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SURVEY OF INVESTMENT REGULATIONS OF PENSION FUNDS

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Background

1. This report describes the main quantitative investment regulations applied to pension funds in OECD and selected non-OECD countries, as of December 2006.
2. The questionnaire covers all types of pension plans financed via pension funds. Where regulations vary depending on the type of plan (occupational, personal, mandatory, voluntary, DB, DC, etc), the tables identify the types of plan that the investment regulations apply to.
3. The information collected concerns all forms of quantitative portfolio restrictions (minima and maxima) applied to pension funds at different legal levels (law, regulation, guidelines, etc). This year the survey was extended for the first time to non-OECD countries that participate in the meetings of the Working Private Pension Party (WPPP) as observers. These countries include Brazil, Chile, Colombia, Estonia, India, Israel, Russia Federation and South Africa.
4. The survey contains 3 different tables. Table 1 contains only portfolio ceilings on pension fund investment by broad asset classes. Table 2 contains additional quantitative restrictions on foreign investment. Table 3 contains other quantitative restrictions classified by type of regulation.

Main regulatory changes during 2006

5. According to the information collected from government authorities, the main changes with respect to December 2005 occurred in Austria, Mexico and Sweden.
6. In Austria, the regulation ‘Besondere Veranlagungsvorschriften für Pensionskassen - BVV-PK’ was enacted in 2006. With a transition period until June 30th, 2007, it requires Pensionskassen not applying the regulation ‘Risikomanagementverordnung Pensionskassen - RIMAV-PK’ (Risk management) to maintain additional asset limits (in addition to the limits of the Federal Act on the Establishment, Administration and Supervision of Pensionskassen).
7. In Mexico, during 2006 there were two main changes in the pension fund investment regulations. First, the maximum limit for the Value at Risk (VaR) for the Basic Fund 2 was modified from 0.6% to 1.0% of the fund’s assets. Second, the investment limit in equities for Additional Funds (investment funds for voluntary contributions from the employees) was expanded from 15% to 30%. Finally, the new regulation also establishes the publication in the website of the CONSAR (supervisor entity) of the general criteria that the index shares and ETFs (Exchange-Traded Funds) must satisfy in order to be included in the investment regime of the pension funds.
8. Other important changes occurred in the Swedish pension system. On 1 January, 2006, Sweden implemented the Pension Fund Directive 2003/41/EC on the activities and supervision of institutions for occupational retirement provision. In the transposition of this Directive, Sweden has chosen to apply some of the rules for occupational pensions also on that part of such business which is conducted by insurance undertakings regulated by the Directive 2002/83/EC. Under the new regulation for occupational pensions, there are fewer quantitative investment rules and “the prudent person principle” applies for all investments.

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9. Furthermore some countries announced during the course of 2006 that new investment regulation for pension funds would be implemented at the beginning of 2007 (this information is not included in the tables).

10. In Hungary, from 2007, private pension funds can establish voluntarily a life-cycle portfolio system (from 2009 this amendment will become mandatory). This system offers to pension fund members the option to choose between 3 different portfolios (conventional, balanced and growth). Additionally, the new regulation also establishes that legal requirements for calculating an expected rate of return, for creating a return-adjustment reserve, and for regrouping from this reserve to the funding reserve will be removed.

11. In Spain, important changes to investment regulations will take place in 2007. For example, investment in Undertakings for Collective Investment in Transferable Securities (UCITS) will be allowed up to 20% in those UCITS admitted to trading in regular markets and 5% in UCITS not admitted. Investment in derivatives will be an open list with diversification rules according to the risk of the market or the risk of the other contracting party or even both of them. The new legislation also includes a joint limit for investments in equities, derivatives and deposits related to the same entity. This limit will be a 20% of total pension fund assets. Finally, investment limit in real estate will be a 30% of total assets.

Table 1: Portfolio limits on OECD pension fund investment in selected asset categories

Country	Equity	Real Estate	Bonds	Retail Investment Funds	Private Investment funds	Loans	Bank deposits
OECD COUNTRIES							
Australia	- No limit.	- No limit.	- No limit.	- No limit.	- No limit.	- No limit. - Loans or financial assistance to members is not permitted.	- No limit.
Austria	- Shares, negotiable securities equivalent to shares, corporate bonds and other equity securities and other assets ² . - 70% (commitments without minimum yield guarantee) - 50% (commitments with minimum yield guarantee ³).	- 20%	- See equity.	- Limits apply to the components of investment funds.	- Limits apply to the components of investment funds.	- No limit.	- No limit.
Belgium	- No limit if listed. - 10% if non-listed (20 % if invested in companies supervised by the CBFA ⁴).	- No limit.	- No limit if listed. - 10% if non-listed (20% if invested in companies supervised by the CBFA).	-10 % for investment funds not having a European passport.	-10% for investment funds not having a European passport.	- No limit for secured loans, limit of 5% for unsecured loans.	- No limit.
Canada	- No limit.	- 15% (if in resource property) . - 25% (real estate and resource property)	- No limit.	- No limit.	- No limit.	- No limit.	- No limit.
Czech Republic	- No limit.	- 10%	- No limit.	- No limit.	- No limit.	- 0% (not allowed)	- 10%

² Investment in debt securities, shares and securities equivalent to shares which are not admitted to trading on a regulated market < 30%.

³ In this case additional up to 20% investment grade bonds are possible

⁴ CBFA: Commission Bancaire, Financière et des Assurances (Banking, Finance and Insurance Commission).

Country	Equity	Real Estate	Bonds	Retail Investment Funds	Private Investment funds	Loans	Bank deposits
Denmark Denmark cont.	- 70%	- No limit (if gilt-edged).	- No limit (if gilt-edged). 70% (if non-gilt edged).	- 70% (no limit, for UCITS with only listed gilt-edged bonds as underlying assets).	-10% hedge funds, private equity funds and other funds.	- No limit (if gilt-edged). - 2% (if non gilt edged).	- No limit.
Finland	- 50% (listed). - 10% (non-listed).	- 40%	- No limit in government bonds, local government bonds and bonds issued by corresponding institution. - 10 % (non-listed); other than government bonds, local government bonds and bonds issued by corresponding institution.	- No limit, when the fund invests in bonds issued by government, local government or corresponding institution; 10% (non-listed) - 50% when the fund invests in equities; 10% (non-listed).	- 5% hedge funds.	- 70% if mortgage loans including investment in real estates and buildings; 10% if subordinated loans ⁵ .	- NO LIMIT.
Germany Pensionskassen	- 35% (if listed). - 10% (non-listed).	- 25%	- 50%	- depends in what the funds invest (see e.g. limits for equity and bonds) "look through" principle.	- 5% hedge funds.	- 50% (if mortgage) - 50% (if other)	- 50%
Germany Pensionsfonds	- No limit.	- No limit.	- No limit.	- No limit.	- No limit.	- No limit.	- No limit.
Greece	- 70% in pension funds where members bear the investment risk.	- No limit.	- Government Bonds : No limit - Corporate Bonds: 70% in pension funds where members bear the investment risk	- 5% of in investment funds and new financial products ⁶ .	- 5% in investment funds and new financial products.	- Loans are not permitted.	- No limit
Hungary⁷	- Listed: No limit. - Non-listed equities: 10 %	- MPF: 5% directly, 10%	- Government bonds: No limit - Hungarian	- MPF: 50% - VPF: No	- Hedge fund: 5 % - Private	- MPF: 0% - VPF: Max. 30% of the	- No limit.

⁵ No limit if a debtor or a guarantor is an EEA State, municipality, a municipal authority, a parish located in an EEA State, a deposit bank or an insurance company licensed in an EEA State or a bank or an insurance company comparable to the above mentioned.

⁶ This is a joint limit for retail investment funds and private investment funds.

⁷ MPF stands for mandatory pension fund and VPF for voluntary pension fund.

