

Minutes of the Meeting of the CBF Oversight Committee

Tuesday, 7 March 7 2023, 8:30am to 9:30am. Video call conference.

Participants:

1. Chair: José Miguel Sánchez – voting member (JMS)
2. Juan Esteban Laval – voting member (JEL)
3. Matías Bernier – voting member (MB)
4. Marcela Tejada (Scotiabank) – voting member (MT)
5. Fabián Vega (Banco Falabella) – voting member (FV)
6. Juan Cárdenas (CBF) – non-voting member (JC, involved in TAB/TADO Rates and ICP indices operations)
7. Alex Vargas (CBF) – non-voting member (AV, involved in TAB/TADO Rates and ICP indices operations)

I. Introduction

- The Chair of the Oversight Committee reviewed the agenda along with the rest of the members. None of them declared to have any Conflict of Interest regarding the topics to be discussed.
- The Chair reported that Juan Ruilova will not continue his membership in the Oversight Committee. The Panel Bank will be contacted to nominate a new member.
- JC updated on the measures adopted regarding the Covid-19 pandemic. Internally, CBF has continued under the telecommuting modality since 17 March 2020, maintaining normal controls, a decision that will be maintained until further notice. Regarding the Panel Banks, none has presented technological failures that prevent its reporting.
- JC presented to the Oversight Committee progress on the draft transparency report, commenting that in June the CBF secretariat will present a detailed plan about next project milestones.

II. Supervision and Calculation Methodology

- JC reported details of the incident that occurred on 20 December 2022, which caused a delay in the publication of the TAB/TADO rates by 18 minutes to 11:48am. In this regard, he explained that it was due to an incorrect situation of lack of quorum due to a technological problem in the system, despite receiving the panel bank reports in a timely manner. The system issue was resolved by the IT team, resulting in the minor delay.
 - The Oversight Committee appreciated the report.
- AV presented the quarterly report of the TAB/TADO rates and ICP indices. In this regard, he mentioned that, during the period from December 2022 to February 2023, all banks reported their rates prior to 11:00 am. The ICPs were published on average at 18:01pm. AV detailed the behavior of the different reference rates and their markets, highlighting the greater stability of these during the period. In addition, AV reported on the pre- and post-

calculation notifications, highlighting that a specific bank has had a volatile behavior during the months of December and January.

- The Oversight Committee took note of the report, and the bank will be contacted if the behavior occurs again.
- AV reported changes to the metric report, consisting of updating thresholds in the tests and an adjustment in the formula in one of them.
 - The Oversight Committee valued the updating of the metric 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.
- JC informed that during the next meeting of the Oversight Committee the annual review of documents of the Oversight Committee will be carried out.

IV. Miscellaneous

- JC asked members to update their Conflict-of-Interest statements, so each member will be contacted with the required documentation.
- The Oversight Committee reviewed the schedule of upcoming meetings for 2023:
 - Quarter 2: Tuesday, June 6
 - Quarter 3: Tuesday, September 5
 - Quarter 4: Tuesday, December 5