

January 4th, 2021

The Central Bank of Chile authorizes the use of the peso in cross-border transactions

Santiago, January 4th, 2021. In the context of its 2018-2022 Strategic Plan, the Board of the Central Bank of Chile approved modifications to the Annex 1 of the first chapter of its Compendium for Foreign Exchange Transactions (CFET) in order to authorize the use of the Chilean Peso in various cross-border transactions.

The internationalization of the peso seeks to contribute to price stability and the functioning of payments system. These measures seek to encourage competition and efficiency in local financial markets and remove obstacles that prevent greater interaction between local and non-resident investors.

Thus, starting March 1st 2021, the use of the peso will be authorized for the following cross-border transactions:

- The subscription of derivatives that can be settled through the delivery of CLP.
- The opening and holding of bank accounts in CLP by non-residents.
- The granting of credit by Chilean residents, to non-residents. For these transactions, the definition of Chapter XII of the CFET of credit applies.

On September 1st 2021, the use of the peso will also be authorized for the following transactions

- Deposits or investment abroad by Chilean residents. For these transactions, the definitions of Chapter XII of the CFET of deposit and investment apply.
- Granting or constituting credits, deposits, investment and capital contributions in Chile by non-residents. For these transactions, the definitions of Chapter XIV of the CFET apply.

For more information, please visit the Central Bank's press release at: <https://www.bcentral.cl/en/content/-/details/the-central-bank-of-chile-authorizes-the-use-of-the-chilean-peso-in-cross-border-transactions>