Country	Equity	Real Estate	Bonds	Retail Investment Funds	Private Investment funds	Loans	Bank deposits
Hungary cont.	(both of domestic and foreign equities).	together with real estate investment funds. - VPF: 10% directly or through real estate investment funds.	corporate bonds: 10% - Hungarian municipalities bonds: 10% - Mortgage bonds: 25 %	limit.	equity fund: 5 %	total amount of the individual account of the member who took the loan. - VPF: 5% of all assets can be given only to fund members.	
Iceland	- 50% (joint limit with units or shares of other collective investment undertaking). - 10% non-listed (joint limit with bonds and units or shares of other collective investment undertaking).	- 0%	- 50% in bonds issued by financial institutions. - 50% in municipality bonds. - 10% non-listed securities (joint limit with equities and units or shares of other collective investment undertaking).	- Open-end: underlying assets are added to directly owned assets of same type. - Units or shares of other collective investment undertaking: •50% joint limit with equities. •10% non listed securities (joint limit with bonds and equity). •10% limit in funds that are not directed by public surveillance.	- Units or shares of other collective investment undertaking; - 50% joint limit with equities. - 10% non listed securities (joint limit with bonds and equity). - 10% limit in funds that are not directed by public surveillance.	- No limit.	- No limit.
Ireland	- No limit.	- No limit ⁸ .	- No limit.	- No limit.	- No Limit.	- No limit.	- No limit

⁸ Regulations effectively limit aggregate unquoted investments to 50% of total assets for schemes with more than 100 members. Same regulation applies for private investment funds and loans.

Country	Equity	Real Estate	Bonds	Retail Investment Funds	Private Investment funds	Loans	Bank deposits
Italy ⁹	- No limit.	- Only indirect investment allowed.	- No limit.	- Closed-end funds (retail and private): 20% of the pension fund's asset and 25% of the closed-end fund's value. In the 20% limit investments in real estate funds are included.	- Closed-end funds (retail and private): 20% of the pension fund's asset and 25% of the closed-end fund's value. In the 20% limit investments in real estate funds are included.	- 0%	- 20% (including short-term bills).
Japan	- No limit.	- No permitted.	- No limit.	- No limit.	- No limit.	- No permitted.	- No limit.
Korea Personal pension	- 10% (non-listed)	- 15%					
Korea Corporate pension	- DB: 30% (listed). - DC: Not permitted.	- DB: Not permitted. - DC: Not permitted.	- DB: No limit (Investment Grade: above BBB-). - DB: No limit (Investment Grade: above BBB-).	- Equity fund ¹⁰ : · DB: 30% · DC: not permitted. - Balanced fund : · DB: 40 % · DC: not permitted. - Bond Fund : · DB: no limit. · DC: no limit.	- DB: Not permitted. - DC: Not permitted.	- DB: Not permitted. - DC: Not permitted.	- DB: No limit. - DC: No limit
Luxembourg ¹¹	- No limit.	- No limit.	- No limit.	- No limit.	- No limit.	- No limit.	- No limit.
Mexico	- 15% only for Basic Fund 2 - 30% for voluntary funds.	- 0%	- No limit: federal government. - Aggregate limits for same credit rating: · No limit: AAA any other issuer. · 35%: AA any	- Mutual funds are not allowed, though SIEFORES are allowed to invest in ETFs.	- 0%	- 0% - Repos and securities lending allowed. Limits depends on credit risk of counterparty exposure net of collateral.	- 250,000 in local currency and US\$25,000 in foreign currency plus the required amount for currency

⁹ The limits described refer to the funds instituted after the setting up in 1993 of the current regulatory framework. A softer regime applies to the funds instituted before this date.

¹⁰ Equity funds: Funds investing in equities more than 60% of its net assets. Balanced Funds: Funds investing in equities between 40%-60% of its assets. Bond Funds: Funds investing in bonds more than 60% of its assets.

¹¹ The Luxembourg information concerns the pension funds governed by the law of 13 July 2005 relating to institutions for occupational retirement provision in the form of pension savings companies with variable capital (SEPCAVs) and pension savings associations (ASSEPs)

Country	Equity	Real Estate	Bonds	Retail Investment Funds	Private Investment funds	Loans	Bank deposits
Mexico cont.			other issuer. - 5%: A any other issuer. - Individual issuer limits apply.				matching.
Netherlands	- No limit.	- No limit.	- No limit.	- No limit.	- No limit.	- No limit.	- No limit.
New Zealand	- No limit.	- No limit.	- No limit.	- No limit.	- No limit.	- No limit.	- No limit.
Norway	- 35%	- No limit.	- 30% (corporate)	- 30%		- 1% (unsecured loans)	- No limit.
Poland: OPF	- 40% (listed on primary market) - 7.5% (on secondary market or non-listed).	- 0%	- 40% (mortgage) but no more than 15% in non-listed ones. - 40% (municipal). - 40% (corporate).	- 10% (close-ended). - 15% (open-ended).	- 0%	- Equal to investment in the shares of the borrower.	- 20%
Poland: EPF	- 5% in shares issued by EPF management society shareholder.	- 0%	- 10% in bonds and shares issued by EPF management society shareholder.	- No limit.	- Not allowed.	- Equal to investment in the shares of the borrower.	- No limit.
Portugal	- 55%, but maximum 15% joint limit in non-listed and non-OECD equities and bonds.	- 50% (includes mortgage, loans to members, real estate and property investment funds units).	- No limit, but maximum 15% joint limit in non-listed and non-OECD equities and bonds.	- No limit in harmonized funds and 5% in non-harmonized.	- 5% in non-harmonized.	- 50% (includes mortgage, loans to members, real estate and property investment funds units).	- No limit.
Slovak Republic	- up to 80%	- 0%	- No limit.	- 50%	- 0%	- 0%	- No limit.
Spain	- No limit. - 30% in securities not admitted to trading on a regulated market.	- 20% (joint limit with mortgage loans).	- No limit. - 30% in bonds not admitted to trading on a regulated market.	- No limit (whenever UCITs satisfy legal requirements)	- 30% in private investment funds (individually, 2%). Exception: investment funds that invest in other investment funds (this exception is not applicable to Spanish private investment	- 20% (joint limit with real estate). Loans to members are not permitted.	- No limit.

Country	Equity	Real Estate	Bonds	Retail Investment Funds	Private Investment funds	Loans	Bank deposits
Spain cont.					funds).		
Sweden¹²	<ul style="list-style-type: none"> - FSR: 0 % - IR: 25 % (if quoted), 10 % (if unquoted). - OP: no limit if quoted, 10% if unquoted. 	<ul style="list-style-type: none"> - FSR: Allowed, but only up to 4/5 or 2/3 of ratable value, depending on type of estate, or 70 or 60 %, respectively , of the estate's estimated market value. - IR: 25 % - OP: No limit. 	<ul style="list-style-type: none"> - FSR: no limit (other bonds than those issued by a state or of equal quality must be issued by a credit institution or be guaranteed by such an institution) - IR: no limit if issued by a state or of equal quality - 75 % if other (of which a maximum of 50 % may be issued by companies other than credit institutions) - 10 % if unquoted. - OP: 10 % if unquoted. 	<ul style="list-style-type: none"> - FSR: 0 % - IR: Investments can only be made in funds that primarily invest in assets that would be allowed for direct investment. The type of asset in the fund must be added to directly owned assets of the same type and the total not exceeds the limit for the asset in question (e.g. 25 % for quoted shares). - OP: No limit. 	<ul style="list-style-type: none"> - FSR 0 % - IR: Investments can only be made in certain funds that primarily invest in assets that would be allowed for direct investment. The type of asset in the fund must be added to directly owned assets of the same type and the total not exceeds the limit for the asset in question (e.g. 25 % for quoted shares). - OP: No limit. 	<ul style="list-style-type: none"> - FSR: no limit (only loans with some form of mortgage guarantee or equal security are allowed unless the debtor is the Swedish state or a Swedish municipality). - IR: No limit if the debtor is a state or an equally financially stable subject. - 75 % if the debtor is a credit institution or other company of which the latter may stand for a maximum of 50 %. - 25 % (mortgage guarantee in real estate). - 10 % (other security). OP: 10 % if unquoted 	<ul style="list-style-type: none"> - FSR: 0 % - IR: 75 % - OP: No limit.
Switzerland	<ul style="list-style-type: none"> - 50% (overall limit in equities, including domestic and foreign). - 30% sub-limit on domestic equities. 	<ul style="list-style-type: none"> - 50% overall limit. - There is also a combined limit of 70% on real estate and equities. 	<ul style="list-style-type: none"> - No limit. 	<ul style="list-style-type: none"> - Information is not available. 	<ul style="list-style-type: none"> - Information is not available. 	<ul style="list-style-type: none"> - 75% mortgage (maximum of 80% of market-value of the real estate). 	<ul style="list-style-type: none"> - No limit.
Turkey¹³	<ul style="list-style-type: none"> - 76% 	<ul style="list-style-type: none"> - 0% 	<ul style="list-style-type: none"> - No limit. 	<ul style="list-style-type: none"> - 10% 	<ul style="list-style-type: none"> - Information is not available. 	<ul style="list-style-type: none"> - 10% (if loans to plan members or others). 	<ul style="list-style-type: none"> - 10%
United Kingdom	<ul style="list-style-type: none"> - No limit. 	<ul style="list-style-type: none"> - No limit. 	<ul style="list-style-type: none"> - No limit. 	<ul style="list-style-type: none"> - No limit. 	<ul style="list-style-type: none"> - No limit. 	<ul style="list-style-type: none"> - No employer-related loans. 	<ul style="list-style-type: none"> - No limit.

