

CCR changes criteria for foreign fund managers

On Wednesday, October 19, 2022, the CCR published a modification to its agreement number 32, which regulates the registration of foreign funds and ETFs, as well as other foreign securities.

The modifications are mostly intended to reflect a change in criteria on the application of the requirements to the manager of the fund. Prior to these modifications, the CCR considered that the manager of a fund (the management company in Luxembourg, the manager in Ireland, the ACD in the UK and the advisor in the US, for example) was the appropriate manager of the fund and the requirements on risk rating, minimum AUM, years of experience and those applicable to the holding company of the manager, were applied based on that entity.

These recent modifications reflect a change in criteria and a distinction between the manager (the management company in Luxembourg, manager in Ireland and ACD in the UK) and a fund's investment manager. Focus has now shifted to the investment manager of a fund, so that the minimum AUM (USD 10 billion) and years of experience (at least 5 years managing third-party assets) are applied to the investment manager, and the group to which it belongs.

Both the fund and its manager (or equivalent entity) must still be regulated, but the relevant country's risk rating must be A- or higher (previously AA- or higher). The exception for a BBB rated country subject to special circumstances evaluated on a case-by-case basis by the CCR, is still in place.

The requirement for minimum risk rating of the country in which the holding company of the fund's manager is domiciled, has been eliminated, but each regulation in which a fund seeking approval and/or its manager (or equivalent entity) is domiciled, must be approved by the CCR. A list of approved regulations can be found at the bottom of each of the CCR's list of approved instruments, available on the CCR's website: www.ccr.cl

If you require additional information or more details regarding these modifications, please do not hesitate to contact our team.

CONTACT



**CÉSAR
GÁLVEZ**

cgalvez@guerrero.cl



**JOAQUÍN
GRONDONA**

jgrondona@guerrero.cl



**ROBERTO
SPENCER**

rspencer@guerrero.cl