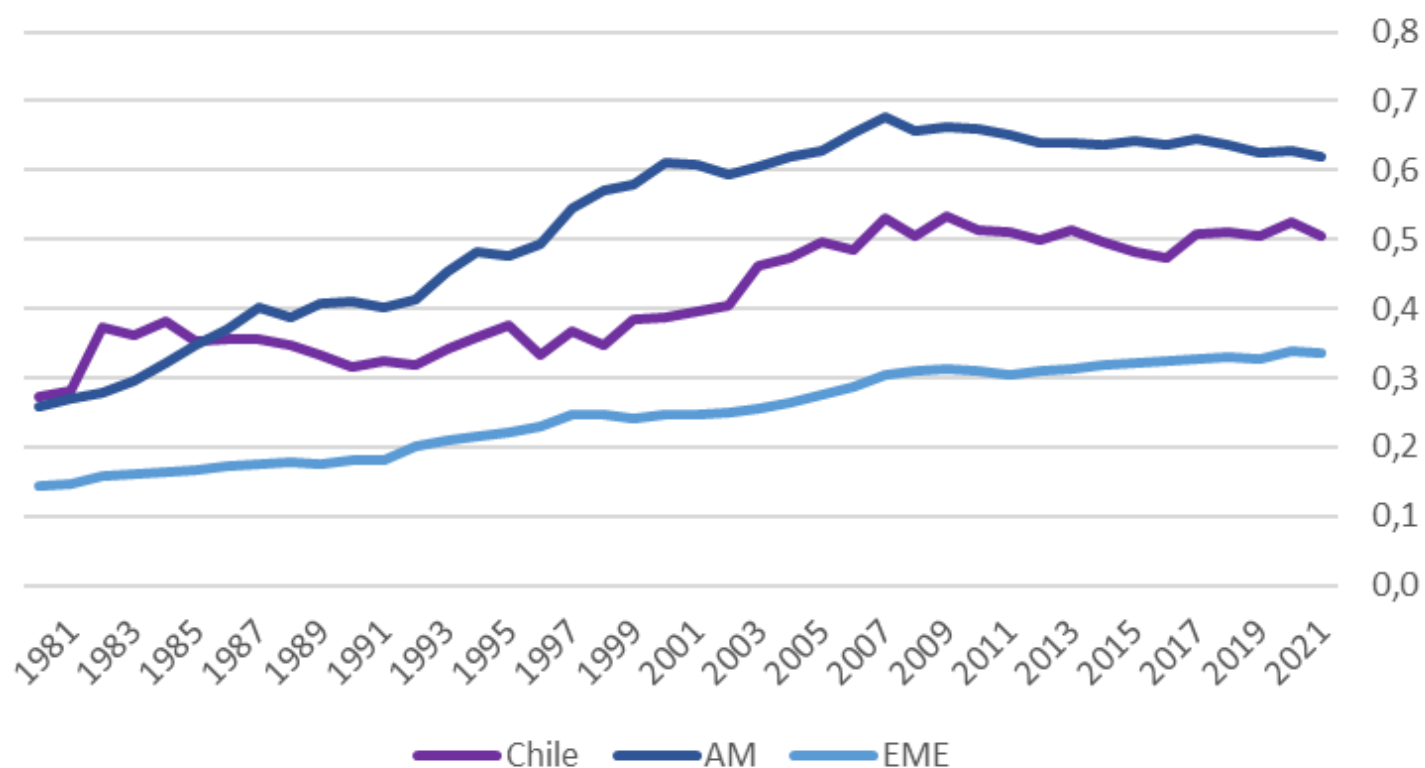
Other prudential and/or financial market conduct supervisors also have explicit mandates covering financial development dimensions (Kirakul et al, 2021).

Fulfilling this triple mandate forces the CMF to maintain a broad view of the effects of its decisions

While these mandates generally complement each other, there is sometimes constructive tension between them.

