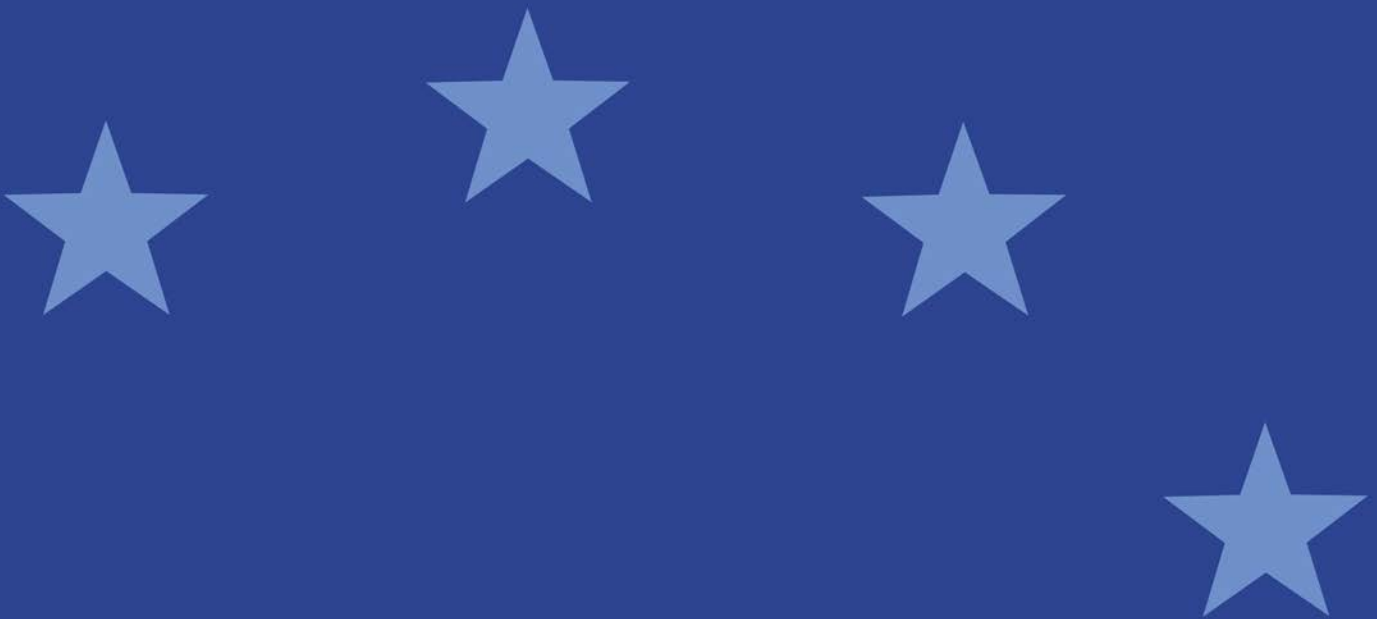


Response form for the Joint Consultation Paper concerning amendments to the PRIIPs KID





JOINT COMMITTEE OF THE EUROPEAN
SUPERVISORY AUTHORITIES

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 2017¹ (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 1286/2014² (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.

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

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.

- 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](#) 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) 2018/1725³. Further information on data protection can be found under the [Legal notice](#) section of the EBA website and under the [Legal notice](#) section of the EIOPA website and under the [Legal notice](#) section of the ESMA website.

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.

General information about respondent

Name of the company / organisation	The Association of Investment Companies
Activity	Other Financial service providers
Are you representing an association?	<input checked="" type="checkbox"/>
Country/Region	UK

Introduction

Please make your introductory comments below, if any:

<ESA_COMMENT_PKID_1>

Introduction

The AIC welcomes the ESAs' work on addressing and attempting to resolve the issues with the PRIIPs KID. The AIC has consistently warned of the danger these disclosures present to investors.

