

## CMF issues regulations on assessment of risk management quality for General Fund Managers, minimum equity requirements and collaterals for such entities and others who manage third-party portfolios

*The regulation on corporate governance and risk management describes the assessment process conducted by the Commission regarding the quality of such issues within GFMs, which is part of the risk-based supervisory process the CMF uses.*

*The new regulation on minimum equity requirements and collaterals uses a methodology based on risk-weighted assets and is in line with the best international practices.*

**December 23, 2024** – After a public consultation process, the Financial Market Commission (CMF) issued today the regulations detailing the assessment process of risk management by General Fund Managers (GFMs), and minimum equity requirements and collaterals for both GFMs and any entities managing third-party portfolios.

The [regulation](#) amending General Rule No. 507 on corporate governance and risk management describes the assessment process to be carried out by the Commission regarding the quality of corporate governance and risk assessment systems within GFMs, which is part of the risk-based supervisory process the CMF uses. The results of said assessment will be an element to increase equity and collateral requirements should these entities be poorly managed. Such presumed effects may negatively impact on the entity itself, as well as public trust and financial stability.

### Minimum Equity Requirements

Likewise, the [new regulation](#) on minimum equity requirements and collaterals applicable to GFMs and any others managing third-party portfolios sets minimum equity requirements through a methodology based on risk-weighted assets and in line with amendments introduced by the Fintech Act (Law No. 21,521) to Law No. 20,712. Collateral requirements shall be constituted for the benefit of managed funds.

Instead of a fixed paid equity requirement of UF 10,000, GFMs shall constitute minimum equity to be determined by instructions set forth in these regulations. It will be the greater amount between UF 5,000 and 3 percent of risk-weighted assets. Said percentage, as well as that to update collaterals of managed funds, might increase based on global assessments of entities' risk management quality pursuant to instructions stated on the new regulation about minimum equity and collaterals.

## **Validity**

The regulation on assessment of risk management quality becomes effective immediately, except for instructions regarding the self-assessment described of Number 3 of new Section VI which enter into force on July 1, 2027.

On the other hand, the regulation on minimum equity requirements shall become effective on January 1, 2026, except Section III on Result of Risk Management Assessment, which enters into force on July 1, 2027.

Interested parties can access the [Regulations section](#) of the CMF website to check the new regulations in detail, including their corresponding Regulatory Reports.

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