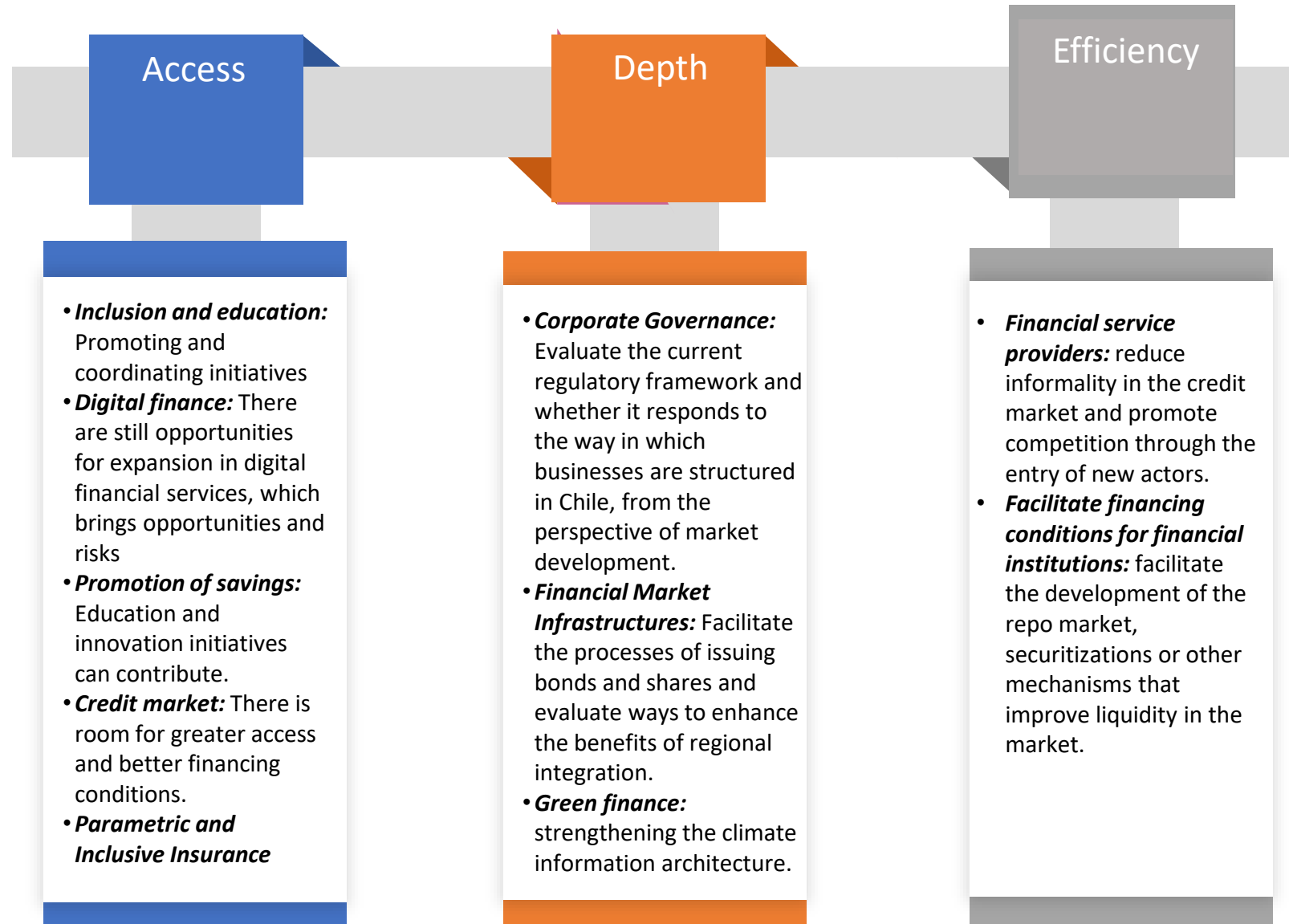


IMF Financial Development Index shows sustained progress in Chile and the world in the last 40 years



- However, a slowdown is observed after the subprime crisis.
- Chile is in the intermediate zone between advanced and emerging markets.
- The withdrawals of pension funds affected depth indicators at the tip.
- Financial institutions indicators are statistically equal to AM. Financial market are statically lower.

Market Development Challenges



Capital Market Modernization Workshops

- Invitation to the market to make proposals to close regulatory gaps that inhibit market development
- Proposals received in all five topics
- Workshops will be held in April-June
- Practical experience of other jurisdictions to test proposals will be useful and welcomed

Corporate governance: evaluation of the current structure of companies with a focus on financial market development.

Market Infrastructures: incorporation of technological changes, regional alliances and local/regional market conditions and obstacles.

Market Depth: Understand the dynamics that are impacting the depth and volatility of the capital, foreign exchange and monetary markets.

Financing of smaller companies: evaluation of the experience of ScaleX, the Fintec Law and other relevant case studies.

Promotion of savings: ways to recover wholesale and retail savings. Financial education strategies.



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