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| 10 November 2015 |

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| Reply form for the  Consultation Paper on PRIIPs Key Information Documents |
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| Date: 10 November 2015 |

Responding to this paper

The European Securities and Markets Authority (ESMA) invites responses to the specific questions listed in the ESMA Consultation Paper on PRIIPs Key Information Documents, published on the ESMA website.

*Instructions*

Please note that, in order to facilitate the analysis of the large number of responses expected, you are requested to use this file to send your response to ESMA so as to allow us to process it properly. Therefore, ESMA will only be able to consider responses which follow the instructions described below:

* use this form and send your responses in Word format (pdf documents will not be considered except for annexes);
* do not remove the tags of type <ESMA\_QUESTION\_PRIIPS\_1> - i.e. the response to one question has to be framed by the 2 tags corresponding to the question; and
* if you do not have a response to a question, do not delete it and leave the text “TYPE YOUR TEXT HERE” between the tags.

Responses are most helpful:

* if they respond to the question stated;
* contain a clear rationale, including on any related costs and benefits; and
* describe any alternatives that ESMA should consider

**Naming protocol**

In order to facilitate the handling of stakeholders responses please save your document using the following format:

ESMA\_ PRIIPS \_NAMEOFCOMPANY\_NAMEOFDOCUMENT.

E.g. if the respondent were XXXX, the name of the reply form would be:

ESMA\_ PRIIPS\_XXXX\_REPLYFORM or

ESMA\_ PRIIPS\_XXXX\_ANNEX1

To help you navigate this document more easily, bookmarks are available in “Navigation Pane” for Word 2010 and in “Document Map” for Word 2007.

***Deadline***

Responses must reach us by **29 January 2016.**

All contributions should be submitted online at [www.esma.europa.eu](http://www.esma.europa.eu) under the heading ‘Your input/Consultations’.

***Publication of responses***

All contributions received will be published following the end of the consultation period, unless otherwise requested. **Please clearly indicate by ticking the appropriate checkbox in the website submission form if you do not wish your contribution to be publicly disclosed. A standard confidentiality statement in an email message will not be treated as a request for non-disclosure.** Note also that a confidential response may be requested from us in accordance with ESMA’s rules on access to documents. We may consult you if we receive such a request. Any decision we make is reviewable by ESMA’s Board of Appeal and the European Ombudsman.

***Data protection***

Information on data protection can be found at [www.esma.europa.eu](http://www.esma.europa.eu) under the headings ‘Legal notice’ and ‘Data protection’.

# Introduction

Please make your introductory comments below, if any:

<ESMA\_COMMENT\_PRIIPS\_1>

Prior to answering to the specific questions of the consultation paper, we would like to draw the Joint Committee’s attention on the following issues:

**1. Implementation timing**

It is critical for manufacturers and their providers that all detailed rules are issued in their final form in sufficient time before the PRIIPs Regulation becomes applicable.Due to the introduction of completely new concepts (e.g. arrival price for the calculation of transactions costs) and due to the very technical nature of methodologies and calculations (e.g. on the calculation of risk ) , considerable IT based implementation will be required. Therefore substantially longer than 9 months will be needed between publication of the final rules and the date the Regulation becomes applicable. There will not be enough time for market participants to fully implement the PRIIP KID by 31 December 2016.

Like the existing UCITS KIID rules which identify technical details through Level-3 guidelines and Level-4 Q&As it appears that further consultations on the more technical aspects are undoubtedly needed . These include most of the annexes, but most specifically the risk calculation (calculations for market risk and credit risk) and cost calculation methodologies (i.e. table for standardised transaction costs).

**2. Scope – derivatives that do not correspond to the definition of PRIIPS in the Regulation**

According to EU Regulation no. 1286/2014 (Article 4 ) a PRIIP “means an investment, including instruments issued by special purpose vehicles as defined in point (26) of Article 13 of Directive 2009/138/EC or securitization special purpose entities as defined in point (an) of Article 4(1) of the Directive 2011/61/EU of the European Parliament and of the Council ( 2 ), where, regardless of the legal form of the investment, the amount repayable to the retail investor is subject to fluctuations because of exposure to reference values or to the performance of one or more assets which are not directly purchased by the retail investor “

However in Annex II, Part 1, 9(c) of the ESA’s joint consultation document it is highlighted that all derivatives as defined in MiFID II are in the scope.

