

PRIIPs to go ahead with UCITS-style Key Information Documents

The European Parliament voted last week, as expected, to press ahead with Key Information Documents (KIDs) for Packaged Retail and Insurance-based Investment Products (PRIIPs). PRIIPs KIDs are expected to be in place by the middle of 2016, bringing PRIIPs into line with UCITS funds, which have issued Key Investor Information Documents (KIIDs) since July 2012.

Under the PRIIPs regime, non-UCITS funds, structured products, insurance-based investment products and derivative instruments available to retail investors will need to produce a standard pre-sale document. Personal and occupational pension products will remain out of scope, at least until a review in four years' time.

The format and information on PRIIPs KIDs will be broadly similar to UCITS KIIDs, which are expected to be replaced by the new document after a five-year transition period. However, PRIIPs KIDs will run to three A4 pages, compared to two pages for almost all UCITS KIIDs, because of the additional information required.

New features for PRIIPs KIDs include, where applicable, telling investors if the product has any social or environmental objective and including a "comprehension alert" for complex products. The prospect of an online calculator for all PRIIPs has been put off, at least until after the proposed review.

There are still several outstanding issues on the format and content of KIDs, which may take some time to resolve, including how the risks and costs are displayed.

Kii Hub, the award-winning provider of UCITS KIIDs, will provide an outsourced KID production and delivery solution for PRIIPs.

The Kii Hub service is provided by Global Funds Registration, a joint venture between data and document production experts FE and Technical Fund Marketing, which specialises in regulatory and product advice to fund groups.

Kii Hub is planning to hold a series of workshops to help companies affected by PRIIPs KIDs understand the implications for them and to help feed back major questions and concerns to the regulators. If you have any urgent questions, please get in touch at info@kiihub.com; we will endeavour to answer those that we know have been resolved already or we will continue to engage with the FCA to provide further clarity where necessary.

22nd April 2014