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| 16 October 2019 |

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| Response form for the Joint Consultation Paper concerning amendments to the PRIIPs KID |
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| Date: 16 October 2019  ESMA 30-201-535 |

Responding to this paper

The European Supervisory Authorities (ESAs) welcome comments on this consultation paper setting out proposed amendments to Commission Delegated Regulation (EU) 2017/653 of 8 March 2017[[1]](#footnote-2) (hereinafter “PRIIPs Delegated Regulation”).

The consultation package includes:

• The consultation paper

• Template for comments

The ESAs invite comments on any aspect of this paper. Comments are most helpful if they:

• contain a clear rationale; and

• describe any alternatives the ESAs should consider.

When describing alternative approaches the ESAs encourage stakeholders to consider how the approach would achieve the aims of Regulation (EU) No 1286/2014[[2]](#footnote-3) (hereinafter “PRIIPs Regulation”).

Instructions

In order to facilitate analysis of responses to the Consultation Paper, respondents are requested to follow the below steps when preparing and submitting their response:

* Insert your responses to the questions in the Consultation Paper in the present response form.
* Please do not remove tags of the type <ESA\_QUESTION\_PKID\_1>. Your response to each question has to be framed by the two tags corresponding to the question.
* If you do not wish to respond to a given question, please do not delete it but simply leave the text “TYPE YOUR TEXT HERE” between the tags.
* When you have drafted your response, name your response form according to the following convention: ESA\_PKID\_nameofrespondent\_RESPONSEFORM. For example, for a respondent named ABCD, the response form would be entitled ESA\_PKID\_ABCD\_RESPONSEFORM.
* The consultation paper is available on the websites of the three ESAs and the Joint Committee. Comments on this consultation paper can be sent using the response form, via the [ESMA website](https://www.esma.europa.eu/press-news/consultations) under the heading ‘Your input - Consultations’ by 13 January 2020.
* Contributions not provided in the template for comments, or after the deadline will not be processed.

Publication of responses

All contributions received will be published following the close of the consultation, unless you request otherwise in the respective field in the template for comments. A standard confidentiality statement in an email message will not be treated as a request for non-disclosure. A confidential response may be requested from us in accordance with ESAs rules on public access to documents. We may consult you if we receive such a request. Any decision we make not to disclose the response is reviewable by ESAs Board of Appeal and the European Ombudsman.

Data protection

The protection of individuals with regard to the processing of personal data by the ESAs is based on Regulation (EU) 2018/1725[[3]](#footnote-4). Further information on data protection can be found under the [Legal notice](http://www.eba.europa.eu/legal-notice) section of the EBA website and under the [Legal notice](https://eiopa.europa.eu/Pages/Links/Legal-notice.aspx) section of the EIOPA website and under the [Legal notice](https://www.esma.europa.eu/legal-notice) section of the ESMA website.

# General information about respondent

|  |  |
| --- | --- |
| Name of the company / organisation | The Swedish Investment Fund Association |
| Activity | Other Financial service providers |
| Are you representing an association? |  |
| Country/Region | Sweden |

# Introduction

Please make your introductory comments below, if any:

<ESA\_COMMENT\_PKID\_1>

The Swedish Investment Fund Association (SIFA) welcomes the opportunity to comment on the amendments of the PRIIPs KID. SIFA also appreciates the efforts the ESAs have made in order to make the PRIIPs KID more useful and understandable for the investors. However, given the scope of the amendments (only level 2) it is limited what the ESAs can amend. A full level 1 review is needed to fix the fatal flaws regarding for example performance scenarios and transaction costs.

For the moment it is safe to say that the average Swedish retail investor has not seen a PRIIP KID and it will only be when the fund management companies start to produce PRIIPs KIDs that there will be a real test of the usefulness (76 % of the adult population in Sweden invest in funds, 100% if the premium pension is included). If funds are to present PRIIPs KIDs instead of UCITS KIIDs to their investors in 2022 we are worried that it will bring a lot of confusion. No one is used to seeing performance scenarios, fund management companies do not produce them, mainly due to the view of the Swedish Consumer Agency that scenarios are considered as promises by investors, no matter what disclaimers are put in.

