



EUROPEAN COMMISSION  
DIRECTORATE-GENERAL FOR FINANCIAL STABILITY, FINANCIAL SERVICES AND CAPITAL  
MARKETS UNION

The Director-General

Brussels  
FISMA.C.4/LB/mp(20212021)786019

Gabriel Bernardino  
Chairman of the European  
Insurance and Occupational  
Pensions Authority

Dear Mr Bernardino,

In her letter dated 20 December 2020 (Ares(2020)7806678), Commissioner McGuinness invited EBA, EIOPA and ESMA to jointly submit draft regulatory technical standards amending regulatory technical standards laid down in Commission Delegated Regulation (EU) 2017/653.

In view of the upcoming meeting of the EIOPA Board of Supervisors of 3 February 2021, I would like to further detail how we see the broader review of the PRIIPs Regulation. This review is a priority for the Commission, and will take place as soon as possible, taking into account the results from the cross-sectoral **study on Disclosure, Inducements and Suitability Rules for Retail Investors** launched in September 2020 and due by end 2021<sup>1</sup>. Within this review, the Commission will thoroughly examine the application of the PRIIPs framework, including:

- how to achieve better alignment between PRIIPs, IDD and MiFID II regarding provisions on costs disclosure;
- the scope of products as foreseen by the PRIIPs Regulation;
- how to ensure that the KID contains the key information necessary for retail investors while avoiding too much or too complex information for these investors;
- how to allow the creation a digitalised KID allowing layered information and reviewing the default paper basis of the KID, taking into account the specific challenges for different types of products (e.g. multi-option products (MOPs));
- the need for a more tailored approach, such as for MOPs, in order to maximise understanding and use of the information, while continuing to allow for comparability of similar products.

More generally, the Commission wants to ensure that the different rules in terms of disclosure and overall distribution requirements are coherent and work for manufacturers and persons advising on, or selling, PRIIPs as well as retail investors. This is why, as explained by the Commissioner in her letter of 20 December, we envisage a holistic

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<sup>1</sup> <https://ted.europa.eu/udl?uri=TED:NOTICE:107711-2020:TEXT:EN:HTML>

assessment as part of the **new Capital Markets Union action plan**<sup>2</sup>. The **Retail Investment Strategy** (due in the first half of 2022) will aim to identify existing shortcomings and to propose remedying measures so that retail investors can take full advantage of capital markets and that rules are coherent across legal instruments.

The new Capital Markets Union action plan announced that in the area of disclosure, particular attention will be paid to improving consumer engagement, digital delivery and interaction with key information that allows comparisons, interaction and customisation. The Commission will complete the assessment by Q1 2022.

Based on the outcome of the assessment, the Commission intends to then table the necessary legislative amendments, supported by a positive impact assessment, to improve the current disclosure framework, notably to seek better alignment of IDD, MiFID II and PRIIPs.

To achieve this, the Retail Investment Strategy will be based on solid evidence from the aforementioned study, which will include robust consumer testing to assess the combined effect of the retail policy framework from the retail consumer's perspective.

To accompany the study, FISMA staff is currently considering the merits of covering additional disclosure-related aspects in a potential public consultation.

Throughout the review process, we will of course count on your assistance and expertise.

I would again like to sincerely thank the ESAs for the hard work on the PRIIPs RTS during the last years. My staff and I remain available to clarify these issues further.

Yours sincerely,

Electronically signed

John Berrigan

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<sup>2</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM:2020:590:FIN>