

Update to UCITS V impact on KIIDs

Further to our [update](#) regarding the UCITS V requirement to add your remuneration policy to your KIIDS from 18 March 2016, the FCA has now issued [CP 15/27](#) on UCITS V implementation, including the following:

Transitional provisions

- 3.36** The lack of other transitional measures could cause difficulties for management companies, who will have to update the relevant documentation in the prospectus and the KIID and file this information with (and, in many cases, obtain prior approval of the prospectus changes from) the FCA. Hence, we propose that UCITS management companies will:
- be able to update the relevant information in the prospectus at the next planned update and, in any case, within six months from 18 March 2016, and
 - be allowed to update the KIID at the next annual update after 18 March 2016.

- 3.37** In the meantime, we suggest it would be good practice for UCITS management companies to publish on a website the additional information about the depositary and the management company's remuneration arrangements, as far as it is available.

- Q8: Do you agree with our proposed transitional provisions for firms to update their fund documents?**

Responses to Part 1 of the CP, which includes this section, should be submitted [online](#) by Monday 9 November.

We believe this is a very sensible proposal to avoid the enormous burden of updating all KIIDs with this additional wording within a month of the next annual update and we will respond to the CP accordingly.

However, as this proposal is from the FCA, it only affects funds and their KIIDs in the UK. Subject to the requirements of local regulators, a fund marketed cross-border could potentially need this additional wording in an updated KIID in certain markets before February 2017. Neither we nor the FCA are aware yet of what other regulators will require. As transitional arrangements are not always considered when regulations are drafted, the FCA will raise this matter with ESMA to try to obtain agreement to this approach across the EU.

A potential solution open to you, depending on your own in-house interpretation of whether this statement comes into the category of "other practical information", under Article 20.1(c) of the UCITS KIID Regulation, is to include it in the January/February 2016 annual update.

We have also discussed our concerns with the Investment Association and **strongly advise you to lobby EFAMA and the regulator and trade association in any country where you may be affected** to avoid costly and time-consuming work to comply with this clause of UCITS V.

If you require further information please contact us on 020 7337 2291 or info@kiihub.com. We will issue further updates on this as they become available.

9th September 2015