



# COMMUNICATION TO COLLECTIVE INVESTMENT SCHEMES (CIS) MANAGEMENT COMPANIES ON REGULATION MODIFICATIONS SOON TO ENTER INTO FORCE

4 October 2022

Different European regulations that affect CIS will come into force at the beginning of 2023, which may entail a significant effort of adaptation for CIS management companies. In this regard, it is important to remember that adjustments need to be planned well in advance and in sufficient detail, in addition to the need for an appropriate allocation of resources. CNMV has put procedures in place in order to facilitate, insofar as is possible, the required changes, and offers its collaboration to entities to clarify any issues deemed necessary.

In particular, the main changes are the following:

## **1 CNMV Circular 3/2022 on the CIS prospectus and the registration of the key investor information document (KID).**

On 4 August 2022, the Spanish Official State Gazette (BOE) published [Circular 3/2022 on the CIS prospectus and the registration of the key investor information document](#). This Circular aligns national CIS regulation on the content, form and cases for updating the key investor information document with [Regulation \(EU\) No. 1286/2014 of the European Parliament and of the Council of 26 November 2014 on associated retail investment products and investment products based on insurance](#) (PRIIPs).

The Circular shall come into force on 1 January 2023 and establishes a one-month deadline, after said date, for entities to submit to CNMV the key investor information document, which must be in accordance with the content required by PRIIPs regulation.

An important change is that the KID must be directly prepared by management companies for each CIS they manage, in accordance with the applicable European regulation<sup>1</sup>. Such regulation

---

<sup>1</sup> [Regulation \(EU\) No. 1286/2014 of the European Parliament and of the Council of 26 November 2014 on associated retail investment products and investment products based on insurance.](#)

[Delegated Regulation \(EU\) 2017/653 of the Commission of 8 March 2017, supplementing Regulation \(EU\) No. 1286/2014 of the European Parliament and of the Council, through the establishment of regulatory technical standards with respect to the presentation, content, examination and review of key information documents and conditions for compliance of the requirement for provision of such documents.](#)

[Delegated Regulation \(EU\) 2021/2268 of the Commission of 6 September 2021 amending the regulatory technical standards laid down in Delegated Regulation \(EU\) 2017/653 as regards the underlying methodology and the presentation of performance scenarios, the presentation of costs and the methodology for the calculation of summary cost indicators, the presentation and content of historical performance information and the presentation of costs for packaged retail investment products and insurance-based investment products \(PRIIPs\) offering various investment options, as well as to the adaptation of the transitional arrangement applicable to PRIIP manufacturers referred to in Article 32 of Regulation \(EU\) No 1286/2014 of the European Parliament and of the Council offering fund shares as underlying investment options to the extended transitional arrangement set out in that Article.](#)

is very detailed and incorporates several relevant changes regarding the contents of the KID previously in force (such as the method to calculate the summary risk indicator, the information on total costs and the performance scenarios), therefore management companies must carefully design the new KID and make the necessary changes and developments in their systems in order to have the necessary information.

Once the KID has been prepared, the submission of the KID of the managed CIS to CNMV in order to be included in the public Register, must be done in accordance with the technical instructions that are available at [CNMV's online site](#), "CIFRADO" area, under the title "Folletos de IIC" (FOI).

CIS prospectus already registered on the date of entry into force of the Circular shall be updated by CNMV, therefore management companies will not be required to take any action in this regard.

## **2 Annex to the prospectus of CIS that promote ESG characteristics or have a sustainable investment objective.**

Also on 1 January 2023, as established by [Regulation \(EU\) 2019/2088 of the European Parliament and of the Council 27 November 2019](#) on the disclosure of information on sustainability in the financial services sector (hereinafter, "SFDR") and [Commission Delegated Regulation \(EU\) 2022/1288 of 6 April 2022](#) (hereinafter, "RD"), the CIS referred to in Articles 8 and 9 of SFDR (those that promote ESG characteristics or have a sustainable investment objective) must have prepared and registered with CNMV an annex to the prospectus (hereinafter "sustainability annex") according to the rules and templates included in Annex II and Annex III of RD, respectively.

The content of these templates standardises and substantially expands the information that the affected CIS currently include in their prospectus, therefore management companies must plan the necessary adjustments to comply with the new obligations regarding the affected CIS.

With respect to the registration of the sustainability annex of the affected investment funds, CNMV has designed a simplified procedure for its submission and inclusion in the CNMV Register, for which purpose an appropriate declaration must be attached, depending on whether the funds have already been registered as article 8 or article 9 funds and the annex does not modify the information previously included in the prospectus ([Annex I](#)), or the funds have not been previously registered in the category indicated in the annex or if the annex modifies the information included in the prospectus ([Annex II](#)).

CNMV shall include the sustainability annex of the affected investment funds in its Register and may, where appropriate, require the management company to include amendments, clarifications, or additional obligations as it deems appropriate in order to ensure adequate investor protection, transparency of the information provided and compliance with sectoral regulations and its own criteria or those of the European authorities.

## **3 Investment Companies (SICAV) that have decided to adopt a liquidation resolution.**

Lastly, as a result of the modifications that [Law 11/2021 of July 9 on prevention measures and fighting against tax evasion](#) introduced in [Law 27/2014 of November 27 on Corporate Tax](#), investment companies (SICAV) that have decided to adopt a dissolution and liquidation resolution and adhere to the tax regime established by the forty-first transitory provision of

Law 27/2014 (deferral of taxation on the income obtained from the liquidation of the entity), must conclude the legal acts and necessary transactions to liquidate the company up to its cancellation from the Register no later than 30 June 2023.

As of today, 507 investment companies (SICAV) have been deregistered from the CNMV Register in 2022 as a result of their dissolution and liquidation, or due to their transformation into ordinary companies, compared to the 1,803 investment companies (SICAV) which, according to the relevant facts published, communicated their intention to carry out such procedures. Although the deadline set by the tax regulations for the cancellation of registration is ample (until 30 June 2023), CNMV would like to stress the convenience of carrying out the necessary procedures as soon as possible to allow an orderly process and to avoid delays.