JOINT COMMITTEE OF THE EUROPEAN SUPERVISORY AUTHORITIES

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

16 October 2019

Date: 16 October 2019
ESMA 30-201-535

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 2017[1] (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 1286/2014[2] (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:

Q1 Insert your responses to the questions in the Consultation Paper in the present response form.

Q2 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.

Q3 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.

Q4 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.

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[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.

Q5 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**.

Q6 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) 2018/1725[3]. 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	Finance Denmark
Activity	Banking sector
Are you representing an association?	Yes
Country/Region	Denmark

Introduction

Please make your introductory comments below, if any:

<ESA_COMMENT_PKID_1>
Finance Denmark is a business association for banks, mortgage institutions, asset management, securities trading and investment funds in Denmark.

First, we would first like to thank the ESAs for their work and continued efforts to create solutions to improve the PRIIPs regulation in this targeted Level 2 review.

Secondly, we like to mention that we welcome the ESA statement from 24th of October 2019 concerning the PRIIPs scope for corporate bonds, however clarification on scope in the Level 1 regulation would be preferable. In this regard, we would like to point out that derivatives, which are only used to mitigate risk, should be excluded from the PRIIPs scope for several reasons elaborated in the answer to Q5 in this document.

We are disappointed that the Commission has chosen not to conduct a more comprehensive consumer testing of the proposals in this Consultation Paper. Consumer testing is a corner stone in the process of striking the right balance in reforming the investor protection legislation in Europe. Regulatory changes should always be based on thorough and in-depth consumer testing process giving evidence for the path to regulatory changes that de-facto contribute to the financial well-being of European investors.

The PRIIPs regulation covers a substantial industry in Europe, billions of investors across a wide product scope and thereby a massive task for regulators. Therefore, it is extremely important to have validated all proposals empirically. It would be most unfortunate if the information included in the KID is not understood by retail clients and also a de-facto step back information wise compared to the UCITS KIID or the current PRIIPs KID. It is problematic that consumer testing is not conducted on derivatives as derivatives for retail investor are almost solely used for mitigating risk rather than taking risk. The KID in its current version is in our opinion misleading and confusing with regards to derivatives.

We support that the amendments proposed in this Consultation Paper should be implemented at one point in time. A step-by-step approach could likely confuse investors as they would constantly have to understand the on-going changes of the document. It is easier for an investor to relate to one significant change of the KID rather than constantly over a longer period having to relate to and understand small changes in the KID. Also, it is important to ensure that PRIIPs manufactures are given enough time to adapt to the new rules, as it will require substantive changes to IT systems, and it will be costly to explain the changes to investors.

As a review of the Level 2 framework only allows for technical changes, it is our overall position that the proposals do not go far enough in terms of addressing the fundamental issues in the Regulation. Some of the proposed solutions simply ‘mask’ questionable methodologies and introduce even more complexity. This is the case with transaction costs methodologies and to some extend also in the cost disclosures and performance scenarios.

We are concerned that there might be a period where the industry due to legislation are obligated to deliver both the UCITS KID and the PRIIPs KID to investors. This would be very unfortunate and, in our opinion, impossible to explain to investors. Having two parallel documents could be claimed to be unclear and misleading and thereby in conflict with the PRIIPs legislation and the UCITS legislation. It would damage the UCITS brand globally and weaken the position of the European legislators in the minds of European investors. Therefore, this situation must be avoided.

The importance of a revised and well-functioning PRIIPs KID cannot be overstated for the European fund industry. The success of the UCITS brand both inside and outside the European Union can, to some extent, be attributed to meaningful disclosures, such as those provided by the UCITS KIID.
<ESA_COMMENT_PKID_1>

1. **: Are there provisions in the PRIIPs Regulation or Delegated Regulation that hinder the use of digital solutions for the KID?**

<ESA_QUESTION_PKID_1>
We generally endorse rules that support the use of digital solutions. The use of digital solutions is also in line with the New Commission's ambition to strengthen the digital Europe.

Providing digital solutions is much more than simply presenting an investor with a pdf document on a website. This need to be addressed through a fundamental Level 1 review, as many of the current solutions and compromises will need to be reassessed. For example, how should one deal with the current 3-page limit, if the information is only presented via interactive digital solutions? How should data be made available, aggregated and stored? How can further details be shown if of particular interest to the investor? How interactive can the information presented be?