This does not take into account that the characteristics of some derivatives do not correspond to those of PRIIPs as defined in the Regulation. Some derivatives represent an agreement between counterparties to exchange pre-determined cash flows and do not present any amount repayable subject to fluctuations.

They:

* do not involve exchange of cash flows based upon a floating reference rate or benchmark,
* are not leveraged instruments,
* do not contain optionalities.

Therefore they should not be in the scope of the PRIIPS regulation. Those derivatives should only be subject to the MIFID II obligations in particular the obligation of price and cost disclosure.

**3.Risk Indicator**

* 1. **proposed methodologies for PRIIPS which fall into the categories III and IV :**

We disagree with the proposed methodologies for investment funds which fall into the categories III ( guaranteed funds) and IV :

* For investment funds which fall into category III the “bootstrapping” approach is difficult to be justified. It seems that the industry standard “Historical simulation VaR” would produce the same results with much simpler calculations; a similar methodology already implemented for UCITS KIID structured funds (CESR/10-673) can be generalized in the PRIIPs context. The deviation from the industry’s standards is difficult to be justified. We also consider that the calculations should be based on observables quantities and the methodology should be simple enough in to reduce the model risk and insure comparability of results .In particular :
  + non observables quantities like expected dividends, borrow cost, (future) storage costs should not be used in the calculations as they cannot be projected in the future.
  + Using the risk free rate (which by the way can be negative) as the expected return is justified in the risk neutral framework, but not in the historical one..
* The category IV methodology is not explicit enough . it should be specified in a level 3 text ,at least for PRIIPS invested in common products like real estate, private equities .

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***3.2. Methodologies for credit assessment*** *:*

We agree that a credit risk exposure that is collateralized shall be deemed immaterial ( section 65 page 42)

We welcome the ESAs’ statement on page 40 (para. 54 of Annex II to section 3) confirming that, in principle, credit risk shall not be assessed on AIFs or UCITS. We believe the cases outlined by the ESAs in relation to para. 55 of Annex II to section 3 (on page 40, completed by explanatory text on page 76), in which credit risk is still meant to be considered for funds, should be discarded, because all potential credit risk arising within a fund’s portfolio impacts the fund’s NAV and thus is already covered by its market risk. As a result, we think that for all calculations of the SRI, a fund’s credit risk should always be considered as being CR1.

**4.. Transaction costs**

For PRIIPS which have been operating for more than three years , we favour using a standardised table to calculate transaction costs and are against the methodology prescribed by the ESAs to calculate potential transaction costs for a number of reasons:

* Apart for equities for which it may be possible to calculate the mid-market price (provided sufficient details are given to actually, in a level 3 Guidelines) , for other assets data will either not be available or too burdensome to get.
* As the methodology proposed is simply a future estimate bases on three years of historic data , the outcome can never be accurate so there should be a cost-benefit trade-off in finding a suitable calculation methodology.

Therefore we would like to suggest an alternative method :

. Explicit transactions costs should be used where possible ( e.g .broker fees, taxes , …)

. When explicit transaction costs are not available manufacturers would use standard transaction costs by using a standardised table provided by the ESAs for new PRIIPs , as no other information would be available. We favour using a standardised table to calculate transaction cost, which will allow for uniform calculation of transaction costs among all PRIIP manufacturers. This is especially important as the reliance on a standardised table will allow smaller PRIIP manufacturers to perform their transaction costs calculation without undue cost expenditures, which could put them at a competitive disadvantage.

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<ESMA\_COMMENT\_ PRIIPS\_1>

***Question 1***

*Would you see merit in the ESAs clarifying further the criteria set out in Recital 18 mentioned above by way of guidelines?*

<ESMA\_QUESTION\_PRIIPS\_1>

<ESMA\_QUESTION\_PRIIPS\_1>

***Question 2***

1. *Would you agree with the assumptions used for the proposed default amounts? Are you of the opinion that these prescribed amounts should be amended? If yes, how and why?*
2. *Would you favour an approach in which the prescribed standardised amount is the default option, unless the PRIIP has a known required investment amount and price which can be used instead?*

<ESMA\_QUESTION\_PRIIPS\_2>

<ESMA\_QUESTION\_PRIIPS\_2>

***Question 3***

*For PRIIPs that fall into category II and for which the Cornish Fisher expansion is used as a methodology to compute the VaR equivalent Volatility do you think a bootstrapping approach should be used instead? Please explain the reasons for your opinion?*

<ESMA\_QUESTION\_PRIIPS\_3>

With regard UCITS/AIFs Cornish Fisher expansion is an appropriate methodology .However the wording used in the Consultation Paper in not always clear :

* “daily equidistant prices”
* It seems that there are errors in formulae in the section 27,
* Section 10 mentions “daily” or “weekly” prices, but in the section 20 we see only “daily” prices.
* The section 20 should include cases where only weekly prices are available.

