

Act now while waiting for extension of “Modification by Consent” for NURS funds

The current exemption for NURS funds, allowing them to issue UCITS KIIDs instead of a Simplified Prospectus, is due to expire at the end of June with no indication yet from the FCA about an extension to the waiver.

This is understandably causing concern among those who take advantage of the waiver, as a failure to extend this could lead not only to their needing to re-issue a Simplified Prospectus from 1 July, but also to adopt the PRIIPs regulation and issue a KID from the end of 2016.

It has been suggested by the FCA that management companies with NURS funds should submit an application for a continued waiver in writing to their Central Waivers Team or by email to centralwaiversteam@fca.org.uk as soon as possible. This will allow time for the waiver to be granted for those funds before the deadline in the event that they do grant an extension.

Unfortunately, without any indication from the FCA of the likelihood of an extension, we are unable to provide guidance on whether firms should also start preparing for the possible reintroduction of SPs and the eventual production of PRIIPs KIDs for these funds. However, as the PRIIPs KIDs regulation allows for the possibility of national authorities to exempt NURS from the need to adopt PRIIPs KIDs, there is no reason yet to believe that the waiver will not be extended.

We will provide updates to any interested parties as soon as we are aware of a decision, but if you would like to discuss the possible implications in more detail, please contact us on 020 7337 2291 or fe-kiihub@financialexpress.net.

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