Further SIFA wants to highlight the importance of making sure to avoid the confusion for consumers with two documents, UCITS KIID and PRIIPs KID, on the market in 2022. It is therefore important to take away the UCITS KIID when the PRIIPs KID is introduced for investment funds.

Regarding MOPs the suggestions will make it very complex to compare different underlying products. Further, for the Swedish market the number of underlying products in a unit linked MOP is normally very large and the suggested additions would probably lead to the MOP-providers severely reducing the number of investable options.

<ESA\_COMMENT\_PKID\_1>

1. : Are there provisions in the PRIIPs Regulation or Delegated Regulation that hinder the use of digital solutions for the KID?

<ESA\_QUESTION\_PKID\_1>

It is important to have digital solutions in mind when new consumer information is regulated since the society and consumers are moving in a paperless direction. Having said that, the PRIIPs regulation is based on a 3 page paper that hardly can be digitalised more than in the form of a pdf. A start would be to change the Regulation so that durable media is the default option and paper is upon request.

<ESA\_QUESTION\_PKID\_1>

1. : Do you agree that it would be helpful if KIDs were published in a form that would allow for the information to be readily extracted using an IT tool?

<ESA\_QUESTION\_PKID\_2>

Yes.

<ESA\_QUESTION\_PKID\_2>

1. : Do you think that the amendments proposed in the consultation paper should be implemented for existing PRIIPs as soon as possible before the end of 2021, or only at the beginning of 2022?

<ESA\_QUESTION\_PKID\_3>

Only at the beginning of 2022. It will be a major change in 2022 for Swedish funds and investors and it is most preferable to do all changes at the same time.

<ESA\_QUESTION\_PKID\_3>

1. : Do you think that a graduated approach should be considered, whereby some of the requirements would be applied in a first step, followed by a second step at the beginning of 2022?

<ESA\_QUESTION\_PKID\_4>

We do not prefer a graduated approach. All changes come with costs and it is more efficient to do them at one single time. SIFA believes that a step-by-step approach would be more administratively burdensome and costly.

<ESA\_QUESTION\_PKID\_4>

1. : Are there material issues that are not addressed in this consultation paper that you think should be part of this review of the PRIIPs Delegated Regulation? If so, please explain the issue and how it should be addressed.

<ESA\_QUESTION\_PKID\_5>

Not with the current time constraints.

<ESA\_QUESTION\_PKID\_5>

1. : Do you have comments on the modifications to the presentation of future performance scenarios being considered? Should other factors or changes be considered?

<ESA\_QUESTION\_PKID\_6>

SIFA regrets that the consumer testing is only limited. Narratives and what if scenarios (that only is proposed for structured products) should also be in scope.

<ESA\_QUESTION\_PKID\_6>

1. : If intermediate scenarios are to be included, how should they be calculated for Category 3 PRIIPs (e.g. structured products)? If intermediate scenarios are not shown in the performance section, which performance assumption should be used for the ‘What are the costs?’ section?

<ESA\_QUESTION\_PKID\_7>

SIFA would like to start with some general comments on proposed future performance scenarios. We support the ambition to try to take care of the pro-cyclicality built into the existing method. If historical performance is to be included in the PRIIPs KID, our view is that this needs to have consequences for the calculation of the future performance scenarios. With the historical performance investors get a very product specific information in the KID and consequently the performance scenarios can be more generalized, i.e. show examples for types of products. But it is important that the information used in those scenarios do not demand the use of non-public data. The suggestions made by the ESAs are good in the sense that they use general data for specific products, however the data suggested is not easily available for smaller fund companies (most small firms do not have the terminals we have heard the ESAs are using) and for the larger companies it will require new licencing fees once the information is used for new purposes.

Regarding probabilities SIFA sees no merit in including them. It will only blur the table and give the investors one extra piece of information that is not reliable and hard to understand.

Intermediate scenarios: We agree with the removal, they are not needed, a 1-year accompanied with a RHP is sufficient and will be easier for an investor to comprehend. They should be removed for all PRIIPs (regardless of category).