Urgent action is required to address the problems identified with PRIIPs. KIDs are flawed. Too often, they overstate performance and understate risk. Consumers relying on this information are in danger of being misled. These issues arise as a result of fundamental errors in the approach and methodologies underlying the disclosure. Ensuring consumers are protected should be the starting point of any changes and amendments that the ESAs propose to make to the PRIIPs regulation.

It is disappointing that the ESAs have not been given authority to develop proposals to resolve problems arising from the Level 1 legislation. The recent *Final report* by the ESAs acknowledged the limits on their capacity to act. Measures such as the Supervisory Statement, the extension of the word limit for the narrative accompanying the Summary Risk Indicator (SRI) and the remedies proposed in this current consultation, cannot fix the problems with KIDs and continuing to propose 'quick' fix solutions is likely to result in additional fixes being required in the future.

The European Commission, European Parliament and the Council of Ministers should commit to re-open the Level 1 text. This is the only way to ensure real improvement to the KID. Until and unless the Level 1 text is open to review, the fundamental issues inherent in KIDs remain a concern and KIDs will continue to pose a risk to consumers.

The problems with KIDs

KIDs are fundamentally flawed:

- the 'one-size-fits-all' approach adopted by the regulation means that, in key respects, very different products are treated the same resulting in misleading information for at least one product type. The heterogeneous nature of the investments to which the PRIIPs regulation applies is ignored. Unless measures allow KIDs to differ where products are not substitutable, the quality and clarity of the information presented to the consumer will be compromised.
- the flawed performance scenario methodology creates performance illustrations, which misleadingly give consumers an outlook for potential future returns which is either too positive or too negative.
- the SRI methodology misleads investors about the risk associated with their investment. A single number, presented alongside additional unquantified written warnings, cannot meaningfully convey the risk associated with an investment.

Comprehensive review of PRIIPs

The issues with PRIIPs demand a comprehensive review of the regulation. The AIC notes with concern that the European Commission review, planned originally for completion by December 2018 and subsequently shifted to December 2019, now appears to be drifting further. It is also unlikely to be as comprehensive.

The AIC **recommends** that a date is confirmed by the Commission for when a comprehensive review of the PRIIPs regulation will be undertaken.

While the AIC's comments and responses to the paper do include recommendations, these should not be taken as acceptance that the proposed changes will make the KID materially less harmful for consumers.

Adopting the proposals set out in the consultation, either in whole or in part, will not 'fix' the problems with KIDs.

<ESA_COMMENT_PKID_1>

Q1 : 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 unclear what digital solutions are being considered in respect of KIDs. The text of the consultation indicates that consideration could be given to reopening the Level 1 regulation to explore this option. The AIC would be concerned if the Level 1 regulation was amended for this reason but not to fix the fundamental issues that currently exist with the KIDs.

The AIC **recommends** that the ESAs and the Commission fix the already identified issues with the KIDs before allowing these flawed disclosures to be disseminated more easily into the broader distribution system.

<ESA_QUESTION_PKID_1>

Q2 : 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>

No. See our response to Q1 above.

<ESA_QUESTION_PKID_2>

Q3 : 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>

The AIC does not consider that the amendments proposed in the consultation will address the fundamental issues with the KID. This will require a wholesale review of the regulation.

However, in the absence of such a review, careful consideration must be given to the impact of the proposed changes and whether they will achieve the intended effect. Introducing the proposals should not be rushed. This could risk making a flawed disclosure worse. It is noted that some planned consumer testing is still ongoing and not yet concluded (4.1). As such the effect of some of the proposed amendments remains uncertain and could potentially alter the proposals.

Continued delay in addressing the issues with KIDs means that increasing numbers of consumers are at risk of receiving flawed disclosures. Implementation of the proposed changes will not resolve these problems. Policymakers should therefore consider allowing Member States to suspend obligations to prepare and provide a KID where a risk of harm to the consumer has been identified by the Member State.

Notwithstanding the above, the AIC **recommends** that the proposed changes are evaluated through consumer testing to understand their potential impact and benefit to consumers before they are instituted. This implies introducing any reforms in 2022.

