

## **FCA's policy statement PS17/6 on PRIIPs scope and disclosure rules**

Further to consultation paper CP16/18 last year, the FCA has now issued policy statement [PS17/6](#).

PS17/6 covers two topics:

- An update on the products the FCA considers to be in or out of the scope of PRIIPs, and
- Changes to the disclosure rules in the FCA Handbook.

CP16/18 proposed to include investment trust savings schemes (ITSS) in scope of PRIIPs, as they are in the FCA's glossary definition of a packaged product. However, the FCA accepts that, while investment trusts themselves are PRIIPs, a savings scheme is not.

The FCA also confirms that ISAs are not PRIIPs, although investments held in them may be. Any costs associated with either ITSS or ISAs will need to be disclosed separately.

Clarification in PS17/6 on the scope of PRIIPs includes:

- VCTs are in scope of PRIIPs;
- debt securities are only PRIIPs if the amount repayable is subject to fluctuations in the value of an underlying asset or assets;
- the 'PRIIP manufacturer' of an AIF could be the AIFM or the AIF itself, depending on the structure.

But the FCA acknowledges it can't yet give clarity on whether PRIIPs KIDs will be required for:

- closed products no longer available to new investors;
- products not intended by the manufacturer for retail customers, but which are available on a secondary market through third parties;
- dividend reinvestment or top-up investments.

PS 17/6 includes the following confirmation in the Handbook disclosure rules:

- PRIIPs will no longer need to issue Key Features Documents (KFD) or Illustrations (KFI);
- NURS funds may issue a NURS-KII or KID, Qualifying Investor Schemes for professional investors won't need to issue a KFD or KID, and AIFs won't need a simplified prospectus or KFD;
- firms may choose to issue post-contractual combined information, in addition to fund KIDs;
- any facilitated adviser charges will need to be disclosed on a KFI or alongside the KID.

Some areas remain unclear until ESMA issues further information, as the FCA – and regulated firms in the UK – will need to abide by ESMA's decisions when PRIIPs become a reality in January 2018.

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