We do not understand the second question (moderate performance scenarios are still there and is the answer to the question).

<ESA\_QUESTION\_PKID\_7>

1. : If a stress scenario is included in the presentation of future performance scenarios, should the methodology be modified? If so, how?

<ESA\_QUESTION\_PKID\_8>

We believe that 3 scenarios are sufficient, hence stress scenarios should not be included.

<ESA\_QUESTION\_PKID\_8>

1. : Do you agree with how the reference rate is specified? If not, how should it be specified?

<ESA\_QUESTION\_PKID\_9>

In general we support a use of a general/standardized rate. We would however prefer that it is made clear that a simplistic approach should be acceptable (for example a global fund could use some kind of global index of sovereign bonds instead of collecting information from all markets/countries and make an asset weighted rate). Given the cost aspect and the very limited value for consumers of performance scenarios, we would urge the ESAs to consider to present and make public general rates.

Please also see our answer to Q7.

<ESA\_QUESTION\_PKID\_9>

1. : The revised methodology specifies that the risk premium is determined by future expected yields. The methodology further specifies that future expected yields should be determined by the composition of the PRIIP decomposed by asset class, country and sector or rating. Do you agree with this approach? If not, what approach would you favour?

<ESA\_QUESTION\_PKID\_10>

SIFA believes that the calculation is too complicated. Calculations based on countries could be useful for a single country fund but for funds investing in many countries some kind of average/index should be able to be used. Given the cost aspect and the very limited value for consumers of performance scenarios, we would urge the ESAs to consider to present and make public general risk premiums.

Please also see our answer to Q7.

<ESA\_QUESTION\_PKID\_10>

1. : The ESAs are aware that historical dividend rates can be averaged over different time spans or that expected dividend rates can be read from market data providers or obtained from analyst reports. How should the expected dividend rates be determined?

<ESA\_QUESTION\_PKID\_11>

Please see our answers to Q7 and Q10

<ESA\_QUESTION\_PKID\_11>

1. : How should share buyback rates be estimated?

<ESA\_QUESTION\_PKID\_12>

SIFA do not know of any available buy back rates. Please also see our answer to Q7.

<ESA\_QUESTION\_PKID\_12>

1. : Do you agree with the approach for money-market funds? Are there other assets which may require a similar specific provisions?

<ESA\_QUESTION\_PKID\_13>

SIFA questions whether MMFs should be demanded to have access to option data, most of these funds do not trade with options and do not have the data.

Please also see our answer to Q7.

<ESA\_QUESTION\_PKID\_13>

1. : The methodology proposes that the future variance be estimated from the 5-year history of daily returns. Should the volatility implied by option prices be used instead? If so, what estimate should be used if option prices are not available for a particular asset (equities namely)?

<ESA\_QUESTION\_PKID\_14>

SIFA do not support the use of option prices. Most funds do not deal with options and it is hence not information that is available for them (without additional costs).

<ESA\_QUESTION\_PKID\_14>

1. : Do you think compensatory mechanisms for unforeseen methodological faults are needed? If yes, please explain why.

<ESA\_QUESTION\_PKID\_15>

No, mainly due to that it will increase the complexity and decrease comparability. This reasoning also goes to show that the methodology needs to be simpler and more generalized.

<ESA\_QUESTION\_PKID\_15>

1. : Do you favour any of the options above? If so, which ones? How would you ensure that the information in the KID remains comparable for all products?

<ESA\_QUESTION\_PKID\_16>

No. It will definitely prevent comparability.

<ESA\_QUESTION\_PKID\_16>

1. : Are there any other compensatory mechanisms that could address unforeseen methodological faults? If yes, please explain the mechanism; explain how it ensures that scenario information in the KID allows investors to compare PRIIPs, and explain how the information for similar products from different manufacturers remains sufficiently consistent.

<ESA\_QUESTION\_PKID\_17>

Please see our answer to Q16

<ESA\_QUESTION\_PKID\_17>

1. : What are your views on the use of a simplified approach such as the one detailed above, instead of the use of probabilistic methodologies with more granular asset specific requirements?

