

November 3, 2020

LEGAL ALERT

New Trade Repository for OTC Derivatives Transactions (SIID)

A new regulation on over the counter (OTC) derivative transactions came into effect on November 3, 2020.

Chapter III.D.3 of the Financial Regulations Compendium of the Central Bank of Chile, issued on July 2019 and which created the “Integrated Information System on Derivatives Transactions” (SIID) and Chapter III.D.3.1 that contains its Operational Regulation (RO-SIID), establish a trade repository which implementation was promoted by the countries of the G-20 to perfect OTC derivative markets. Its purpose is to create a new electronic and centralized registry of transactions, so to improve the transparency, promote the financial stability and prevent market abuses.

For such purpose, the SIID will receive, process and analyze updated information of OTC derivative transactions provided by its participants. The Financial Market Commission (CMF) will have direct access to the information provided to the SIID by the banks, its subsidiaries and other entities subject to the CMF's oversight. Likewise, the SIID participants will have access to all the reported information in a systematized and orderly manner. Lastly, statistics and information of interest regarding financial derivatives will be available for the public in the web page <https://www.siid.cl>.

The following entities shall report to the SIID the respective information, based on the type and nature of the relevant transaction:

- Chilean banks;
- Entities authorized by the Central Bank to comprise the Formal Exchange Market;
- Non-banking entities, subject to the oversight of the CMF; and
- Other persons domiciled or with residence in Chile, regarding derivative transactions executed with persons domiciled or with residence abroad.

The implementation of the SIID will be made gradually, starting on November 2020

only with banking entities, and from May 2021, with the remaining participants. From these dates onwards, it is expected a trial period of 6 months.

For more information regarding which transactions and how they must be informed by the respective entities, please see:

- Chapter III.D.3 of the Financial Regulations Compendium of the Central Bank
- Operational Regulation (RO-SIID)
- RO-SIID Technical Specifications and Tables

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