

Chilean Benchmark Facility (“CBF”)

Public Minute

Meeting: Oversight Committee Meeting
Date: 7 September 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. Asier Uriarte (BCI) – voting member (AU)
7. Andrea Silva (Banco Estado) – voting member (AS)
8. Juan Cárdenas (CBF) – non-voting member (JC, involved in TAB/TADO rates and ICP indices operations)

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

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 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.
- The Committee reviewed the main points of the previous minutes:
 - JC reported that according to previous meeting, the CBF Helpdesk made an update of the Panel Banks' users in the Calculation Agent System. In this regard, users and contact information were confirmed with all the Panel Banks.
 - JC updated on Panel Bank Code of Conduct implementation, mentioning it was implemented as of July 1, 2021. As of the implementation of the Code, and as contemplated, CBF published the following documentation on its website; (i) Panel Bank Code of Conduct, (ii) Calculation Methodology of the TAB/TADO rates and ICP indices, (iii) Post Publication Re-determination policy, (iv) TAB Nominal, TAB UF and TADO Rules, and (v) ICP and ICP Real Rules
- RJ updated the situation of one of the Panel Banks regarding Code of Conduct adherences, considering that the entity didn't confirm the necessary documentation before deadline. As a result and after discussion with them, it was considered that the continuity of the Panel Bank would compromise the objective achievement of adhering to the international standard of the IOSCO Principles. CBF has decided to remove Panel Bank status, which will be notified in writing to the key contact.
 - The Chairperson of the Committee supported the decision, highlighting that; (i) the main objective of the Panel Bank Code of Conduct and CBF is compliance with the IOSCO Principles, and (ii) in the communication it should be noted that the bank may in the future re-acquire the status of Panel Bank. The rest of the members of the Committee supported the decision.
 - One of the members requested that CBF inform this decision to the main stakeholders.

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 changes to the monthly report according to last meeting comments, with the objective to clarify and define criteria on suggested actions to the committee, specifically; (i) indicators were incorporated at the individual and general test level, to detect potential anomalous cases, (ii) an additional report on ICP indices was added.
 - The Oversight Committee thanked the report.

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 reported that CBF has chosen a company as the IOSCO Principles auditor, whose start is planned for the end of September and whose final report will be finished at the end of this year. Audit responsible is the CBF Compliance Officer.
 - The Oversight Committee valued the initiative.

IV. Miscellaneous

- RJ informed that the membership of the current Oversight Committee members expires on 31 December 2021, and therefore CBF will define the members for 2022 in the coming months.
- The Oversight Committee revised the schedule of upcoming meetings:
 - Quarter 4: Tuesday, 7 December 2021.

Meeting formally closed