¹² The Swedish information concerns friendly societies. There are also pension foundations, but these are not subject to uniform investment rules and are therefore not covered here. FSR stands for the investment rules specific to friendly societies. IR stands for the investment rules specific to insurance companies, as most friendly societies have been granted an exception to apply these rules. The rules only concern assets held to cover technical provisions and have been simplified, given their complex nature. OP stands for rules applicable to providers of occupational retirement pensions in accordance with the Directive 2003/41/EC.

¹³ In Turkey, pension investments are executed through pension mutual funds.

Country	Equity	Real Estate	Bonds	Retail Investment Funds	Private Investment funds	Loans	Bank deposits
United States	- Some limits on employer securities.	- Some limits on real estate leased to employers.	- Some limits on employer bonds.	- No limit.	- No limit.	- No employer-related loans	- No limit.
NON OECD COUNTRIES							
Brazil	- 50% in companies with good corporate governance rating; 45% in companies with regular governance rating and 35% for non-classified companies; - 20% for private equity investment.	- 11% ¹⁴	- No limit for federal government bonds, treasuries; - 80% others bonds.	- No limit.	- No limit.	-15% for loans; - 10% for real state financing.	- 80% ¹⁵
Colombia	- 30% in equities with high and medium market liquidity and stocks from privatization processes. - 5% in equities with Low or minimum liquidity.	- Not allowed.	- 40%	- 5%	- 5%	- Not allowed.	- 2% excluding the contributions and investment's due capital and interests received during the last 10 working days.
Chile¹⁶	- Joint limit for variable income securities ¹⁷ : • 80% fund A • 60% fund B • 40% fund C • 20% fund D	- Real estate public company shares ¹⁸ : • 60% fund A • 50% fund B	- Government bonds: • 40% fund A • 40% fund B • 50% fund C • 60% fund D • 80% fund E	- Joint limit for closed-ended and open-ended mutual funds shares and committed payments: • 40% fund A • 30% fund B • 20% fund C • 10% fund D	- Not allowed.	- Joint limit for time deposit, bonds and other financial instruments: • 40% fund A	

¹⁴ From 1st of January 2009, the limit will be of 8%.

¹⁵ Investment limit depends of the credit risk of the bank.

¹⁶ A new Law implemented in August 2002 requires to each Pension Fund Administrator (AFP) to offer mandatory four different types of funds, called simply Funds B, C, D and E, which vary according to the degree of risk. AFPs may also offer voluntarily a Fund A. The funds are differentiated by the proportion of their portfolio invested in variable income securities (such as equities) and fixed income (such as bank deposit, mortgages, or government bond that offer a low level of risk or variability).

¹⁷ It includes public limited company shares, real estate public company shares, mutual fund shares and investment fund shares.

¹⁸ It is a joint limit with public limited company shares.

Country	Equity	Real Estate	Bonds	Retail Investment Funds	Private Investment funds	Loans	Bank deposits
Chile Cont.	<ul style="list-style-type: none"> • 0% fund E - Public limited companies (sub-limit): • 60% fund A • 50% fund B • 30% fund C • 15% fund D • 0% fund E 	<ul style="list-style-type: none"> • 30% fund C • 15% fund D • 0% fund E 	<ul style="list-style-type: none"> - Bond of Public and private companies: • 30% fund A • 30% fund B • 40% fund C • 50% fund D • 60% fund E - Bonds convertible to shares (sub-limit) • no sub-limit for fund A and B • 10% fund C • 5% fund D • 0% fund E 	<ul style="list-style-type: none"> • 0% fund E - Sub-limit mutual fund shares: • 5% fund A • 5% fund B • 5% fund C • 5% fund D • 0% fund E 		<ul style="list-style-type: none"> • 40% fund B • 50% fund C • 60% fund D • 70% fund E 	
Estonia	<ul style="list-style-type: none"> - Mandatory system: • 50% progressive funds. • 25% balanced funds. • 0% conservative funds. - Voluntary system: • No limit. 	<ul style="list-style-type: none"> - Mandatory system: 40% - Voluntary system: 70% 	<ul style="list-style-type: none"> - Listed: No limit - Unlisted: 10% 	- No limit.	- No limit.	- 10%	<ul style="list-style-type: none"> - Mandatory system: 35% - Voluntary system: No limit.
India							
Israel¹⁹	No limit.	No limit.	No limit.	No limit.	No limit.	No limit.	- No limit.
Russia							
South Africa	<ul style="list-style-type: none"> - 75% (overall limit). - 5% in unlisted shares, unlisted convertible debentures, shares and 	- 25%	<ul style="list-style-type: none"> - No limit on bills, bonds and securities issued and guaranteed by the government. 	- Not allowed.	- Not allowed	<ul style="list-style-type: none"> - 5% to participating employer. It can increase to 10% with the approval of the Registrar and members of the fund. - Housing loans 	<ul style="list-style-type: none"> - No limit on total of deposits in banks, mutual banks and South African Futures

¹⁹ Old pension funds are private sector defined-benefit pension plans established until 1999. New pension funds are private sector defined-contribution pension plans established after 1995. The new pension funds and the old pension funds must invest 30% in designated bonds, and the remaining has no limit. New pension funds and Old pension funds must invest 30% in designated bonds, and the remaining has no limit.

