

## Financial Market Development

# CMF proposes regulatory amendments to remove obstacles for repo, securitization, loan insurance/derivative markets

*The proposal aims to amend several banking regulations to eliminate obstacles that currently limit the development of key instruments to provide and manage liquidity.*

*It incorporates adjustments to the regulatory treatment of repurchase agreements (repos) and self-securitizations, thus contributing to the deepening of these markets; and recognizes the mitigating effect of loan insurance and derivatives for risk-based equity requirements.*

**April 25, 2025** — The Financial Market Commission (CMF) published for consultation today a regulatory proposal that amends Chapters 21-6 and 8-40 of the Updated Compilation of Banking Regulations, as well as General Rules Nos. 303 and 451, to remove obstacles for repo, securitization, and loan insurance/derivative markets. These amendments aim to contribute to developing the financial market and continue perfecting the application of Basel III standards in Chile.

## Main Elements in the Proposal

1. Repos
  - Simplifies and clarifies regulatory treatment for these transactions. Additionally, and in the case of transactions under a framework agreement recognized by the Central Bank of Chile, conditions to achieve risk weights below 20 percent will be deemed met, as well as when they are cleared and settled in Central Counterparties recognized by the CMF.
2. Self-securitizations
  - Eliminates regulatory disincentives for these operations, particularly regarding the elimination of 1,250 percent of bank-retained series and allowing compensation in individual balance sheets. It also

amends provisions to allow their proper enrollment in the Registry of Securities managed by the CMF.

### 3. Loan insurance and derivatives

- Incorporates conditions to consider loan insurance and derivatives as credit risk mitigators in capital requirements pursuant to Basel standards.

## Estimated Impact

These amendments could have a limited impact on the current balance sheet of banking institutions. However, by eliminating friction, the proposal should generate incentives to develop and deepen the markets in question. Progress in this direction is in line with the recommendations made by the International Monetary Fund in its 2021 Financial Sector Assessment Program.

Interested parties can Access the [Regulations Under Consultation section](#) of the CMF website to review the proposal in detail. The Commission also makes available the corresponding [Regulatory Report](#) with its core elements and impact assessment.

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