

# Unidad de Fomento

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The **Unidad de Fomento (UF)** is a Unit of account that is used in Chile. The exchange rate between the UF and the Chilean peso is now (today) constantly adjusted to inflation so that the value of the Unidad de Fomento remains constant on a daily basis during low inflation. It was created on January 20, 1968, for the use in determining principal (monetary item) and interest (constant real value non-monetary item) in international secured loans (monetary items) for development, subject to revaluation according to the variations of inflation. Afterwards it was extended to all types of bank loans (monetary items), private or special financing (monetary items), purchases (trade debtors/trade creditors being constant real value non-monetary items) or investments on installments, contracts (constant real value non-monetary items), and some special situations. Also it is used in legal standards such as the par value of stock/capitalization (constant real value non-monetary items) of companies, fines (payables being constant real value non-monetary items), etc. It has become the preferred and predominant measure for determining the cost of construction (variable items valued at Historical Cost being updated), values of housing (historical variable real value non-monetary items being updated) and any secured loan (monetary item), either private or of the Chilean government. Individual payments are made in Chilean pesos (the country's legal tender), according to the daily value of the UF.

For historical and current values of the Chilean **Unidad de Fomento (UF)**, see [valoruf.cl](http://valoruf.cl) (<http://valoruf.cl>) or the government's Central Bank of Chile (<http://www.bcentral.cl/>) .

A similar currency unit for use generally in payment of taxes, fines, or customs duty is the Unidad Tributaria Mensual (UTM) (literally: monthly tax unit).

For historical and current values of the Chilean **Unidad Tributaria Mensual (UTM)**, see [valorutm.cl](http://valorutm.cl) (<http://valorutm.cl>)

## Evolution of the calculation of the UF

From its creation in 1967, each calendar quarter, the UF value of 100 Chilean escudo would be quoted based on the Consumer Price Index (CPI) of the past three months, which would be the official rate for the following quarter. In October 1975 with the currency changeover to pesos, the value of 1 UF was quoted in pesos and readjusted monthly. In July 1977 it was calculated daily by interpolation between the 10th of each month and the 9th of the following month, according to the monthly variation of the CPI. Since 1990 the Central Bank of Chile has determined its value. The values of the CPI are officially kept by the Instituto Nacional de Estadísticas de Chile (National Statistics Institute of Chile).

For historical and current values of the Chilean CPI (abbreviated as IPC in Spanish), see Banco Central de Chile (<http://www.bcentral.cl/esp/>)

Unidad de Fomento	
<b>ISO 4217 code</b>	CLF
<b>Central bank Website</b>	Banco Central de Chile <a href="http://www.bcentral.cl">www.bcentral.cl</a> ( <a href="http://www.bcentral.cl">http://www.bcentral.cl</a> )
<b>User(s)</b>	Chile
<b>Inflation</b>	Inflation adjusted
<b>Symbol</b>	UF
<b>Plural</b>	Unidades de fomento
<b>Coins</b>	
Freq. used	No coins
<b>Banknotes</b>	No banknotes
<b>Mint</b>	No mint

Historical values of the UF as of 31 December each year:

<b>year</b>	<b>Value</b>
1967	E°115,38
1968	E° 148,17
1969	E° 194,40
1970	E° 256,67
1971	E° 301,24
1972	E° 533,92
1974	E° 2.155,11
1975	E° 15.887,00
1975	\$ 94,70 ( E° 94.700 )
1976	\$ 275,78
1977	\$ 462,58
1978	\$ 613,37
1979	\$ 842,14
1980	\$ 1.103,61
1981	\$ 1.232,25
1982	\$ 1.464,67
1983	\$ 1.824,03
1984	\$ 2.230,05
1985	\$ 2.818,39
1986	\$ 3.298,77
1987	\$ 4.044,03
1988	\$ 4.484,39
1989	\$ 5.432,32
1990	\$ 7.043,38
1991	\$ 8.286,27
1992	\$ 9.423,57
1993	\$ 10.623,13
1994	\$ 11.533,17
1995	\$ 12.482,81
1996	\$ 13.280,48
1997	\$ 14.096,93
1998	\$ 14.685,39
1999	\$ 15.066,96
2000	\$ 15.769,92

2001	\$ 16.262,66
2002	\$ 16.744,12
2003	\$ 16.920,00
2004	\$ 17.317,05
2005	\$ 17.974,81
2006	\$ 18.336,38
2007	\$ 19.622,66
2008	\$ 21.452,57
2009	\$ 20.942,88
2010	\$ 21.455,55
2011	\$ 22.294,03

Source: Valor UF (<http://valoruf.cl/>)

## See also

- Constant Item Purchasing Power Accounting
- Unidad Real de Valor

## External links

- [nacionales.cl](http://nacionales.cl) (<http://nacionales.cl>) Unidad de Fomento converter
- Inflation and the mysterious UF (<http://www.corrugatedcity.com/2007/08/inflation-and-mysterious-uf.html>) , Corrugated City (a blog), 3 August 2007
- Shiller, Robert J. Indexed Units of Account: Theory and Assessment of Historical Experience (<http://cowles.econ.yale.edu/P/cd/d11b/d1171.pdf>)
- Official and Historical Values for the Chilean Unidad de Fomento ([http://si2.bcentral.cl/Basededatoseconomicos/951\\_480.asp](http://si2.bcentral.cl/Basededatoseconomicos/951_480.asp))

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Categories: Economy of Chile | Currency

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