



Regulador y Supervisor Financiero de Chile

# **Corporate Governance and Risk Management**

## New regulation for securities markets

**Solange Berstein**

Chairwoman

Financial Market Commission

**May 2024**

# Until May 2024, there were gaps in Corporate Governance and Risk Management regulation for securities markets

**Banking and Insurance Industries regulation already fully covered these aspects. That was not the case of Securities Markets; nevertheless, we have continuously applied International standards in our supervisory processes.**

	Corporate Governance, Internal Control, Risk Management	Operational Risk Management	Business Continuity	Interdependencies Mapping	Third-party dependency management	Incident management and reporting	ICT+ Cyber
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Banking	●	●	●	●	●	●	●
Insurance	●	●	●	●	●	●	●
Securities	◐	◐	◑	◑	◑	◐	◑

← We filled these gaps in May 2024 through the issuance of four rules →

● Full regulation and supervision
◐ Full supervision and partial regulation
◑ Full supervision but no formal regulation

# Our new regulation attempts to harmonize requirements within and accross industries

## **General Rules No. 507 (Fund Managers), No. 508 (Stock and Commodities Exchanges), No. 509 (FMIs)**

- Require the implementation of a continuous improvement process of Risk Management
- Explicit roles and responsibilities of the Board in strategic management and integral risk management
- Require the establishment of Committees to address specific issues
- Establish further and more explicit policy requirements
- Specific roles, responsibilities and activities for Risk management and Internal Audit functions
- Require procedures on AML/CFT, complaints' handling and other aspects, depending on the industry

These rules are complemented by a harmonized rule on Operational Risk Management for Fund Managers, FMIs and Exchanges

### General Rule No. 510



### Aligned with recent Fintech regulation (General Rule No. 502)

- Indicators should be established to monitor Operational Risks.
- Requires an active role of the Board in Operational Risk Management.
- Independence between risk management teams, Internal Audit teams and Operational teams.
- Incidents should be informed to the CMF within a defined timeframe



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