Country	Equity	Real Estate	Bonds	Retail Investment Funds	Private Investment funds	Loans	Bank deposits
South Africa Cont.	convertible debentures listed in the Development Capital Sector of the Johannesburg Stocks Exchange (JSE).					to members limited to 95% of the fair value of the fund.	Exchange (SAFEX) - 20% limit per bank or mutual society

Table 2: Portfolio limits on pension fund investment in selected foreign asset categories

Country	Global investment limit in foreign assets	Specific investment limits in selected foreign asset categories						
		Equity	Real Estate	Bonds	Retail Investment Funds	Private Investment funds	Loans	Bank deposits
OECD COUNTRIES								
Australia	- No limit.							
Austria	- 30%							
Belgium	- No limit.	- No limit if listed. - if non-listed) 10% (20% if invested in companies in the European Economic Area supervised by a public authority with a role similar to that of the CBFA.		- Max. 10% for bonds issued by non-OECD countries or companies in these countries or by international organisations in which no member country of the European Economic Area participates.	-10% for mutual investment funds not having a European passport.	- 10% for mutual investment funds not having a European passport.	- No limit for secured loans, limit of 5% for unsecured loans.	
Canada	- No limit.							
Czech Republic	- Foreign investment is permitted only in case of the securities traded in OECD markets.							
Denmark	- No limit for OECD countries.							
Finland	- 10% in assets only in OECD countries other than EEA countries.							
Germany Pensionskassen	- 30%.	- 10% in non- EEA equity.		- 10% in non-EEA bonds.				
Germany Pensionsfonds	- No limit.							
Greece	- Investment is permitted only in EU and EEA							

Country	Global investment limit in foreign assets	Specific investment limits in selected foreign asset categories						
		Equity	Real Estate	Bonds	Retail Investment Funds	Private Investment funds	Loans	Bank deposits
Greece cont.	countries.							
Hungary	- Within investments made abroad, the ratio of investments in non-OECD countries shall not exceed 20%.		- Only in European Economic Area and Hungary.	- Max. 10% foreign corporate - Max. 10% foreign municipalities.				
Iceland	- Investment only permitted in OECD securities.							
Ireland	- No limit.							
Italy²⁰	- Securities (debts and equities) issued by non-OECD residents: 5% if traded on regulated markets; 0% if not traded on regulated markets.							
Japan	- No limit.							
Korea Personal Pension	- 20% (it applied only to personal pension insurance). The other types of personal pension including trusts and investment funds have no restriction on these limits.)							
Korea Corporate Pension (Retirement)	- DB: No limit - DC: Total 30%.	- DB: 30% (listed) ²¹ . - DC: Not permitted.	- DB: Not permitted. - DC: Not permitted.	- DB: No limit. - DC: Permitted.	- DB: 30%. - DC: Permitted only for	- DB: Not permitted. - DC: Not permitted.	- DB: Not permitted. - DC: Not permitted.	- DB: Not permitted. - DC: 30%

²⁰ The limits described refer to the funds instituted after the setting up in 1993 of the current regulatory framework. Different, less stringent limits apply to the funds institute before this date.

²¹ Only for listed equities traded in designated markets, including NASDAQ ; New York, America, Tokyo, London, Euronext Paris, Deutsch, Hong Kong and Singapore stock exchanges.

Country	Global investment limit in foreign assets	Specific investment limits in selected foreign asset categories						
		Equity	Real Estate	Bonds	Retail Investment Funds	Private Investment funds	Loans	Bank deposits
Pension)					bond funds.			
Luxembourg	- No limit.							
Mexico	- 20%	- 15% ²²		- Individual issuer limits apply			- For Repos and securities lending, Individual counterparty limits, net of collateral.	
Netherlands	- No limit.							
New Zealand	- No limit.							
Norway	- No limit.							
Poland	-OPF: 5% -EPF:5%							
Portugal	- No limit for OECD countries.	- 15% joint limit in non-listed and non-OECD equities and bonds.		- 15% joint limit in non-listed and non-OECD equities and bonds.				
Slovak Republic	- 70% ²³							
Spain	- No limit.							
Sweden	- No limit.							
Switzerland	- 30% (overall limit on foreign investments).	- 25% in equities.	- 5%	- 20% in foreign currency bonds (30% for foreign CHF bonds).				
Turkey	- No limit.							
United Kingdom	- No limit.							
United States	- No limit.	- Some limits on employer securities.	- Some limits on real estate leased to employers. Indicia of ownership must be subject to U.S. jurisdiction.	- Some limits on employer bonds.				

²² The investment regime in foreign stocks follows the same constraints than the investment in domestic stocks, through Principal Protected Notes, whose capital is protected upon maturity and tied to index shares.

²³ At least 30% of the pension assets management funds must be invested in Slovak securities. There are no specific limits that could be applied to different asset categories.

Country	Global investment limit in foreign assets	Specific investment limits in selected foreign asset categories						
		Equity	Real Estate	Bonds	Retail Investment Funds	Private Investment funds	Loans	Bank deposits
NON OECD COUNTRIES								
Brazil	- Foreign investment is limited to 2% -3% through retail investment funds and restricted to Brazilian Depositary Receipts (BDRs) and stocks listed in the MERCOSUR capital markets.	- Not allowed.	- Not allowed.	- Not allowed.	- Within the investment funds, maximum 20% in stocks and private bonds, and a minimum 80% in Brazilian foreign debt.	- Not allowed.	- Not allowed.	- Not allowed.
Colombia	- 20% ²⁴	- Not allowed.	- Not allowed.	- 20% (joint limit).	- 20% (joint limit).	- Not allowed.	- Not allowed.	- 20% (joint limit).
Chile	- Joint limit for all funds: 30%			- Bonds convertible to shares: • 30% fund A • 30% fund B • 10% fund C • 5% fund D • 0% fund E				- Time deposits: 2% (all funds).
Estonia	- No Limit	- No Limit	- No Limit	- Mandatory system: 20% in not listed in EEA and OECD countries. - Voluntary system: No limit.	- Mandatory system: 30% in non EEA and OECD countries. - Voluntary system: No limit.			- 30% in Baa3 and smaller ratings.
India								
Israel	- New pension funds: 70% in any country which is A-rated at least.							

²⁴ Joint limit for fixed interest securities issued, backed or guaranteed by foreign governments, foreign central banks, international organization or foreign banks and participations in mutual funds of international investment that invest exclusively in fixed interest securities.

Country	Global investment limit in foreign assets	Specific investment limits in selected foreign asset categories						
		Equity	Real Estate	Bonds	Retail Investment Funds	Private Investment funds	Loans	Bank deposits
Israel cont.	- Old pension funds: 70% in any country which is A-rated at least. 86% from that number should invest in government bonds or in any company which is rated A-, at least.							
Russia								
South Africa	- Limited to 15% of the total fair value of the assets of a fund.	- Limited to 15% of the total fair value of the assets of a fund.	- Limited to 10% of the total fair value of the assets of a fund. - 5% limit on any single property or property development project.	- Limited to 15% on bills, bonds and securities issued or guaranteed by a foreign government	- Not allowed.	- Not allowed.	- Limited to 15% of the total fair value of the assets of a fund.	- Limited to 15% of the total fair value of the assets of a fund.

Table 3: Other quantitative regulations of pension fund assets in OECD countries

Investment regulation

	Investment limit in single issuer/issue	Self-investment / Conflicts of interest	Other quantitative rules	Ownership concentration limits
OECD COUNTRIES				
Australia	- None, but trustees must consider diversification in making asset allocation.	- Limited to 5%.	- None.	- None.
Austria²⁵	- 5% - 10% for investments in assets for issuer which belong to one group	- Limited to 5%.	- Derivatives 10% - Other assets 10%	- None.
Belgium	- Max. 10% for investment in a single property (real estate). - Max. 5% in unsecured loans and 1% in such loans per issuer. - Max. 5% per issuer applies, 10% for companies in the European Economic Area supervised by the CBFA or a public authority with a role similar to that of the CBFA. - Max. 5 % in a single real estate certificate - Max. 10 % in a single real estate or different immovable properties sufficiently close to each other to be considered as a single investment.	- Limited to 15% of the free assets.	- The minimum diversification requirements only apply for the covering assets. For the free assets the sole limitation is the limit on self-investment. - Derivatives used as a covering asset are only allowed to lower the investment risk or for an efficient portfolio management, on top of that, they are limited to 5 % if they are not used for coverage of specific risks.	- None.
Canada	- Max. 10% of total book value of assets may be invested in securities stocks, bonds and notes of one company or person. - Max. 5% for investment in a single property (real estate) or any one resource property.	- Permitted, but limited to 10% of the fund's assets. Other conflict rules also apply, e.g. related party rules. - Securities must be acquired on a public exchange.	- None.	- Funds may own maximum 30% of voting shares of one company ²⁶ .
Czech Republic	- Max 10% in securities issued by a single issuer. - Max. 10% or 20,000,000 Czech crowns in bank deposit in one bank. - Max. 10% for investment in a single property (real estate) or one movable asset.	- Investment in shares of other pension funds is prohibited.	- 70% of total book value of assets must be invested in assets denominated in currency in which liabilities to participants are stated.	- Pension funds assets can not include more than 20% of the nominal value of securities issued by the same company.

