

## **The impact of UK regulatory reform on KIIDs**

As you will be aware, the UK's regulatory structure will be changing this year when the Financial Services Authority will be replaced by two new entities, the Financial Conduct Authority (the FCA) and the Prudential Regulation Authority (the PRA). These two new regulators are expected to take on their regulatory responsibilities from 1 April 2013, this date being termed the 'legal cutover' for the transition.

Consultation on proposed Handbook changes was undertaken at the end of 2012 although changes to the respective FCA and PRA rulebooks are not planned until both new entities have acquired their legal powers. One impact of this reform is that there will be changes to the prescribed wording that firms use to identify who regulates them (e.g. 'authorised and regulated by the FCA'). The updated wording will need to be reflected in KIIDs, since it is a requirement to include the following authorisation details: *'This fund is authorised in [name of Member State] and regulated by [identity of competent authority]'*.

Thankfully there is some discretion allowed for as part of the legal cutover, meaning that the updated authorisation wording need not be in place for 1 April. As part of its recent consultation, the FSA proposed that there would be a six month transitional period, in order to allow firms time to make the necessary changes to literature in both hard and soft formats. As such we are looking at the end of September as the final date by which literature should be amended.

We hope this brief information is helpful, not least as a diary note of action needed in the coming months. It means that KIIDs for funds currently authorised by the FSA will need to be republished at some stage between April and the end of September. This can be undertaken either as an ad-hoc task or timed to coincide with other fund changes.

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