In short article 14 in the level 1 regulation states that clients have to opt. in for other media than a paper version of the KID and acceptance from the individual client must be documented by the distributor. This is an unnecessary barrier to digital distribution and an unnecessary administrative burden. The provision is not in line with client demand and the functioning af advisory services in a digital society. The provision should be amended so that a paper version is not the default media. Specifically, we support removing provisions 4 (b), 5 (b), 5 (c) in article 14. However, there are also other provisions in the regulation which are limiting in order to support digital solutions. This is the case for the three-page limit which do not make sense when seen in the content of the digital distribution platforms and media. An example where this is problematic is the mobile app distribution.
<ESA_QUESTION_PKID_1>

2. **: 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>
Yes, but we are also not exactly sure of what the ESA's define as IT tools and what exactly the ESA are envisaging with these questions. The development of data standards and data exchange are often best left to markets to develop. Only delivering PDF data is not a long-term market solution as explained in the answer to Q1.
<ESA_QUESTION_PKID_2>

3. **: 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>
We strongly recommend that amendments to the PRIIPs regulation are implemented at one point in time. Multiple implementation deadlines would mean extra unnecessary implementation costs and several individual updates of the IT-systems supporting the manufacturing of the PRIIPs KID.

From an investor protection point of view, it will also be much easier for retail investors if amendments are implemented at the same time as the regulation PRIIPs will apply for UCITS (1st of January 2022). This would mean that retail investors will only experience changes in the PRIIPs KIDs once instead of a series of ongoing minor changes that they constantly have to deal with and understand.

Multiple implementations dates would also mean that advisors would have to be instructed and educated several times – as they would need to receive educational lessons with each implementation date in order to be update on the new changes.

In general, we would prefer as long time as possible to implement amendments as there is a need to educate advisors and change IT-systems. We also see benefits in some economies of scale for the industry if all amendments are implemented at the same time.
<ESA_QUESTION_PKID_3>

4. **: 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. Please see our answer to question 3.
<ESA_QUESTION_PKID_4>

5. **: 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>
We understand that a review of the level 1 regulation is not within the scope of this consultation but we would nevertheless like to stress that we believe that OTC products which are used for hedging should not be subject to the PRIIPs regime as they are not used for investment purposes.

Though the aim of comparability of the PRIIPs KID documents is admirable, the comparability should only be a priority for de-facto comparable products. For instance, investors do not compare OTC derivatives with investment funds and comparability at the expense of precision and adequate information should therefore not be the result, which it is under the current rules. It is the experience of our members that KIDs produced for OTC products under the current rules confuse users more than they help. Having similar documents also sends a message that OTC and investment products are comparable and triggers confusion rather than clarity for investors especially when the terminology in the derivative markets are very different from investment products. The same argument could be made between a highly complex illiquid structured product and a simple and liquid UCITS fund.
<ESA_QUESTION_PKID_5>

6. **: 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>
We support using a graphic illustration showing payoff profile to the investor for derivatives and non-linear PRIIPs. However, for OTC products used for hedging, it would not make sense to have such illustration if it is based on historical data. Please also note our views on the specific proposed modifications with respect to structured products below.

We would also suggest access to better explanations of the different scenarios. One solution could be a link to an official website describing the scenarios instead of adding more text and complexity to the KID. As examples we see the need for further detailed explanations about the expected returns over more than one year. Simple explanations are needed to investors that an average 2-year return can be lower than a 1-year return.

Performance scenarios are a good example of the need to have individual solutions for products with different characteristics as there is not one solution that is ideal for all products. Comparability should only be a purpose if the products are indeed comparable which is often not the case given the wide scope of the PRIIPs regulation. It does not make sense to aim for comparable documents at great cost on text content and accuracy for products that are not comparable or substitutes. By focusing too much on providing comparable information between widely different investment products, the information presented to retail investors is, in some cases, irrelevant and, in other cases, even misleading. Simply put, comparability should not come at the expense of misleading information.

With respect to structured products specifically, our position on the modifications to the presentation of future performance scenarios being considered are as follows:

- We are in favour of including intermediate scenarios, as it provides information to investors on the consequences of an early exit of the investment;
- We do not express an opinion as to whether to indicate in the performance scenario table the estimated probability of each scenario;
- We are in favour of including a fourth stress scenario, as for quite a few structured products, stress scenarios are necessary to illustrate the potential downside since the unfavourable scenario will in such cases not differ from the favourable scenario. This can for example be the case where the product performs well in more than the 10% percentile (which is the limit for the unfavourable scenario) and so a stress scenario is needed to more adequately illustrate the potential downside.
- We are against the inclusion of past performance;
- We are against the inclusion of an illustrative approach, as this introduces a risk of having inconsistent KIDs between manufacturers as the assumptions on which illustrative scenarios are being established are likely to deviate. Moreover, there is no evidence that the use of illustrative scenarios would substantially improve the KID to an extent that justifies the immense costs in modifying IT systems, retraining salesforce and educating clients when changing to new performance scenarios.

<ESA_QUESTION_PKID_6>

7. **: 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>
We find that intermediate scenarios should not be included. It is important, that the KID clearly states, that future scenarios are for illustration only and the purpose is to give the potential buyer an illustration of the expected return and the risk. Regarding the cost for Category 3 PRIIPs, we think that the performance and the cost section should be aligned. The current KID is to complicated leading to a lot of misunderstandings from retail investors. Due to this it is important to make the KID easier to read and understand.