²⁵ Pension funds refer to Pensionskassen, which are under the supervision of the Financial Market Authority.

²⁶ The 30% limit does not apply to a fund's investments in corporations established to acquire and hold real property, resource properties, or other permitted investments.

	Investment limit in single issuer/issue	Self-investment / Conflicts of interest	Other quantitative rules	Ownership concentration limits
Denmark	<ul style="list-style-type: none"> - Max 3% in securities issued by a single issuer (general rule).2% for small non-listed companies. - Max. 40% in mortgage bonds issued by a single issuer - Max. 10% in receivable amounts issued by a single bank. - Max. 10% in units in a branch of an investments fund or in a investment fund - Max. 10% in Contracts of reinsurance issued by a single issuer. - Max. 10% in loans issued by a single issuer. - Max. 5% for investment in a single property. 		<ul style="list-style-type: none"> - Minimum 80% currency matching requirement. Euro can match up to 50% of other EU currencies (e.g. DKK) than Euro. 	<ul style="list-style-type: none"> - Ownership is limited to carry out activities ancillary to the activities licensed. - It is allowed, through subsidiaries, to carry out other financial activities. - It is allowed temporarily to carry out other activities to secure or phase out exposures already entered into, or with regard to restructuring enterprises. - It is allowed to carry out the following activities: <ul style="list-style-type: none"> 1. Agency activities for insurance companies and other companies under the supervision of the Danish FSA. 2. Establishment, ownership and operation of real property as a long-term placing of funds.
Finland²⁷	<ul style="list-style-type: none"> - Assets should be diversified and decentralised within the diversified groups. - Max 25% in one single investment. - Max. 5% in shares of the same company. - Max. 15% in one single investment target, if it pertains to (i) a single piece of real estate, a building or a real estate corporation, (ii) debt obligations that are secured by mortgage on one investment target or that are secured by shares and holdings in a single real estate corporation. 	<ul style="list-style-type: none"> - Max. 25% may be invested in the sponsoring employer. - Max. 15% in one single functional investment target 	<ul style="list-style-type: none"> - Currency matching for at least 80%. - Max. 20% of the assets and obligations may be denominated in currencies other than the euro. - 95 % of assets must be located in EEA countries, but may be to some extent invested in countries comparable to EEA countries (OECD countries). 	<ul style="list-style-type: none"> - Of the assets and obligations of the gross sum of the pension, liability may be invested at most: <ul style="list-style-type: none"> 5% of quoted or of unquoted shares of a single corporation

²⁷ The Insurance Supervision Authority is legally entitled to impose even lower limits to ensure that in covering their pension liabilities, pension foundations and pension funds take account of the yield and marketability of the assets and ensure that the assets are diversified and adequately spread

	Investment limit in single issuer/issue	Self-investment / Conflicts of interest	Other quantitative rules	Ownership concentration limits
Germany Pensionskassen	- Max. 5% in securities issued by a single issuer, except 30% for state loans and bonds, bank deposits and mortgage bonds.	- Max. 5% may be invested in the sponsoring employer in the case of single-employer plan; in the case that a plan is sponsored by more than two employers, investments in these companies shall be limited to no more than 15%.	- 70% currency matching requirement.	- Permitted, but limited to 10% of the nominal capital of one and the same company.
Germany Pensionfonds	- Max. 5% in securities issued by a single issuer, except 30% for state loans and bonds, bank deposits and mortgage bonds.	- Max. 5% may be invested in the sponsoring employer; in the case that it is sponsored by more than two employers, investments in these companies shall be limited to 15%.	- 70% currency matching requirement.	- Permitted, but limited to 10% of the nominal capital of one and the same company.
Greece	- Investment is in accordance with the rules of prudent management, diversification and quality of investment choices.	- Up to 5% in financial instruments issued by the sponsoring undertaking. - Up to 10% in financial instruments issued by undertakings belonging to the same group as the sponsoring undertaking.	- Up to 5% of the 70% of technical provisions in shares which are not admitted to trading on the stock exchange. - Up to 30% of technical provisions may be invested in assets denominated in currencies other than those in which the liabilities are denominated.	- Investment is in accordance with the rules of prudent management, diversification and quality of investment choices
Hungary	- Max. 10% in securities issued by a single issuer (except for state bonds). - Max 20% may be in the overall value of securities and deposits issued by an organisation belonging to the same banking group. - Max. 30% from the same fund management company's different investment funds. - Max. 2% from the same risk fund management company's different risk funds.	-MPF: Funds may not have ownership in business in which the founders of the fund, the employers of the fund members, the donors or service providers of the fund own more than 10% of the shares (exception ownership in service providers).	- Repo deals: 20 % for securities issued by government only - Swap deals: 10 % - Cash in hand: max. HUF 500,000 - Security loaning deals: 30 % - Risk funds: 5 % - Derivative funds: 5 % - Securities lending: 30 %	- MPF: Funds shall not directly own more than 10% of the registered capital or equity of a business organisation for more than a year - Funds may own maximum 10% of the securities issued by the same issuer (exception government papers, mortgage bonds and retail investment funds).
Iceland Iceland cont.	- Max. 10% in securities issued by the same party or related parties. - Max. 25% jointly in securities and bank deposit issued by the same party or related parties. - Max. 25% can be deposited in one bank. - There are no limits on	- Loans to directors, members of the board or other staff of the pension fund are not permitted except if they are members of the fund and in such cases the loans must be in accordance with the rules that apply to loans to fund members in	- Max. 50% in securities other than bonds guaranteed by the State, collateral loans and securities mentioned above. - Borrowing not allowed. - Foreign currency exposures of more than 50% must be hedged.	- Funds may not own more than 15% of the shares of a single firm or shares of other collective investment undertaking, except for companies that exclusively handle services for the

	Investment limit in single issuer/issue	Self-investment / Conflicts of interest	Other quantitative rules	Ownership concentration limits
	investment in securities guaranteed by the State. - Max. 5% in uncollateral corporate bonds issued by parties other than financial institutions.	general.		pension fund, or more than 25% of shares in a particular investment (open end).
Ireland	- Regulations set out specific rules that must be applied to pension fund investment. - These rules require that assets must be invested in a diversified manner so as to avoid excessive reliance on any particular asset, issuer or group of undertakings. - Investments issued by the same issuer or group of issuers must not expose the scheme to excessive risk concentration. - Also any issue of securities can only represent up to a maximum of 10% of pension fund assets for purposes of proving solvency.	- Again the assets must be invested in a manner designed to ensure the security, quality, liquidity and profitability of the portfolio as a whole. - Any self-investment will be excluded for purposes of proving solvency. Disclosure of any self-investment must be made.	- Schemes (apart from single member schemes) may not borrow except for short term liquidity purposes. - Assets must be invested predominantly in regulated markets (in this case “predominantly” means at least 50% of the assets). - Investments which are not in regulated markets should be kept to a prudent level. - Investment in derivative instruments is limited to using them to contribute to risk reduction or to facilitate efficient portfolio management	- Assets must be invested in a diversified manner so as to avoid excessive reliance on any particular asset, issuer or group of undertakings. - Any issue of securities can only represent up to a maximum of 10% of pension fund assets for the purposes of proving solvency. - Any self-investment will be excluded for purposes of proving solvency.
Italy²⁸	- Max. 15% of the pensions fund's asset in securities issued by a single issuer or connected group of companies.	- Max. 20% may be invested in the sponsoring employer (this limit is 30% in the case of industry-wide pension funds).	- Short selling not allowed. - Borrowing not allowed, - Derivatives: financial leverage ≤ 1 . - Pension fund must invest a minimum of 1/3 of its assets in the currency in which the benefits will be denominated (currency matching requirement). - Not listed securities: max 10% shares issued by OECD residents; max 20% securities issued by OECD residents different from States and International Organisations.	- Pension fund's investment must not constitute more than 5% of the nominal value of all voting shares of a listed company and not more than 10% of a non-listed company.

