

## **Chilean Benchmark Facility (“CBF”)**

### **Public Minute**

**Meeting:** Oversight Committee Meeting

**Date:** 8 September 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. 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. Juan Cárdenas (CBF) – non-voting member (JC, involved in TAB/TADO and ICP fee operations)

#### **They excuse each other:**

1. Andrea Silva (Banco Estado)– voting member (AS)

Circulation: Published on the CBF website [www.cbf.cl](http://www.cbf.cl)

## **I. Introduction**

- The Committee reviewed the main points of the previous minutes:
  - JC commented that the calculation methodology was introduced in the non-quorum scenario in the document "*CBF 17029s Calculation Methodology*" applying the changes suggested by the Committee at the previous meeting.
  - RJ updated on the measures taken with respect to the COVID-19 pandemic. Internally CBF has continued with the telecommuting mode since March 17, maintaining checks normally, a decision that will be maintained until further notice. With regard to panel banks, they have confirmed that they have proper technology processes to continue their reports. He further reported that to date no bank has filed technological failures to prevent its report.
  - JC reported that as required at the previous meeting, two Panel Banks were consulted for their failure to report in some tenors. In this regard, one Banks argued that they do not report since they do not raise funds in the aforementioned tenors. CBF proposed to contact the Panel Bank and report on the new Cascade Methodology detailed in the Code of Conduct, to which the Committee agreed. The other Panel Bank until the day of the meeting, still didn't sent their answer.
- The chairman of the Oversight Committee reviewed the agenda along with the rest of the members. None of them claimed to have any Conflict of Interest with respect to the topics to be discussed.

## **II. Supervision and Calculation Methodology**

- JC commented that on June 26, was discovered a technical issue on the Calculation Agent System.
  - CBF commented that the incident was reported within 24 hours to the chairman of the Oversight Committee, and the next day to the rest of the Committee along with the report of the incident.
  - The Oversight Committee regretted the situation and valued timely communication to the Chair and the rest of the members.
- JC submitted the quarterly TAB/TADO and ICP rates report. In this regard, it mentioned that, during the period June to August 2020, all 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 CBF Risk and Compliance Committee meeting.
- RJ commented on the process of adherence to the Code of Conduct. Specific commented that:
  - The latest version of the Code of Conduct was circulated to Panel Banks on 17 August.
  - Considering the above, CBF updated the timetable as follows;
    - (I) Signature of the accession form – September,
    - (II) Signature of the *document of Compliance* – November, and
    - (III) Implementation of the Code of Conduct – January 2, 2021.

- Oversight Committee discussed the possibility of extending the indicated implementation period and requested CBF to evaluate that alternative, considering a commitment by the Panel Banks to complete the process.
- JC submitted to the Oversight Committee a proposal for a change to the TAB/TADO rates rules, which should maintain the original structure of the document, and redirect the details to the new documentation, specifically the documents "*CBF 17029s Calculation Methodology*", "*CBF 17011 Panel Bank Code of Conduct*" and "*CBF17028 Post Publication and Re-determination Policy*". The Oversight Committee accepted the proposal.
- JC submitted to the Oversight Committee the document "*CBF17028 Post Publication and Re-determination Policy*" which describes the actions to be taken by CBF in case of publication of erroneous data in TAB/TADO Rates and ICP Indices. The Oversight Committee assessed the proposal and requested further evaluation on the implementation.
- JC commented to the Oversight Committee on the changes made to the document "*CBF 17029s Calculation Methodology*" including:
  - (I) Inclusion of the definition of Reference Rates,
  - (II) Mention of the document "*CBF17028 Post Publication and Re-determination Policy*".
  - (III) As discussed in the introduction, non-quorum methodology was included.
- The Oversight Committee accepted the changes
- JC submitted the changes made to escalation procedures addressing last meeting comments. The Oversight Committee accepted the changes.

#### IV. Various Issues

- The next meeting will be held on December 9, 2020.

**Meeting formally closed**