<ESA_QUESTION_PKID_3>

Q4 : 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>

No.

<ESA_QUESTION_PKID_4>

Q5 : 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>

The SRI is an important aspect of the KID which requires amendment, but which has not been considered as part of this consultation.

The problems with the SRI are significant and are as important as the harm arising from the misleading performance scenarios. It is unreasonable to expect investors to draw sufficient meaning from a single number, without an appropriate frame of reference.

The SRI does not capture the full risks of a product. It is inevitable that investors will focus on the SRI number but they are unlikely to appreciate that that number does not quantify all risks nor does it accurately capture risk. For example, Venture Capital Trusts (VCTs) invest in smaller unquoted companies. VCTs are higher risk products. This should be reflected in the SRI, possibly with a rating of 5 or 6 but, instead, the SRI for a large percentage of VCTs is shown as 3 on the 1 – 7 scale. This is well below what might be considered a VCT's true level of risk, making these SRIs misleading. This type of mis-assessment makes it impossible for a retail investor to assess the risks associated with the product and take an informed view about their investment.

It is disappointing that the consumer testing does not include obtaining customer views on the SRI. Along with performance scenarios, the SRI is the most likely element of the KID of which consumers will take notice.

Given that the disclosure is intended for use by consumers and is for their benefit, it would seem appropriate to test this aspect of the disclosure with consumers to ensure that it appropriately meets their needs.

The AIC **recommends** that a review of the presentation and methodology of risk warnings is undertaken.

<ESA_QUESTION_PKID_5>

Q6 : 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>

It is difficult to comment on the merits and viability of the proposed revised methodology as testing in relation to the performance templates is ongoing.

<ESA_QUESTION_PKID_6>

Q7 : 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>

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<ESA_QUESTION_PKID_7>

Q8 : 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>

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<ESA_QUESTION_PKID_8>

Q9 : Do you agree with how the reference rate is specified? If not, how should it be specified?

<ESA_QUESTION_PKID_9>
TYPE YOUR TEXT HERE
<ESA_QUESTION_PKID_9>

Q10 : 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>

The AIC does not support the proposed revised methodology. Our preference is for the simplified approach set out in section 5.7.

The proposed dividend yield methodology adds a layer of complexity and lacks clarity with regard to the likely performance of certain assets, such as property for which capital growth must be accounted. There is also a danger that the methodology could favour one type of management over another (e.g. passive over active).

If the dividend yield methodology is to be considered, instead of the simplified approach which the AIC supports, the AIC **recommends** that the ESAs undertake comprehensive testing to ensure that the proposed dividend yield is suitable for all types of management funds.

<ESA_QUESTION_PKID_10>

Q11 : 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>
See our response to Q10.
<ESA_QUESTION_PKID_11>

Q12 : How should share buyback rates be estimated?

<ESA_QUESTION_PKID_12>
See our response to Q10.
<ESA_QUESTION_PKID_12>

Q13 : 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>
Sere our response to Q10
<ESA_QUESTION_PKID_13>

Q14 : 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>

See our response to Q10.

<ESA_QUESTION_PKID_14>

Q15 : Do you think compensatory mechanisms for unforeseen methodological faults are needed? If yes, please explain why.

<ESA_QUESTION_PKID_15>

The need for 'Compensatory measures' confirms that there are flaws in the methodology which should be addressed. The AIC advocates addressing these flaws to negate the need for compensatory measures.

The paper acknowledges that the need for such measures arises from the diversity of products on the market to which the PRIIPs regulation is expected to apply. This highlights the need for greater flexibility in the application of the PRIIPs regulation to allow for differentiation between products.

<ESA_QUESTION_PKID_15>

Q16 : 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>

See our response to Q10.

<ESA_QUESTION_PKID_16>

Q17 : 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>

See our response to Q10.

<ESA_QUESTION_PKID_17>

Q18 : 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>

The simplified methodology is the AIC's preferred option. The methodology of setting maximum growth rates determined solely by asset class is straightforward and it reduces the risk of overstating returns and of creating procyclical disclosures.

