Santiago, October 11, 2007

Mr. Juan Yermo
Manager
OCDE Financial Affairs Division
France

Dear Mr. Yermo,

We hereby wish to put forward our comments, as FIAP, on the document “DRAFT OECD-IOPS GUIDELINES ON THE LICENSING OF PENSION ENTITIES”.

We have assembled the comments of the FIAP Investments Technical Committee and separated them into two groups. I will explain each one of them below:

I) General Comments

1) The document should include a reference to the criteria that should be applied in case of a merger or change in ownership of the pension agencies.

II) Specific Comments

1) In Section IV (“Powers and obligations of the licensing authority”), the principle of non-discrimination between pension agencies on the part of the regulators or supervisors must be established. This means that all pension agencies of a similar type must be subject to the same regulations and licensing requirements on the part of the supervising agency, whatever their ownership structure. It is particularly important that public fund management agencies that compete with private fund managers should not have legal or regulatory privileges.

2) In subsection II (“Clarity of licensing application procedure”) of the same section IV, it must be established that the authority that grants the license must ensure that the license application resolution processes do not extend for terms that affect the viability of the respective project.

3) In section IV, a subsection must be included which establishes the principle of confidentiality of all the information that is not of a public nature that the licensing authority receives during the application resolution process.
4) In section III ("Licensing requirements"), subsection 5 ("Investment policy"), it would be convenient to introduce some reflection on the limitation of fund investment in stocks issued by the employing entity itself. Such measures tend to avoid a company’s financial crisis affecting workers’ employment, as well as their future pensions, as a result of the drop in the current market value of the company’s stocks, and consequently of the funds’ conversion value. This measure is included in Article 18.1 f) of the Spanish Directive 2003/41, relative to the activities and the supervision of employment Pension Funds, whereby the investment in the promoting company cannot exceed 5% of the portfolio as a whole, and when the promoting company belongs to an investment group, the investment in the companies belonging to the same group as the promoting company cannot exceed 10% of the portfolio.

5) In subsection 7 ("Governance") of the same section III, in point 7.2, it would be convenient to add the underlined text below: “Member of the governing bodies of the pension entity should be subject to fit and proper requirements, including such relative to company honor and professionalism and the knowledge and experience required for compliance of their functions.”

6) In the Annex ("Annotations To The Guidelines On The Licensing Of Pension Entities"), in subsection 2 ("Governing documents"), it would be convenient to add the underlined text below: “(iii) the vehicles to be used to ensure the legal separation of the pension plan/fund assets from the pension fund management company, as well as the other plans/funds managed by it.”

Sincerely

[Signature]
Guillermo Arturo Errázuriz
Chairman