Having said that, we believe it essential to revisit the fundamental assumption that the ESA's can deliver one or more risk models that universally throughout the wide range of PRIIPs product delivers results that are meaningful and sound in all markets and at all times (market situations). For products other than OTC and structured products, we believe that the historical performance should be the cornerstone in the performance section of the KID and the historical performance could be supported by some sort of qualitative 'what if' scenarios, which describes the fundamental drivers of returns and risks. Some discretion should be left to the PRIIPs manufacturer in this "what if" section to allow the complexity of this text to be targeted the type of investor that the product targets. Retail investors in terms of MiFID II span widely in terms of ability to understand the complex terminology of risk and expected performance.

With respect to OTC products, we are firmly against using historical development as the basis for calculating and presenting future performance scenarios. This is mainly because for such products, historical development is irrelevant to future performance scenarios. We agree with the approach suggested by the ESAs where the future performance scenario will be based on a reference rate and an asset-specific risk

premium, provided this method does not rely on historical performance as the current rules do. Without having more details of the proposed model, it is difficult to say much more.
<ESA_QUESTION_PKID_7>

8. : 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>
We find that the stressed scenario should be excluded for all other products than structured products in order to avoid confusing investors. Its original inclusion stemmed from the current scenarios being considered as providing too positive outcomes. With changes to the underlying methodologies, its inclusion will no longer be necessary anymore. Also, its deletion should help avoid confusion between the unfavourable and stress scenario. To compensate for this the KID must clearly state that the unfavourable scenario is not the worst possible outcome.

With respect to structured products, based on the current methodology of calculating the future performance scenarios, we are in favour of keeping the stress scenarios, as the stress scenarios are necessary to illustrate the potential downside for some products (please see our answer to question 6 for more details).
<ESA_QUESTION_PKID_8>

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

<ESA_QUESTION_PKID_9>
We share the ESAs' concerns that the current methodology for performance scenarios is pro-cyclical in nature and welcome the initiatives to address this problem.

We agree that the issues of procyclicality are addressed but we cannot confirm or disconfirm that the proposals are delivering solid return expectation estimates for all product and in all markets.

While it may seem appropriate to consider an estimator to determine the expected yield or risk premia of the asset class or product, the revised methodology is creating an even more complex and resource-intensive model.

In particular, the proposed revision requires that a substantial amount of additional data points to be collected for each individual sector and country. This situation is further exacerbated by the stringent look-through requirement, which will impact funds in particular. This burden will be disproportionately larger for small and medium-sized players.

Given the complexity it will be next to impossible to explain to retail investors how the disclosed performance scenarios have been derived. The scenarios will simply become figures that investors may choose to believe in or not, when making their investment decisions.

We therefore suggest a methodology with standard reference rates calculated and published by ESMA (or another third party). This would be the same approach as the one used in Denmark for calculating future payments from pension products called "Common returns assumptions on Pension- and Investment products: https://www.pensionsprognoser.dk/samfundsforudsaetninger.

Finance Denmark and Insurance & Pension Denmark have recently launched common return assumptions for both pension and investment products. The purpose has been to increase transparency and credibility in the pension and investment sectors, thereby increasing interest and strengthening the investment environment in Denmark and fostering trust in the financial institutions.

The return assumptions are set by an independent council (Council for Pensions Forecasts) with input from international financial institutions. The initiative has run two years for pensions and the investment products was included this year. So far, the experience has been positive in both sectors.

One of the intentions behind the return assumptions is that pension companies and banks do not compete on overly optimistic expected returns instead investors should (other than in respect of OTC and structured products) evaluate a product's performance based on the past performances. With respect to structured products, we think a simplified risk premium model based on historical volatility is preferable, as it more accurately estimates future performance and it does not require extra data compared to the current model.
<ESA_QUESTION_PKID_9>

10. **: 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>
We agree but think that the same expectations should be used across the industry. We refer to our answer to question 9 for how this can be done.
<ESA_QUESTION_PKID_10>

11. **: 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>
They should be derived from an analyst report by an independent organisation like ESMA. Otherwise there will be even more regulatory driven market data dependence and even higher market data prices – costs that will end up being paid by the retail investors.

Noting that the ESAs refer to the potential use of historical dividend rates, we would like to reiterate our answer to question 7 that with respect to OTC products, we are firmly against using historical development as the basis for calculating and presenting future performance scenarios.

With respect to structured products, we prefer the current approach where the rules do not specify in too much detail how the expected dividend rates are to be determined. This is preferable since each underlying asset needs to be assessed individually. By way of example, Nokia has chosen to remove all dividends going forward and using historical dividends to predict expected dividends would not make sense.
<ESA_QUESTION_PKID_11>

12. **: How should share buyback rates be estimated?**

<ESA_QUESTION_PKID_12>
We are against the use of share buyback rates, as we do not believe that they are an important predictor of returns alongside dividend yields.
<ESA_QUESTION_PKID_12>

13. **: 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>
As we do not have any money market funds in Denmark, we do not have any opinion on this matter.

