

Chilean Benchmark Facility (“CBF”)

Public Minute

Meeting: Oversight Committee Meeting

Date: 2 June 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 (Banco Estado) – voting member (AS)
7. Francisco Cisternas (Banco de Chile) – voting member (FC)
8. Juan Cardenas (CBF) – non-voting member (JC, involved in TAB/TADO and ICP operations)

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

I. Introduction

- JC reviewed the main points of the previous minutes. In this regard, he highlighted the following points:
 - A new version of the TAB/ADO output definition was introduced, picking up comments from the previous version. The Oversight Committee accepted the new version, which will be incorporated into the document "*CBF 17029s Calculation Methodology*"
 - The calculation methodology was revised in a quorum failure scenario. In this regard, the Oversight Committee requested modifications so that the methodology would be applied immediately as soon as the quorum-lack scenario was detected. The CBF secretariat will make the necessary amendments to the proposal.
 - Update on the measures taken with respect to the Covid-19 pandemic. Internally CBF has continued with telecommuting since 17 March, keeping the controls normal. Regarding the Panel Banks, CBF consulted with them on the availability of their Contingency Plans that allow the normal reporting of the Input Data to CBF, obtaining confirmation from majority of them
- The chairman of the Oversight Committee reviewed the agenda along with the other members. None of them stated that they had any Conflict of Interest regarding the topics to be discussed.

II. Supervision and Calculation Methodology

- JC commented that on April 6, due to a technical issue and considering the change of time on April 4, TAB/TADO rates were prematurely published at 10:30am without considering the reports of some banks. At 11:30am CBF decided not to modify the published rates and confirmed the rates previously published with the information vendors.
 - CBF reported that the necessary changes were made to the system, and that revisions prior to future time changes will be scheduled.
 - In this regard, the Oversight Committee expressed concern about the delay in the report's communication, and required CBF to:
 - Evaluate an increase in the frequency of Oversight Committee meetings
 - Determine in similar situations to submit a preliminary report to the Chairman of the Oversight Committee in a short time and for him to determine the dissemination with the rest of the members by CBF.
 - Document the traceability of decisions made at such event and similar ones.
- JC filed the quarterly report of TAB/TADO and ICP rates. In this regard he mentioned that during the period March to May 2020 all Panel Banks reported their rates prior to 11:00am.

III. Governance, Regulation and Oversight issues

- The Oversight Committee reviewed *the Quarterly Compliance Report* and the minutes of the Risk and Compliance Committee meeting.
- RJ commented on the process of adhering to the Code of Conduct. He specifically commented that:

- A new version of the Code of Conduct was distributed incorporating changes based on comments from the Panel Banks' reviews.
- In the week of 25 to 29 May CBF had individual meetings with Panel Banks, in which, among others, details of the new or updated timetable were provided
 - (i) Signature of the accession form – end of July
 - (ii) Signature of the compliance form – late November and
 - (iii) Implementation of the Code of Conduct – 2 January 2021.
- CBF will hold a new meeting with the Panel Bank Working Group on 3 June then meet with each of the Panel Banks again, and thus move forward with the final version of the document.
- In this regard, the Oversight Committee requested CBF to;
 - (i) to report the status of accession with the Panel Banks, and
 - (ii) to provide more detail of progress to the Chairman of the Committee.
- JC submitted to the Oversight Committee the progress on the waterfall methodology, along with the main comments and consultations of the Panel Banks. In this regard he commented that CBF was looking at how to adapt traditional banking practices and would subsequently send that proposal to the Oversight Committee for review.

IV. Miscellaneous Issues

- JC told members that in the future the Committee documentation will be sent to members securely through Microsoft SharePoint.
- The next meeting will be held on 8 September 2020.

Meeting formally closed