²⁸The limits described refer to the funds instituted after the setting up in 1993 of the current regulatory framework. Different, less stringent limits apply to the funds institute before this date.

	Investment limit in single issuer/issue	Self-investment / Conflicts of interest	Other quantitative rules	Ownership concentration limits
Japan	- EPF ²⁹ , DB: None, but the pension legislation stipulates that each pension fund should endeavour to avoid concentration of investment on a specific asset category. - TQP ³⁰ : not regulated	- EPF, DB: Investment on securities with the purpose of pursuing interests of someone other than the pension fund is prohibited.	- EPF: None.	- EPF: None.
Korea Personal pension	- Max 5% in loans to one business(5% for one person) - Max 10% in bonds and shares issued by a single issuer or 5% by affiliated companies.	- Loans are limited to 2% of the fund. - Bonds and share issued by the plan sponsor is limited to 3% of the fund ³¹ .	- None - The deposit commission of derivatives is limited to 3% of the fund.	-None
Korea Corporate Pension (Retirement Pension)	- DB: Max 10% in shares issued by a single issuer. In bonds, CP and RP, Max 5% issued by a single issuer and Max 15% done by affiliated companies. - DC: Max 30% in the all securities issued by a single issuer.	- DB: Max 5% in bonds, CP and RP issued by the connected companies of the sponsor. - DC: Max 10% in bonds, CP and RP issued by the connected companies of the sponsor.	- DB: None. - DC: None.	- DB: Max 10% of the capitalization of a company. - DC: None.
Luxembourg	- The investment in assets of the same issuer or of the issuers belonging to the same goupe shall not expose the pension fund to excessive risk. Proper diversification of the assets is required but no quantitative limit exists.	- Max. 5% of assets may be invested in the sponsoring employer. - Max. 10% of assets may be invested in the companies belonging to the same group as the sponsoring employer.	- None.	- None.
Mexico	- Max 5% in debt issued by a single issuer (except for Mexican Federal Government and the Central Bank) rated AAA in local scale or A or better in global scale. - Max. 3% in debt issued by any single issuer (except for Mexican Fed Government and the Central Bank) rated AA. - Max 1% in debt issued by any single issuer (except for Mexican Federal Government and the Central Bank) rated A. - Max. 15% in debt issued by companies belonging to the same group.	- Investment in instruments issued by financial institutions with which the Afore has any kind of financial relationship is prohibited.	- At least 51% of the assets must be invested in inflation-linked or inflation protected securities (only for conservative Fund 1). - The portfolio risk is subject to a VaR limit of 0.06% for Basic Fund 1 and 1% for the Basic Fund 2. - The lowest rating permitted for fixed-income bonds of Mexican corporations denominated in foreign currency is BBB. - The lowest rating permitted for fixed-income bonds of foreign corporations denominated in foreign	- Up to 20% of the amount outstanding of any single issue (except for Mexican Fed Gov and Mexican Central Bank).

²⁹EPF-employee pension fund

³⁰TQP-tax qualified plan

³¹In Retirement Pension, it is not permitted to invest in any security issued by the plan sponsor, the parent companies or subsidiary companies of the sponsor

	Investment limit in single issuer/issue	Self-investment / Conflicts of interest	Other quantitative rules	Ownership concentration limits
Mexico cont.			<p>currency is A-.</p> <ul style="list-style-type: none"> - Issues must be rated by two authorized rating companies. - Derivative trades may take place in organized markets or over-the-counter. - Credit derivatives are forbidden. - OTC derivative counterparties must also be rated. 	
Netherlands	- Diversification is required, but no quantitative rules.	- Max. 5% may be invested in shares of the sponsoring employer, in case of exceeding assets; it can be 10% maximum.	- None.	- None.
New Zealand	- None.	- No limit but Trustees are required to notify members and beneficiaries annually if more than 10% of the market value of the assets at any time during the year were invested directly or indirectly in any employer who is a party to the scheme or in any company or entity associated with any such employer, and if so details of all such investments held during the year.	- None.	- None.
Norway	<ul style="list-style-type: none"> - Diversification is required. - Max. 0.5% of the portfolio can be invested in a single unsecured loan. - Max. 10% in a single securities fund or a single investment firm may in the aggregate not exceed 10% of the assets covering the technical provisions. 	<ul style="list-style-type: none"> - Loans to the employer are permitted only if the loans are secured by pledge, and must not exceed 20% of the total assets. - The pension fund is not permitted to own shares or equity in the company for which the fund is founded. 	- A minimum of 80% of assets must be denominated in the same currency as the pension fund's technical provisions (in the wide sense). This does not apply, however, if the pension fund in order to satisfy this requirement would have to hold net financial receivables in that currency to a value of 7% or less of its overall assets in other currencies.	- None
Poland	<p>OPF³² and EPF limits:</p> <ul style="list-style-type: none"> - Max. 10% in public mortgages issued by one entity. - Max. 5% deposited with a single bank or with two or more affiliated banks. One bank or a group of affiliated banks may be 	<p>OPF limits:</p> <ul style="list-style-type: none"> - Assets may not be invested in securities issued by a pension fund company or its shareholders, controlled, controlling or associated 	EPF – at least 70% of assets denominated in Polish zloty.	OPF: if shares of one issuer exceed 1% of assets, maximum 10% of a single issue may be bought. If they fall below 1%, the maximum is

³² Open pension funds (mandatory)

	Investment limit in single issuer/issue	Self-investment / Conflicts of interest	Other quantitative rules	Ownership concentration limits
Poland cont.	<p>chosen in which up to 7.5% of assets may be deposited.</p> <p>Max. 2% (5%) in investment certificates of a single closed-end (open-end) investment fund or a single hybrid investment fund.</p> <p>Max. 15% in investment funds managed by one investment society.</p> <p>- Max. 5% in all securities issued by a single issuer or of two or more affiliated issuers.</p>	<p>entities.</p> <p>EPF limits:</p> <p>-5% in shares issued by EPF management society shareholders</p> <p>10% in shares and bonds issued by EPF management society shareholders.</p>		<p>increased to 20%.</p> <p>No more than 5% of OPF assets may be invested in all shares exceeding 10% of respective issues.</p> <p>As to close-end investment certificates – no more than 35% of a single issue.</p> <p>In cases of numerous issues of one issuer without noticeable differences between them, they are treated as one “big” issue.</p>
Portugal	<p>- Max. 10% fund value in instruments issued by one undertaking and loans granted to a single borrower.</p> <p>- Max. 20% in instruments issued by and loans made to companies that hold between them, or with the pension fund manager, a controlling ownership or group relationship, including bank deposits in credit institutions in an identical relationship.</p>	<p>- Max. 5% in quoted instruments issued by sponsors of the pension fund or by companies that hold a controlling ownership or group relationship with these sponsors.</p> <p>- Max. 25% in land or buildings used by the sponsors of the fund or by companies that hold a controlling ownership or group relationship with these sponsors</p> <p>- The fund is not allowed to own securities issued by the pension fund manager or unquoted securities issued by companies that are members of its governing bodies or that have a controlling ownership or group relation with the pension fund manager, or directly or indirectly hold more than 10% of its share capital or voting rights.</p> <p>- The fund is not allowed to own unquoted securities issued by the sponsors or by companies that hold a controlling ownership or group relationship with these sponsors. Other</p>	<p>- Max. 30% in assets denominated in currencies other than the currency in which the pension fund's liabilities are denominated.</p>	<p>- Funds may not own more than 10% of the shares or voting rights of an individual firm.</p> <p>- The totality of shares held by the set of pension funds managed by the same pension fund manager may not confer to this body more than 20% of the share capital or voting rights of a single company nor permit it to exercise significant influence over the management of this company.</p>

