

Financial Market Development

CMF publishes for second consultation a regulation promoting development of repo, securitization, loan insurance/derivative markets

After high participation in the first consultation process, the new proposal deepens initially proposed amendments.

It introduces additional 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.

October 21, 2025 – The Financial Market Commission (CMF) published for a second consultation today a regulatory proposal to remove obstacles affecting development of the repo, securitization, and loan insurance/derivative markets.

The proposal amends Chapters 8-4, 8-40, 12-3, 21-1, 21-6, 21-7, 21-10 (still under review prior to its final version) and 21-30 of the Updated Compilation of Banking Regulations; Chapters B-6 and b-7 of the Compendium of Accounting Standards for Banks; and General Rules Nos. 303 and 451. These amendments aim to contribute to development of the financial market and continue perfecting the application of Basel III standards in Chile.

The first consultation process carried out during the first half of 2025 resulted in diverse feedback from market actors, needing additional adjustments to the proposal and a larger number of regulations to amend.

Key Elements of the New Regulatory Proposal

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 10 percent will be deemed met, as well as when they are cleared and settled in Central Counterparties recognized by the CMF. Risk weights may even be reduced to 0

percent if said operations are conducted through specific counterparties, as well as when they are cleared and settled in Central Counterparties recognized by the CMF.

Self-Securitizations

- Eliminates regulatory disincentives for these operations, particularly regarding repeal of risk weights for 1,250 percent of bank-retained series. It also amends provisions to allow their proper enrollment in the Registry of Securities managed by the CMF. It includes the concept of significant risk transfer to generate guidelines for defining scenarios to calculate capital requirements under scenarios based on underlying assets or retained securitized instruments.

Loan Insurance and Derivatives

- Incorporates conditions to consider loan insurance and derivatives, as well as the value of coverage computable in capital requirements, as credit risk mitigators pursuant to Basel standards.

These amendments, by eliminating friction, should generate incentives to develop and deepen the markets in question. Progress in this direction is in line with 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.

Communication & Image Area — Financial Market Commission (CMF)

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