

Chilean Benchmark Facility (“CBF”)

Public Minute

Meeting: Oversight Committee Meeting

Date: 11 December 2019, 13:00 - 15:00

Premises: *Chilean Benchmark Facility, Isidora Goyenechea 3000, Floor 23, Las Condes, Santiago*

Participants:

1. Chair: José Miguel Sánchez – voting member (JMS)
2. Juan Esteban Laval – voting member (JEL)
3. Matías Bernier – voting member (MB)
4. Roland Jacob (CBF) – voting member (RJ)
5. Asier Uriarte (BCI) – voting member (AU)
6. Francisco Cisternas (Banco de Chile) – voting member (FC)
7. Andrea Silva (Banco Estado) – voting member (AS)
8. Juan Cárdenas (CBF) – non-voting member (JC, involved in TAB/TADO and ICP operations)

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I. Introduction

- RJ explained that members shall be required to sign an NDA. Members requested further clarification
- RJ welcomed and thanked the assistance to the new members of the committee. Then explained voting and non-voting categories.
- RJ explained that it was necessary to nominate a Chairperson of the Committee and that José Miguel Sánchez, had been recommended by CBF, due to his technical capability and knowledge of TAB/TADO rates and Indices. Members agreed on the candidate.
- Oversight Committee reviewed main points of the governance documents “*CBF 17015 Oversight Committee Terms of Reference*” and “*CBF 17013 Oversight Committee Rules and Procedure*”, with the objective to inform all members of the responsibilities and task of the new committee.
 - Members passed various relevant comments, with an agreement that these and any others, would be submitted by the 23rd December with final approval by 27th December.
- Oversight Committee Chairperson thanked the election and reviewed the agenda with the rest of the members. None of them declared to have any Conflict of Interest with respect to the topics to be discussed.
- Regarding the Conflict of Interest Policy, RJ commented that member can send commentaries until December 23rd and be approved by December 27th. Oversight Committee suggested to the members nominated by Panel Banks declare that they are employees for that bank. Those members will review this suggestion. In addition, after CBF reviews the option to add a substitute, the signature of that potential member will be pending.

II. Oversight & Determination Methodology

- JC presented the monthly report for TAB/TADO rates and ICP. He mentioned that, during second fortnight, all banks reported their rates before 11:00am. Average contribution time was 9:50am approximately. JC reported that in the second half of November the publication of TAB/TADO rates was made at 11:30am. In addition, he commented that on November 20, the Nominal ICP of the previous day was published, which was rectified 15 minutes later. In this regard, the Supervisory Committee requested further details of the publication error. Also, during November 18 and 19, there was a delay of approximately one hour in the publication of the TAB/TADO rates on the CBF website due to technical problems, which were already resolved.
- JC reported that CBF has continued to send the Statistical Report traditionally sent by ABIF to the CEOs of the Panel Banks, this time by email replacing the physical document. In addition, changes to the report are being evaluated and will be presented at the next meetings to the Supervisory Committee for review. The Statistical Report of the second half of November was delivered on December 6th.
- The Oversight Committee was requested to review and approve the document. “*CBF 17029s Calculation Methodology*”. This document aims to comply to IOSCO Principle 11, which asks the administrators to document and publish the methodology used for the calculation. RJ commented that member can send commentaries until December 23rd and be approved by December 27th.

III. Governance, Regulatory & Supervisory Issues

- RJ informed that discussions regarding the Code of Conduct will continue in the Working Group of the Panel Banks, with the aim of organizing the following steps for the adherence of the Panel Banks. FC suggested to the Oversight Committee to review definitions and methodological aspects that facilitate banks to comply with the requirements of the future Code of Conduct. CBF has been compiling the comments of the banks and will prepare proposals for this Committee.
- RJ commented that CBF will contact the Central Bank and CMF regulators, with the aim of correctly coordinating the transition process. The Oversight Committee discussed the required message to be delivered to the Regulators. RJ mentioned that CBF will also consult ABIF about the role they wish to have in these conversations.
- RJ mentioned that CBF is working on getting the best practices in all its activities, with the aim of comply to the IOSCO principles. This will be demonstrated by an external audit during 2020, once the Code of Conduct and all improvements in the required areas are satisfied. In addition, a copy of the IOSCO Principles will be sent to the members of the Committee.

IV. Evolution of Chilean Benchmarks

- RJ proposed to shorten the contribution window from 9:00am to 11:00am to 10:00am to 11:00am. which would limit operational risks. The Supervisory Committee suggested instead shortening the contribution window from 9:00am to 10:00am. CBF will review the new proposal.
- JC explained to members of the Committee more details of the transition process from ABIF to CBF. He highlighted three points related to i) the calculation system, ii) the outstanding participation of the banks, which they reported throughout the second half of November, and iii) the publication on the CBF website of the new TAB / TADO Rate regulations and ICP adapted to the new administrator, which will govern until the Panel Banks sign the Code of Conduct.
 - Oversight Committee asked about CBF Helpdesk Backups. In this regard, JC reported that these Backups are in the Czech Republic for TAB/TADO rates and in Australia for ICP. Oversight Committee suggested conducting the relevant DRP tests

V. AOB

- Oversight Committee agreed that the next meeting will be held on January 8 at 1:30pm.

Meeting formally closed