

# Regulation TAB Nominal, TAB UF and TADO Rates

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## 1. Objective

- a. The Regulation of TAB Nominal, TAB UF and TADO rates<sup>1 2</sup> (hereinafter, the "Regulation") establishes the responsibilities of the Panel Banks (also stated in the CBF Panel Bank Code of Conduct, hereinafter, the "Code of Conduct"), the Administrator (the Chilean Benchmark Facility SpA (CBF)<sup>3</sup> (hereinafter, the "CBF") and its Board of Directors) and the Oversight Committee<sup>5</sup> in the stages of delivery of information, calculation and publication of the TAB Nominal, TAB UF and TADO rates (hereinafter, the "Rates").

## 2. Panel Banks

- a. The information for the calculation of the Rates will be provided by Panel Banks, which are listed in CBF website and send information according the Code of Conduct.
- b. A bank may request to be a Panel Bank through a process described in section 1.6 of the Code of Conduct.
- c. The Oversight Committee may exclude a bank from the Panel Banks under conditions described in section 1.7 of the Code of Conduct.
- d. The Oversight Committee may also exclude a Panel Bank that does not send the information referred in section 3.1 of the Code of Conduct. For these purposes and prior to taking this decision, the Oversight Committee shall communicate the background information to the CEO of the Panel Bank for them to report on the reasons for the non-submission of the information and, where appropriate, the measures to be taken to regularize its delivery.
- e. Panel Banks must adopt the internal procedures as described in section 3.2 of the Code of Conduct that allow their employees to send the necessary information for the Rates calculation.
- f. Likewise, Panel Banks must undertake monitoring and operational continuity mechanisms as detailed in sections 4.1 and 4.2 and 3.2 respectively of the Code of Conduct.
- g. The Panel Banks must designate the person in charge of sending the information to the CBF (denominated as 'Panel Bank Key Contact'), being that person who is the point of contact with the CBF, for the cases that this Regulation. Should a Panel Bank wish to change their designated person in charge, they shall complete the form provided by the CBF for this purpose and send it to the CBF Helpdesk.
- h. The Panel Banks will not be able to stop sending the information to the CBF, except in qualified cases that prevent them from complying with that obligation. Panel Banks that decide to stop sending the information necessary for the Rates calculation must do this through the procedure described in section 1.7 of the Code of Conduct.
- i. The CBF will have an updated list of the Panel Banks available on its website.

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<sup>1</sup> This Regulation was approved by the Board of Directors of the Association of Banks (ABIF) in session dated January 19, 2017 and was published in the Official Journal on May 5, 2017. Subsequently, the Regulation was amended by the Board of Directors of the Association of Banks in session dated September 27, 2018, whose excerpt was published in the Official Journal on November 3, 2018. The entry into force, as approved by the Board of Directors on that occasion, will be January 1, 2019.

<sup>2</sup> This Regulation was adopted by the Chilean Benchmark Facility SpA (CBF) upon the transition of the administration of the Rates from the Association of Banks to the CBF on 18 November 2019. Later, this Regulation was modified by the Chilean Benchmark Facility SpA (CBF) with the approval of Oversight Committee on 1 July 2021.

<sup>3</sup> Chilean Benchmark Facility SpA replaces Association of Banks

<sup>4</sup> CBF replaces ABIF

<sup>5</sup> Administrative Commission of ABIF is replaced by the Oversight Committee of CBF

### 3. Methodology for sending information

- a. Panel Banks must report daily between 9:00am and 11:00am their Input Data<sup>6</sup> contributions as described in section 3.3 of the Code of Conduct.
- b. Each Rate will be calculated based on the contributions from Panel Banks listed in CBF website for the following currencies and tenors:
  - TAB Nominal in tenors 30, 90, 180 and 360 days.
  - TAB UF in tenors 90, 180 and 360 days.
  - TADO in tenors 30, 60, 90, 180 y 360 days.
- c. The Panel Banks must send weekly information about the expected monthly inflation for each of the next six months as detailed in section 3.1.4 in the Code of Conduct. This dispatch will be done together with the report of the rates contribution on Tuesday of each week or the next banking business day.