<ESA_QUESTION_PKID_13>

14. : 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>
Other than in respect of OTC products, we think that a calculation from 5-year daily returns produces a useful estimate of the real volatility. It is important to remember that the main purpose is to guide the investor and not to give the investor the assumption that the calculations represent a true picture of the future performance. Having said that we are against the use of option prices to determine volatility.

With respect to OTC products, we would like to reiterate our answer to question 7 that with respect to OTC products, we are firmly against using historical development as the basis for calculating and presenting future performance scenarios.
<ESA_QUESTION_PKID_14>

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

<ESA_QUESTION_PKID_15>
We think that compensatory mechanisms should be used with caution. The ESAs' proposal to include "compensatory mechanisms" reflects uncertainty that the proposed model may not work for all products and in all markets over time. We fully share this concern, which is why we suggest (other than for OTC products) focussing on historic performance in combination with qualitative "what if" scenarios instead. It is also worth mentioning that the proposal will add complexity to an already too complex methodology.
<ESA_QUESTION_PKID_15>

16. : 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>
In general, we think, that if the calculation produces unrealistic results for certain asset classes or products the estimation of the inputs to the calculations should be revised. However, we also appreciate the complexity of delivering a model covering all products in all markets which is why for certain product types with linear performance, historical performance should be the primary information for the investor to evaluate performance and risk in combination with explanations of the key risk drivers of the individual product instead of forward looking probabilistic models. However, for OTC products, we are (as stated in our answer to question 7) firmly against the use of historical data. The need for the ESA's to include compensatory mechanisms only highlight this fact. A side note to be stated is that the complexity in the PRIIPs KIDs creates a need for all the PRIIPs KIDs to be updated simultaneously (e.g. once every ½-year). Otherwise it will be difficult to compare two PRIIPs KIDs as they are from different periods.

<u>With respect to structured products and OTC products:</u>
We are against the proposals of (a) lowering the favourable scenario to match the maximum return observed in the past if the performance in the favourable scenario is higher than any return observed in the past and (b) raising the unfavourable scenario to match the minimum return observed in the past if the performance in the unfavourable scenario is lower than any return observed in the past. We are against this as such compensatory mechanisms would mean that historical developments will be used in calculating and presenting the future performance scenarios which, as explained in our answer to question 7, we believe is wrong.

With respect to the proposal of lowering the unfavourable scenario to match the manufacturer's expectation of an unfavourable outcome, if the unfavourable scenario is considered to be unrealistic, we believe

that this may theoretically be a good idea but we are nevertheless against it, primarily for two reasons: (1) It will be too difficult to implement and ensure that all KIDs are updated simultaneously to take into account changes in expectations and this will lead to some KIDs being updated at a time when others are not which will make it almost impossible to understand differences between KIDs; and (2) as mentioned by the ESAs, there is a big risk of different expectations between manufacturers which can very easily lead to a lack of comparability between products.
<ESA_QUESTION_PKID_16>

17. : 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>
We refer to our answer to question 16.
<ESA_QUESTION_PKID_17>

18. : 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>
We are in favour of a more simplified approach, and as stated in the answer to question 9 and 10, we think that risk free rates, risk premiums and correlations should be set by a supervisory or external body. Please have a look at the Danish approach to how the industry should calculate expected returns for pension products.

Common European level asset class growth tables would allow a significant reduction in the amount of data needed by manufacturers to produce the performance scenarios, while ensuring comparability across Europe. Such standardised tables would need to be produced and updated by an independent body, such as the ESAs, to ensure the accurateness of the data. Furthermore, the inclusion of past performance with respect to linear, non-OTC products will ensure that retail investors have an additional performance-related reference point when making an investment decision and comparing similar products such as 'linear' investment funds. In this regard we strongly encourage the ESAs to acknowledge that comparability between linear investment funds and structured products is not in itself meaningful since the comparison between these very different products for investors is not meaningful. A simpler approach for the linear funds is indeed possible without weakening the overall legislation since an investor will never compare the expected return of a structured product with a linier fund.
<ESA_QUESTION_PKID_18>

19. : 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>
We refer to our answer to question 18.
<ESA_QUESTION_PKID_19>

20. : 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>

Probabilistic methodologies could vary depending on the type of product however this should depend on how the product types are defined. The ESAs should rather consider entirely different types of performance scenarios for simple linier funds. The UCITS KIID differentiates between 'linear' and 'structured' funds to provide performance information and the same logic should be followed in the PRIIPs KID. See answer to question 18.

