



Regulador y Supervisor Financiero de Chile

IARC Plenary Meeting

Member's update on measures taken to keep the resilience of their markets

Beltrán de Ramón (Commissioner CMF – Chile)

May 11, 2026

Geopolitical risk and economic fragmentation impact financial markets through several channels

Financial channel

- Volatility: Sudden surge in market uncertainty.
- Risk Aversion: Capital flight toward safe-haven assets (varying by crisis type).
- Financial Conditions: Generalized tightening of financial conditions.

Real economy channel

- Demand: Consumption slowdown and delays in corporate investment plans.
- Supply: Disruptions in global supply chains.
- Macro-Impact: Inflationary pressures and downward revisions to growth projections.

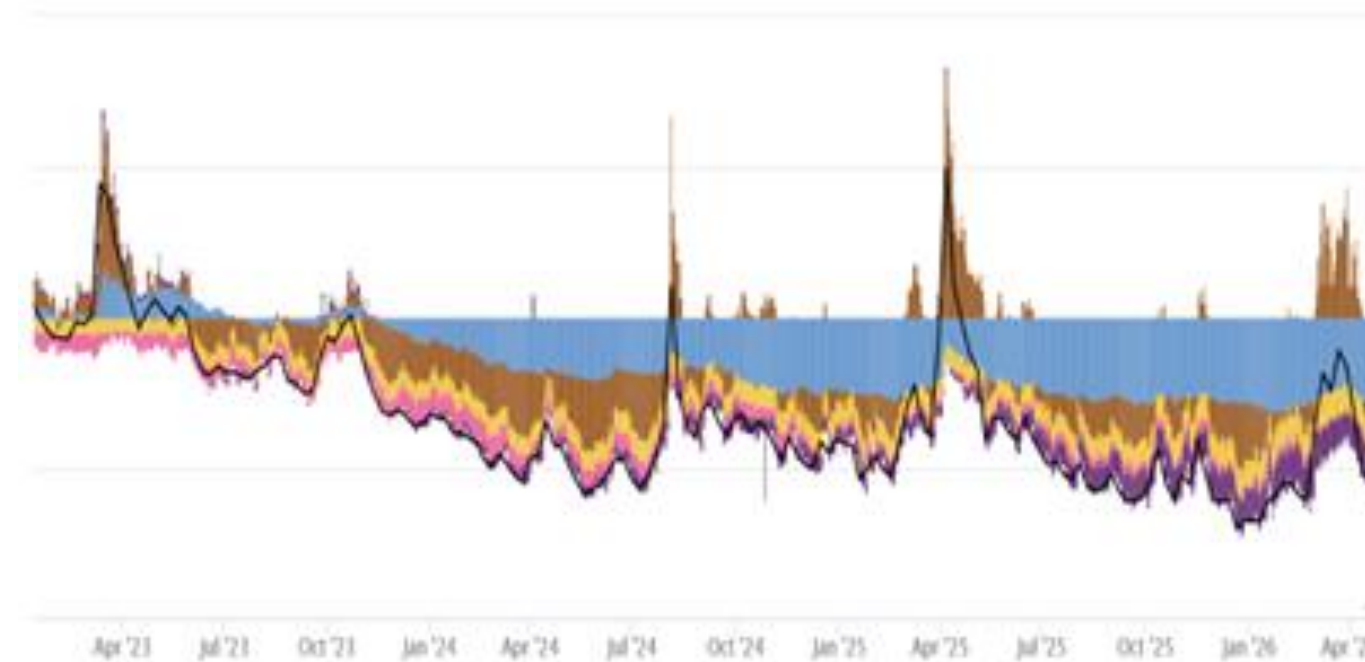
Operational channel

- Infrastructure and Business Continuity: Physical damage to critical assets.
- Supply Chain Vulnerabilities: Geopolitical instability causing logistical bottlenecks, trade route blockages, and heightened procurement risks.
- Cybersecurity: Increased frequency and risk of cyberattacks. Recent IA developments can exacerbate vulnerabilities.

