Table 9.1a	Capital and reserve requirements in the Individually-Funded Systems (December 2018)

Requirement	Bolivia	Chile	Colombia	Costa Rica
Minimum Capital	1,000,000 DEG (USD 1,390,790) (1)	5,000 UF (USD 198,118) (2)	Pension Funds: COP 14,260 MM (USD 4,387,692). Unemployment: COP 7,124 MM (USD 2,19,000). Ambos (Both, Pension Funds and Unemployment): COP 21,350 MM (USD 6,579,692). (5)	Minimum capital: 250,000,000 CRC (year 2000), adjusted yearly by the Consumer Price Index (CPI). Minimum Share Capital: 994,977.354 Unidades de Desarrollo (6) (approx. USD 1,356,205 as of Dec. 31, 2018). In addition, the operators must comply with: (i) a minimum capital reserve equivalent to 1% of the total value of each fund managed by the Mandatory Complementary Pensions and Individually Funded Labor System; (ii) a minimum capital requirement based on the associated risks, equal to the sum of 10% of the Credit Risk amount, plus the amount of the Operating Risk, plus the Value at Risk of their own portfolio.
Net Worth/Solvency	NA	Net worth at least equal to the minimum required capital, which increases with the number of members: (i) 0 - 4,999 members: 5,000 UF (USD 217,793); (ii) 5,000 - 7,499 members: 10,000 UF (USD 435,586); (iii) 7,500 - 9,999 members: 15,000 UF (USD 653,379); (iv) 10,000 members: 20,000 UF (USD 871,172).	The pension and unemployment fund managers must maintain and prove to the Financial Superintendency adequate levels of net worth, for which they must at least meet the solvency ratio, which is defined as the value of the technical net worth (3), divided by the value of exposure to operational risk (4). The minimum total solvency ratio is 9%.	NA
Reserve Deposit / Reserve	NA	1% of each pension fund. Invested in shares of the respective fund, but it is part of the assets of the AFP and liabilities of the Fund. Purpose: to meet the minimum return requirements. * The values representative of Reserve Deposit are unalienable.	Yield Stabilization Reserve, equivalent to 1% of the funds. Invested in shares of the respective fund and financed with the fund manager's resources. Purpose: cover the defects of the required minimum returns of the fund.	NA
Minimum Return	NA	Funds A and B. Lesser value between: i) the average real annualized return of the last 36 months, of all funds of the same type, minus 4 percentage points; and (ii) the aforementioned average, minus 50% of the absolute value of this average. Funds C, D and E, same calculation, but in i) 4 percentage points are replaced by 2 percentage points. Despite the above, in case the Fund is operating for less than 36 months, the Administrator will be responsible for maintaining a real annualized return of: (1) Funds A and B: the lower of: i) the average annualized real return of all funds of the same type, for the period equivalent to the months of operation of the new Fund, minus 6 percentage points; and ii) the aforementioned average, minus than 50% of the absolute value of this average; (2) Funds C, D and E: same calculation, but in i) 4 percentage points are replaced by 6 percentage points.	The methodology takes into account the average return of the funds and a reference component, which can comprise a reference portfolio, market indices, or a combination of both. The calculation period ranges between 36 and 60 months, depending on the fund.	NA
Other Guarantees	There are payment and redress guarantees to the regulating body for damages, losses, costs, expenses and other liabilities of the AFP resulting from non-performance or inappropriate performance of its present and future obligations.	NA	NA	NA

Source: FIAP.

NA: Not Applicable

See Notes (1) to (6) in the Appendix.

Table 9.1b	**Capital and reserve requirements in the Individually-Funded Systems (December 2018)**

