

ESAs issue Consultation Paper on PRIIPs KIDs

Following the Discussion Papers issued over the last year, the Joint Committee of the European Supervisory Authorities published its [Consultation Paper](#) (CP) on PRIIPs KIDs yesterday (11 November), with the deadline for responses of 29 January 2016.

The CP contains the draft Regulatory Technical Standards (RTS) that will dictate all aspects of a KID. It also includes preliminary impact assessments for Article 8 (content and methodology), Article 10 (review, revision and republication) and Article 13 (timing of delivery) of the PRIIPs Regulation. In the ESAs' own words, the CP "sets out details on the proposed requirements to be included in the preparation of the KID, these include:

- a common mandatory template for each KID, including the texts and layouts to be used;
- a summary risk indicator of seven simple classes for the risk and reward section of the KID;
- a methodology to assign each PRIIP to one of the seven classes contained in the summary risk indicator, and for the inclusion of additional warnings and narrative explanations for certain PRIIPs;
- details on performance scenarios and a format for their presentation, including possible performance for different time periods and at least three scenarios;
- costs presentation, including the figures that must be calculated and the format to be used for these i.e. in both cash and percentage terms;
- specific layouts and contents for the KID for products offering multiple options that cannot be effectively covered in three pages;
- the revision and republication of the KID, to be done at least annually; and
- the KID must be provided sufficiently early for a retail investor to be able to take its contents into account when making an investment decision."

We are working through the CP and plan to issue our own summary in due course. We will also be holding meetings and workshops to discuss our thoughts on how the regulation has moved on and what the RTS require from product providers.

We understand that, for many, the timing of the consultation period is not ideal, clashing with both Christmas and the annual KIID update at the start of next year. However, if you would like a meeting about the CP and have not already been in touch with us about this, please call 020 7337 2291 or email us at info@kiihub.com.

12th November 2015