

ESAs consult on changes to the key information document for PRIIPs

The aims of the review are to:

- Address issues that have been identified by stakeholders and supervisors since the implementation of the KID in 2018;
- Make specific changes to allow the rules to be applied to investment funds that are expected to have to prepare a KID from 1 January 2022 onwards.

The consultation paper proposes changes relating to the following topic areas:

- Illustrations of what the retail investor might receive in return from their investment (performance scenarios);
- Information on what the costs of the investment are;
- Specific issues for different types of investment funds;
- Specific issues for PRIIPs offering a range of options for investment (so-called “Multi-Option Products”).

As part of this review, the European Commission, in cooperation with the ESAs, is undertaking a consumer testing exercise to assess the effectiveness of different presentations of performance scenarios. The results are expected in the first quarter of 2020.

When deciding on their final proposals, the ESAs will take into account the feedback from respondents to this consultation, as well as the results of the consumer testing exercise.

The deadline for submission of feedback is 13 January 2020.

The Consultation Paper and template for comments can be accessed via the following webpage.

Background

The KID for PRIIPs is a mandatory, three-page A4 information document to be provided to consumers before purchasing a PRIIP. PRIIPs include, for example, investment funds, structured products and unit-linked and with-profits life insurance contracts.

The PRIIPs Regulation (No 1286/2014) defines the **main rules and principles** for KIDs. It is supplemented by a Delegated Regulation (2017/653) specifying the presentation and contents of the KID, which is based on Regulatory Technical Standards that the ESAs were mandated to develop.

This Consultation Paper follows a previous **ESA consultation on the PRIIPs KID in November 2018 (CP 2018 60)**. The November 2018 consultation paper proposed more targeted amendments to the PRIIPs Delegated Regulation. Taking into

account the feedback to that consultation, in February 2019, the ESAs decided to defer their review and work on more substantive revisions during 2019.