

Consultation paper of the Joint Committee of the ESAs concerning amendments to the key information document for PRIIPs

[Joint Consultation Paper concerning amendments to the PRIIPs KID](#)

1.- Target participants

This consultation is addressed to all stakeholders.

2.- Information Note

This consultation paper proposes amendments to Commission Delegated Regulation (EU) 2017/653, of 8 March, on key investor information documents for packaged retail and insurance-based investment products (PRIIPs). The main aims of the review are to:

- Allow the appropriate application of the PRIIPs key investor information document (PRIIPs KID or KID) by UCITS and non-UCITS funds made available to retail investors, subject to the potential end of the temporary exemption of such funds from the requirements under the PRIIPs Regulation.
- Address other regulatory issues that have been identified since the implementation of the KID in relation to those products that are currently in scope.

This paper follows a previous consultation paper launched in November 2018, which had similar aims, but which proposed more targeted amendments.

Section 2 contextualises this paper as well as its scope in order to understand its purpose, along with its alignment with other works aimed at reviewing PRIIPs legislation, including the review of the Regulation. It also includes questions related to the use of the KID in the context of digital innovation and the planned schedule for implementing the amendments proposed in the paper.

Section 3 contains an overview of the consultation paper which mainly addresses issues related to performance scenarios, costs, and specific provisions for UCITS and PRIIPs offering a range of investment options (MOPs).

Section 4 contains information on a parallel consumer testing exercise being conducted by the European Commission, with the involvement of European Supervisory Authorities, which discusses amendments to the presentation of performance information.

Sections 5 to 7 set out performance scenarios and propose amendments to both the methodology and the presentation of the scenarios. Thus, **Sections 5** presents proposals to change the methodology and includes some pieces of evidence to support the proposed approaches; **Section 6** discusses a possible alternative to the current illustrative performance scenarios; and **Section 7** sets out how past performance information could be included in the KID.

Section 8 presents different options to change the methodologies used to calculate costs and how they are presented in summary tables, in order to facilitate the understanding and comparability thereof, and ensure consistency with sectoral disclosures (E.g. MiFID II and the Directive on insurance distribution).

Section 9 considers amendments that should be made for the KID to be used by UCITS upon expiry of the exemption on 1 January 2022, which include, for example, the incorporation of provisions from the current UCITS Implementing Regulation for the Key Investor Information Document (KIID).

Section 10 presents proposals to amend the rules on PRIIPs offering a range of options for investment. Based on the supervisors' experience which indicates the difficulties faced by investors in understanding the implications of the various investment options at an aggregate product level (for example, total costs), the proposal is to require information be provided on a limited number of combinations of options in relevant cases.

Section 11 includes an example KID relating to the proposals in Section 10.

Section 12 contains the proposed amending Delegated Regulation, indicating what specific amendments should be made to the legal text.

Finally, **Section 13** contains the analysis of the costs and benefits of the proposed amendments.

As mentioned above, Section 2 includes the planned schedule, although potential alternatives for implementing the amendments are being considered. In principle, the European Supervisory Authorities intend to conclude their review towards the end of the first quarter of 2020 and submit their proposals to the European Commission shortly afterwards. In this way, the amendments to the Delegated Regulation could be applied during 2021, before the UCITS exemption expires, although the possibility of deferring the application of some of the amendments to be aligned with the expiry of the exemption is also being considered.

3.- Submission of comments

The deadline for submitting comments is **13 January 2020**.

Respondents may send their comments through ESMA's website: www.esma.europa.eu. Both the paper of this consultation and the response form are available on the website [Consultations](#) (place the cursor on the word to obtain the link).

Likewise, please send a copy of your answers to the CNMV to the following email address: documentosinternacional@cnmv.es

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