<ESA\_QUESTION\_PKID\_18>

SIFA supports a more simplified approach. Regarding probabilities SIFA sees no merit in including them. Doing so would only blur the table and give the investors one extra piece of information that is not reliable and hard to understand.

<ESA\_QUESTION\_PKID\_18>

1. : Do you consider the use of a single table of growth rates appropriate? If no, how should the methodology be amended?

<ESA\_QUESTION\_PKID\_19>

Yes.

<ESA\_QUESTION\_PKID\_19>

1. : More generally, do your views about the use of a probabilistic methodology vary depending on the type of product (e.g. structured products vs non-structured products, short-term vs long-term products)? For which type of products do you see more challenges to define a probabilistic methodology and to present the results to investors?

<ESA\_QUESTION\_PKID\_20>

No.

<ESA\_QUESTION\_PKID\_20>

1. : Do you think these alternative approaches should be further assessed? If yes, what evidence can you provide to support these approaches or aspects of them?

<ESA\_QUESTION\_PKID\_21>

TYPE YOUR TEXT HERE

<ESA\_QUESTION\_PKID\_21>

1. : Are there any other approaches that should be considered? What evidence are you able to provide to support these other approaches?

<ESA\_QUESTION\_PKID\_22>

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<ESA\_QUESTION\_PKID\_22>

1. : Do you think illustrative scenarios should be included in the KID as well as probabilistic scenarios for structured products?

<ESA\_QUESTION\_PKID\_23>

SIFA believes that illustrative scenarios should replace probabilistic scenarios, not complement them, and it should be not only for structured products but for all PRIIPs.

<ESA\_QUESTION\_PKID\_23>

1. : If not, do you think illustrative scenarios should replace probabilistic scenarios for structured products?

<ESA\_QUESTION\_PKID\_24>

Yes. Please see our answer to Q23.

<ESA\_QUESTION\_PKID\_24>

1. : Do you agree with this approach to define PRIIPs which would show illustrative performance scenarios using the existing definition of Category 3 PRIIPs? If not, why not? Where relevant, please explain why this approach would not be appropriate for certain types of Category 3 PRIIPs?

<ESA\_QUESTION\_PKID\_25>

Please see our answer to Q23.

<ESA\_QUESTION\_PKID\_25>

1. : Would you be in favour of including information on past performance in the KID?

<ESA\_QUESTION\_PKID\_26>

Yes. Having a long experience of showing past performance our view is that it does not only give the investor of the historical return of the product but more importantly it gives a easy to understand view nature of the product in terms of risk and reward. A “picture” of 10 (yearly) return bars tells more than a thousand words. Further, an inclusion of the funds benchmark gives the consumer a tool to evaluate the fees paid.

<ESA\_QUESTION\_PKID\_26>

1. : Would your answer to the previous question be different if it were possible to amend Article 6(4) of the PRIIPs Regulation?

<ESA\_QUESTION\_PKID\_27>

No.

<ESA\_QUESTION\_PKID\_27>

1. : Do you think that it can be more appropriate to show past performance in the form of an average (as shown in the ESA proposal for consumer testing) for certain types of PRIIPs? If so, for exactly which types of PRIIPs?

<ESA\_QUESTION\_PKID\_28>

No, a year by year chart is much more preferable. Most important, it gives an illustrative, easy to understand overview of what kind of product this is both in terms of return and risk that is much harder to understand if the “volatility” is even out into an average.

<ESA\_QUESTION\_PKID\_28>

1. : Do you have any comments on the statement that would supplement the display of past performance (e.g. with regard to the presentation of costs which are not included in the net asset value (NAV))?

<ESA\_QUESTION\_PKID\_29>

No, but it should be investigated if the inclusion needs the page limit be expanded to 4 pages.

<ESA\_QUESTION\_PKID\_29>

1. : Are you of the opinion that an additional narrative is required to explain the relationship between past performance and future performance scenarios?

<ESA\_QUESTION\_PKID\_30>

Yes, it should be made clear that the future performance scenarios are only generic attempts to illustrate possible outcomes for the type of product at hand.

