

**FOR
INFORMATION**

EBS/22/35
Supplement 2

May 20, 2022

To: Members of the Executive Board

From: The Secretary

Subject: **Chile—Proposal for an Arrangement Under the Short-Term Liquidity Line—
Written Communication from the Authorities**

Board Action: Executive Directors' **information**

Additional Information: In accordance with Board Decision No. 16747-(20/43), the attached written communication from the authorities of Chile confirms acceptance of the proposed arrangement under the Short-Term Liquidity Line, effective Friday, May 20, 2022.

Publication: Yes*

Questions: Ms. Corbacho, WHD (ext. 34303)
Mr. Torres, WHD (ext. 39562)
Ms. Antoun de Almeida, SPR (ext. 30575)

***The authorities have indicated that they consent to the Fund's publication of this paper.**

Written Communication

Santiago, May 20th, 2022

Ms. Kristalina Georgieva
Managing Director
International Monetary Fund
700 19th Street NW
Washington, DC 20431

Dear Ms. Georgieva,

The Central Bank of Chile would like to thank the IMF's Executive Board for the decision adopted on May 20th 2022, and hereby confirms its intention to avail itself of the 12-month Short-term Liquidity Line arrangement with access in the amount equivalent to SDR 2.529 billion (145 percent of quota, about US\$3.5 billion). We hereby also notify the cancellation of the current Flexible Credit Line arrangement upon effectiveness of the SLL arrangement.

The Central Bank of Chile can confirm that, within the scope of its legal powers contained in its Basic Constitutional Act, it will take actions necessary to respond appropriately to shocks and is committed to maintaining its very strong policies during the course of the arrangement. This is consistent with its legal mandate to look after the stability of the currency and the normal functioning of internal and external payments. For these purposes, the Central Bank of Chile has power to regulate the amount of currency and credit in circulation, the performance of credit transactions and foreign exchange, as well as the issuance of regulatory provisions regarding monetary, credit, financing and foreign exchange matters.

Separately, the Minister of Finance, on behalf of the Government of Chile, hereby confirms its commitment to maintain during the arrangement its current very strong policies.

We consent to the IMF's publication of this letter and the related staff report.

Sincerely yours,

/s/

Rosanna Costa C.
Governor
Central Bank of Chile

/s/

Mario Marcel C.
Minister of Finance
Republic of Chile