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 15,237 MM (USD 4,649,481). Unemployment: COP MM 7,631 (USD 2,328,555). Ambos (Both, Pension Funds and Unemployment): COP 22.852 MM (USD 6.973.153). (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 USD 1,509,842 as of Dec. 31, 2017). 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 need to comply with at least the solvency ratio, which is defined as the value of technical net worth (3), divided by the value resulting from the sum of the assets weighted by credit risk level (APNR), one hundred ninth (100/9) of the value of the exposure to operational risk and one hundred ninth (100/9) of the value of the exposure to market risk (4). This relationship is expressed in percentage terms. The minimum solvency ratio of pension fund and severance fund management companies will be nine percent (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	36-month average of all funds of the same type minus 50% of return, or 36-month average of all funds minus 4pp (Funds A and B) and 2pp (Funds C, D, and E)	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	Curacao	El Salvador	Kazakhstan	Mexico	Panama
Minimum Capital	Insurance Companies: 4% of the managed pension resources, with a minimum of ANG 500,000 (USD 280,000 as of Dec. 31 2017). Pension funds: there are no specific requirements; they are Foundations.	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 1.325.261). Fixed minimum capital that every Investment Company (SIEFORE) must operate with: MXN 100,000 (USD 5.301).	USD 250,000
Net Worth/Solvency	NA	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.	NA
Reserve Deposit / Reserve	Pension funds: (i) General Reserve (5% of the funds); (ii) Investments reserve (the greater the investment in shares, the higher it is); (iii) Reserve Tables (0.4% of pension resources for each year within a period of 5 years, when tables are reviewed).	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	I. For each one of the Basic Investment Companies operated by the Administrator that must be invested in said Investment Company, at least the amount equivalent to 0.71 percent of the Net Assets corresponding to said Investment Company, and II For each Additional Investment Company operated by the Administrator to be invested in said Additional Investment Company, at least the amount equivalent to 1.0 percent of the Net Assets corresponding to said Additional Investment Company, until the quantity amounts of $ 900,000.00 (nine hundred thousand pesos 00/100 MN). The special reserve that the Administrators require to maintain in each of the Investment Companies they operate, is required to multiply the result of each one of the fractions I to II above by the following factor: the number of shares of the workers whose resources are invested in the Investment Company that corresponds to the number of total shares of said Investment Company.	NA
Minimum Return	NA	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	NA
Other guarantees	NA	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.	State Guarantee on safety of pension savings at UAPF (0 real return)	NA	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 2017 is PEN 2,905,095 (USD 875,820)	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 1,926,168) (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 4,815,419).
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).

(4) Colombia: To determine the value of exposure to operational risk, the companies that manage pension and severance funds must multiply by one hundred ninth (100/9) the value resulting from adding: (a) 16% of income for commissions from the mandatory pension funds; (b) 16% of commission income from severance funds; (C) 16% of commission income from voluntary funds; (d) 13% of commission income from the administration of resources of the National Pension Fund of Territorial Entities (Fonpet); (e) the expenses for commissions caused by the custody of securities referred to in Book 37 of Part 2 of Decree 2555 of 2010 are deducted. In relation to the adequate management of the operational risk of the pension fund and layoffs, this may differentially reduce the value of exposure to operational risk that particularly applies up to twelve percent (12%).
To determine the total value of assets weighted by level of credit risk, the own assets and exposures of the company that administers pension and severance funds, the weights of the assets must be used according to security categorization (see Decree 415 of 2018 https://dapre.presidencia.gov.co/normativa/normativa/DECRETO%20415%20DEL%2002%20MARZO%20DE%202018.pdf).
Finally, to determine the value of the exposure to market risk of the own assets and exposures of the companies that manage pension and severance funds, the Ver methodology determined by the Financial Superintendence of Colombia will be used.

(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 31.12.2017, 1 UD = CRC 859.522 = USD 1.517.

(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, 2019, 1 UR is equivalent to UYU 1,198.59 (USD 32.103; as of 31.12.19 1 USD= UYU 37.336).