As a side note for derivatives used for hedging purposes the results are often hard or even impossible for investors to understand. In several cases the results of the performance scenarios are misleading.
<ESA_QUESTION_PKID_20>

21. **: 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>
Please consider our response to question 18 with regards to our proposals for alternative approaches.
<ESA_QUESTION_PKID_21>

22. **: 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>
Please consider our response to question 18 with regards to our proposals for alternative approaches.
<ESA_QUESTION_PKID_22>

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

<ESA_QUESTION_PKID_23>
We are opposed to the idea of introducing illustrative performance scenarios in the KID in either of the possible constellations suggested by the ESAs in the Consultation Paper (replacement of probabilistic scenarios or completing information provided next to probabilistic performance scenarios). The reason for this is that there is a great danger of having inconsistent KIDs between manufacturers as the assumptions on which illustrative scenarios are being established are likely to deviate. Moreover, there is no evidence that the use of illustrative scenarios would substantially improve the KID to an extent that justifies the immense costs in modifying IT systems, retraining salesforce and educating clients when changing to new performance scenarios.

If illustrative scenarios were to be included in the KID only one approach should be included in order to avoid the risk of confusing the potential investor.
<ESA_QUESTION_PKID_23>

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

<ESA_QUESTION_PKID_24>
Yes. illustrative scenarios should <u>replace</u> the existing probabilistic scenarios rather than <u>being added</u> to the existing performance disclosures. Providing different types of performance scenarios for the same product will likely confuse investors. In many cases we think that illustrative scenarios are a better solution for investors, but not necessarily only for structured products. "What if" scenarios together with historical performance would in our view be a far better solution for investors for many product types, although for OTC products, we are (as stated in our answer to question 7) against the use of historical performance for purposes of the future performance scenarios.
<ESA_QUESTION_PKID_24>

25. : 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>
See previous answers
<ESA_QUESTION_PKID_25>

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

<ESA_QUESTION_PKID_26>
We welcome the ESAs' note that they do not propose to require the inclusion of past performance for Category 1 or Category 3 PRIIPs.

In respect of linear products, we think that past performance and the performance of a benchmark as in the current UCITS KIID is of great value to investors and should be included for such products without an end date. However, it will be important to also include disclaimers around past performance.

Past performance (although not a guarantee for future performance) provides investors with objective information about the relative merits of product managers and the capacity of an investment product to meet its objectives and to deliver value for its investors

We have noted that the proposal is only to use past performance for some PRIIPs in the first round, but also that it is planned to continue to try to find methodologies to include the past performance for other PRIIPs products. Our view is that historic performance makes most sense and is crucial for linear products without an end date.

From our point of view there is a risk of confused investors if both past performance and expected future performance scenarios are to be shown – this will at least require explanations to investors and such explanations can be difficult to give in a meaningful way across products and markets. We strongly urge the ESA's to consider a free text box for the possibility of the individual manufacture to explain the difference between past and expected performance as the explanation might change over time and between different product types at a given time. However, the best solution would be historical performance without probabilistic scenarios but adding a qualitative "what if" scenario explaining the main risk drivers.

In case of a linear product with no past performance it should be handled as in the UCITS KIID.
<ESA_QUESTION_PKID_26>

27. : 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>
Our answer would be the same. However, it will be very difficult to include information on past performance within the existing space limits, so it will be necessary to expand the document if this should be included. We therefore believe that the PRIIPs regulation should be amended to make it possible to have a fourth page in the KID. As already highlighted in our response to Q1, the use of digital solutions will require profound changes to the current approach prescribed in the regulation – also with regards to space limits.
<ESA_QUESTION_PKID_27>

28. : 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>
For investment funds, we overall prefer the current UCITS KIID methodology. By using averages, the volatility of past performance is hidden for the investor which is problematic. The objective of illustrating past performance is to give the investor an objective understandable and intuitive illustration of volatility and risk – this should not be hidden by averaging historic returns.
<ESA_QUESTION_PKID_28>

29. : 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>
The only costs not included in the NAV is entry- and exit costs. We do not think this is an issue as the total cost appear in the cost section of the KID.
<ESA_QUESTION_PKID_29>

30. : 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>
Yes, that will be necessary as this cannot be overexplained. It must be clearly stated that past performance cannot be used to predict future performance and the future performance is also just an illustration of possible outcomes. Please also see our answer to Q26. This should also be considered when evaluating the three-page limit of the document.
<ESA_QUESTION_PKID_30>

31. : 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 Directive[4]?

<ESA_QUESTION_PKID_31>
This question is handled separately in other forums. However, if the principles stated in the ESMA Q&A should be applied to the PRIIPs KID indeed we see a merit in including further specification on the cases both to accommodate for the fact that such requirements should be in the regulation and not in a Q&A and also to clarify what exactly is regulated.

First, it is important to note ESMA's controversial interpretation of the requirements in its March 2019 review of the UCITS Q&As. More specifically, as per the answer to Question 8b thereof, ESMA offers its interpretation of whether a given investment approach "includes or implies a reference to a benchmark" by referring to an open-ended list of examples. According to the Q&A-answer, it is sufficient for a benchmark index "to play a role in the management of the UCITS" for the management company to have to disclose it in the KIID (including in past performance).

