



COMISIÓN
PARA EL MERCADO
FINANCIERO

Implementation of Sustainability Disclosure Standards

Bernardita Piedrabuena K.
Commissioner

Regional Policy Dialogue IADB
October 16th, 2023

Agenda

About the
General Rule No.
461

Entry into force












Implementation

Reporting

Challenges

Other
considerations

About the General Rule No. 461

#	Regulatory Provision	Reference Framework
1	Content index	
2	Company Profile (mission, vision, purpose)	
3	Corporate Governance <ol style="list-style-type: none"> 1. Governance framework 2. Board of Directors 3. Board Committees 4. Main Executives 5. Adherence to international frameworks or standards 6. Risk management 7. Relations with stakeholders and the general public 	  
4	Strategy	
5	People (Policies and Indicators related to workers: diversity, wage gap, among others)	    
6	Business Model (Industrial Sector, Interest Groups, Properties, Subsidiaries and Affiliated companies)	
7	Vendor Management (Policies and Payment indicators, Assessment of Suppliers)	 
8	Indicators <ul style="list-style-type: none"> • Legal and regulatory compliance (clients, workers, environmental, free competition, others) • Sustainability indicators by type of industry (SASB Standards) 	
9	Relevant or essential facts	
10	Shareholder and directors committee comments	
11	Financial reports	

The requirements are based on **financial materiality** of the information.
 → This is underpinned by SASB standards

Entry into force

Period	Application
2021 (report in 2022)	Voluntary reporting.
2022 (report in 2023)	Public Securities Issuers whose consolidated assets at the beginning of the period are higher than CLF 20 million (approximately USD \$800 million, around 70 issuers)
2023 (report in 2024)	Public Securities Issuers whose consolidated assets at the beginning of the period are higher than CLF 1 million (approximately USD \$40 million, around 70 additional issuers)
2024 (report in 2025)	Other corporations registered in the Commission's Securities Registry, or that, according to General Rule No. 431 or Circular No.991, should submit their Annual Report following General Rule No. 30, and other public securities issuers not considered in the abovementioned groups. (Banks, Insurance Companies, General Fund Managers, Exchanges and Financial Infrastructures, etc.)

Implementation

- The General Rule No. 461 Supervision and Implementation Guide aims to improve the quality of information that issuers disclose according to SASB standards.
- The Guide contains guidelines and clarifies frequent questions asked to the CMF regarding SASB standards.
- It also shares some supervisory expectations of the CMF.
- The focus is to give orientations aimed to a higher regulatory compliance and improve the information disclosed by supervised entities.



General Rule No. 461 - Reporting

Mandatory reporting

70

(24% issuers; 54% issuers' assets)

70

11

Number of issuers required to
comply with GR No. 461 in 2023

Number of issuers that reported
mandatorily according to GR No. 461

of companies that reported
voluntarily

Voluntary reporting

7/12

4/12

2/52

1/52

Banks that reported SASB

Banks that reported
according to GR No. 461

Insurance Companies that
reported SASB

Insurance Companies that
reported according to GR
No. 461

*The total includes only financial institutions that published Annual Reports.

Challenges

Achieve conciseness and quality

- Annual Reports' length hinders the identification of relevant data.
- Challenge: identify an adequate balance between management reporting and the delivery of material information.

Generate adequate data

- Sustainability-related financial information should be accessible and easy to extract for investors.
- Challenge: comply not only with the form, but also with the substance of the rule.

Implement third-party validation

- General rule No. 461 does not require third-party validation of sustainability-related information. There is a trend of the market in order to implement it.
- Challenge: going forward in best practices of sustainability-related information auditing.

Other considerations

IFRS-ISSB Standards:

- IFRS-ISSB standards require a better harmonisation between financial and sustainability disclosures.
- General Rule No. 461 is aligned with IFRS S1, though the latter is more precise and detailed on disclosure matters.
- ISSB rules are standing as the global standards in these matters (endorsed by IOSCO), and are subject to close evaluation.
- The General Rule No. 461 may be considered as a good transition to ISSB rules.

Incorporation of climate change effects on Prudential Regulation.

- The CMF is assessing how to incorporate the impact of climate change in prudential regulation and in supervision tools.



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