



## REGULATION OF THE CCR

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**Number 9.-** <sup>1</sup> Santiago, November 24, 1994 (Refunded text \*)

The CCR, in exercise of the powers established in article 102 of Law Decree N° 3.500 of 1980, agreed in its 65<sup>th</sup> ordinary meeting, held on November 24, 1994, the following Regulation.

### PRELIMINARY TITLE

#### Definitions

**Article 1.-** For the purposes of this Regulation, it will be understood as:

- a) Commission: Comisión Clasificadora de Riesgo (The Risk Rating Commission)
- b) Administrators: Pension Funds Administration Companies
- c) Funds: The Pension Funds
- d) Law: Decree-law N° 3.500 of 1980, and the amendments thereto.
- e) Secretariat: Administrative Secretariat established by the Law.
- f) Superintendence: Superintendence of Pensions

### TITLE I

#### Purpose and Members of the Commission

**Article 2.-** The Commission created by Title XI of the Law, will have the following functions and attributions:

- a) To approve or reject shares issued by investment funds and shares issued by mutual funds referred to in letter h); instruments representative of capital referred to in letter j) and, at the request of the Superintendence, the instruments, operations and contracts of letter k), n); and those stated in the last sentence of letter j), all corresponding to the second subparagraph of article 45 of the Law. Likewise, to approve or reject counterparties for operations with derivative instruments of letter l) of said article;
- b) To reject, as established in article 105 of the Law, the ratings awarded by rating entities in accordance with that established in Law N° 18.045, for the debt instruments stated in letters b), c), d), e), f), i), k) and ñ) all corresponding to the second subparagraph of the aforementioned article 45, regarding instruments whose two major risk ratings be equal to or higher than BBB or N-3;

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<sup>1</sup> Agreement N° 9 corresponding to CCR's Regulation, was published in the Diario Oficial (Official Gazette) on June 26, 1995. It contains the modifications introduced by Agreement N° 30 published in the Official Gazette on November 22, 2008, Agreement N° 48 published in the Official Gazette on October 31, 2017 and Agreement N° 57 published in the Official Gazette on December 9, 2021.



- c) To establish the specific approval procedures for shares of investment funds and shares of mutual funds of letter h), of instruments representative of capital of letter j), of instruments specified in letter k) and of the counterparty entities for operations with derivative instruments referred to in letter l), all corresponding to the second subparagraph of article 45 of the Law;
- d) To establish the equivalences between the ratings of the debt instruments stated in letter j) second subparagraph of article 45 of the Law, awarded by internationally acknowledged rating entities, and the risk ratings defined in article 105 of the Law, and
- e) To establish, notwithstanding the provisions in aforementioned letter c), the specific approval procedures of the instruments representative of capital included in letter j) second subparagraph of article 45 of the Law, that are traded in domestic formal markets.

**Article 3.-** The Commission will be comprised of the following persons:

- a) An officer of and designated by the Superintendence of Pensions.
- b) An officer of and designated by the Superintendence of Banks and Financial Institutions.
- c) An officer of and designated by the Superintendence of Securities and Insurance.
- d) Four representatives of the Pension Funds Administrators chosen by them.

**Article 4.-** The members indicated in the previous article shall have a substitute, who shall substitute the respective representative in case of absence or impediment.

The substitute members shall always be able to participate in the meetings of the Commission with speaking rights and shall only have voting rights when the official representative is absent.

The regulation applied shall also be applicable to substituting members, unless express exceptions to the contrary are made or appear inapplicable.

**Article 5.-** The Commission shall be presided over by the representative designated for such effects by a majority of votes, by secret ballot, for a one-year term with the possibility of re-election. The same procedure shall be applied to designate the Vice President, who will subrogate the President in case of absence or impediment of the last. In the event of a tie in said elections, luck shall decide.

If both the President and the elected Vice President are unable to attend a certain meeting, the meeting shall be presided over by the Commission's most senior member.

**Article 6.-** The Commission shall appoint a person who shall act as Secretary of the same, who shall act as certifying officer with regard to its records, deliberations and agreements and shall represent judicially and extra-judicially the Administrative Secretariat. The Secretary shall be appointed by the absolute majority of the members of the Commission and shall not have voting rights in the sessions of the same. In case of absence of the Secretary, he/she will be subrogated by whom the Commission designates.

**Article 7.-** The members mentioned in letter d) of article 3 of this Regulation, must meet the requirements demanded by the laws for the directors of corporations, and cannot be stockbrokers or managers or directors of these entities, of a bank or of a financial institution. Likewise, they cannot be



persons related to any Pension Fund Administrator or be partners, managers or members of the classification council of the rating entities referred to in Law 18.045.

**Article 8.-** The members of the Commission will resign their positions:

- a) Due to death;
- b) Due to resignation in case of those of the letter d) of article 3, for serious reasons;
- c) At the end of the period for which they were elected, applicable to the members of letter d) of article 3, and
- d) Due to any of the inabilities or incompatibilities mentioned in the previous article to any of the representatives of the Administrators, in which case the cessation of the position will be automatic.