	Investment limit in single issuer/issue	Self-investment / Conflicts of interest	Other quantitative rules	Ownership concentration limits
Portugal cont.		conflict rules also apply e.g. related party rules.		
Slovak Republic	<ul style="list-style-type: none"> - Max. 80% in Slovak government securities. - Max. 20% in Government securities of other single EU/OECD member country. - Max. 10 % of mortgages bonds issued by a single bank. - Max. 3% in securities issued by a single issuer. 	<p>- The assets of the pension funds may not comprise:</p> <ul style="list-style-type: none"> a) Shares of joint-stock companies that have the share on basic capital of the pension management company larger than 5 %, b) Shares of the depository of the pension management company, c) Shares of the pension management company managing this pension fund, d) Investment certificates of open unit funds managed by a management company with which the pension management company, managing this pension fund, forms a group with close relations. 	<ul style="list-style-type: none"> - In the mandatory pension system, 100 % of pension assets of conservative pension funds must be invested in bond and monetary instruments. In case of balanced pension funds, at least 50 % of pension assets must be invested in bond and monetary instruments. - In the conservative pension funds, the pension assets must be fully hedged against currency risk. In the balanced pension funds, this ceiling is set 50 % (max), in the growth pension funds 20 % (max). - Derivatives investments are allowed only for purpose of hedging against currency risks. Value of these investments may not be larger than 5 % of the value of assets in pension funds 	<ul style="list-style-type: none"> - The pension management company must ensure that its assets and assets in pension funds (managed by this company), comprised no more than 5 % of the nominal values of shares issued by one issuer or shares with voting rights, allowing the pension management company to exert a significant influence on management of the issuer.
Spain	<ul style="list-style-type: none"> - Max. 5% in securities issued or guaranteed by the same entity, plus the liabilities guaranteed by it. - Max. 10% in securities issued or guaranteed by the same group of companies, plus the liabilities guaranteed by it. <p>This general rule has some exceptions³³:</p> <ul style="list-style-type: none"> - Max. 2% in securities not admitted to trading on a regulated market issued by the same undertaking and no more than 4% in securities not admitted to trading on a regulated market issued by undertakings belonging to a single group. - Max 5% in a single property. - Max 20% in the same UCIT. 	<ul style="list-style-type: none"> -5% of its assets in securities issued by issuers belonging to the same group as the sponsoring undertaking. 	<ul style="list-style-type: none"> - At least 70 % of pension funds assets must be invested in securities traded on organized markets (according to EU legislation in force), bank deposits, properties, mortgage loans and UCITs. 	<ul style="list-style-type: none"> -5% of the face value in total outstanding securities issued or guaranteed by a single entity. However, Pension Fund shall invest a maximum of 20% of the face value in total outstanding securities issued by a risk-capital institution.

³³ Previous Limits shall not be applied to securities issued or guaranteed by the State or its organizations, by the regional authorities, by the local authorities, by equivalent Public Administration of OCDE countries and by international institutions and organizations of which Spain it is a member.

	Investment limit in single issuer/issue	Self-investment / Conflicts of interest	Other quantitative rules	Ownership concentration limits
Sweden	<p>FSR limits: none.</p> <p>IR and OP limits:</p> <ul style="list-style-type: none"> - No limit for bonds issued by and loans granted to a state or an equally financially stable subject - Max. 5 % (10 % if the total of these investments does not exceed 40 % of the technical provisions and shares from the same issuer do not exceed 5 % of these provisions) in shares, bonds issued by a single company and loans granted to the same subject. - Max. 5 % in a single piece of real estate (or group of). - Max. 10 % in a single investment fund. 	<p>FSR limits: none.</p> <p>IR limits: none.</p> <p>OP limits: investment in the sponsoring undertaking shall be no more than 5 % and when the sponsoring undertaking belongs to a group, investment in the undertakings belonging to the same group as the sponsoring undertaking shall not be more than 10 % of the portfolio.</p>	<p>FSR limits: No investments in derivatives allowed.</p> <p>IR limits: see first table. No derivatives in assets held to cover technical provisions. Max. 20% in assets denominated in currencies other than the currency in which the liabilities are denominated.</p> <p>OP limits: Risks related to currency matching have to be limited.</p>	<p>FSR limits: none.</p> <p>IR limits: none.</p> <p>OP limits: none.</p>
Switzerland	<ul style="list-style-type: none"> - Max. 15% (5% for foreign assets) in debt instruments (except government bonds, banks and insurance companies) issued by a single issuer. - Max 10 % (5% for foreign assets) in equities of a single company. 	<ul style="list-style-type: none"> - Max. 5% may be invested in the sponsoring employer. 	<ul style="list-style-type: none"> - Investment in derivatives for hedging purposes only. - With a founded explanation the quantitative limits may be exceeded. - Limit of foreign currency of 30% 	<p>None.</p>
Turkey	<ul style="list-style-type: none"> - Max. 10% in money and capital market instruments from one single issuer. - Max. 20% % in money and capital market instruments from one group. - Max. 2% in a single investment fund. - Max. 2% in a specific bank's deposits. 	<ul style="list-style-type: none"> - Purchase of money and capital market instruments of the pension company and the portfolio manager is not allowed. - The total of the money and capital market instruments issued by companies where the pension company's and portfolio manager's: <ul style="list-style-type: none"> (1) Shareholders having more than 10% of its capital; (2) Chairman and members of board of directors; (3) General manager and vice general managers have separately or collectively more than 20% of its capital, and total money and capital market instruments issued by the company's and portfolio manager's direct and indirect 	<ul style="list-style-type: none"> - Only money and capital market instruments which are traded in the stock exchange may be included in the fund portfolio. - Total amount of money and capital market instruments of the companies the fund invests more than 5%, may not exceed 40% of fund assets. These limitations are not applied for state bonds. - Max. 5% of the fund assets may be invested in money and capital market instruments issued by venture capital companies. - Max. 20% of fund assets can be invested in the Stock Exchange Money Market. - At least 24% of the contributions must be invested in government bonds. - Max. 15% percent of the contributions can be invested in foreign money and capital market instruments. 	<ul style="list-style-type: none"> - The fund may not own 5% or more of capital or all voting rights in any partnership alone, and the funds established by a pension company may not own more than 20% of capital or all voting rights collectively, in any partnership.

	Investment limit in single issuer/issue	Self-investment / Conflicts of interest	Other quantitative rules	Ownership concentration limits
Turkey cont.		<p>partnerships may not exceed 20% of fund assets.</p> <p>- Pension funds are not allowed to intervene or be represented in the management of partnerships whose shares they purchased.</p>	- Investment in derivatives for hedging purposes only.	
United Kingdom	- General requirement for diversification and suitability.	- Yes, employer-related investment is limited to 5%.	- No other quantitative portfolio restrictions	- None.
United States	- General requirement for diversification. An exception applies for holding employer securities or real property under certain DC plans.	<p>- No self dealing, representing two sides of a single transaction, kickbacks to fiduciaries, or transactions with parties in interest, unless an exemption applies.</p> <p>- Special restrictions apply to certain types of investments, including ownership of pass through entities (partnerships and S corporations) and collectibles (art, coins, etc.).</p> <p>- No employer securities or real property in excess of 10% of plan assets, but an exception applies for holding employer securities or real property under certain DC plans.</p>	<p>- Indicia of ownership of plan assets must be under the jurisdiction of US courts.</p> <p>- Investment vehicles with <25% benefit plan investors not subject to ERISA. Fiduciaries remain liable, however, for decision to invest in such vehicles.</p>	- None.
NON OECD COUNTRIES				
Brazil	<p>- None for the federal government's bonds; and</p> <p>- 30% for single issuer or connected group of companies.</p>	- Max. 10% may be invested in the sponsoring employer or connected group of companies.	<p>- 80% in fixed income securities with low credit risk and up to 20% in fixed income securities with medium/high credit risk.</p> <p>- Derivatives: when for protection, until the limit of the financial positions, and when for speculation, the pension funds should have disentailed federal government's bonds of any operations³⁴.</p>	- Pension Funds in Brazil can hold a maximum 20% of the capital of a single company.

