

**Comments Template for Joint Consultation Paper concerning amendments to the PRIIPs KID (JC 2018 60)**

**Deadline  
6 December 2018  
23:55 CET**

Name of Company:	The Swedish Investment Fund Association	
Disclosure of comments:	Please indicate if your comments should be treated as confidential:	Public
<p>Please follow the following instructions for filling in the template:</p> <ul style="list-style-type: none"> <li>⇒ Do <b>not</b> change the numbering in the column "reference"; if you change numbering, your comment cannot be processed by our IT tool</li> <li>⇒ Leave the last column <u>empty</u>.</li> <li>⇒ Please fill in your comment in the relevant row. If you have <u>no comment</u> on a question or a cell, leave the row <u>empty</u>.</li> <li>⇒ Our IT tool does not allow processing of comments which do not refer to the specific numbers below.</li> </ul> <p><b>Please send the completed template, in Word Format, to <a href="mailto:CP-18-005@eiopa.europa.eu">CP-18-005@eiopa.europa.eu</a></b></p> <p><b>Our IT tool does not allow processing of any other formats.</b></p>		
<b>Reference</b>	<b>Comment</b>	
General Comments	Although we welcome this initiative, our main comment is that even if the proposed amendments are successfully implemented, which is a challenge due to the very narrow time frame, a full Priips review, as required by Article 33(1) of the PRIIPs Regulation, is needed in order to make sure that the PRIIP KID will be fair, clear and not misleading. Especially the arrival price methodology of transaction cost calculation and the use of performance scenarios need to be revised. In order to secure this, it is critical to have a prolonged UCITS exemption.	
Q1	Yes, it would be an improvement. Most (fund) investors are used to using past performance as a way to evaluate the product, and it also provides a picture of the volatility of the product that is rather easy to comprehend.	
Q2		

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Q3	Yes.	
Q4	No. It is challenging enough for consumers to understand the difference between past performance and performance scenarios (based on past performance). If we include “past performance” that is not actual past performance it will be too confusing. Having said that, we strongly believe that it is important to allow those explicit examples of “simulated” past performance expressed in the UCITS KII regulation (Commission Regulation (EU) No 583/2010, Article 19) regarding new share classes and feeder funds.	
Q5	Only for the specific cases mentioned in the UCITS KII regulation.	
Q6	Yes, it is a step in the right direction. Although it will not, in our view, prevent the scenarios to be understood by some consumers as promises under different future market scenarios.	
Q7	Comments on Amended approach and presentation for future performance scenarios to highlight the range of outcomes: This needs to be more thoroughly worked through and to include consumer testing.	
Q8		
Q9	Comments on Narratives for the Summary Risk Indicator (4.2.3): We agree with the proposed extension from 200 to 300 characters.  Comments on Narratives for performance fees – composition of costs table (4.2.4): Yes, some more flexibility would be welcomed. On the other hand, if a standardized approach is to be preferred, one suggestion could be: “The impact of the performance fee. We take these from your investment if the product outperforms its benchmark/reference [y by x%]”  Comments on Growth assumption for the reduction in yield (RIY) calculation (4.2.5): We reject the proposal of using a standardised performance assumption since it will then not reflect the reality where different product have very different expected performance.	
Q10	Comments on Background (4.3.1): The ESAs’ assumption that “should UCITS be required to provide a PRIIPs KID to retail investors	

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	<p>the UCITS KII may still be provided to professional investors” is most worrying. For us it is of utmost importance that UCITS do not have to provide both UCITS KII and Priips KID. Given that most UCITS only have limited insight as to the identity of the end investor, a demand for UCITS KII to professional investors along with a demand for Pripss KID to retail investors would in fact mean that the funds have to produce both.</p> <p>4.3.2-4.3.5: Regarding this more technical part, we would like to refer to the comments sent by the European and Asset Management Association (EFAMA).</p>	
Q11	<p>Given the fact that the absolute majority of Swedish domiciled funds only produce UCITS KII at the moment (MOPs in Sweden tend to use the UCITS KII+transaction costs) it is hard to give any information. However, a shift from UCITS KII to PRIIPs KID will result in a substantial cost for the fund management companies.</p>	
Q12		
Q13		