

**Press
RELEASE**



The Financial Market Commission reports financial integration progress through Funds Passport in Pacific Alliance countries

August 13th, 2018.- Within the framework of its financial market development mandate, the Financial Market Commission (CMF for its initials in Spanish) reports on recent progress in the implementation of "**Funds Passport**".

This financial integration initiative aims to promote the commercialization of mutual funds and investment funds in the Pacific Alliance countries (AP for its initials in Spanish) -Chile, Peru, Colombia, and Mexico- in order to make access easier to investment vehicles for investors from the region, and to promote the export of financial services.

According to the regulation in force in Chile, and by virtue of the underwritten collaboration agreements between the securities markets regulators from AP countries, the public offer of funds shares managed in Mexico, Peru, and Colombia are allowed in Chile, according to Exempt Resolution N°246 of 2014, which exempted the named foreign securities from the registration requirement at domestic level.

After the recent regulatory changes at AP level, on July 30th, the CMF updated the aforementioned Resolution, stating that: registered securities in the Colombian Securities and Issuers Register, funds or funds families of collective investment authorized by the Financial Superintendence of Colombia, securities registered in the Mexican National Registry of Securities, and securities registered in the Public Registry of the Securities Market of Peru are exempt from registration in the foreign securities register.

It is worth mentioning the regulatory changes recently approved by the Peruvian Superintendence of Securities Market (SMV for its initials in Spanish) which will allow a greater commercialization of Chilean funds in Peru, and regulatory modifications recently introduced by the Financial Superintendence of Colombia in this matter.

In particular, the Peruvian SMV passed two regulations. The first regulation is aimed at recognizing foreign funds, exempting them from the obligation of inscription in the Peruvian record to be offered on the Securities Market. Meanwhile, the second regulation establishes the relationship among the AP countries whose foreign funds can be recognized to be distributed in Peru. Therefore, the registration and commercialization of Chilean funds in the Peruvian Market is made easier.

For its part, the Financial Superintendence of Colombia issued a circular which establishes the directions related to the foreign investment funds distribution (including Chilean funds), whose main objective is to regulate the obligations undertaken by the specialized distributors of these funds, and the duty of special advisory in collective investment funds distribution.

The set of described measures represents progress in the incorporation of securities markets of the AP, and the development of a deeper regional market. These measures were framed within the undertaken commitments by the financial Superintendences of AP countries in October of last year in Washington D.C., regards moving towards the mutual recognition of its investment funds (Funds Passport).