	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:	Innova Financial Solutions	
Disclosure of comments:	Please indicate if your comments should be treated as confidential:	Public
	Please follow the following instructions for filling in the template: ⇨ Do **not** change the numbering in the column "reference"; if you change numbering, your comment cannot be processed by our IT tool ⇨ Leave the last column empty. ⇨ Please fill in your comment in the relevant row. If you have no comment on a question or a cell, leave the row empty. ⇨ Our IT tool does not allow processing of comments which do not refer to the specific numbers below. **Please send the completed template, in Word Format, to CP-18-005@eiopa.europa.eu** **Our IT tool does not allow processing of any other formats.**	
Reference	**Comment**	
General Comments	(1) It may be relevant, for better comparison across PRIIPs, to also let options and futures traded on regulated markets to present simulated future performance scenarios just as other PRIIPs i.e. not just the pay-off graph at a single future point in time. These products may have low counterparty credit risk but their market risks are just as varied as for any other similar PRIIP, although it is recognized that there are daily margin payments to adjust the daily profits/losses. It is possible to simulate future market values at different future times. (2) Your footnote #13 on Category 4 PRIIPs: In case the Category 4 PRIIP is composed of	

	components that are calculated using historical proxy pricing time series, then this concern about overly positive/negative of potential returns also becomes relevant for the Category 4 PRIIP. (3) Your footnote #16 on likelihoods: For most products most observations will tend to be close to the median value, and fewer observations near the tails, this is naturally on the assumption of a relatively good forecasting simulator. Thus if consumers would put higher probability to the moderate performance scenario they would be mostly correct. (4) riskdocuments.com have developed the world's fastest, most complete and automated end-to-end solution for managing PRIIP KID documents as well as other regulatory required documents such as UCITS KIID and MiFID II documents. We are proof that the regulations can be handled efficiently and productively, and fully scalable too.	
Q1	Yes	
Q2	Yes, as you describe.	
Q3	yes, except it should be net-of-all-charges (if possible) just like the simulated future performance.	
Q4	No, only simulated future performance should be included. It is likely better to make it clear to the retail investor whether there is a past performance or not. Including it will most likely be confusing for retail investors. In addition it would be an extra cost to product manufacturers for providing doubtful information value to the retail investor.	
Q5		

Q6	Not really, however the suggested and the current narratives will both do. I do not agree to put in bold the sentence: “Market developments …” in the beginning. Instead, just add it to the narratives. The reason is that it may have the opposite effect of the intended if placed prior to the table, namely that retail investors may not read the section because they view it as information that is non-trustworthy. I am of the opinion to include the simulated future performance table, and to include the suggested and/or the current narrative explanations in normal font type below the table.	
Q7	Probably good idea to provide precise guidelines for the use of “Other Factors” and provide examples in e.g. the Q&A document. I am in favor of keeping the Moderate Future Performance Scenario as it represents the median number, an important statistic. The idea of using a graph or a range for the future performance scenarios is fine but is not an urgent issue i.e. it would just provide an extra burden for manufacturers without much extra information value for the investor. Therefore better to wait with this for future improvements, if it is deemed relevant. Ok, to change narratives but this does not seem to be super urgent or critical, however it is easy to implement. The idea to extend the historical length of the time series is probably not an improvement. It would probably be better to add some “static risk scenarios” instead where there are some specific scenarios to make: This could e.g. be in the form of a few standard scenario assumptions: -30 percent drop in the equity market or 1 percent parallel increase in the term structure of interest rates, and similar static risk scenarios.	
Q8		

Q9	Your section 4.2.1: It may be a bad idea to use a fixed number such as 3 percent, as it may not fit all markets and product cost structures/amounts.	
Q10		
Q11		
Q12		
Q13		