For PRIIPS which fall into category III we do not recommend a bootstrapping approach.

It seems that the industry standard “Historical simulation VaR” would produce the same results with much simpler calculations . A similar methodology already implemented for UCITS KIID structured funds (CESR/10-673) can be generalized in the PRIIPs context. Therefore the deviation from the industry’s standards is difficult to be justified.

We also consider that the calculations should be based on observables quantities and the methodology should be simple enough in to reduce the model risk and insure comparability of results .In particular :

* non observables quantities like expected dividends, borrow cost, (future) storage costs should not be used in the calculations as they cannot be projected in the future.
* Using the risk free rate (which by the way can be negative) as the expected return is justified in the risk neutral framework, but not in the historical one..

<ESMA\_QUESTION\_PRIIPS\_3>

***Question 4***

*Would you favour a different confidence interval to compute the VaR? If so, please explain which confidence interval you would use and state your reasons why.*

<ESMA\_QUESTION\_PRIIPS\_4>

<ESMA\_QUESTION\_PRIIPS\_4>

***Question 5***

*Are you of the view that the existence of a compensation or guarantee scheme should be taken into account in the credit risk assessment of a PRIIP? And if you agree, how would you propose to do so?*

<ESMA\_QUESTION\_PRIIPS\_5>

From a general point of view, we do not believe any statutory investor compensation or guarantee scheme should be taken into account.

Government compensation scheme only guarantee EUR 100,000 or an equivalent amount, and it is not for each PRIIPs, but for each credit institution. Hence investors with more than EUR 100,000 in one PRIIP of one credit institution could be misled by a CRM risk class taking into account a compensation scheme.

Furthermore, the existence of a compensation scheme is already specified in section "What happens if [the name of the PRIIP manufacturer] is unable to pay out?". We do not see the benefit of taking it into account in another section of the KID.

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<ESMA\_QUESTION\_PRIIPS\_5>

***Question 6***

*Would you favour PRIIP manufacturers having the option to voluntarily increase the disclosed SRI? In which circumstances? Would such an approach entail unintended consequences?*

<ESMA\_QUESTION\_PRIIPS\_6>

We favour the option for manufacturer to voluntarily increase the disclosed SRI .We do not have a view on unintended consequences.

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<ESMA\_QUESTION\_PRIIPS\_6>

***Question 7***

*Do you agree with an adjustment of the credit risk for the tenor, and how would you propose to make such an adjustment?*

<ESMA\_QUESTION\_PRIIPS\_7>

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.<ESMA\_QUESTION\_PRIIPS\_7>

***Question 8***

*Do you agree with the scales of the classes MRM, CRM and SRI? If not, please specify your alternative proposal and include your reasoning.*

<ESMA\_QUESTION\_PRIIPS\_8>

From a general point of view, we generally agree with the MRM and SRI scale.

We welcome the ESAs’ statement on page 40 (para. 54 of Annex II to section 3) confirming that, in principle, credit risk shall not be assessed on AIFs or UCITS. We believe the cases outlined by the ESAs in relation to para. 55 of Annex II to section 3 (on page 40, completed by explanatory text on page 76), in which credit risk is still meant to be considered for funds, should be discarded, because all potential credit risk arising within a fund’s portfolio impacts the fund’s NAV and thus is already covered by its market risk. As a result, we think that for all calculations of the SRI, a fund’s credit risk should always be considered as being CR1

<ESMA\_QUESTION\_PRIIPS\_8>

***Question 9***

*Are you of the opinion that for PRIIPs that offer a capital protection during their whole lifespan and can be redeemed against their initial investment at any time over the life of the PRIIP a qualitatively assessment and automatic allocation to MRM class 1 should be permitted?*

*Are you of the opinion that the criteria of the 5 year tenor is relevant, irrespective of the redemption characteristics?*

<ESMA\_QUESTION\_PRIIPS\_9>

. <ESMA\_QUESTION\_PRIIPS\_9>

***Question 10***

*Are you aware of other circumstances in which the credit risk assessment should be assumed to be mitigated? If so, please explain why and to what degree it should be assumed to be mitigated?*

<ESMA\_QUESTION\_PRIIPS\_10>

From a general point of view, we are not aware of any other circumstances mitigating the credit risk assessment. However, should any be identified, it should be taken into account .

