

August, 2017

➤ SECOND CONSULTATION PERIOD FOR THE NEW RULES THAT WILL REGULATE INVESTMENTS IN ALTERNATIVE ASSETS BY PENSION FUNDS AND UNEMPLOYMENT FUNDS

Given the high number of comments and proposals received to the bills that will amend the Investment Regimes of Pension Funds and Unemployment Fund (collectively, the "Funds"), the Chilean Pensions Superintendence ("SP") decided to open a new consultation period. To receive comments on the proposals that were included.

The most noticeable proposals and/or modifications included by the SP, are the following:

- **New investment alternatives:** The new investment options that were added are investment in stock companies (sociedades por acciones, "SpA") and limited partnerships by shares (sociedades en comandita por acciones), participation in credit agreements (syndicated loans) and domestic non-residential real estate for rent.
- **Investment limits:** The proposed limit for shares ownership in Chilean closed corporations was increased from 20% to 49% of the capital stock subscribed of these companies. The same limit applies to SpAs. For limited partnerships by shares, the proposed limit is 99% of the subscribed capital stock in these entities.
- **Conflicts of interest:** The Funds may not invest in limited partnerships by shares or SpA, if the managing partners are related persons or dependents of the Fund Administrator, or other persons defined by the SP.
- **Conditions for investments:** The provision on which the Funds, prior to investing, must obtain two assessment reports, and subsequently obtain 2 annual assessment reports will also apply to SpAs and limited partnerships by shares. In these cases, the assessment agent must be independent of the managing partner of such companies.

The bills will be available for new comment in this second consultation period until August 29. To access the full text of the SP, [click here](#).



If you have any questions regarding the matters discussed in this memorandum, please contact the following attorney or call your regular Carey contact.

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