The AIC **recommends** that this option is made subject to a detailed consultation to ensure preparers can take account of specific factors, such as gearing.

<ESA_QUESTION_PKID_18>

Q19 : 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>
See our response to Q18.
<ESA_QUESTION_PKID_19>

Q20 : 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>
See our response to Q18.
<ESA_QUESTION_PKID_20>

Q21 : 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>
See our response to Q18.
<ESA_QUESTION_PKID_21>

Q22 : 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>
See our response to Q18.
<ESA_QUESTION_PKID_22>

Q23 : Do you think illustrative scenarios should be included in the KID as well as probabilistic scenarios for structured products?

<ESA_QUESTION_PKID_23>
TYPE YOUR TEXT HERE
<ESA_QUESTION_PKID_23>

Q24 : If not, do you think illustrative scenarios should replace probabilistic scenarios for structured products?

<ESA_QUESTION_PKID_24>
TYPE YOUR TEXT HERE
<ESA_QUESTION_PKID_24>

Q25 : 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>
TYPE YOUR TEXT HERE
<ESA_QUESTION_PKID_25>

Q26 : Would you be in favour of including information on past performance in the KID?

<ESA_QUESTION_PKID_26>

Disclosure of past performance should not be included alongside future performance scenarios. Rather than providing clarity, the additional information is likely to make the KID more confusing.

The AIC's preferred approach is to change to the Level 1 text to remove the requirement to show performance scenarios and replace it with a past performance disclosure.

There are also practical implications associated with adding past performance disclosures to the KID along with performance scenarios. Specifically, it could force preparers to issue a KID which is longer than 3 pages. While the ESAs' paper acknowledges that the addition of this information could place preparers in breach of Article 6(4) of the PRIIPs regulation, no clear proposal for dealing with this issue has been presented.

<ESA_QUESTION_PKID_26>

Q27 : 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. As stated above (see Q26.) performance scenarios and past performance should not be disclosed together in a KID. Disclosing both pieces of information is likely to be confusing.

<ESA_QUESTION_PKID_27>

Q28 : 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. The AIC considers that showing discrete periods, rather than an average, is helpful as it can show the potential for volatile returns.

<ESA_QUESTION_PKID_28>

Q29 : 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>

TYPE YOUR TEXT HERE

<ESA_QUESTION_PKID_29>

Q30 : 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>

No.

<ESA_QUESTION_PKID_30>

Q31 : 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 Directive⁴?

<ESA_QUESTION_PKID_31>
TYPE YOUR TEXT HERE
<ESA_QUESTION_PKID_31>

Q32 : 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>

Q33 : 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>

The AIC welcomes consideration by the ESAs of the issues with cost disclosure. The ‘slippage methodology’ creates situations where the KID includes ‘negative’ costs. This is misleading and confusing.

The AIC supports retaining the current “half the recommended holding period” approach. We see no benefit in trying to compare costs on a fixed intermediate period when their recommended holding periods differ.

<ESA_QUESTION_PKID_33>

Q34 : 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>

No. We do not support this change. See our response above, Q33.

<ESA_QUESTION_PKID_34>

Q35 : 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>
TYPE YOUR TEXT HERE
<ESA_QUESTION_PKID_35>

Q36 : 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>

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

The AIC would only advocate the inclusion of additional cost information where a clear benefit is identified. It is not clear what benefit the consumer would derive from the inclusion of this additional information.

<ESA_QUESTION_PKID_36>

Q37 : In this context, are there PRIIPs for which both performance fees and carried interests are applied?

<ESA_QUESTION_PKID_37>

Yes. This is the case for some private equity funds.

The ability to separate out and show the cost make up of particular products can be helpful as a way to help investors understand the costs associated with the product. See our response to Q40 for the AIC's recommended approach.

