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Ministry of Finance of Chile

Chile Day 2017

A New Regulation for a Better Capital
Market

London, 29 June 2017

Context

Global Financial Crisis



Overhaul of domestic situation



Our Challenges

**Improving
institutional
framework of
financial
supervisors**

**Filling
regulatory
gaps and
strengthening
the faculties
of regulators**

**Improving
corporate
governance of
listed
companies**

**Enforcing
responsibility
and promoting
transparency
of financial
market
participants**

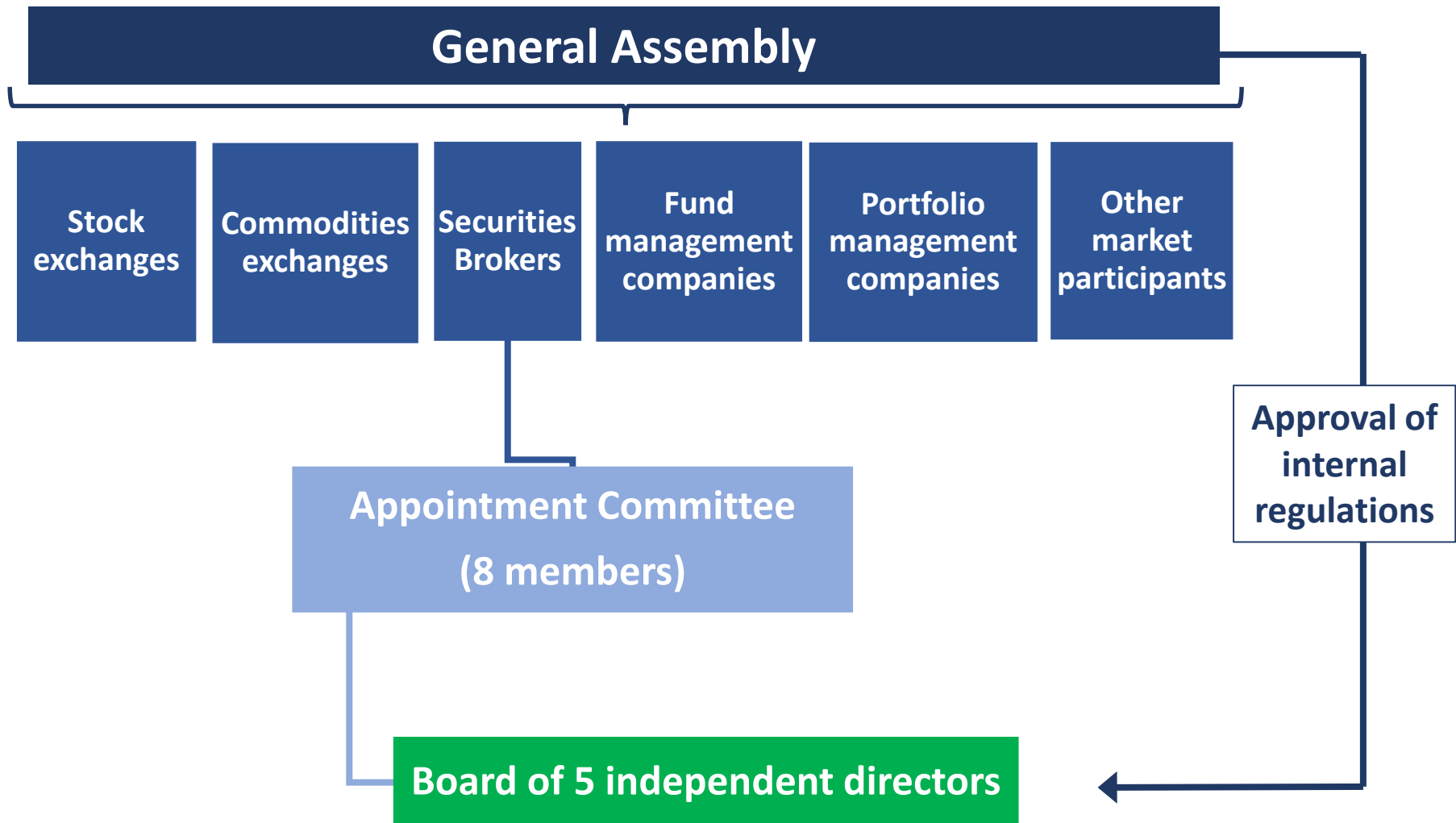
Our agenda



Our agenda



Self-Regulatory Committee



Self-Regulatory Committee roles and responsibilities

To issue rules that enhance legal and regulatory standards established by the FMC

Ensure compliance with these rules, through investigation and sanction proceedings conducted by the Committee

Asses and certify suitability and knowledge of capital market participants

Resolve differences and claims raised among its members or between them and their clients

Organize promotion activities aligned with its purposes

Our agenda



Responsibility and transparency

Market makers

Allow activities aimed at price formation, subject to the general rules established by the FMC

Responsibility of managers and FMC

Increasing criminal sanctions for maliciously delivering false information

Criminal sanctions for false or biased information by FMC staff, institutional investors, etc.

External auditors

Criminal sanctions for maliciously delivering false information regarding financial statements

External auditing under international standards

Application of RPT regulations

Related party transactions rules applicable to all company proceedings

Responsibility and transparency

Investment advisors

More information requirements for investment advisors regarding listed securities

Special law to regulate investment advisors of non-listed securities

Regulation and registration requirements for retirement planning advisors offering non-personalized advice

Related Party Transactions

Joint and several liability for the board approving RPT

Strengthening information standards available to minority shareholders in the case of RPT

Defining “regular business transactions”, excluded from RPT regulations, up to 10% of assets

Responsibility and transparency

Strengthening the Directors' Committee

Define policies to manage conflicts of interest

Board of the parent company must adopt a procedure to appoint directors in subsidiary companies

Board independence and conflicts of interest

Independent directors of the parent company are not to be considered independent in the subsidiary

Define the concept of "interest" for directors in the context of related party transactions

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Thank you

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