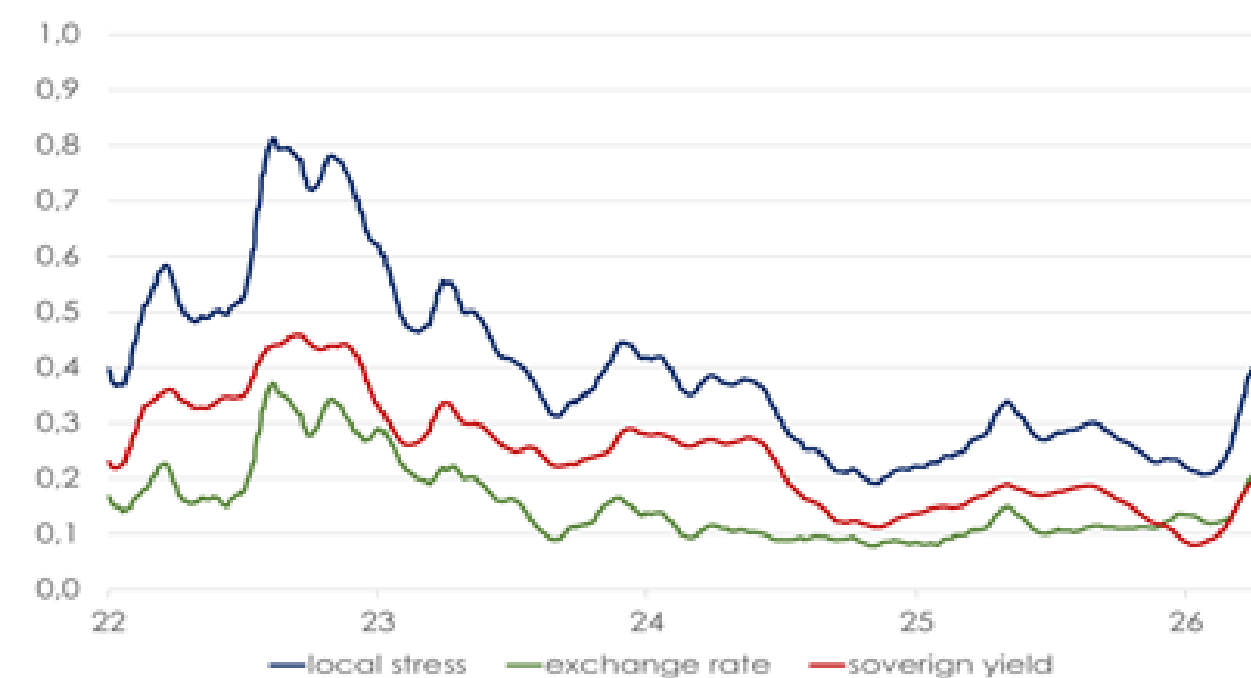
In Chile, local markets have effectively absorbed recent shocks; however, elevated external risks and uncertainty persist

- **Since late February, global financial conditions have tightened**, characterized by a rise in short and long-term nominal interest rates, equity market declines, and currency depreciations against the dollar. Simultaneously, oil prices saw a noteworthy increase.
- **Domestic financial markets have successfully absorbed these price adjustments without significant disruptions.** Mirroring global trends, the local market experienced declines of equity prices, a depreciation of the peso, and rising nominal interest rates. Although financial conditions have tightened, they remain less strained than during previous periods of stress.
- **Following the recent supply shock, local growth and inflation projections have been revised.** A significant portion of the increase in international oil prices has been passed through to domestic fuel prices, reflecting limited fiscal space.
- **Recently, markets have recovered, likely driven by the perception that the global economy remains resilient.** This is reflected in the rebound of equities, the peso, and copper prices. However, oil price remains high.
- **Nevertheless, this trend carries a risk of market complacency**, as current prices may not fully reflect underlying vulnerabilities and elevated external risks.

OFR Financial Stress Index (FSI)



Chile: Local Financial Stress Index



The CMF is closely monitoring and assessing recent financial developments

- Close monitoring of financial developments.
- Resilience assessment through stress testing.
- Incorporating a stagflation-like scenario into the stress testing framework.

Additional regulatory initiatives to bolster market resilience are in progress

- **Implementation of a modernized legal framework for resilience.** Drawing on lessons learned from the social crisis and the pandemic, Law 21,641 was enacted in late 2023 to fortify the financial system's infrastructure and resilience.
 - The current focus is on operationalizing this framework, which includes implementing expanded Central Bank liquidity facilities for non-bank financial institutions, revitalizing the repo market as a strategic liquidity tool, and advancing the internationalization of the Chilean peso.
 - Furthermore, the legislation empowers the CMF to establish liquidity management tools (LMTs) and limits for mutual and investment funds. These powers aim to mitigate liquidity mismatches and prevent fire sales during periods of market stress, aligning the local framework with international IOSCO and FSB standards. The corresponding regulations are currently under development.
- **In parallel, the 2025-2026 capital market modernization agenda represents a strategic effort by the CMF to enhance the depth and efficiency of Chile's financial ecosystem.** Developed through extensive public-private collaboration, this roadmap prioritizes expanding financing access for SMEs and strengthening market liquidity. By streamlining regulatory frameworks to attract institutional and international investors while simplifying investment products for retail participants, the initiative seeks to foster a more robust, competitive, and inclusive financial architecture.

Additionally, we are fostering cooperation among institutions and market participants, particularly regarding cybersecurity

- **The National Cybersecurity Agency (ANCI) is the governing body and technical authority in Chile responsible for overseeing security in cyberspace.** It was established under the Framework Law on Cybersecurity (Law 21,663), enacted in early 2024, with the goal of establishing clear and robust governance to protect the country's critical infrastructure.
- **The CMF has consolidated a regulatory framework for cybersecurity,** with specific guidelines for banks (RAN 20-7), the securities market (NCG 510), insurance (NCG 454), and the Fintech sector (NCG 502).
- **Currently, the priority is to deepen coordination with the National Cybersecurity Agency (ANCI) and the forthcoming Personal Data Protection Agency** to ensure an agile and articulated response to incidents.
- **Also, the Financial Stability Council (CEF) serves as the primary forum for collaboration among key financial regulators,** including the Ministry of Finance, the Central Bank of Chile (BCCh), the Financial Market Commission (CMF), and the Superintendency of Pensions (SP).
 - The Council facilitates the monitoring of systemic risks to the Chilean financial system, evaluating how international events—such as geopolitical conflicts—can impact both international and local markets.
 - The Council reviews the operational status of financial markets to ensure they function without friction, even during periods of high global uncertainty.



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