### 4. Rates Calculation

- a. The CBF shall be in charge of calculating the Rates on the basis of the Input Data reported by the Panel Banks, adjusted by the Banking reserve requirement as described in section 4 of Calculation Methodology<sup>7</sup>, and established by the regulation of the Central Bank of Chile.
- b. The CBF shall exclude daily from the Rates calculation, the observations representing the 15% market share of the lowest rates and the observations representing the 15% market share of the highest rates, for each of the Rates and reported periods as described in section 4 of the Calculation Methodology.
- c. The final rate shall be calculated as the weighted average of the non-excluded rates, using as weighted factor the percentage representing the deposits net of any banking reserve of each participating bank, over the total of deposits net of any banking reserve of all the participant banks denominated in local currency adjustable for the TAB UF, in local currency not adjustable for the TAB Nominal and in foreign currency for the TADO, as described in section 4 of Calculation Methodology.
- d. The weighted calculations will be recalculated whenever there is updated information about the deposit balances of the Panel Banks, according to the information contained in the respective financial statements and as per the formats required by the Comisión para los Mercados Financieros (CMF), which are updated on a monthly basis. Procedure to update Panel Banks' weight are described in section 4 of Calculation Methodology.
- e. The Benchmark Rates will be published at 11:30am local time and shall be considered definite. This shall not rule out the possibility for the CBF to publish a re-determined Rate before 2:00pm local time at the latest, having announced the intention to republish corrected Rate(s) by 1:30pm local time. Full details of this process are detailed in the CBF Post Publication Re-Determination policy available on the CBF website.
- f. In the event that the information reported by the Panel Banks is insufficient to calculate the Rates, this means, if the sum of the deposits net of any banking reserve of the reporting banks is lower

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<sup>6</sup> Input Data means the data in respect of the value of one or more underlying assets, or prices, including estimated prices, quotes, committed quotes or other values, used by the CBF to determine the Benchmarks.

<sup>7</sup> Calculation Methodology document available in CBF website.

than 20% of the total deposits net of any banking reserve of the financial system, the CBF will calculate, for that day, the Rates using the non-quorum methodology as detailed in the section 6 of the Calculation Methodology. The latter must be assessed for each of the rate categories (TAB UF, TAB Nominal and TADO).

- g. The CBF will be responsible for receiving inquiries or suggestions or complaints regarding the calculation and publication of the Rates, whether from users or the Panel Banks. For these purposes, the Administrator's website will have a direct communication mechanism with the CBF's Helpdesk.
- h. The CBF will periodically conduct a statistical and market analysis of the Rates reported by the Panel Banks, as well as of the operational functioning of the calculating and publishing Rates procedure. This analysis will be reported to the Oversight Committee during its regular sessions.
- i. The CBF will provide the necessary infrastructure in Chile and mechanisms for the development of its functions and to ensure the operational continuity of the calculation and publication of the Rates.
- j. The CBF will have a technological contingency plan, which shall be approved and reviewed annually by the Oversight Committee.

## 5. Oversight Committee

- a. The Oversight Committee will be composed of individuals selected for their knowledge and expertise in fields that complement the functioning of the Committee. Its functions and responsibilities are specified in the Terms of Reference for the Committee available on the CBF website.

## 6. CBF

- a. The CBF shall provide the necessary resources to enable the Oversight Committee to fulfil the functions contained in this Regulation, as well as in the Oversight Committee's Terms of Reference and in the CBF Conflicts of Interests policy.
- b. CBF directors and employees shall complete the Declaration of Interests referred to in the Conflict of Interests' Policy.

## 7. Board of Directors of the CBF

- a. The Board of Directors of the CBF will designate and remove the external members of the Oversight Committee.
- b. It will be up to the Chairperson of the Board to resolve any disputes that may arise between the Oversight Committee and the CBF.
- c. It shall be the responsibility of the Board of Directors to amend, ex officio or on a proposal from the Oversight Committee, this regulation, the Oversight Committee's Terms of Reference and the Conflicts of Interests policy.
- d. In the event that the Board of Directors agree that the CBF will cease to calculate all or any of the Rates, such decision shall be reported to the market and to the panel Banks at least six months in advance of the date of no longer publishing. The communication to the market will be made through its publication on the website of the CBF.

- e. These regulations and their modifications will be published on the website of the CBF.

## 8. Transitional Norm

This Regulation shall enter into force on 1 July 2021, and as at that date it will replace the Regulation of Rates TAB Nominal, TAB UF and TADO which ruled since November 18, 2019.