

# Announcement: HM Treasury to extend PRIIPs exemption for UCITS funds for five years

News story

Today, 1 June 2021, HM Treasury has announced that the current exemption for Undertakings for the Collective Investment in Transferable Securities (UCITS) funds from the requirements of the Packaged Retail Investment and Insurance-based Products (PRIIPs) Regulation will be extended by five years to 31 December 2026.



Undertakings for the Collective Investment in Transferable Securities (UCITS) funds are currently exempted from the requirements of the Packaged Retail Investment and Insurance-based Products (PRIIPs) Regulation. This means that, instead of producing a Key Information Document (KID), UCITS funds providers must produce a Key Investor Information Document (KIID), as per the [requirements of the UCITS Directive](#). This exemption expires on 31 December 2021.

HM Treasury intends to legislate to extend this exemption to 31 December 2026. This legislation will be made under a power the Treasury was granted in the Financial Services Act 2021 to extend the current exemption by five years if required.

This announcement is being made now to provide certainty for industry and investors regarding the disclosures UCITS funds providers will have to make to retail investors beyond the end of 2021.

While the current exemption will be extended by five years, depending on from the result of HM Treasury's review of the UK retail disclosure regime, changes to the PRIIPs Regulation may be made – or a successor regulation may be introduced – sooner than 2026. In this scenario, considerations would be made to ensure a smooth transition to the new regime for all retail investment product providers, including those marketing UCITS funds.

- UCITS funds are retail-targeted investment funds that comply with the “UCITS Directive” – the main EU framework covering collective investment schemes. The UCITS Directive currently forms part of the UK financial services rulebook as it came into force while the UK was a full EU Member State. UCITS funds are investment funds that can be marketed across the UK and EU.

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