



# Santiago Principles

## The Santiago Principles

Written by the 26 founding members of the International Forum of Sovereign Wealth Funds in 2008, the 24 Generally Accepted Principles and Practices, usually referred to as the “Santiago Principles”, are the globally accepted standards for governance, investment and risk management practices for sovereign wealth funds. The Principles are designed to promote good governance, accountability, transparency and prudent investment practices.

All IFSWF’s full members undertake to implement the Santiago Principles on a voluntary basis. They are subordinate to local law.

### [Read the Santiago Principles](#)

Watch our Chief Executive, Duncan Bonfield, explain the role and purpose of the Santiago Principles to the UK Parliament International Trade Committee in June 2021

## Purpose

The [Santiago Principles](#) have a dual purpose.

1. To improve the understanding of sovereign wealth funds as professional, independent and financially oriented investors at home and in the countries where they invest.
2. To encourage appropriate disclosure by sovereign wealth funds and create a more open dialogue about and deeper understanding of sovereign wealth fund activities.

## Implementation

Unsurprisingly, the Santiago Principles represent a principle-based approach to governance, **not a rules-based approach**. This strategy has been adopted for practical reasons. Sovereign wealth funds are an increasingly diverse group of investors, with a range of legal frameworks and mandates. As a result, each member implements the Principles in a unique way, and their processes and practices are not necessarily comparable with other sovereign wealth funds.

[Read more about the diverse structures and mandates of sovereign wealth funds.](#)

Santiago Principle 24 requires our members to undertake a “regular review” of adherence to the Principles. In line with this Principle, the IFSWF Secretariat initially asked members to provide case studies on the application of the Principles at member institutions. A group of members provided these in [2014](#) and again in [2016](#).

Since 2016, the Secretariat has asked members to undertake a self-assessment against the Santiago Principles, and now all our full members publish this self-assessment on our website. We ask members to revise their self-assessment on a triennial basis, although many of our members do this more frequently. Santiago Principle self-assessments are undertaken in line with an academically rigorous set of guidelines written by members in partnership with the Fletcher School at Tufts University.

### [Member Self Assessments](#)

## **The Value to our Members**

Since they were promulgated in Chile’s capital city in October 2008, the Santiago Principles have become an important tool in defining a sovereign wealth fund in a range of international agreements, covering issues such as trade, international investment regulation, taxation treatment and financial-market transactions.

The Santiago Principles have also become a valuable tool for the funds themselves as a framework to build trust and understanding between the funds and their domestic stakeholders as well as service providers and private-sector partners.

In 2018, the IFSWF trademarked the Santiago Principles.

The 24 Generally Accepted Principles and Practices for sovereign wealth funds, usually referred to as the "Santiago Principles", are the cornerstone of the IFSWF. The Principles are designed to promote good governance, accountability, transparency and prudent investment practices whilst encouraging a more open dialogue and deeper understanding of SWF activities.

All IFSWF members voluntarily endorse the Principles and seek to implement them in their governance and investment practices.

The IFSWF encourages members to undertake self-assessments every two years and provide regular case studies on their practices.

In 2016, 29 IFSWF members provided Santiago Principle self-assessments for publication. These are available online and for download [here](#).

The Santiago Principles and our previously published case studies are available for download below.