Requirement	El Salvador	Kazakhstan	Mexico
Minimum Capital	0 - 19,999 members: SVC 5 M (USD 571,428). 20,000 - 39.999 members: SVC 7.5 M (USD 857,143). 40,000 + members: SVC 15 M (USD 1.714.286).	NA	Fixed minimum capital that must be maintained by the AFORES: MXN 25 M (USD 1,271,430). Fixed minimum capital that every Investment Company (SIEFORE) must operate with: MXN 100,000 (USD 5,086).
Net Worth/Solvency	Minimum Net Worth (PNM) (7) cannot be less than 3% of the pension funds, and cannot exceed MUS$ 10. The PNM cannot be less than the minimum capital. Purpose: ensure minimum return.	NA	Fixed capital without withdrawal rights must be at least equal to the minimum capital required.
Reserve Deposit / Reserve	A Special Guarantee Contribution (SGC) is required, which is a percentage of the assets of the managed fund; this rate is currently 0.25%. It can comprise own resources of the AFPs, guarantors, sureties or other financial instruments.	NA	For each SIEFORE, a Special Reserve equivalent to 0.8% of its net assets must be constituted. The SIEFORE operated by the Administrator in question must invest, in said SIEFORE, at least the amount equivalent to 0.8% of the Net Assets corresponding to said Investment Company. For Basic SIEFORE 1, the AFORE must invest at least an amount equivalent to 0.8% of the Calculation Basis 1 corresponding to such SIEFORE and 0.28% of the net assets that are not covered in such Calculation Basis. For each of SIEFOREs 2 to 4, the AFORE must invest at least an amount equivalent to 0.8% of the Calculation Basis 2 corresponding to such SIEFOREs and 0.28% of the net assets that are not covered in such Calculation Basis. At least 1% of the net assets of the SIEFORE, must be invested for every additional SIEFORE up to a maximum of MXN 900,000 (USD 45,771). The special reserve that the Administrators should maintain in every Investment Company they run is computed by multiplying the result of each of the fractions stated above in I to IV, times the subsequent factor: the corresponding number of shares of those employees which resources are invested in the Investment Company from the total shares of said Investment Company. Purpose: to cover the losses produced by the non-compliance of the investment regime. Additionally, the administrators will be able to reduce the Special Reserve requirement to 0.8% of the Computation Base 1 and 0.28% of the Net Assets not included in said Base for Basic SIEFORE 1, and 0.8% of the Computation Base 2 and 0.28% of the Net Assets not included in said Base for SIEFORE 2, 3 and 4 when the Administrators' compliance with the following requirement is approved by the CONSAR: 1) Reference Portfolios in accordance with the regulation and 2) Certification of the prudential guidelines issued in the regulation in terms capitalization.
Minimum Return	The monthly nominal return of the last 12 months (RN12M) cannot be less than: i) the average RN12M of all funds, minus 3 percentage points; and (ii) 80% of the average RN12M of all funds.	NA	NA
Other guarantees	Establishes the creation of a Return Fluctuation Reserve, comprising the nominal return excesses of the last twelve months of the respective fund which in any one month exceeds the larger of the following calculations: RN12M plus 3 percentage points; RN12M plus 20% of the average of all funds.	Government guarantees the safety of compulsory pension contributions a member contributed to UAPF (including inflation).	NA

Source: FIAP.

NA: Not Applicable

See Note (7) in the Appendix.

Table 9.1c	Capital and reserve requirements in the Individually Funded Systems (December 2018)

Requirement	Peru	The Dominican Republic	Ukraine	Uruguay
Minimum Capital	The minimum capital requirement of the AFPs for 2018 is PEN 2,842,634 (USD 841,265)	1-10,000 members: DOP 21,600,941.93 (USD 447,132); 10.001-15,000 members: DOP 23,761,036.12 (USD 491,845); 15.001- 20,000 members: DOP 25,921,130 (USD 536,558); 20,001 - 25,000 members: DOP 28,081,224.51 (USD 581,271.5). DOP 2,194,223.68 (USD 45,420) must be added for every additional 5,000 members.	Fund managers and non-state pension fund asset managers: a) Capital: USD 62,500; b) Reserve Fund: USD 25,000. If the fund and asset managers comprise a sole entity, it must have both licenses and its capital must be a at least USD 100,000. Banks that create and manage pension funds must have a minimum capital of MUSD 15.	60,000 UR (USD 2,028,997) (8)
Net Worth/Solvency	Same as minimum capital. AFPs must increase capital according to operating requirements, or if required by the Superintendency to protect the rights of members.	Same as minimum capital.	Non-State Pension Fund asset managers cannot have assets of more than 50 times their capital.	Once the fund manager has initiated the formation of the Pension Savings Fund, the Minimum Net Worth, excluding the Special Reserve, must be the highest value between 60,000 UR or 2% of the fund, up to a maximum of 150,000 UR (USD 5,072,492).
Reserve Deposit / Reserve	Calculated daily, based on the following: i) the reserve rates applicable to the different investment instruments defined by the Superintendency; (ii) investment in different instruments; (iii) total value of investments; and (iv) reserve requirement and value of the managed portfolio on the previous day. It is part of the assets of the AFP. Purpose: To guarantee the minimum return and cover damages to the pension funds due to breach of obligations, willful misconduct or negligence.	Guaranteed Return which must be equal to 1% of pension funds, and is recorded in fund shares. It is valued daily.	The reserve for fund managers and asset managers of non-state pension funds must be USD 25,000. If both comprise a single company, its reserve must be USD 37,500. Banks that create and manage pension funds must have reserves, at their expense, depending on the economic situation in the country, the projection of inflation, and returns. Reserves usually fluctuates between 1% and 4% of the assets of the managed funds. The reserve guarantees payments and minimum return requirements.	Special Reserve (RE) of an amount equivalent to a minimum of 0.5% and a maximum of 2.0% of the Fund, understanding this to be the amount of the Accumulation Sub Fund plus the Retirement Sub Fund. The Central Bank determines the percentage. The RE cannot be less than 20% of the minimum capital; it must be invested in shares of the Accumulation Sub Fund. Purpose: guarantee minimum returns.
Minimum Return	Determined by the Superintendency. Real lowest percentage obtained from the difference between the return obtained by reference indicators (benchmarks) applicable to each Fund, minus a fixed or variable percentage factor. Backed up by Reserve and other guarantees.	Weighted average return of all the pension funds, minus two percentage points.	The non-state pension funds cannot define the minimum return guarantees for any pension plan. However, the contract for the management of the assets of the fund may include a commitment by the asset manager to ensure a minimum return equivalent to the official inflation rate. Banks that run pension funds must guarantee a minimum return equivalent to the official inflation rate.	The real average annual minimum return rate of the system is determined for each of the Subfunds (Accumulation and Retirement), and is the lowest amount between 2% per year and the real average return of the system of each Subfund minus two percentage points; as of 2013 the real annual average return rate of the Accumulation and Retirements Sub Funds is calculated using the composite annualized accumulation of the real monthly return rates of the past 36 months.
Other Guarantees	Joint and several, unconditional, irrevocable and automatically executed bank guarantee bond, issued in favor of the Superintendency. Amount: not less than 0.5% of the managed portfolio, minus the value of the reserve fund maintained. Executed once the resources of the reserve fund have been depleted. Purpose: compliance with minimum return requirements and coverage of damages to the pension funds due to breach of obligations, willful misconduct or negligence.	Return Fluctuation Reserve, comprising excess returns over certain levels defined in the regulations.	Banks can open pension savings accounts for their clients within the funds in order to guarantee the deposits (USD 18,750); such accounts are guaranteed by the State within the specified amount.	Return Fluctuation Fund (for each one of the existing subfunds), comprising the real annual return that exceeds the real average return of all the funds, plus the greater amount between 50% of this average or two percentage points.

