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Welcome boost for UCITS funds in Chile

In welcome news for UCITS funds, the Chilean private pension fund regulator (known as the *Superintendencia de Pensiones* (“SP”)) recently clarified that Chilean private pension funds (often referred to as *Administradoras de Fondos de Pensiones* (“AFPs”)) can invest in UCITS funds pursuing “*hedge fund-like strategies*”.

By way of background, the original proposal by the SP appeared to ban investment by AFPs in hedge funds and funds which pursued hedge fund type strategies. However, there was a lack of clarification around the proposal, which created uncertainty as to whether existing investments could be deemed ineligible and it even appeared that some UCITS would be caught.

Dillon Eustace worked with local industry stakeholders on the SP’s original proposal to outline why UCITS should be excluded from the ban. Following on from stakeholder engagement, the SP published its final version of the rule in April, 2018, which specifically excludes UCITS and 1940 Act funds.

With around 170 Irish funds registered in Chile for sale, this is a significant boost to UCITS.

**Dillon Eustace,
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