## TITLE II

### Election of the Representatives of the Administrators

**Article 9.-** The members representative of the Administrators before the CCR will be elected according to a Regulation agreed upon by these societies as a whole, for two-year terms.

## TITLE III

### Sessions and Agreements of the Commission

**Article 10.-** The Commission shall hold meetings with a quorum of at least four of its members with voting rights and shall adopt its agreements by absolute majority. In the event of a tie, the President shall have the deciding vote.

Notwithstanding the provisions in the previous subparagraph, the agreements to reject the major risk rating among the three required as indicated in the fifth subparagraph of article 105 of the Law, must be adopted with the favorable vote of at least five members.

**Article 11.-** The Commission must agree upon the day and time on which their ordinary work sessions will be held, and must have at least one session every month. Notwithstanding the aforementioned, the President may call extraordinary sessions as often as necessary.

The ordinary sessions shall always require a special notification, even though these have already been agreed upon by the Commission.

The meetings which have been previously agreed by the Commission during an ordinary or extraordinary meeting, shall be considered ordinary sessions.

The Administrative Secretariat must send to each member of the Commission, together with the corresponding notification, all the information related to the subjects that will be discussed therein.



The notification of extraordinary sessions must be made in writing, with at least 24 hours notice, unless the President informs of the same in a session, in which case this formality may be omitted for the members present. However, these notifications will be considered well addressed with the mere attendance of all the members of the Commission to the respective session.

The sessions called by the President or by his substitute, aforesaid in article 5 of this Regulation, shall be considered extraordinary meetings, and only the subjects that originated the session shall be treated therein.

The lack of written notification, when this proceeds, will excuse the absence of the missing member.

**Article 12.-** The Agreements of the Commission shall be adopted with the quorums established in preceding article 10 and may be of two types: simple agreements, those adopted for its better operation; and approval or rejection agreements, as stated in letters a) and b) of article 2 of this Regulation.

**Article 13.-** The regular or substitute members that in accordance to article 82 of Law 18.045, are considered to be persons with interest in a specific issuer, or in a counterpart entity or in a manager whose instruments are submitted to the Commission's consideration, will abstain from participating in the debate and in the adoption of any agreement related to such instruments, and must leave the corresponding session.

For all the purposes of the foregoing subparagraph, they shall deliver a simple sworn statement to the Secretary of the Commission, when assuming their position, indicating in the same whether they are persons with an interest in any of the aforementioned entities, either directly or indirectly through distributors, having to mention in said declaration the names of each one of them.

If by ignorance or later circumstances or concerning an issuer or a counterpart entity or a manager, which is put under consideration of the Commission for the first time, a member realizes that has interest in them, and this was not informed in the simple sworn declaration mentioned in the previous subparagraph, he must communicate this fact to the President of the Commission before the financial instruments of the respective issuer(s) are analyzed. Afterwards, the member must deliver a new simple sworn declaration, mentioning the name(s) of the corporations in which he has interest, pursuant to article 82 of Law N°18.045.

Notwithstanding the aforementioned, any member of the Commission shall refrain from participating in the analysis of a determined entity, when in spite of not existing any of the reasons of incapacity established in article 82 of the Law N° 18.045, he considers it prudent to exclude from the discussion.

It is understood that a member of the Commission is affected by any of the causes established in letter e) of article 82 of the Law N° 18.045, when he has or has had in the last 6 months, directly or through other persons, a professional or important business relationship with the entity, its related companies or the entities of the holding to which it belongs, or with the counterpart entity or with the manager, or its distributors that can represent for him, directly or indirectly, incomes equal to or higher than 15% of the total of his annual gross income.



**Article 14.-** The deliberations of the Commission and their agreements will be secret until the publication of its final agreement in the Official Gazette, no later than the first working day of the month following one in which the agreement was adopted.

The confidentiality obligation on the deliberations and agreements adopted by the Commission, will rule for all the members and persons which have participated and are aware of the adoptions made, reason why this information is not allowed to be communicated to those members that due to their interests in one or more issuers could not participate in the debate.

Likewise, the publication dates of the agreements will be kept secret, as well as all the information related to the financial instruments delivered to the Commission for their analysis, not considered of public character.

**Article 15.-** The approval or rejection agreements, shall only be adopted during the Commission's ordinary sessions, except in the cases mentioned in the second and fourth subparagraphs of article 108 of the Law, which can be adopted in extraordinary sessions, specially called for such effect, provided that the urgency of these already described by the Commission, cannot wait until an ordinary session.

The Commission will have a period of six months to give an opinion on the instruments whose approval has not been solved or are on a pending status; period that shall be extended due to well founded reasons, which will be set forth in the minute of the corresponding meeting.

#### **TITLE IV**

##### **President of the Commission**

**Article 16.-** The duties of the President of the Commission are:

- a) To direct the sessions;
- b) To call to extraordinary sessions;
- c) To dissolve the ties that could take place;
- d) To relate the Commission with the Administrative Secretariat;
- e) To inform the Commission which instruments will be under their revision and the observations that the Administrative Secretariat has on this regard;
- f) To request by means of the Administrative Secretariat, the studies or information agreed by the Commission, and
- g) To carry out all the other functions assigned by this Regulation or by the Law, as well as those who are necessary for the operation of the Commission.

