



CMF releases document with general Market Conduct standards and principles for financial customer protection

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June 24, 2021 – The Financial Market Commission (CMF) released today [a policy document](#) titled “General Market Conduct Standards and Principles on Financial Customer Protection.” This work represents the CMF's vision of financial customer protection and establishes common market conduct principles for financial institutions under its supervisory perimeter.

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Market conduct supervision is based on two pillars:

- **Ensure the existence of a transparent and integral securities market** in which supervised entities report reliable information to the public, without abuses or manipulation by market players, and where the rights of minority shareholders are safeguarded.
- **Protect financial customers** by providing fair treatment in the marketing process and during the term of financial contracts.

Five General Principles

This is precisely the purpose of the recently released policy document. Based on the current legal framework and the best international standards in the field, the document develops **five general principles applicable to financial institutions within the Commission's supervisory perimeter**. They are:

- Fair treatment of financial institution customers.
- Adequate management of conflicts of interest.
- Protection of customer information.
- Transparency in the marketing and advertising of financial products.

- Diligent management of complaints and submissions.

These principles are applicable to banks; insurance companies; general fund managers; stockbrokers; securities brokers; savings and credit cooperatives (supervised by the CMF); endorsable mortgage mutual funds managing agents; open payment and credit card issuers; insurance brokers; and claims adjusters. Despite the existing differences between the fields mentioned earlier, the substantive elements underlying the guides, sectoral compendiums, and revised guidelines of multilateral bodies coincide and are contained in the market conduct principles established by the Commission in this document.

Integrated Supervision

The goal of establishing common principles for these industries is consistent with the integrated supervision approach adopted by the Commission since 2019, when its regulatory scope – which already included securities and insurance – was expanded to include banking supervision. In analyzing the international experience used as a reference for this document, there is a broad consensus that a clear regulatory framework for market conduct to protect financial customers is an essential basis for the efficient development of the banking, securities, and insurance markets.

The main purpose of the principles set forth in this document is to guide market agents to consider market conduct practices in their governance that ensure adequate protection of the rights of financial clients and, consequently, promote the trust and strength of their respective industries. The feedback generated from its distribution to financial institutions and the general public will serve as the foundation to develop a management regulation focused on financial customer protection and supervision policies.

Area of Communications, Education & Image – Financial Market Commission (CMF)

Contact: prensa@cmfchile.cl | [Press Room](#) | **Twitter:** [@CMFChile](#) [@CMF Educa](#)
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