



Santiago, May 5, 2009

Mr.
André Laboul
Secretary General
IOPS

Dear Mr. Laboul,

I hereby wish to submit our comments, as FIAP, to the document: “Draft IOPS Guidelines for Supervisory Intervention, Enforcement and Sanctions”.

After consulting with FIAP members, we have deemed it pertinent to make the following comments. I will explain each one of them below:

Guideline 2

The power of the supervisory authority to “replace members of the managing board and other managers of pension funds” opens the door for an unnecessary and dangerous kind of intervention in pension funds management. The supervisory authority should not appoint managers; it is enough for the supervisory authority to have the power to disqualify a member of the board or a manager.

The same comment applies to the power of the supervisory authority to “replace ... external services providers”.

Guideline 4

In our opinion, the need of “horizontal consistency” of the supervisory authority actions should be stressed. In particular, an explicit reference to the need of supervising pension funds managed by governmental institutions with the same standards used to supervise similar privately managed pension funds should be included.

Guideline 8

Although, without doubt, coordination among different supervisory authorities is necessary, it’s also important for the pension supervisory authority to protect the pension funds objectives from being subdued to other social or economic objectives.

In example, in times of financial crisis pension funds should not be used as an instrument to solve potential liquidity problems of the banking sector, unless the respective operations are voluntarily done by pension funds managers, under market conditions and with the necessary legal protections.



Guideline 9

One very important role of the pension supervisory authority is to disseminate among the public, in a timely and complete way, relevant information on pension funds. In fact, a pension-educated public may be the best possible support for effective supervision.

From this perspective, not only the information about sanctions and other decisions by the supervisory institution should be made public, but also more general information on pension funds operations and results should be made available to the public on a regular basis.

Sincerely

Guillermo Arthur Errázuriz
Chairman