#### **TITLE V**

##### **The Secretary, Minutes and Notifications of the Commission**

**Article 17.-** The duties of the Secretary of the Commission are:

- a) To attend the sessions of the Commission acting as Secretary of the same,
- b) To take minutes of the Commission's meetings;
- c) Keep up to date the minute books and files of the Commission;



- d) To act as minister of faith regarding the agreements of the Commission;
- e) To dispatch the notifications for the ordinary and extraordinary sessions of the Commission, and the ones of the substitute members, when it corresponds;
- f) To ensure faithful observance and publicity of the Commission's agreements.
- g) To sign the minutes of the Commission;
- h) To determine the personnel structure of the Administrative Secretariat, this must be previously approved by the Commission when the annual Budget is analyzed;
- i) To plan, to organize, to direct, to coordinate and to control the operation of the Administrative Secretariat;
- j) To execute the acts and to celebrate the necessary agreements for the fulfillment of the objectives of the Commission and the Administrative Secretariat, for this purpose, the Commission will have to grant the Secretary, the corresponding powers, and
- k) To carry out all the other functions requested by the Commission or its President.

**Article 18.-** The deliberations and agreements of the Commission must be set forth in a minute book. Alternative means may be used to keep this book, as long as they offer the safety measures that no interleaves, suppressions or any other adulteration can affect the fidelity of the minute.

**Article 19.-** The minute must include date, time and place where the meeting is being held, who are attending it, regular or substitute members, the name of who is presiding over the session and who is acting as Secretary, as well as a summarized version of the subjects that were discussed in each session and the agreements adopted therein. Finally, the signatures of the members who voted in the session and the one of the Secretary are required.

If any of the persons who are obliged to sign the minute, die or is not able, by different reasons to sign it, the circumstance or impediment should be recorded in the same minute.

The minute shall be considered approved from the moment of its signature, and from that date, the agreements therein may be carried out, except the approval or rejection agreements which may be carried out from the date of its publication in the Official Gazette. However, the Commission may agree the publication of its urgent agreements, without waiting the approval of the minute.

The member, who wants to be free of responsibility for any act or agreement of the Commission, shall leave the record of its opposition in the corresponding minute. Additionally he will have the right to stamp his reasons in the minute, if he considers that it suffers from inaccuracies or omissions.

## TITLE VI

### Administrative Secretariat

- Article 20.-** The duties of the Administrative Secretariat are:
- a) To provide the Commission with all the necessary elements for its operation;
  - b) To carry out the publications referred to in this Regulation, requested by the Commission;
  - c) To practice the notifications agreed by the Commission;
  - d) To provide the Commission with all the information it had compiled, to perform the functions and to exercise the powers contained in article 2 of this Regulation;
  - e) To carry out the studies requested by the Commission or its President;



- f) To receive all the information provided by the instrument's issuers and to inform the Commission about it, for the purposes they might require;
- g) To elaborate the technical reports required by the Commission or to request them from other institutions, be these public or private;
- h) To put at the Commission's disposal the modification proposals to the procedures and approval criteria delivered by the Administrators or the members of the Commission;
- i) To keep an accounting record of all its incomes and expenses in agreement with the generally accepted auditing standards;
- j) To elaborate and present to the Commission the annual and quarterly expense budgets indicated in the following Title VII, and
- k) To carry out all the other functions requested by the Commission or its President, as long as they are inside the area of its competition.

## TITLE VII

### Financing the Commission

**Article 21.-** The expenses required to operate the Commission and the Administrative Secretariat, will be financed by the Pension Funds Administrators, considering the value of the Pension Fund each one manages.

**Article 22.-** During the last quarter of every year, the Secretariat will present the Commission an annual budget, pointing out the main expenses necessary to carry out its functions during that year.

**Article 23.-** To determine the Financing of the Commission, the Secretariat shall elaborate a quarterly budget including the expenses that the Commission as well as itself will incur, to fulfill the functions and powers pursuant by the Law and the present Regulation, which shall be approved by the Commission according to the quorum indicated in article 10 of this Regulation.

The quarterly budget must be previously revised by the members who are representatives of the Pension Funds, specially named by the Commission for such purpose.

Together with the presentation of the quarterly budget, the Secretariat must inform about the expenses made during the previous quarter, listing those which were not timely estimated.

**Article 24.-** The Administrators will be able to appoint annually, two account inspectors with the purpose of revising at the end of every fiscal year, the Commission's accounting, inventory and audited financial statements. These last ones will have to be approved with the quorum established in article 10 of this Regulation.

The Administrators will be in charge of designating the external auditors, which must be registered in the Chilean Securities and Insurance Superintendency (SVS).



## FINAL TITLE

**Article 25.-** This Regulation can be modified with the favorable vote of at least 5 members of the Commission.

Alejandro Muñoz  
Secretary

Santiago, November 24, 1994

Date of the Refunded Text: December 9, 2021

This is a non-official translation; the Spanish version is the official one.