We welcome the ESAs’ statement on page 40 (para. 54 of Annex II to section 3) confirming that, in principle, credit risk shall not be assessed on AIFs or UCITS. This is correct because investment funds do not expose investors to manufacturers’ credit risk because they are not on the balance sheet and very few have credit risk to guarantors.

We believe the cases outlined by the ESAs in relation to para. 55 of Annex II to section 3 (on page 40, completed by explanatory text on page 76), in which credit risk is still meant to be considered for funds, should be discarded, because all potential credit risk arising within a fund’s portfolio impacts the fund’s NAV and thus is already covered by its market risk. As a result, we think that for all calculations of the SRI, a fund’s credit risk should always be considered as being CR1..

<ESMA\_QUESTION\_PRIIPS\_10>

***Question 11***

*Do you think that the look through approach to the assessment of credit risk for a PRIIP packaged into another PRIIP is appropriate?*

<ESMA\_QUESTION\_PRIIPS\_11>

A look-through approach to the assessment of credit risk may be necessary if packaging into another PRIIP is used to escape the assessment of credit risk of the effective underlying. However, it should not generally apply in the case of PRIIPs investing in other PRIIPs or into other underlying instruments as suggested in para. 55 (d) of Annex II. The credit or counterparty risk involved with such investments should be considered part of the market risk as is the case for other investments in underlying assets and indeed, will be captured by the historical volatility data or performance simulations relevant for establishing the MRM category.

There is an important link between this proposal and that for MOPs. Many MOPs are insurance products with the underlying investment options being investment funds. Funds do not generally bear CR but insurance products do. The generic KID for the MOP should therefore show the effect of the CR of the insurer, otherwise MOPs produced by insurers with very different credit ratings will appear to carry the same overall risk for consumers.

<ESMA\_QUESTION\_PRIIPS\_11>

***Question 12***

*Do you think the risk indicator should take into account currency risk when there is a difference between the currency of the PRIIP and the national currency of the investor targeted by the PRIIP manufacturer, even though this risk is not intrinsic to the PRIIP itself, but relates to the typical situation of the targeted investor?*

<ESMA\_QUESTION\_PRIIPS\_12>

In our view, the risk indicator should relate only to the intrinsic risk of the PRIIP (measured in the currency used to issue the PRIIP).

<ESMA\_QUESTION\_PRIIPS\_12>

***Question 13***

*Are you of the opinion that the current Consultation Paper sufficiently addresses this issue? Do you it is made sufficiently clear that the value of a PRIIP could be significantly less compared to the guaranteed value during the life of the PRIIP? Several alternatives are analysed in the Impact Assessment under policy option 5: do you see any additional analysis for these assessment?*

<ESMA\_QUESTION\_PRIIPS\_13>

Yes. No additional analysis for the assessment.

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<ESMA\_QUESTION\_PRIIPS\_13>

***Question 14***

*Do you agree to use the performance fee, as prescribed in the cost section, as a basis for the calculations in the performance section (i.e. calculate the return of the benchmark for the moderate scenario in such a way that the return generates the performance fee as prescribed in the cost section)? Do you agree the same benchmark return should be used for calculating performance fees for the unfavourable and favourable scenarios, or would you propose another approach, for instance automatically setting the performance fees to zero for the unfavourable scenario? Please justify your proposal.*

<ESMA\_QUESTION\_PRIIPS\_14>

<ESMA\_QUESTION\_PRIIPS\_14>

***Question 15***

*Given the number of tables displayed in the KID and the to a degree mixed consumer testing results on whether presentation of performance scenarios as a table or a graph would be most effective, do you think a presentation of the performance scenarios in the form of a graph should be preferred, or both a table and a graph?*

<ESMA\_QUESTION\_PRIIPS\_15>

<ESMA\_QUESTION\_PRIIPS\_15>

***Question 16***

*Do you agree with the scope of the assets mentioned in paragraph 25 of Annex VI on transaction costs for which this methodology is prescribed? If not, what alternative scope would you recommend?*

<ESMA\_QUESTION\_PRIIPS\_16>

With regards to the asset classes listed, standard industry definitions are needed that correspond to the categories offered to practitioners by data providers such as Bloomberg.. It would also be necessary to extend this table to other asset classes which PRIIPS invest in ( Index, Tracker, ETf, deposit ,….) . A sub-categorisation of asset classes should be refined, at least in the long term, in order to better reflect the major drivers of transaction costs. For example, Possible criteria for further differentiation of bonds in terms of their trading costs could be the maturity term (since short-dated bonds generally imply different transaction costs than bonds with 30 or 50 years maturity) and the size of an order (in particular in relation to the overall trading volume of an instrument).