<ESA\_QUESTION\_PKID\_30>

1. : Do you see merit in further specifying the cases where the UCITS/AIF should be considered as being managed in reference to a benchmark, taking into account the provisions of the ESMA Questions and Answers on the application of the UCITS Directive[[4]](#footnote-5)?

<ESA\_QUESTION\_PKID\_31>

SIFA believes that it would be better to simply state that a benchmark is a valuable way of helping the investor evaluate the product and that a relevant benchmark should be included if the product can be measured against one (on objective matters, from the point of the investor) regardless of if the fund is managed “in reference to a benchmark”. This would also avoid the unnecessary hair-splitting exercises performed in the above mentioned Q&A.

<ESA\_QUESTION\_PKID\_31>

1. : Do you see the need to add additional provisions for linear unit-linked insurance-based investment products or linear internal funds?

<ESA\_QUESTION\_PKID\_32>

TYPE YOUR TEXT HERE

<ESA\_QUESTION\_PKID\_32>

1. : Do you agree that a fixed intermediate time period / exit point should be used instead of the current half the recommended holding period to better facilitate comparability?

<ESA\_QUESTION\_PKID\_33>

1 year and RHP is enough for the investor and will make the table easier to read. One important aspect of the cost presentation is comparability and in that sense the 1 year period is crucial since PRIIPs can have very different RHPs.

<ESA\_QUESTION\_PKID\_33>

1. : In this case (of a fixed intermediate time period), do you agree to show costs if the investor would exit after 5 years for all PRIIPs with a recommended holding period of at least 8 years? Or do you prefer a different approach such as:

<ESA\_QUESTION\_PKID\_34>

Please see our answer on Q33.

<ESA\_QUESTION\_PKID\_34>

1. : Do you think it would be relevant to either (i) use an annual average cost figure at the recommended holding period, or (ii) to present both an annual average cost figure and a total (accumulated) costs figure?

<ESA\_QUESTION\_PKID\_35>

SIFA sees a risk of information overload and do not see how investors could benefit from adding more figures to the existing table.

<ESA\_QUESTION\_PKID\_35>

1. : Do you think that it would be helpful, in particular for MiFID products, to also include the total costs as a percentage of the investment amount?

<ESA\_QUESTION\_PKID\_36>

The alignment with MiFID ex ante disclosures should be looked into further. In order for the cost information to be more useful and MiFID-like both the RIY-calculation for the 1 year period and the Type of cost/Description of cost need to be adjusted:

-The 1 year RIY (%) needs to be calculated on a zero return assumption.

-One-off costs in the Type of cost/Description of cost table need to be like MiFID i.e. not averaged out on the RHP. The averaging out on the RHP works fairly good for Ongoing costs (they will normally still be like the MiFID ex-ante) but not for the one-off costs.

<ESA\_QUESTION\_PKID\_36>

1. : In this context, are there PRIIPs for which both performance fees and carried interests are applied?

<ESA\_QUESTION\_PKID\_37>

Not that we are aware of.

<ESA\_QUESTION\_PKID\_37>

1. : Do you agree with this analysis from the ESAs? If yes, what are your views on the extent to which fees related to the management of the underlying real estate assets, i.e. the properties themselves, should be taken into account in the calculation of the cost indicators?

<ESA\_QUESTION\_PKID\_38>

TYPE YOUR TEXT HERE

<ESA\_QUESTION\_PKID\_38>

1. : Do you agree with the ESAs’ preferred option 3 to revise the cost tables?

<ESA\_QUESTION\_PKID\_39>

SIFA believes that option 3 is far too complex/blurry and foresee that it will be rejected in the consumer testing exercise.

<ESA\_QUESTION\_PKID\_39>

1. : If not, which option do you prefer, and why?

<ESA\_QUESTION\_PKID\_40>

Please see the suggestion in the EFAMA Q40 response which SIFA supports.

<ESA\_QUESTION\_PKID\_40>

1. : In particular, do you think that the proposed changes to the presentation of the impact of costs on the return in percentage terms (i.e. including reduction in return before and after costs) is an improvement on the current presentation?

<ESA\_QUESTION\_PKID\_41>

No, the tables cannot take the addition of more information, it will only confuse investors.

