Financial Market Development

CMF issues regulation removing frictions for repo, securitization markets

- *Through this regulation, the CMF moves forward with its Market Development Mandate by eliminating regulatory barriers for the repo and securitization markets in Chile. It underwent two public consultations and obtained a prior favorable agreement by the Board of the Central Bank of Chile.*

April 13, 2026 — The Financial Market Commission (CMF) issued today a regulation simplifying and removing regulatory frictions for the repo and securitization markets. Said regulation is part of the CMF's Market Development Agenda and aims to create incentives that promote liquidity and deepening of the Chilean fixed-income market.

The regulation, which perfects Basel III standards in Chile, amends the following:

- Chapters 8-4, 8-40, 12-3, 21-1, 21-6, 21-7, and 21-30 of the Updated Compilation of Banking Regulations.
- Chapters B-6 and B-7 of the Compendium of Accounting Standards for Banks.
- Regulatory Files R06 and R07, as well as tables of the Information Systems Manual for Banks.
- General Rules Nos. 303 and 451.

Key Friction-Eliminating Amendments

- **For Repos:** Significantly simplifies regulatory treatment to determine capital requirements for credit risk. In practice, this means that transactions conducted under a master agreement recognized by the Central Bank of Chile could be assigned credit risk weights as low as 10 percent. They may even drop to 0 percent when trading with certain key counterparties or such transactions are cleared and settled through Central Counterparty Entities recognized by the CMF. Additionally, it adjusts the calculation of the individual credit limit to reflect transfer of ownership upon purchase.

- **For Securitizations:** Introduces the concept of significant risk transfer for the first time, establishing clear criteria to determine when capital requirements should be calculated based on either underlying assets or retained securitized instruments. An especially relevant change is the elimination of credit risk weighing 1,250 percent of bank-retained series. Enrolling self-securitizations in the Registry of Securities managed by the CMF is made easier. Finally, requirements for issuance of transferable mortgage bonds are now more flexible, encouraging their use as a vehicle to stimulate the securitization market.

Expected Impact: More Competition, Lower Loan Costs

By removing regulatory barriers, this regulation creates direct incentives for the development and expansion of the repo and securitization markets—two strategic segments for financial market growth and liquidity management by banks. Developing securitization facilitates the entry of new credit financiers, which could increase competition and reduce financing costs.

These amendments also address recommendations by the International Monetary Fund and set forth in its 2021 Financial Sector Assessment Program, aligning local regulations with international best practices.

Interested parties can access the **Regulations section** of the CMF website to check the new regulation in detail. The Commission also makes available the corresponding **Regulatory Report** with its key elements and impact assessment.

Communication & Image Area — Financial Market Commission (CMF)

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