Although ESMA's wording recognises the onus on the management company to determine whether a UCITS is in practice managed according to a benchmark, the subsequent list of non-exhaustive examples

[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

provides cases where ESMA believes this to be the case. Among these are disparate possible uses of benchmarks by a UCITS management company, ranging from portfolio construction to the calculation of performance fees, additionally including uses of indicators to set internal risk limits, remunerate individual staff, in contracts with third parties, etc. Few of these uses, however, are material to the actual pursuit and delivery of the UCITS investment objective.

Second, the fact that an index is generically "playing a role" in the management of a UCITS is not enough to categorise the management of the fund as benchmark dependent. There is, therefore, a need in the PRIIPs KID context to be more specific on the function a chosen benchmark serves, as some functions may be completely unrelated to the attainment of the investment objectives. Failing this, it would be difficult to see how any UCITS would not be a fund managed with reference to a benchmark and would thereby introduce a bias against actively managed strategies.

Third, in terms of presenting UCITS investors with information which is "fair, clear and not misleading", we observe that only those benchmarks that are relevant to the implementation of a given investment strategy deserve are to be disclosed in the future PRIIP KID's past performance section, alongside that of the fund. From a strict interpretation of the answer to Question 8b in the current UCITS Q&As, investors would be left attempting to make sense of the performance of multiple indices represented in the relative bar chart, most of which would not be relevant to inform investors on how the UCITS has actually performed.[5] The resulting confusion for investors from bloating the PRIIP KID with needless or non-material information would thus conflict with management companies' fiduciary obligations when disclosing product performance to a retail investor. Lastly, it would also challenge the logic of a PRIIPs KID as a short and user-friendly document.

Finance Denmark, therefore, believes that the transition from a UCITS KIID to a PRIIP KID will be an ultimate opportunity for ESMA to review its current interpretation of Article 7(1)(d) and related KIID Regulation requirements, in a manner that is consistent with the management company's fiduciary duty and geared to enhance the quality of information disclosed to investors.
<ESA_QUESTION_PKID_31>

32. : 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>
No comments.
<ESA_QUESTION_PKID_32>

33. : 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>
Yes. We agree that standardised periods will make comparison between different products easier for investors. However, the best solution would be to include only a one-year and recommended holding period (RHP) in the cost disclosure. This is important, as it reduces the amount of information being presented to retail investors.
<ESA_QUESTION_PKID_33>

[5] As an example, one could consider an absolute return UCITS fund, where the portfolio manager selects some 10%-15% of the portfolio using an emerging market equity index. Such "bottom-up" portfolio construction technique allows such index to merely guide a relatively small part of the portfolio's composition. Consequently, the index's performance is not sufficiently representative of that of the whole portfolio (which can be diversified across other asset classes, derivatives, cash, etc.) for the index to be disclosed in the "Past Performance" section of the future PRIIPs KID. The same considerations would apply to other "internal" uses of indices, not solely related to portfolio construction.

34. : 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>
The proposal does not clarify how products with shorter recommended holding periods than 5 years should be shown. First, the best solution would be to exclude the intermediate holding period as stated in question 33. Secondly, RHPs vary immensely between different types of PRIIPs, thus there is little sense in trying to strive for complete comparability. Thus, the standardised 1-year period is of crucial importance, as it already gives investors a sense of the immediate entry costs and potential early exit costs.
<ESA_QUESTION_PKID_34>

35. : 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>
More figures are not necessarily better investor information. It can instead often confuse investors. For some products such as investments funds, we prefer the average annual cost figure, because investors are used to this approach and accumulated figures will be too dependent on a recommended holding period. An average annual cost figure would make it easier for investors to compare products with different recommended holding periods.

With respect to structured products and the annual average cost figure, requiring a conversion of the performance scenarios and costs calculated for periods other than one year to one year where the recommended holding period is less than one year leads to unrealistic outcomes – especially for products having an RHP of one day, as is the case for most open-end leverage products. We are therefore against the inclusion of an annual average cost figure for such products with a recommended holding period of less than one year.

A potential solution to this problem is the one EUSIPA has previously suggested:

EUSIPA Recommendation	Issuers should base the scenario calculation on the following RHP...	Issuers should, under the currently applicable RTS ...
... for open-end LEVERAGE products:	1 day (*)	Do not use annualization. *See ESMA Q&A paper in its version published on 19 July 2018 (page 23).*
... for closed-end LEVERAGE products:	No recommendation.	*See ESMA Q&A paper in its version published on 19 July 2018 (page 23).*
... for open-end NON-LEVERAGE products (e.g. trackers):	5 years (*)	Use annualization, if remaining RHP > 1y
... for NON-LEVERAGE products with a remaining maturity of less than one year:	Maturity	Do not use annualization. *See ESMA Q&A paper in its version published on 19 July 2018 (page 23).*
... for NON-LEVERAGE products with a remaining maturity of more than one year:	Maturity (*)	Use annualization.

