

Chilean Benchmark Facility (“CBF”)

Public Minute

Meeting: Oversight Committee Meeting

Date: 16 March 2021, 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. Andrea Silva (Banco Estado) – voting member (AS)
7. Francisco Cisternas (Banco de Chile) – voting member (FC)
8. Juan Cárdenas (CBF) – non-voting member (JC, involved in TAB/TADO rates and ICP indices operations)

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I. Introduction

- The chairman of the Oversight Committee reviewed the agenda along with the rest of the members. None of them claimed that they had any Conflict of Interest with respect to the topics to be discussed.
- The Committee reviewed the main points of the previous minutes:
 - RJ updated on the measures taken with respect to the Covid-19 Pandemic. Internally CBF has continued with the telework modality since March 17, 2020, maintaining the controls normally, a decision that will continue until further notice. Regarding Panel Banks, they have confirmed that they have technological processes in place to continue their reports. Also, he reported that to date no bank has reported technological failures to prevent its report.
 - JC reported that according to discussion at the previous meeting, two Panel Banks were contacted for their failure to report in some rates and tenors. Both banks resumed their reports during January 2021.
 - The Oversight Committee valued the outcome of the consultation.

II. Supervision and Calculation Methodology

- JC reported that there were no incidents in the period.
- JC presented the quarterly TAB/TADO rates and ICP Indices report. In that regard, he mentioned that during the period December 2020 to February 2021, all banks reported their rates prior to 11:00am.
- JC presented the new TAB/TADO metric report proposal, adapted from other similar reports by Global Rate Set Systems (GRSS) subsidiaries. This report consists in four sections: (i) pre- and post-calculation reviews to individual panel bank reports, (ii) potential pre-calculation notifications, (iii) potential post-calculation notifications, and finally, (iv) an overall analysis of TAB/TADO calculated rates. This new metric report will be circulated to the Oversight Committee monthly on the first business day of each month and will be tested for the following months until its implementation in July of this year, along with the introduction of the New Panel Bank Code of Conduct.
 - The Oversight Committee valued the new proposal.

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 updated the adherence process for the New Panel Bank Code of Conduct. Specifically, he informed progress status of Panel Banks pending to send their compliance declaration. It has been noted that Panel Bank will send their compliance declarations during the next months. CBF will continue keeping their attention on this process.
 - One of the independent members agreed to contact some of the Panel Banks representatives.
 - Oversight Committee thanked the report.
- JC reported that one of the Panel Banks raised the need to include the Front Office to the TAB/TADO rate reporting process, using clause 4.3.1 of the Code of Conduct.

- JC commented that the Risk and Compliance Committee accepted the bank's proposal, in accordance with the requirements of the Code of Conduct.
- None of the members of the Committee objected or requested to review this decision by CBF.
- JC informed to the Oversight Committee that CBF has developed a new ICP Indices calculation, which collects Input Data and automatically calculates the indices according to the calculation methodology.
- JC reported that, considering the complexities of TAB/TADO rates and ICP indices processes, and the knowledge of GRSS offices in Sydney, it has been decided that the latter continued to be the back-up of CBF for the TAB/TADO rates and ICP indices calculation processes. This decision has been incorporated into CBF contingency procedures.

IV. Various Issues

- The Oversight Committee reviewed the timetable for the forthcoming meetings:
 - Quarter 2: Tuesday, June 8.
 - Quarter 3: Tuesday, September 7.

Meeting formally closed