23 September 2026

Mr.
Eugenio Symon
Ministry of Finance of Chile

Re: Market Makers Programme for Chilean local-currency sovereign debt of the Ministry of Finance of Chile

Dear Mr. Symon,

The Global Association of Central Counterparties ("CCP Global") is the international association for central counterparties ("CCPs"), representing 45 members that operate more than 60 individual CCPs across the Americas, EMEA, and the Asia-Pacific region. CCP Global appreciates the opportunity to share its views with the Ministry of Finance of Chile in the context of its proposal for a Market Makers Programme for Chilean local-currency sovereign debt.[1] We commend the Ministry for its continued efforts to modernise Chile's government bond market and introduce measures aimed at enhancing its efficiency, liquidity, and resilience.

The government bond cash and repo markets are fundamental to the functioning of every economy. Their resilience is therefore critical not only to the effective functioning of sovereign debt markets, but also to broader financial stability. Against this background, CCP Global believes that central clearing can play an important role in supporting the development of deeper, more liquid, and resilient government bond and repo markets in Chile. We therefore encourage the Ministry to consider the role that CCPs can play as part of the broader market infrastructure supporting the objectives of the Market Makers Programme.

Benefits of central clearing

The CPMI-IOSCO Principles for Financial Market Infrastructures[2] ("PFMIs") recognise that CCPs have the potential to significantly reduce risks through multilateral netting, effective risk controls, and the collection of collateral to cover current and potential future exposures. By centralising these functions, CCPs can also contribute to reducing interconnectedness and systemic risk in the markets they serve.

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[1] Ministerio de Hacienda, *Market Makers Programme – Executive Summary* (English): Link.
[2] CPMI, IOSCO, *Principles for financial market infrastructures* (April 2012): Link.

In addition to these core risk-management benefits, central clearing can:

- facilitate effective management of clearing member defaults;
- improve liquidity management and reduce participants' funding needs;
- support more efficient use of balance sheet capacity;
- reduce settlement fails and operational risks;
- facilitate anonymous and all-to-all trading where appropriate; and
- provide greater transparency and standardisation of risk management.

These benefits can be particularly relevant in government bond markets, where dealers play a central role in intermediating between buyers and sellers and where growing issuance and market activity can place increasing demands on their balance sheets.

Recent international analysis supports this view. In *Still the World's Safe Haven? Redesigning the U.S. Treasury Market After the COVID-19 Crisis*,[3] Darrell Duffie highlights the importance of addressing constraints on dealer intermediation in the Treasury market and considers central clearing as one of the measures that can help increase netting opportunities and improve the capacity of dealers to intermediate government securities. More recently, a Bulletin of the Bank for International Settlements ("BIS")[4] similarly concluded that increasing the volume of centrally cleared government bond transactions could help free dealer balance-sheet capacity and encourage broader participation and all-to-all trading, while noting that central clearing should form part of a wider resilience framework.

The benefits are also relevant to repo markets. Government securities-backed repo is a key source of funding and liquidity for market participants and plays an important role in enabling dealers to finance inventories of government securities and provide liquidity to the underlying cash market. In its June 2026 Working Paper, *Central Clearing for Government Securities Repos: A CCP-Centric Perspective*,[5] the International Monetary Fund ("IMF") notes that central clearing can improve transparency and risk management, reduce systemic risk and, through multilateral netting, reduce liquidity needs. The paper also highlights the potential for central clearing to contribute to more liquid, inclusive, and resilient repo and government bond markets, while recognising that appropriate access, default-management, and market-structure arrangements are important to achieving these benefits.

The European Central Bank ("ECB") has reached similar conclusions in its analysis of euro-area government bond repo markets. In *Managing NBFI-related risks: Central clearing and the growing presence of non-bank financial intermediation in euro area government bond repo markets*,[6] the ECB

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[3] Darrell Duffie, *Still the World's Safe Haven? Redesigning the U.S. Treasury Market After the COVID-19 Crisis* (June 2020): Link.

[4] BIS Bulletin, No 92, Matteo Aquilina, Martin Scheicher and Andreas Schrimpf, *Central clearing in government bond markets: keeping the "safe asset" safe?* (September 2024): Link.

[5] IMF Working Paper, Ismael Boudiaf, *Central Clearing for Government Securities Repos: A CCP-Centric Perspective* (June 2026): Link.

[6] ECB, Charles O'Donnell and Fabio Tamburrini, *Central clearing and the growing presence of non-bank financial intermediation in euro area government bond repo markets* (January 2025): Link

examines how central clearing can contribute to resilience in repo markets in the context of the growing role of non-bank financial intermediaries. The analysis highlights the role of central clearing in mitigating counterparty risk and strengthening the resilience of the repo market, including through more effective risk management and netting.

International developments

The increasing recognition of these benefits has led to significant policy and market developments across jurisdictions. For example, in the United States, the Securities and Exchange Commission ("SEC") has adopted requirements for central clearing of eligible U.S. Treasury cash transactions and repo transactions, with compliance dates of 31 December 2026 and 30 June 2027, respectively.[7] In the UK, the Bank of England is exploring changes in market structure that would enable greater adoption of central clearing, as part of its work to enhance the resilience of the gilt repo market.[8]

CCP Global's view

CCP Global therefore encourages the Ministry to recognise central clearing as an important component of the infrastructure supporting the development of Chile's government bond and repo markets. We believe that an infrastructure framework that facilitates access to central clearing can complement the objectives of the proposed Market Makers Programme by supporting liquidity, efficient intermediation, prudent risk management, and resilience, particularly during periods of market stress.

CCP Global supports an approach that is conducive to central clearing, allowing market participants to make use of centrally cleared solutions where these meet their needs and where the relevant market infrastructure and risk-management arrangements are in place. Regulatory and market frameworks should avoid unintentionally creating barriers or disincentives to central clearing and should appropriately recognise its risk-reducing characteristics. In this context, CCP Global would welcome further consideration by the Ministry of the role that CCPs and central clearing could play in the development of Chile's government bond and repo markets. We would be pleased to engage with the Ministry and other relevant Chilean authorities to further discuss the matter.

Yours sincerely,

Teo Floor

CEO

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[7] SEC, Treasury Clearing Implementation: Link.

[8] Bank of England, *Enhancing the resilience of the gilt repo market – discussion paper feedback statement* (April 2026) Link

ABOUT CCP GLOBAL

CCP Global is the international association for central counterparties ("CCPs"), representing 45 members who operate over 60 individual CCPs across the Americas, EMEA, and the Asia-Pacific region.

CCP Global promotes effective, practical, and appropriate risk management and operational standards for CCPs to ensure the safety and efficiency of the financial markets it represents. CCP Global leads and assesses global regulatory and industry initiatives that concern CCPs to form consensus views, while also actively engaging with regulatory agencies and industry constituents through consultation responses, forum discussions, and position papers.

For more information, please contact the office by e-mail at office@ccp-global.org or through our website by visiting www.ccp-global.org.

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