Source: FIAP.

See Note (8) in the Appendix.

Table 9.1a

(1) Bolivia: DEG = Special Right of Withdrawal. As of December 31, 2018, 1 SDR is equivalent to USD 1.39079.

(2) Chile: UF = Unidad de Fomento. On December 31, 2018, 1 UF is equal to CLP 27,565.79 (USD 39.62).

(3) Colombia: The technical net worth of the pension and unemployment fund managers will be the result of adding the basic net worth of deductions to the additional net worth and deducting the sum of the values of the stabilization reserves of the managed funds, should they need to be constituted. The amount to be deducted will be the balance of the stabilization reserves to last March 31. The basic net worth comprises: (a) the capital subscribed and paid in; (b) the legal reserve, other reserves and the undistributed profits from previous years; (c) the total value of the "net worth appreciation" account when it is positive; (d) earnings for the fiscal year in progress, in a proportion equivalent to the profits of the last fiscal year which by order of a Regular Shareholders Meeting have been capitalized or destined to increasing the legal reserve, or the total amount thereof that is to be used to cover accumulated losses (if the destination of the profits is to increase the legal reserve, such percentage shall apply provided that such profits are kept within the net worth of the agency); (e) the total value of the dividends expressed in shares. The following will be deducted from the basic net worth: (a) accumulated losses from previous fiscal years and those of the fiscal year in course; b) the "net worth adjustment" account, when it is negative; c) the accumulated adjustment for inflation originating in non-monetary assets, provided the respective assets have not been conveyed, until the concurrence of the sum of the net worth adjustment account and the capitalized value of such account, when such addition is possible. The additional net worth comprises: 8a) 50% of the accumulated adjustment for inflation originating in non-monetary assets, provided the respective assets have not been conveyed; c) bonds mandatorily convertible into shares. The total value of the additional net worth cannot exceed 100% of the total value of the basic net worth.

(4) Colombia: In order to determine the operational risk exposure value, the pension and unemployment fund managers must multiply by one hundred ninths (100/9) the amount resulting from adding: (a) 16% of revenues from mandatory pension fund commissions; (b)16% of revenues from mandatory unemployment fund commissions; (c) 0% of revenue from voluntary pension fund commissions; (d) 13% of revenue from commissions for the management of the resources of the National Pension Fund of Territorial Entities (Fonpet); (e) One forty-eighth (1/48) of the value of the assets of all funds and/or autonomous net worth managed by the pension and unemployment fund managers, with the exception of the assets from which the revenue referred to in (a), (b), (c) and (d) originate.

(5) Colombia: Required Capital fixed by the Estatuto Orgánico del Sector Financiero. Art. 80.
https://www.superfinanciera.gov.co/jsp/loader.jsf?lServicio=Publicaciones&lTipo=publicaciones&lFuncion=loadContenidoPublicacion&id=61318

(6) Costa Rica: The Development Unit (UD) is and accounting unit that incorporates monthly changes in the Consumer Price Index (CPI) of the immediately preceding month. As of 31.12.2018, 1 UD = CRC 911.50 = USD 1.49.

(7) El Salvador: Minimum Net Worth (PNM): consists of the sum of the paid-in capital, the legal reserve and other capital reserves plus the surplus and retained earnings accounts, plus 50% of the net profits of tax provision on the income of the current period, plus 50% of the adjustments authorized by the regulatory authority, minus shares in other companies, plus the value of the losses, should there be any.

(8) Uruguay: Adjustable Unit (UR): Value unit adjusted monthly according to the Average Wage Index, published by the National Institute of Statistics. To December 31, 2017, 1 UR is equivalent to UYU 1,095.32 (USD 33.82; at 31.12.18 1 USD= UYU 32.39).