Press
RELEASE

The CMF issues a memorandum which allows the expansion of Voluntary and Collective Retirement Savings Investments (APVC for its initials in Spanish) offered by fund administrators and securities agents

September 12th, 2018. With the purpose of contributing to market development, and encouraging competitiveness in the financial industry, the CMF reports that its Council approved Circular No. 2,238 which will allow the expansion of Voluntary and Collective Retirement Savings Investments (APV and APVC for their initials in Spanish) offered by fund managements and securities agents.

Through the regulatory participation process promoted by the CMF, the Circular was put up in consultation for comments from the market and general public between August 21st and 31st of the current year, according to what the Regulatory Report states, which includes the corresponding regulatory impact analysis.

Objective of the Circular

The new circular will expand the instruments in which the savings kept in APV and APVC, offered by general fund administrators and securities agents, can be invested. This circular will also encourage the competition regarding the options offered by the Pension Fund Administrator (AFP for its initials in Spanish).

With the amendment, **the AGFs and securities agents will be allowed to establish, in the very same APV and APVC plans they offer through portfolio management, the instruments, goods, and agreements in which the managed resources can be invested. This should result in greater investment options, and consequently, potentially better profitability of the savings for retirement.**

Furthermore, in the case of fund administrators, the regulation overrules the limitation which has been established by Circular No. 2,171, which impeded that the resources from APV and APVC could be invested in all assets and agreements allowed by the Law of Funds. The latter will allow those administrators to continue offering all their funds as retirement saving options, a situation which without the circular would not have been possible without establishing additional limits to the currently existing funds.

Regarding the above, the Regulatory Report, published along with the new circular, quotes that this regulation could have a positive effect in terms of a greater offer of retirement savings options, and an improvement in the competition of both industries, given that when expanding the instruments subject to investment, those entities will be able to make greater risk-refund combinations aimed at a wider variety of client profiles, which should be translated into a greater number of APV and APVS plans to be offered.

Check Circular No. 2,238 which amends Circular No. 2,171, and its corresponding Regulatory Report on the CMF website.