

Commission “considering whether to propose a delay” to PRIIPs

At a panel discussion hosted by the Greens and the European Free Alliance at the European Parliament yesterday (19 October), Ugo Bassi of DG FISMA, the Financial Services directorate of the European Commission, was questioned on the timetable for PRIIPs, as the uncertainty is causing big problems and adding to costs across the industry.

In response, Mr Bassi said that they are working with the ESAs on a revised set of Regulatory Technical Standards (RTS) to take account of the concerns raised by the European Parliament. Subject to any unforeseen issues, the plan is to have the RTS adopted by the Commission “by February”, at which point the Parliament and Council scrutiny period will start.

The Commission is “considering whether this means we need to propose a slight delay” of 6, 9 or 12 months to the entry into force of the Level 1 regulation, so that it comes into force at the same time as the Level 2 implementing rules. The Commission is likely to propose new RTS in parallel with “another quick fix like the one we had in MiFID” on condition that the legislators commit only to reopening discussion on the date.

This is the first time we have heard anyone from the Commission commit to delaying PRIIPs until the Level 2 rules are in place. If we take Mr Bassi’s words at face value, it also means that only those changes demanded by the Parliament and Council will be considered, but we will need to wait to see if that includes the calculation of transaction costs and the SRI scale, among others, or if it will focus only on the return scenarios and the treatment of MOPs.

Prior to giving a deadline of February for the Commission to adopt the revised RTS, Mr Bassi said “we hope to adopt it...in the coming weeks”, so hopefully the discussion at the Commission on 22 November will shed a lot more light on this.

If you require further information, please get in touch with us by calling 020 7337 2291 or by email at fe-kiihub@financialexpress.net.

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