<ESA\_QUESTION\_PKID\_41>

1. : Do you have other comments on the proposed changes to the cost tables?

<ESA\_QUESTION\_PKID\_42>

Please see our answers on Q39-42.

<ESA\_QUESTION\_PKID\_42>

1. : What are your views on the appropriate levels of these thresholds? Please provide a justification for your response.

<ESA\_QUESTION\_PKID\_43>

Regarding the other proposed adjustments (Option 1) SIFA supports the possibility for OTC-transactions to use the derogations. SIFA do not support the suggestion to keep the calculation for equity funds since it still is a very complicated and costly method that incorrectly includes market movements as costs.

SIFA does not support the exclusion of negative transaction costs. If the slippage approach is kept it does not make sense only to use some of its outcome.

Having said that, SIFA still believes that the use of the slippage approach is far too complicated, it is simply too much work in order to come up with a questionable number. If it is transparency on transaction costs to investors that is the goal, it is better to use explicit costs + a general level of implicit costs per asset type provided by the ESAs. The argument that it will not incentivise the fund to keep implicit costs down does not make sense, funds have the rules of best execution taking care of that issue.

Hence SIFA supports a more criteria based approach, like the one in Option 2, at least for implicit transaction costs (explicit transaction costs are far easier to calculate for the individual fund).

Regarding the thresholds it will benefit closed end funds over open end funds.

<ESA\_QUESTION\_PKID\_43>

1. : If UCITS would fall in the scope of the PRIIPs Regulation, do you agree that the coexistence of the UCITS KII (provided to professional investors under the UCITS Directive) and the PRIIPs KID (provided to retail investors under the PRIIPs Regulation) would be a negative outcome in terms of overall clarity and understandability of the EU disclosure requirements? Are you of the view that the co-legislators should therefore reconsider the need for professional investors to receive a UCITS KII, as the coexistence of a PRIIPs KID together with a UCITS KII (even if not targeted to the same types of investors) would indeed be confusing, given the differences in the way information on costs, risks and performance are presented in the documents? Alternatively, are you of the view that professional investors under the UCITS Directive should receive a PRIIPs KID (if UCITS would fall in the scope of the PRIIPs Regulation)?

<ESA\_QUESTION\_PKID\_44>

SIFA would strongly prefer that there is no UCITS KII-requirement for institutional investors, due to the negative factors mentioned by the ESAs. If both PRIIPs KID and UCITS KIIDs would exist on the market for the same fund it would be very confusing for the consumers. It will also mean a lot of additional work for the fund companies having to keep up with two different KID/KII. This would be both time consuming and cost intensive for the fund companies.

Also, institutional investors are in no need of a simplified document since they have the capability to demand and understand more detailed/complex information. In case a professional investor would require a simplified document, the PRIIPs KID could be provided instead.

SIFA therefore urges that the requirement to provide professional investors with a UCITS KIID should be removed. If the requirement is not removed, SIFA thinks that professional investors should also be provided with a PRIIPs KID.

<ESA\_QUESTION\_PKID\_44>

1. : What are your views on the issue mentioned above for regular savings plans and the potential ways to address this issue?

<ESA\_QUESTION\_PKID\_45>

TYPE YOUR TEXT HERE

<ESA\_QUESTION\_PKID\_45>

1. : Do you agree that these requirements from Article 4 should be extended to all types of PRIIPs, or would you consider that it should be restricted to Management Company of UCITS or AIFs?

<ESA\_QUESTION\_PKID\_46>

TYPE YOUR TEXT HERE

<ESA\_QUESTION\_PKID\_46>

1. : Do you agree that this requirement should be extended to all types of PRIIPs, or would you consider that it should be restricted to Management Company of UCITS or AIF?

<ESA\_QUESTION\_PKID\_47>

TYPE YOUR TEXT HERE

<ESA\_QUESTION\_PKID\_47>

1. : Do you agree that these requirements should be extended to all types of PRIIPs, or would you consider that they should be restricted to the Management Company of the UCITS or AIF?