We are against the methodology prescribed by the ESAs to calculate potential transaction costs for a number of reasons Where the PRIIP has been operating for more than three years :

* Apart for equities for which it may be possible to calculate the mid-market price (provided sufficient details are given to actually , in a level 3 Guidelines) , for other assets data will either not be available or too burdensome to get.
* Even for equities it will be possible that a trade could incur negative transaction costs, if the market price at execution is lower than the mid\_market price at the time of the order, in case the market collapse
* As the methodology proposed is simply a future estimate bases on three years of historic data , the outcome can never be accurate so there should be a cost-benefit trade-off in finding a suitable calculation methodology**.**

Therefore we would like to suggest an alternative method :

. Explicit transactions costs should be used where possible ( e.g .broker fees, taxes , …)

. When explicit transaction costs are not available (e.g. fixed income instruments) manufacturers would calculate standard transaction costs by using a standardised table provided by the ESAs for new PRIIPs , as no other information would be available. we favour using a standardised table to calculate transaction cost, which will allow for uniform calculation of transaction costs among all PRIIP manufacturers. This is especially important as the reliance on a standardised table will allow smaller PRIIP manufacturers to perform their transaction costs calculation without undue cost expenditures, which could put them at a competitive disadvantage.

<ESMA\_QUESTION\_PRIIPS\_16>

***Question 17***

*Do you agree with the values of the figures included in this table? If not, which values would you suggest? (please note that this table could as well be included in guidelines, to allow for more flexibility in the revision of the figures)*

<ESMA\_QUESTION\_PRIIPS\_17>

This table referred to in our answer to question 16 should be part of Level-3 guidelines rather than Level-2 RTS. The reason for this is that transactins costs are a reflection of market volatility and do not remain constant for a period of three years. It is crucial that this table is maintained and updated on a constant basis by the ESAs to provide a relatively accurate description of transaction costs .

<ESMA\_QUESTION\_PRIIPS\_17>

***Question 18***

*Do you agree that the monetary values indicated in the first table are a sum of costs over the respective holding periods? Or should the values reflect annualized amounts? If you prefer annualized amounts, which method for annualisation should be used (e.g. arithmetic average or methods that consider discounting effects)?*

<ESMA\_QUESTION\_PRIIPS\_18>

We agree that the values should reflect annualised amounts. Otherwise, the amount disclosed would appear to suggest that higher costs are incurred the longer a fund is held while in reality as the entry and exit charges are amortised over longer periods the annual cost decreases. The lack of annualised amounts may have a dissuasive effect on the investor. We believe the arithmetic average method would probably be easier to understand for a retail investor.

<ESMA\_QUESTION\_PRIIPS\_18>

***Question 19***

*Do you think that estimating the fair value of biometric risk premiums as stated in paragraph 55(b) of Annex VI would raise any technical or practical difficulties?*

<ESMA\_QUESTION\_PRIIPS\_19>

<ESMA\_QUESTION\_PRIIPS\_19>

***Question 20***

*Knowing that the cost element of the biometric risk premium is included in the total costs calculation, how do you think the investor might be most efficiently informed about the other part of the biometric risk premium (i.e. the fair value), and/or the size of biometric risk premium overall? Do you consider it useful to include the fair value in a separate line in the first table, potentially below the RIY? Or should information on the fair value be disclosed in another part of the KID (for instance, the “What is this product?” section, where the draft RTS currently disclose biometric risk premiums in total, and/or in the performance section)? What accompanying narrative text do you think is needed, and where should this be placed, including specifically narrative text in the cost section?*

<ESMA\_QUESTION\_PRIIPS\_20>

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<ESMA\_QUESTION\_PRIIPS\_20>

***Question 21***

*Given evidence as to the difficulties consumers may have using percentage figures, would you prefer an alternative presentation of the second table, solely using monetary values instead? As with the first table, please also explain what difficulties you think might arise from calculating monetary values, and whether this should be on an annualized basis, and if so, how?*

<ESMA\_QUESTION\_PRIIPS\_21>

The use of percentage figures would be in line with the existing UCITS KIID and in our view generally be preferable, because actual or monetary figures could be taken literally by the investor (who might expect fixed costs and complain in case the indicated amount was different in practice). In particular, recurring costs expressed in monetary values could be misleading for the investor. We are also not aware of any concerns raised by investors into UCITS as a result of using percentage figures in the KIID.