³⁴ Changes in the investment rules for Brazil's by National Monetary Council (CMN) / Regulation of The National Monetary Council) are in process.

	Investment limit in single issuer/issue	Self-investment / Conflicts of interest	Other quantitative rules	Ownership concentration limits
Colombia	<ul style="list-style-type: none"> - Max. 10% of the fund's value in securities issued by a single issuer, including their controlled companies, its holding or parent company and the controlled companies of the last one³⁵. - Max. 30% on any single issue, including securities from a securitization process³⁶. 	<ul style="list-style-type: none"> - Max. 10% in investments on companies related to the administrator of the pension fund. - Investment limits by issuer are reduced to 5% when the investment is on securities whose issuer or guarantor is a company related to the administrator of the pension fund. 	<ul style="list-style-type: none"> - The uncovered position on foreign currency cannot be higher than 30% of the pension fund value. 	<ul style="list-style-type: none"> - Max. 10% of equity and 10% of bonds convertible to shares (BOCEAS) issued by a single company.
Chile	<ul style="list-style-type: none"> - Financial sector (individual funds): <ul style="list-style-type: none"> • Max. 10%*VF³⁷*RF³⁸ in current account and time deposits and debt securities issued by a single issuer. • Max. 7%*VF in current account and time deposits, debt securities and shares issued by a single issuer. - Foreign sector (individual funds): <ul style="list-style-type: none"> • Max. 0.5%*VF in equities issued by a single issuer. • Max. 5%*VF*RF in debt securities issued by a single issuer. • Max. 1%*VF in mutual and investment funds issued by a single issuer. - Company sector: (individual funds): <ul style="list-style-type: none"> • Max. 7%*VF*RF in debt securities issued by a single company. • Max. 7%*VF*RF in bonds, commercial papers and shares issued by a single company. • Max. 15%*VF*RF in bonds, commercial papers and shares (individual companies) issued by a group of companies. • Max. 0.15%*VF in shares issued by a single company. 	<ul style="list-style-type: none"> - Max. 1%*VF in debt securities of a company related to the Pension Fund Administrator. - Max. 1%*VF in all securities of a company related to the Pension Fund Administrator. - Max. 5%*VF in all securities of all companies related to the Pension Fund Administrator. 	<ul style="list-style-type: none"> - Foreign currency exposure without exchange coverage: <ul style="list-style-type: none"> • 40% fund A • 25% fund B • 20% fund C • 15% fund D • 10% fund E - Risk hedging operations: <ul style="list-style-type: none"> • The limit is given by the investment of the fund in instruments being hedge. 	<ul style="list-style-type: none"> - Max 15% in all shares, bonds and commercial paper issued or guaranteed by companies belonging to a single group.

³⁵ This limit does not apply for securities issued or warranted by the Colombian Nation, the Colombian Central Bank and for “REPO” transactions carried out through the Compensation Chamber of the “Bolsa Nacional Agropecuaria”.

³⁶ This limit does not apply to investments on CDT and CDAT issued by credit entities, and securities issued or warranted by the Colombian Nation, the Colombian Central Bank, FOGAFIN and FOGACOOP.

³⁷ VF means value of the fund.

	Investment limit in single issuer/issue	Self-investment / Conflicts of interest	Other quantitative rules	Ownership concentration limits
Estonia	<ul style="list-style-type: none"> - Securities issued by a single issuer: <ul style="list-style-type: none"> • Mandatory system: 5% • Voluntary system: 10% - Securities issued by a single group: <ul style="list-style-type: none"> • Mandatory system: 20% • Voluntary system: 20% - One persons contract of pledge: <ul style="list-style-type: none"> • Mandatory system: 10% • Voluntary system: 10% - Deposits issued by a single issuer (or group): <ul style="list-style-type: none"> • Mandatory system: 5% • Voluntary system: 5% - Securities issued by a single fund: <ul style="list-style-type: none"> • Mandatory system: 10% • Voluntary system: 10% - Investment in funds of same fund manager: <ul style="list-style-type: none"> • Mandatory system: 10% • Voluntary system: 50% - Investment in a a single property: <ul style="list-style-type: none"> • Mandatory system: 2% • Voluntary system: 5% - Investment in one state security: <ul style="list-style-type: none"> • Mandatory system: 35% • Voluntary system: 35% 	<ul style="list-style-type: none"> - On behalf of a management company qualifying holding may not, directly or indirectly, be acquired or held through any shares carrying voting rights. - A management company may not acquire or hold in any person more than 50 % of the securities and money market instruments issued by the management company. 	<ul style="list-style-type: none"> - It is prohibited to issue securities, short-selling, give loan. - Derivatives 10% 	<ul style="list-style-type: none"> - A management company may acquire no more than: <ul style="list-style-type: none"> • 10% of the non-voting shares of any single body; • 10% of the debt securities of any single body; • 10% of the money market instruments of any single body; • 25% of the units of another investment fund specified in § 264 of this Act.
India				

³⁸ The weighted average risk factor (RF) is obtained by adding the products of: the risk factor corresponding to the instrument or series issued or guaranteed by the institution and the proportion represented by the amount of the respective Fund investment in each instrument, as compared with the total value of the Fund investments in different debt securities from the same issuer. The risk factors are determined according to the rating of the instrument. Categories AAA and N-1 receive factor 1, risk category AA receives 0.9, risk category A receives 0.8, categories BBB and N-2 receive 0.6 and risk category N-3 receives factor 0.3.

	Investment limit in single issuer/issue	Self-investment / Conflicts of interest	Other quantitative rules	Ownership concentration limits
Israel³⁹	<ul style="list-style-type: none"> - Max 10% of securities (bonds, stocks, loans, deposits etc) issued by a single company. - Max 10% in one mutual fund. - Any pension fund should not lend to a "group" (borrower together with an entity which has the majority controlling interest in the borrower and an entity which is controlled by the borrower), more than 15% pension fund's assets. - Max 5% in a series of debentures. But if it is BBB rated at least, no more than 7.5%, and if it is A rated at least, no more than 10%. 	<ul style="list-style-type: none"> - Any pension fund should not invest in an entity which has a controlling interest greater than 20% or has the majority controlling interest in the managing company of the pension fund. - Any pension fund should not invest in non-negotiable assets, issued by an entity which has a controlling interest between 5% and 20% in the managing company of the pension fund. - Any pension fund should purchase brokerage services in a tender way only. 	<ul style="list-style-type: none"> - The investment value in real estate asset should not exceed from 3% of pension fund's assets. - The total investment in income producing property from the total investment in real estate should be 75% at least. - The investment value of options that were acquired should not exceed from 5% of pension fund's assets. - The value of the lending securities should not exceed from 10% of pension fund's assets. - The value of the collateral (due to options, futures and short sales) should not exceed from 10% of pension fund's assets. 	- None.
Russia				
South Africa	<ul style="list-style-type: none"> - Max. 20% in securities issued by a single banking institution or mutual bank. - Max. 20% in bills, bonds and securities issued or guaranteed loans to or guaranteed by a single local authority, development boards, Rand Water Board, Eskom, Landbank of South Africa, Local Authorities Loans Fund Board. - Max. 5% in a single property or property development project. - Max. 15% in shares and convertible debentures listed on the JSE of any one company with a market capitalisation of R2 billion or more. - Max. 10% in shares and convertible debentures listed on the JSE of any one company with a market capitalisation of less than R2 billion - Max. 2.5% in any asset that is not listed in regulation 28 	<ul style="list-style-type: none"> - Max. 5% in investments in the business of the participating employer (up to 10% with the approval of the registrar and members of the fund). 	<ul style="list-style-type: none"> - Max. 5% on South African Futures Exchange (SAFEX). 	- None

³⁹ The new pension funds and the old pension funds must invest 30% in designated bonds.