

## UCITS V to impact KIID content

UCITS V will be effective from 18 March 2016. This includes proposed rules governing remuneration policies of UCITS managers which will impact the content of KIIDs.

EU Directive 2014/91 states that KIIDs will be required to include:

*“A statement that the details of the up-to-date remuneration policy, including, but not limited to, a description of how remuneration and benefits are calculated, the identities of persons responsible for awarding the remuneration and benefits including the composition of the remuneration committee, where such a committee exists, are available by means of a website - including a reference to that website - and that a paper copy will be made available free of charge upon request.”*

This forthcoming requirement could present a logistical challenge: the deadline for the annual KIID update is 19 February 2016, so firms may have to update their KIID documentation twice within a matter of weeks, with the second refresh required specifically to insert the new remuneration statement. However, we have raised this issue with our Policy Advice contacts at the FCA who have indicated that they are aware of this and will be proposing some solutions in their UCITS V Consultation Paper which will be published imminently. Separately, ESMA has already issued its own consultation on the same topic and is asking for responses back by 23 October 2015.

Looking at the requirement itself, the challenge will be to convey this new requirement in plain language and in a way that fits within the limited space available on a KIID. Our view is that the new text will sit most logically in the Practical Information section. Although it could be inserted as a separate statement, it may be more concise to weave the new ‘remuneration policy signpost’ wording into existing text that clients already include in the Practical Information section, i.e. where information is provided on how to request further information. We will be happy to provide guidance and/or drafting assistance nearer the time.

We will issue a further update when we have reviewed and considered the FCA’s forthcoming Consultation Paper. In the meantime, if you require further information, please contact us on 020 7337 2291 or at [info@kiihub.com](mailto:info@kiihub.com).

**1<sup>st</sup> September 2015**