

Chilean Benchmark Facility (“CBF”)

Public Minute

Meeting: Oversight Committee Meeting

Date: 17 March 2020, 8:30 - 10:30

Premises: *Conference Call*

Participants:

1. Chairman: José Miguel Sánchez – voting member (JMS)
2. Juan Esteban Laval – voting member (JEL)
3. Matias Bernier – voting member (MB)
4. Roland Jacob (CBF) – Voting Member (RJ)
5. Asier Uriarte (BCI) – voting member (AU)
6. Andrea Silva (State Bank) – voting member (AS)
7. Juan Cardenas (CBF) – non-voting member (JC, involved in TAB/TADO and ICP rate operations)

Apologies:

1. Francisco Cisternas (Bank of Chile) – voting member (FC)

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

I. Introduction

- RJ reviewed the main points of the previous minutes. In this regard, he highlighted the following points:
 - The DRP test planning process between the Panel Banks and the support office located in Prague was initiated
 - CBF welcoming the comments of the Oversight Committee, updated the Schedule of accession to the Code of Conduct, considering an extra month to the dates presented at the previous meeting:
 - (i) Signature of the Panel Banks on Accession Forms – early June,
 - (ii) Signature of the Panel Banks on Compliance Forms – early September and,
 - (iii) Maximum audit deadline to CBF and Panel Banks – March 2021. In addition, the CBF under the current circumstances raises its availability to extend dates as needed.
 - CBF will send a new version of the Code of Conduct to the ABIF Committee of Lawyers, which will include further comments from the Panel Banks. This new version will be discussed in a meeting with CBF to be held during the month of April.
 - RJ reported that all Confidentiality Agreements have been received from committee members and asked the committee members who have not yet signed the Declaration of Conflicts of Interest, to make it as soon as possible.
- RJ reported that together with JMS, they held a meeting with the Commission for the Financial Market (CMF) with the aim of reporting CBF's recent activities.
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II. Oversight and determination methodology

- JC filed the monthly report of TAB/TADO and ICP rates. In this regard, he mentioned that, during February, all banks reported their rates prior to 11:00am.
- JC reported that CBF sent a letter of enquiry to one Panel Bank Key Contact requesting them to confirm the proper functioning of the TAB/TADO rate report. The enquiry was answered stating that the bank's internal reporting processes operate normally.
- JC reported that before pandemic Covid-19:
 - The CBF Help Desk (Helpdesk), having reviewed the equipment and performed the necessary tests began operating remotely on Tuesday March 17, as indicated by CBF's internal Business Continuity Plans.
 - Panel Banks had been consulted on the availability of Contingency Plans at the Panel Banking Working Group (PBWG) meeting, however CBF proposes to send a written enquiry to the Panel Banks seeking feedback on Panel Banks' preparedness for provision of input data to the CBF for TAB/TADO calculation during times of operational stress caused by COVID-19 measures. The Oversight Committee approved this initiative.
 - CBF raised the need to review procedures should (as a result of disruption caused by COVID-19) the quorum of input data reports detailed in sections 4f and 4g of the current TAB/TADO Rules were not achieved. The Oversight Committee commented on this item which would be collected by the CBF Secretariat and thus develop a new proposal to be evaluated in the coming days.

III. Governance, Regulation and Oversight issues

- The Oversight Committee reviewed the proposed Output definition submitted by CBF, making minor modifications that will be adjusted by CBF and then incorporated the final version into the document "*CBF 17029s Calculation Methodology*".
- JC commented that in accordance with the comments made at the meeting on 11 March for the PBWG the CBF wished to propose a revision of the Waterfall Methodology for discussion in this Committee. The Oversight Committee accepted this proposal. The CBF Secretariat will send a documented proposal for the review of committee members prior to the next meeting.
- JC commented on the process of adhering to the Code of Conduct, specifically the comments made at the PBWG:
 - Panel Banks recognize the need to comply with the IOSCO Principles.
 - Panel Banks asked the CBF to review sections of the draft Code of Conduct relating to reporting controls, which could be adjusted to the current use of TAB/TADO rates by Panel banks.
- JC reported that DRP tests were carried out on 11 March, with the aim of ensuring that the current CBF support office in Sydney was prepared for any eventuality.

IV. Miscellaneous Issues

- The Oversight Committee requested the CBF Secretariat to review, in accordance with the availability of members, a proposal for timetable for the next meeting.

Meeting formally closed