<ESA_QUESTION_PKID_35>

36. : 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>
We strongly support the ESAs' intentions to improve comparability with MiFID II disclosures. Due to the vast majority of funds being distributed in a MiFID II environment, it is absolutely crucial that investors receive comparable cost disclosures through the PRIIPs KID and MiFID ex-ante disclosures. In respect of investment funds, it is, therefore, crucial to include the total costs as a percentage of the investment amount.

In order to avoid that the information is misunderstood we recommend that only a yearly percentage is shown which is aligned with MiFID II cost disclosure rules. Relying on cost figures that are dependent on RHP or the performance scenarios make comparison of costs across products difficult.
<ESA_QUESTION_PKID_36>

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

<ESA_QUESTION_PKID_37>

Our members do not offer such funds to retail clients.
<ESA_QUESTION_PKID_37>

38. : 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>
If the costs are to be included it shall include the “clean” administration cost that are in a fund. We are not sure how it can be measured fairly otherwise. Also, here you do not compare fees across different product types as an investor. Comparability only makes sense for comparable products/substitutes and investors do not compare costs of liquid open ended UCITS funds with real estate funds. There should however be a disclaimer that there can be significant costs that are not included.
<ESA_QUESTION_PKID_38>

39. : Do you agree with the ESAs’ preferred option 3 to revise the cost tables?

<ESA_QUESTION_PKID_39>
We agree that the cost tables need to be revised. In respect of investment funds, we do not agree with the ESAs preferred option 3 because it mixes in the second table calculated information (RIY) with information displayed in the prospectus and represents information overload to retail investors

We support the proposal from EFAMA which is MiFID II compatible and much simpler for the investor to understand (less and more precise information is in this case better investor protection). We would overall prefer a simpler approach like the one in the current UCITS KIID. This approach could also be amended by calculating the cost per year as the RIY in the current KID. Remember that delivering costs as nominal amounts still leaves the investor with the task of recalculating percentages since the invested amount rarely would match the standardized amount in the KID.

The EFAMA suggested cost table would look as follows:

Investment [EUR 10 000] **This table shows the impact on return per year**				
		If you cash in after [1] year	**If you cash in [at the end of the recommended holding period]**	**What are they?**
		€ […]	**€ […]**	**Total costs**
		[…] %	**[…] %**	**Impact on return (RIY) per year**
One-off costs	**Entry costs**	[…] %	[…] %	The impact of the costs you pay when entering your investment. [This is the most you will pay, and you could pay less.]
	Exit costs	[…] %	[…] %	The impact of the costs of exiting your investment.
Ongoing costs	**Ongoing costs**	[…] %	[…] %	The impact of the costs that we take each year for managing your investments.
	Portfolio transaction costs*	[…] %	[…] %	The impact of us paying any commission or fee to any intermediary in order to buy or sell underlying investments within the product.
Incidental costs	**Performance fees**	[…] %	[…] %	The impact of the performance fee. We take these from your investment if [insert a brief explanation of the conditions under which performance fees are charged with a maximum of 100 characters in plain language].
	Carried interest	[…] %	[…] %	The impact of carried interests. We take these when the investment has [performed better than x%]. [A payment of y% of the final return will take place subsequently to the exit of the investment.]

* Any indirect transaction costs are excluded. These costs amount to […] % over [1] year or […] % over the recommended holding period.
<ESA_QUESTION_PKID_39>

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

<ESA_QUESTION_PKID_40>
Please see our answer to question 39.
<ESA_QUESTION_PKID_40>

41. : 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>
The focus should be on keeping it simple for the retail investors. This is not the case, since the impact of cost on return is incomprehensible for the vast majority of retail investors. Therefore, showing the retail investor even more data on this figure with three lines; before cost, after cost and reduction due to cost, will most likely only confuse investors and contribute to information overload.

Secondly, the concept of “return per year before costs” is conceptually highly questionable. This figure requires PRIIPs manufacturers to re-include all costs into the PRIIPs, resulting in a figure detached from the fact that there are no opportunity costs for investors. This would mislead retail investors into believing that returns are free.
<ESA_QUESTION_PKID_41>

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

<ESA_QUESTION_PKID_42>
Please keep in mind, that a simple approach is often the best since the risk of misunderstanding the figures is lower. A disclaimer mentioning that it is based on assumed returns should be included.
<ESA_QUESTION_PKID_42>

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

<ESA_QUESTION_PKID_43>
In respect of investment funds, regarding the calculation of indirect transaction costs, we are in line with the previous consultation answer and position papers from EFAMA.

We would generally support option 2 over further complicating existing rules with an extra methodology and new arbitrary limits for when these apply. Limits always distort markets and behaviour. We suggest option 2 but using the existing “New PRIIPs” methodology for the implicit cost instead of prescribing no common methodology since this would leave a common approach for all market participants that is proportionate and implementable. We support that the ESAs produce a common spread table for the “new PRIIPs” methodology except for OTC derivatives since these are tailored products where more flexibility is needed to better capture the asset spreads.

