

Chilean Benchmark Facility (“CBF”)

Public Minute

Meeting: Oversight Committee Meeting

Date: 30 January 2020, 13:30 - 15:30

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

Participants:

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

Guests:

1. Clive Bennett (CBF Director) – observer (CB)

Circulation: Published on the CBF website www.cbf.cl

I. Introduction

- RJ reminded members to sign the confidentiality agreement, and the Conflicts of Interest statement.
- RJ commented on the changes made to the document "*CBF17015 CBF Oversight Committee Terms of Reference*", which were made based on comments from Committee members at previous meetings. The Oversight Committee members approved the changes:
 - CBF will make this document public along with the minutes of the last meetings
 - JMS commented that the Panel Banks who nominated a full member and an alternate were consulted to request the appointment of a single representative. In this regard, the current members of the Oversight Committee were ratified.
- JMS reported that a Panel Bank had responded to the Oversight Committee's letter with the objective to request an explanation of its omission of the contribution on 23 December 2019. The bank provided a written explanation that the omission of contribution was due to a timely administrative issue and it reiterated its commitment to the TAB/TADO rate report. The Oversight Committee appreciated the response.
- The Chair of the Oversight Committee reviewed the agenda along with the other members. None of them stated that they had any conflict of interest with regard to the topics to be discussed.
- RJ informed members that together with JMS and CB they held a meeting with the Central Bank to report on CBF's recent activities.
- JMS commented that they will meet with the CMF by the end of February.

II. Governance, Regulation and Supervision Issues

- JC told the members of the Oversight Committee that CBF's primary objective is the *full implementation* of the IOSCO principles under which the Code of Conduct is one of its main requirements. He also commented that the Code of Conduct once agreed would be notarized
- JC reported that to date 7 Panel banks have submitted their comments on the draft Code of Conduct. The Oversight Committee requested to follow up with the other banks to confirm their views on the Code of Conduct. Improvements have been made to the translation and adaptation to national reality
- JC presented members with an updated proposal for the implementation schedule of the Code of Conduct:
 - (i) Signature of the Panel Banks on Accession Forms – early May
 - (ii) Signature of Panel Banks on *Compliance* Forms – beginning of August and
 - (iii) External review to confirm IOSCO compliance for the CBF – December 2020
- The Oversight Committee welcomed the proposal but suggested considering some flexibility in the process of acceding to the Code of Conduct.
- JC commented that section 7 of the Code of Conduct had been edited to reflect comments from several Panel Banks that the regulatory authorities do not have the power to oversee

the TAB/TADO rate reporting process. The Oversight Committee suggested making minor modifications to the final text.

- JC commented that several banks have commented on the need to provide more details regarding the definition of the Input Data. In this regard, CBF, based on international best practice, proposes to make changes for consideration.
- The Oversight Committee consulted on the proposal to separate methodological aspects into an additional document. CBF commented that the IOSCO Principles are clear in that the Code of Conduct should contain a clear methodology for reporting Input Data.
- The Oversight Committee welcomed the proposal to create a benchmark definition for which it requested the CBF Secretariat to coordinate the process of creating that definition with the members of the Oversight Committee prior to the next meeting.
- CBF according to the interpretation of the Law 18.010 the format of the Input Data is required to be a positive number or zero.
- JEL commented that the TAB/TADO Rates Regulation should continue to be a valid document hosted on the CBF website.
- JC commented on additional changes to the Code of Conduct, which will be sent via email for discussion.

III. Miscellaneous Issues

- The Oversight Committee requested the CBF Secretariat to review according to the availability of members a schedule proposal for the next meeting.

Meeting formally closed