

# Press Release



## **SVS WILL AUTHORIZE GENERAL FUND ADMINISTRATORS TO BEGIN MANAGING THIRD PARTY PORTFOLIOS**

- **A draft of the circular was published today on the regulator entity's website, and is open for comment from the market.**
- **This authorization will allow the management service to be exported to national administrators, promoting the development of this industry.**
- **Regulation proposals establish the requirements regarding the minimum amount of information that administrators must provide to their clients about possible conflicts of interest, and other subjects.**

The Superintendencia de Valores y Seguros (SVS) published a Circular proposal on its website today that will authorize General Fund Administrators (AGFs) to perform the complementary activity of managing third party portfolios.

The new regulation is the result of a joint work agenda between the SVS and the AGFs, which announced, through the signing of the mutual agreement between the Superintendencia and its Luxemburg counterpart, the possibility of offering the business of managing foreign funds to this country's fund administrators.

In this way, the regulation proposal will allow for the service of fund management to be exported to national administrators, as well as offering its current clients the possibility of managing their individual portfolios, based on their specific profiles.

The draft of the regulation establishes a number of obligations and responsibilities for the administrators, regarding the treatment and delivery of information to their clients regarding conflicts of interest that could possibly arise during the operation of this new activity, as well as the information that must be provided to the general public.

At the same time, it establishes the minimum content to be included in the management contract celebrated between the parties (administrator and client),

and determines the conditions that must be met for the safekeeping of clients' assets and their corresponding separation.

In order to carry out this new service, administrators must, through a unanimous decision by its partners or shareholders, adjust its statutes to incorporate this as one of its principal activities, as is proposed by the Circular project.

The draft of this regulation will be open for comment until June 30th.

**Santiago, June 10, 2008.**

**[www.svs.cl](http://www.svs.cl)**