As the first table is showing the effect of charges, it would be most useful if the second table showed the actual cost structure, thereby enabling a proper understanding, and even replication of the cost structure in other scenarios. It is likely to be misleading to show a 5% entry cost as 1% in the hope that the investor realises that the table relates to a recommended holding period of 5 years and the 5% has been amortised. These actual percentages are also what will be required by online calculators and by MiFID II.

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<ESMA\_QUESTION\_PRIIPS\_21>

***Question 22***

*Given the number of tables shown in the KID, do you think a more graphic presentation of the breakout table should be preferred?*

<ESMA\_QUESTION\_PRIIPS\_22>

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<ESMA\_QUESTION\_PRIIPS\_22>

***Question 23***

*The example presented above includes a possible way of showing the variability of performance fees, by showing the level for all three performance scenarios in the KID, highlighting the ‘moderate‘ scenario, which would be used for the calculation of the total costs. Do you believe that this additional information should be included in the KID?*

<ESMA\_QUESTION\_PRIIPS\_23>

The example proposed in the paper above Question 23 provides detailed information on performance fees but does not showcase the variability of other cost elements. We are not in favour of showing the additional information on performance .. We believe that too much information would be detrimental to the understanding of a retail investor*.*

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<ESMA\_QUESTION\_PRIIPS\_23>

***Question 24***

*To reduce the volume of information, should the first and the second table of Annex VII be combined in one table? Should this be supplemented with a breakdown of costs as suggested in the graphic above?*

<ESMA\_QUESTION\_PRIIPS\_24>

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<ESMA\_QUESTION\_PRIIPS\_24>

***Question 25***

*In relation to paragraph 68 a) of Annex VI: Shall the RTS specify that for structured products calculations for the cost free scenario have always to be based on an adjustment of the payments by the investor?*

<ESMA\_QUESTION\_PRIIPS\_25>

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<ESMA\_QUESTION\_PRIIPS\_25>

***Question 26***

*Regarding the first table of the cost section presented in Annex VII, would you favour a detailed presentation of the different types of costs, as suggested in the Annex, including a split between one-off, recurring and incidental costs? Alternatively, would you favour a shorter presentation of costs showing only the total costs and the RIY?*

<ESMA\_QUESTION\_PRIIPS\_26>

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<ESMA\_QUESTION\_PRIIPS\_26>

***Question 27***

*Regarding the second table of the cost section presented in Annex VII, would you favour a presentation of the different types of costs showing RIY figures, as suggested in the Annex, or would you favour a presentation of costs under which each type of costs line would be expressed differently, and not as a RIY figure -expressed as a percentage of the initial invested amount, NAV, etc.?*

<ESMA\_QUESTION\_PRIIPS\_27>

We are in favour of showcasing both a summary table and a more detailed breakdown table as suggested by the ESAs. As the first table is showing the effect of charges, it would be most useful if the second table showed the actual cost structure, thereby enabling a proper understanding, and even replication of the cost structure in other scenarios. It is likely to be misleading to show a 5% entry cost as 1% in the hope that the investor realises that the table relates to a recommended holding period of 5 years and the 5% has been amortised. These actual percentages are also what will be required by online calculators and by MiFID II.The ESAs’ proposal misses a link to the performance scenario, i.e. indicating that the costs are based on the moderate performance scenario*.*

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<ESMA\_QUESTION\_PRIIPS\_27>

***Question 28***

*Do you have any comments on the problem definition provided in the Impact Assessment?*

*Are the policy issues that have been highlighted, in your view, the correct ones? If not, what issues would you highlight?*

*Do you have any views on the identified benefits and costs associated with each policy option?*

*Is there data or evidence on the highlighted impacts that you believe needs to be taken into account?*

*Do you have any views on the possible impacts for providers of underlying investments for multi-option products, and in particular indirect impacts for manufacturers of underlying investments used by these products, including where these manufacturers benefit from the arrangements foreseen until the end of 2019 under Article 32 of the PRIIPs Regulation?*

*Are there significant impacts you are aware of that have not been addressed in the Impact Assessment? Please provide data on their scale and extent as far as possible.*

<ESMA\_QUESTION\_PRIIPS\_28>

<ESMA\_QUESTION\_PRIIPS\_28>