



CMF issues Circular Letter amending determination of systemically important banks

- *The regulation modifies information requirements used to determine SIBs and their corresponding equity requirements.*
- *It also amends Chapter 21-11 of the RAN regarding a lower threshold to determine systemically important banks.*

February 12, 2024 — The Financial Market Commission (CMF) issued today **Circular Letter No. 2,343**, which amends the Information Systems Manual for Banks (ISMB) with the aim of continued improvement on information used to determine systemically important banks (SIBs) and their equity requirements.

The Systemic Importance Index is calculated as the weighted average of participation in four different factors (size; interconnection; local substitutability; and complexity) plus other sub-factors acting as determinators of entities' importance within the banking system.

Circular Letter No. 2,343 also adjusts the lower threshold to determine SIBs from 1,000 to 750 base points. Said amendment is consistent with estimations based on information from other jurisdictions, which consider a leeway in relation to the SIB with the lowest score. This allows for greater stability to determine the group of banks deemed to be systemically important in Chile. Revising the regulations for SIBs is carried out as part of the Commission's 2023-24 Prudential Regulation Plan.

The regulation was in public consultation between November 2 and 24, 2023. Following the analysis of received feedback, the maximum timeframes for requiring information in the regulatory files were modified; Table 106 was adjusted; Table 11 of the ISMB, which is used for building the same file, was updated; and the threshold for defining a systemic bank was also adjusted.

Accordingly, the files for the first half of the current year (January to June 2024) will be sent retroactively and exceptionally. They are to be submitted no later than the 9th business day of July 2024. This timeframe will allow institutions to adjust their files to the new SIB requirements.

It is worth noting that this methodological change would not have an impact on the determination of SIBs carried out in March 2023. The next SIB identification will be conducted in March of this year.

Interested parties can access the [Rules and Norms section](#) of the CMF website to check the new regulation in detail. The Commission also makes available the corresponding [Regulatory Report](#), comments and answers derived from the public consultation, and the analysis of its regulatory impact.

Area of Communications, Education & Image — Financial Market Commission (CMF)

Contact: prensa@cmfchile.cl | [Press Room](#) | **Twitter:** [@CMFChile](#) [@CMF_Educa](#)
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