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CAPITAL MARKETS REFORM BILL PROPOSES A NEW REGULATORY FRAMEWORK FOR INVESTMENT MANAGERS AND SIGNIFICANT CHANGES FOR THE FUND INDUSTRY

On September 9, 2026, the Chilean Government submitted the Capital Markets and Home Financing Reform Bill to the National Congress. The bill proposes a number of amendments to the regulatory framework governing fund management, creates the role of investment manager, modifies certain tax requirements applicable to investors and introduces new mechanisms for housing finance.

With respect to the fund industry, the bill proposes amendments to the Law on the Management of Third-Party Funds and Individual Portfolios ("LUF"), including changes to capital and guarantee requirements, new alternatives for outsourcing certain functions and amendments to the tax treatment of certain investments.

Key aspects:

Greater regulatory flexibility for the CMF

The bill would allow the Financial Market Commission ("CMF") to exempt certain fund management companies or funds from specific statutory requirements, or to establish less stringent requirements, provided that investor protection and financial stability are not compromised.

New minimum capital framework

The bill proposes replacing the current minimum capital framework based on risk-weighted assets with a system under which the CMF would determine the applicable amount based on the quality of each fund management company's risk management.

The minimum capital requirement would range between 10,000 and 20,000 UF and would become applicable once the business or client thresholds established by the CMF are met. Fund management

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companies would have six months to comply following the entry into force of the corresponding regulations.

Amendments to fund management company guarantees

The annual guarantee for each fund would be calculated based on the greater of 10,000 UF or a percentage of the assets under management, subject to a 0.5% cap and an absolute maximum of 25,000 UF.

Where part of a portfolio is managed by an external investment manager, that portion would be excluded from the fund management company's guarantee calculation, as the investment manager would be required to provide its own guarantee.

Creation of the investment manager role

The bill would allow fund management companies to outsource all or part of a fund's portfolio management to investment managers.

Among other requirements, investment managers would be required to:

- Be registered in the Registry of Portfolio Managers and subject to CMF supervision.
- Be identified in the fund's internal regulations, with their authority clearly defined.
- Enter into a written engagement and disclose whether they are a related party of the fund management company.
- Provide their own guarantee.
- Refrain from subdelegating portfolio management.

The fund management company would remain responsible for the proper selection and supervision of the investment manager, while the investment manager would be directly liable to the fund and its unitholders. The investment manager's fees could only be charged to the fund where expressly permitted under the fund's internal regulations.

In the event of the investment manager's insolvency, suspension or deregistration, the fund management company would be required to notify the CMF and the unitholders no later than the following business day.

Outsourcing of operational functions

Fund management companies would also be permitted to outsource functions such as internal audit, accounting, valuation, risk management and internal control to entities authorized by the CMF.

Under the bill, responsibility for those functions would lie with the relevant service provider.

Non-redeemable funds for qualified investors

Non-redeemable funds intended for qualified investors could be exempted from the requirement to list their units on a stock exchange.

In such cases, they would not be permitted to establish secondary market mechanisms and their units would not qualify for the special tax benefits provided under the Income Tax Law.

Amendments to unitholder meetings

Units held by custodians that do not have authority to exercise voting rights would no longer be taken into account for purposes of calculating the quorum for unitholder meetings.

Tax amendments applicable to investment fund units

The bill proposes amendments to the tax treatment of capital gains arising from the sale of investment fund units on a stock exchange, as well as from redemptions resulting from the liquidation of a fund or voluntary capital reductions.

The stock market presence requirement and the requirement that at least 90% of the portfolio be invested in shares with stock market presence would be eliminated. Instead, the fund's internal regulations would be required to provide for the distribution of all dividends and interest received during the relevant fiscal year or within the following 180 days.

More flexible requirements for mutual funds

For mutual funds, at least 90% of the portfolio would be required to be invested in eligible assets, including publicly offered securities issued in Chile —such as shares, debt instruments and other securities— and publicly offered securities issued abroad.

The non-taxable income treatment would also be extended to certain foreign securities listed on local exchanges, exchange-traded derivatives with eligible underlying assets and endorsable mortgage bonds traded on commodity exchanges.

Tax deferral through reinvestment

The liquidation of units in funds that do not qualify for the non-taxable income treatment would not be considered a redemption where the proceeds are reinvested in another mutual fund or publicly offered investment fund.

This treatment would require formal instructions from the investor, traceability of the transaction, reporting to the Chilean Internal Revenue Service (“SII”) and the exchange of certificates between fund management companies within five days.

Non-compliance could be subject to fines ranging from 1 UTM to 1 UTA.

New functional separation rules

The bill also proposes amendments to the functional separation rules applicable to the securities market.

Investment decisions for a fund would be required to remain independent from decisions relating to funds or portfolios managed by third parties, as well as from brokerage and advisory services. The bill also proposes eliminating the prohibition on directors of intermediaries participating in the management of a fund management company and relaxing the rules governing the sharing of resources among intermediaries, institutional investors and investment managers.

FONAVI funds and housing finance

Funds established under the National Housing Fund (“FONAVI”) would operate as investment funds subject to the LUF, under special rules.

Among other matters, the minimum number of unitholders would not apply and BancoEstado would be exempt from certain requirements. These funds would be permitted to acquire mortgage loans and issue debt for up to ten times their net worth.

Fund management companies would also be permitted to offer voluntary housing savings plans, subject to prior authorization from the CMF.

Valuation of financial instruments

Only entities that meet the applicable requirements regarding suitability, internal organization, methodologies and independence would be permitted to provide valuation services to entities supervised by the CMF.

Endorsable Mortgage Bonds

The electronic deposit and transfer of endorsable mortgage bonds at depository institutions would be facilitated, streamlining their custody, circulation and inclusion in fund portfolios.

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