<ESA_QUESTION_PKID_37>

Q38 : 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>

The AIC disagrees that 'fees' arising from the management of the underlying real estate assets should be taken into account in the calculation of the cost indicators. For property funds, the costs of maintaining the properties are already incorporated into the value of the assets.

<ESA_QUESTION_PKID_38>

Q39 : Do you agree with the ESAs' preferred option 3 to revise the cost tables?

<ESA_QUESTION_PKID_39>

No. The AIC prefers Option 4.

<ESA_QUESTION_PKID_39>

Q40 : If not, which option do you prefer, and why?

<ESA_QUESTION_PKID_40>

Option 4 is preferred as it simplifies the cost disclosure. However, the AIC would propose one amendment to allow preparers the option to specify individual costs under the 'Ongoing costs' section and the 'Incidental costs'. In the case of the ongoing costs, this would be in addition to the Transaction costs disclosure. These costs could include, for example, costs arising from gearing, fees paid to the AIFM and other third party providers etc.

<ESA_QUESTION_PKID_40>

Q41 : 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>

TYPE YOUR TEXT HERE

<ESA_QUESTION_PKID_41>

Q42 : Do you have other comments on the proposed changes to the cost tables?

<ESA_QUESTION_PKID_42>

No.

<ESA_QUESTION_PKID_42>

Q43 : What are your views on the appropriate levels of these thresholds? Please provide a justification for your response.

<ESA_QUESTION_PKID_43>

The AIC welcomes the ESAs' acknowledgement of the need for proportionality in applying the transaction costs methodology.

The AIC does not support the slippage methodology. Some PRIIPs have smaller, more concentrated portfolios which trade less frequently. As a consequence, the potential for high volumes of trades, across the portfolio, to average out positive and negative costs does not arise.

The proposal does not resolve the shortcomings of the slippage methodology, namely that it is misleading and unhelpful.

Applying a transaction threshold does not resolve the key problem, which is that the methodology allows market movements which may influence the cost disclosure. Simply ignoring negative implicit costs is also not a solution. It is a denial of the fundamental flaws in the approach.

The AIC **recommends** that an alternative approach, such as a 'half-spread' methodology should be considered as an alternative to the slippage methodology.

<ESA_QUESTION_PKID_43>

Q44 : 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>

The primary concern of the AIC is that the PRIIPs KID is flawed. Arguably, professional investors are at an advantage because of their detailed knowledge about investments but this should not mean that they should be provided with misleading information.

Irrespective of whether the option to 'switch off' the UCITS KIID is made or the decision is taken to have both disclosures (for professional investors), the information provided by PRIIPs is potentially misleading. This is true regardless of the recipient.

<ESA_QUESTION_PKID_44>

Q45 : 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>

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<ESA_QUESTION_PKID_45>

Q46 : 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>

No. The AIC does not agree that these requirements should be extended to all types of PRIIPs. The format of the KID was consulted on in the original PRIIPs consultation. Changes should therefore only be made where a specific case is identified. Further, changes should be considered on their own merits and not simply transferred from the UCITS approach.

<ESA_QUESTION_PKID_46>

Q47 : 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>

No. See our response to Q46.

<ESA_QUESTION_PKID_47>

Q48 : 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>

No. See our response to Q46.

<ESA_QUESTION_PKID_48>

Q49 : 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>

No. See our response to Q46.

<ESA_QUESTION_PKID_49>

Q50 : Do you think this proposal would be an improvement on the current approach?

<ESA_QUESTION_PKID_50>

TYPE YOUR TEXT HERE

<ESA_QUESTION_PKID_50>

Q51 : 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>

TYPE YOUR TEXT HERE

<ESA_QUESTION_PKID_51>

Q52 : 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>
TYPE YOUR TEXT HERE
<ESA_QUESTION_PKID_52>

Q53 : Do you think this proposal would be an improvement on the current approach?

<ESA_QUESTION_PKID_53>
TYPE YOUR TEXT HERE
<ESA_QUESTION_PKID_53>

Q54 : 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>

Q55 : 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>

Q56 : 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>

Q57 : 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>