<ESA\_QUESTION\_PKID\_48>

TYPE YOUR TEXT HERE

<ESA\_QUESTION\_PKID\_48>

1. : Do you have any comments on the proposed approaches in relation to the analysis and proposals in this Section, and in particular on the extent to which some of the abovementioned requirements should be extended to other types of PRIIPs?

<ESA\_QUESTION\_PKID\_49>

TYPE YOUR TEXT HERE

<ESA\_QUESTION\_PKID\_49>

1. : Do you think this proposal would be an improvement on the current approach?

<ESA\_QUESTION\_PKID\_50>

Although seeing the disadvantages of the current approach SIFA does not see the proposed solution as an improvement. It will make it hard for the investor if a few products have an alternative disclosure.

<ESA\_QUESTION\_PKID\_50>

1. : Do you envisage significant practical challenges to apply this approach, for example for products which allow the investor to choose between a wide range or large number of options?

<ESA\_QUESTION\_PKID\_51>

Yes. Given the fact that most unit linked solutions include a very large number of funds it will seldom be obvious which 4 products are the most relevant. It would also include a lot of information sharing between the fund companies and the PRIIP-producer.

Most troublesome is the suggestion to include references in the underlying investment option to the generic PRIIP (Article 14 p1e). When funds produce their PRIIPs KID or UCITS KIID it needs to be universal for all distribution channels. This demand would force fund managers to produce numerous versions of one fund´s PRIIP KIDs. For example, one Swedish fund is often distributed by 10-15 different unit linked providers and these providers often have that fund included in many different unit linked solutions. Hence, the inclusion of references would dramatically complicate the distribution.

<ESA\_QUESTION\_PKID\_51>

1. : Do you see any risks or issues arising from this approach in relation to consumer understanding, for instance whether the consumer will understand that other combinations of investment options are also possible?

<ESA\_QUESTION\_PKID\_52>

Yes, it will be more complex for consumer to understand and compare.

<ESA\_QUESTION\_PKID\_52>

1. : Do you think this proposal would be an improvement on the current approach?

<ESA\_QUESTION\_PKID\_53>

No, please see our answers to Q50-52.

<ESA\_QUESTION\_PKID\_53>

1. : Are there other approaches or revisions to the requirements for MOPs that should be considered?

<ESA\_QUESTION\_PKID\_54>

TYPE YOUR TEXT HERE

<ESA\_QUESTION\_PKID\_54>

1. : Do you have any comments on the preliminary assessment of costs and benefits?

<ESA\_QUESTION\_PKID\_55>

TYPE YOUR TEXT HERE

<ESA\_QUESTION\_PKID\_55>

1. : Are you able to provide information on the implementation costs of the proposed changes, in particular regarding, (1) the proposed revised methodology for performance scenarios (using a reference rate and asset specific risk premia), and (2) the overall changes to the KID template?

<ESA\_QUESTION\_PKID\_56>

TYPE YOUR TEXT HERE

<ESA\_QUESTION\_PKID\_56>

1. : Are there significant benefits or costs you are aware of that have not been addressed?

<ESA\_QUESTION\_PKID\_57>

TYPE YOUR TEXT HERE

<ESA\_QUESTION\_PKID\_57>

1. COMMISSION DELEGATED REGULATION (EU) 2017/653 of 8 March 2017 supplementing Regulation (EU) No 1286/2014 of the European Parliament and of the Council on key information documents for packaged retail and insurance-based investment products (PRIIPs) by laying down regulatory technical standards with regard to the presentation, content, review and revision of key information documents and the conditions for fulfilling the requirement to provide such documents [↑](#footnote-ref-2)
2. Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (PRIIPs), OJ L 352, 9.12.2014, p. 1. [↑](#footnote-ref-3)
3. Regulation (EU) 2018/1725 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision No 1247/2002/EC, OJ L 295, 21.11.2018, p. 39. [↑](#footnote-ref-4)
4. See “Section II – Key Investor Information Document (KIID) for UCITS” (in particular, Q&A 8) of the Q&A document available at: https://www.esma.europa.eu/sites/default/files/library/esma34-43-392\_qa\_ucits\_directive.pdf [↑](#footnote-ref-5)