The ESAs should keep in mind that implicit costs are always estimates and captures two different things in one cost component: 1) The ability of execution governed by best execution rules in MiFID II and 2) the illiquidity of the traded assets in combination with the strategy (number of trades). We are of the strong position that these implicit costs should not be confused with actual transaction costs that are paid between two parties – we therefore urge to separate implicit and explicit transaction costs.

Regarding the limit proposal we do not have a strong opinion on this subject other than limits may affect market behaviour. Limits would probably not have the intended effect leaving a more proportionate solution for PRIIPs doing few trades. The reason being that even though some PRIIPs might fall under the limits they would not let trading constraints from regulation define their strategies and therefore there would need to be systems and data in place to be able to support the arrival price methodology anyway.

We generally agree that negative transaction costs shall not be shown and support that they can be set to 0 instead since it would confuse investors. However, we must underline that negative results support the EFAMA position that it is an errored methodology which effects all results (as stated by EFAMA). We can also agree to show the explicit cost in % of average AUM, but it shall be possible to correct them for anti-dilution income directed to cover trading costs. We would like to underline that counter to the arguments from the ESAs the market noise from the arrival time until the execution time of each trade and thereby the confidence interval of the estimate of the transaction cost is growing with the number of trades.

Even though we support an amended version of option 2 (as described above) the description of how to calculate transaction costs in option 1 seems to be an improvement compared to the current wording, however:

- Necessary information is not stored (bid/ask) for a given OTC-trade. So, there need to be an alternative to the bid/ask in those cases.
- There should be a possibility to use an “independent” source or similar trades in cases where the PRIIPs manufacturer must use opening or closing prices for exchange trade instruments. Open and close prices are not good alternatives since they leave too much room for market movements.
- We strongly suggest that implicit cost for trades being executed at a predetermined time of the day can be calculated according to the bid/ask at that time. Again, this possibility would minimize the market effect and thereby result in a less flawed methodology.
- For new PRIIPs comparable information should also be a possibility for bond assets. The use of the AFG-table for new PRIIPs should be possible or a better alternative would be a common spread table issued by ESMA for common use and level playing field in Europe.

<ESA_QUESTION_PKID_43>

44. : 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>
We do not see a need for professional investors to receive either a UCITS KIID or a PRIIPs KID. Professional investors do not use the KIID/KID as the information in these types of documents is too high level for their needs. Professional investors use the prospectus and often ask the management company or the portfolio manager for more detailed information than a KID/KIID provides. Often professional investors also make their own due diligence before their initial investment. It will be an unnecessary burden and cost to have two overlapping key information documents.

The co-legislators should repeal the rules in the UCITS directive regarding UCITS KIIDs from 1st of January 2022, when UCITS fall within the scope of the PRIIPs regulation, so UCITS KIIDs no longer should be made or provided to professional investors as well as retail investors.
<ESA_QUESTION_PKID_44>

45. : 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>
UCITS investors are currently entitled to receive a UCITS KIID when changes are made to the savings plan. In the PRIIPs regime, it is mandatory to provide an updated PRIIPs KID to investors whenever the PRIIPs KID is updated. We would welcome the alignment of the UCITS KIID to the PRIIPs KID, by the implementation of Section II, Question 2a of the ESMA Q&A on UCITS in the PRIIPs Q&A. Investors would then be provided with a KID at the beginning of the savings plan and whenever there are changes made to this savings plan, but a KID should not be required solely because the KID has been updated.
<ESA_QUESTION_PKID_45>

46. : 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>
Yes, we agree that these requirements should be extended to all types of PRIIPs.
<ESA_QUESTION_PKID_46>

47. : 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>
Yes, we agree that these requirements should be extended to all types of PRIIPs, but are mostly relevant for UCITS managed by a management company and AIFs.
<ESA_QUESTION_PKID_47>

48. : 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>
We think these requirements are mostly relevant for UCITS managed by a management company and some AIFs.
<ESA_QUESTION_PKID_48>

49. : 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 comments.
<ESA_QUESTION_PKID_49>

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

<ESA_QUESTION_PKID_50>
No comments.

<ESA_QUESTION_PKID_50>

51. : 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>
No comments.
<ESA_QUESTION_PKID_51>

52. : 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>
No comments.
<ESA_QUESTION_PKID_52>

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

<ESA_QUESTION_PKID_53>
No comments.
<ESA_QUESTION_PKID_53>

54. : Are there other approaches or revisions to the requirements for MOPs that should be considered?

<ESA_QUESTION_PKID_54>
No comments.
<ESA_QUESTION_PKID_54>

55. : Do you have any comments on the preliminary assessment of costs and benefits?

<ESA_QUESTION_PKID_55>
No comments.
<ESA_QUESTION_PKID_55>

56. : 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>
No, unfortunately not.
<ESA_QUESTION_PKID_56>

57. : Are there significant benefits or costs you are aware of that have not been addressed?

<ESA_QUESTION_PKID_57>
We have not identified such.
<ESA_QUESTION_PKID_57>