

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

### **Public Minute**

**Meeting:** Oversight Committee Meeting

**Date:** 8 June 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. Francisco Cisternas (Banco de Chile) – voting member (FC)
6. Juan Cárdenas (CBF) – non-voting member (JC, involved in TAB/TADO rates and ICP indices operations)

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

1. Asier Uriarte (BCI) – voting member (AU)
2. Andrea Silva (Banco Estado) – voting member (AS)

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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 stated that they had any Conflict of Interest regarding the topics to be discussed.
- RJ stated that there are no pending issues from the previous minutes.
- RJ updated on the measures taken regarding the Covid-19 pandemic. Internally CBF has continued under the telework modality since 17 March 2020, maintaining the controls normally, a decision that will be maintained until further notice. Regarding the 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 that prevent its report.

## **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 March to May 2021, all banks reported their rates prior to 11:00am.
- JC presented an update to the new TAB/TADO rates metric report, which will replace the current report as of 1 July 2021. In this regard, he said that monthly test versions were distributed during March to May, which developed favorably.
  - The Oversight Committee appreciated the new report and required to apply some adjustments for better clarification on the report.
- JC reported a delay in the publication of the TIB through traditional sources of information during Thursday 8 April 2021. CBF, according to the ICP regulations, proceeded to calculate the indices using the TPM in instead of TIB. Central Bank published a TIB value after that time different from that used for the calculation of the indices. CBF met with the Chilean Central Bank area in charge of the preparation and publication of the TIB, to maintain permanent contact.
  - The Oversight Committee valued CBF's efforts.
- JC informed members that the Central Bank notified on 27 May 2021 changes in the form of publication of the TIB that began to be applied from 1 June 2021. These changes are related to the codes in the automatic message (Webservice), from which the CBF Calculation and Contribution Platform collects the data. In addition, he commented that CBF carried out an internal evaluation of these changes, finding no risks or potential impacts in the publication of the indices. The result of this analysis was communicated to the Central Bank.
  - The Oversight Committee appreciated the information and appreciated CBF's efforts.

## **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 compliance process of the new Code of Conduct for Panel Banks. He mentioned that the process of collecting the compliance declaration has continued, for which the commitment of the panel banks to deliver the aforementioned letters before July

1 has been confirmed. CBF will carefully follow this process, and the members of this Committee will be properly informed.

- One of the independent members will contact the representative of one of the Panel Banks, to update their status regarding this matter.
- The Committee discussed about the actions to follow in case of a delay in the signature of compliance declaration of any Panel Bank. CBF representatives commented that they will analyse case-by case, according to TAB/TADO rules.
- JC presented the governance documentation to be published by CBF on 1 July 2021 in line with the requirements of the IOSCO principles; (i) Panel Bank Code of Conduct, (ii) Calculation Methodology of the TAB/TADO rates and ICP indices, (iii) Post Publication Re-determination policy, (iv) modification to the TAB Nominal, TAB UF and TADO Rules, and (v) modification to the ICP and ICP Real Rules.
  - The Oversight Committee appreciated the introduction of these new documents.
- JC informed that in order for there to be a clear conciliation between each Panel Bank, CBF proceeded to validate the information on the accesses of users to the Calculation and Contribution Platform with each of the Panel Bank Key Contacts, so that from 1 July 2021 there is total agreement of the accesses with each entity, whose results will be reported at the next meeting.
  - The Oversight Committee appreciated the initiative.

#### **IV. Miscellaneous**

- The Oversight Committee revised the schedule of upcoming meetings:
  - Quarter 2: Tuesday, 7 September 2021.
  - Quarter 3: Tuesday, 7 December 2021.

**Meeting formally closed**