

Application of Basel III standards in Chile

CMF conducts second public consultation on rule updating the determination of Market Risk-Weighted Assets

The proposal includes modifications to Chapter 21-7 of the Updated Compilation of Banking Regulations, with the objective of achieving capital requirements more consistent with the risk profile assumed by banking entities.

July 03, 2026.- The Financial Market Commission (CMF) placed in a second public consultation, for a period of two weeks, a regulatory proposal that introduces adjustments to Chapter 21-7 of the Updated Compilation of Banking Regulations (RAN), with the objective of more adequately reflecting the risk management carried out by institutions in the computation of Market Risk-Weighted Assets (APRM).

These modifications are part of the ongoing evaluation of the regulations carried out by the CMF, in order to continue perfecting the application of Basel III standards in Chile.

Main aspects of the regulatory proposal:

1. Incorporation of the duration method for the measurement of general interest rate risk:

Currently, the maturity method is used exclusively for market risk. The duration method allows for a more sensitive measurement, by more accurately reflecting the variations in the economic value of positions in response to changes in interest rates. Considering that the implementation of the duration method requires additional resources from the institutions, its use will be optional and, in accordance with the provisions of the Basel framework, will require the prior approval of the CMF.

2. Improvements to the current guidelines for excluding derivatives from the estimation of interest rate risk:

In relation to the first public consultation, the criteria allowing for the full offsetting of matched derivative positions are maintained, even when they are not strictly identical, in line with Basel standards.

The proposed adjustments would have immediate application.

Estimated impact

It is estimated that the implementation of both adjustments would allow for a reduction of approximately 36% in the amount of the system's APRMs. This is based on the assumption that all institutions advance in the use of the duration method. This would allow for a reduction in the existing gap between the risk-weighted asset density of the Chilean banking system and that observed in other jurisdictions.

The adjustments are part of a medium-term plan, which considers the evaluation of the implementation of more sophisticated methodologies for the computation of APRMs, which will contribute to a better measurement and management of this risk.

The details of the proposal are available in the [Regulations in Consultation section](#) of the institutional website. The CMF also publishes a [Regulatory Report](#) presenting the main contents along with the evaluation of their impact.

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