

## Legal Alert: CMF issues rule regulating investment advisory services



April 13, 2022 By / [Jorge Timmermann](#) and [Agustín Buzeta](#)

On April 13, 2022, the Financial Market Commission ("CMF" or the "Commission") issued its General Rule No. 472, which regulates investment advisory services.

The most relevant points of the regulation are the following:

Individuals and legal entities other than banks, insurance and reinsurance companies, securities intermediaries, general fund managers and portfolio managers supervised by the Commission, **who habitually make recommendations in Chile related to investment** in financial instruments of any kind, by any means and directed to the general public or to specific sectors, must be previously registered in the Registry of Investment Advisors kept by the Commission. Those who perform activities or services of asset price projections, as well as economic and financial analysis, which do not include recommendations related to investment in financial instruments of any kind, are excluded.

The CMF indicated that a **financial instrument shall be understood as** any security, contract, document or incorporeal good, domestic or foreign, designed, used or structured with the purpose of generating monetary income, or to account for an outstanding debt, including publicly offered securities registered or not in the Securities and Foreign Securities Registry of Law No. 18,045, foreign exchange, derivative contracts, contracts for difference, invoices and crypto-assets, among others, regardless of whether their support is physical or electronic.

The persons registered in the Registry must comply with certain obligations among which are:

Implement policies, procedures and controls to ensure that the information provided is not incorrect, misleading or may cause confusion to the public.

Ensure that in the advisory services provided, the interests and needs of each client are always prioritized.

Keep a record of the recommendations made, which must be kept for at least 4 years.

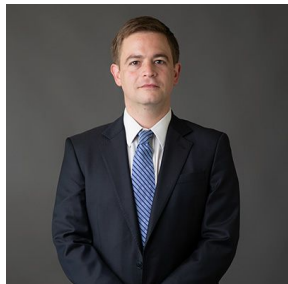
Make available to the public the academic and professional profiles of those who make recommendations.

Natural persons registered in the Registry of Investment Advisors or those who make investment recommendations for a legal person registered in such Registry must have the **accreditation of knowledge required by the CMF**.

Investment advisors must comply with **certain disclosure requirements regarding the names of those making recommendations**, the technical basis for the recommendations, and the potential conflicts of interest of those issuing the recommendations.

In the event that the obligations required by the Commission are not met, the Commission has the power to **suspend or cancel the registration of advisors**.

These regulations are effective as of July 12 of this year.

	<p><b>Contacts:</b> For more information, please contact: <a href="#">Jorge Timmermann</a> Partner <a href="mailto:mhalpern@dlapiper.cl">mhalpern@dlapiper.cl</a></p>
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