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ESAs Publish Final Report on Amendments to the PRIIPs Key Information Document

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On February 8, the Joint Committee of European Supervisory Authorities (ESAs) published a final report on proposed amendments to Commission Delegated Regulation (EU) 2017/653 (Delegated Regulation) on key information documents (KIDs) for packaged retail and insurance-based investment products (PRIIPs).

The ESAs originally consulted on the proposals in a consultation paper issued in November 2018, proposing amendments that would allow the KID to be applied to all types of investment funds (including undertakings for collective investments in transferable securities (UCITS)), as well as amendments designed to resolve perceived issues concerning performance scenarios.

The ESAs state in the final report that, having reviewed the feedback on the consultation, stakeholders did not support the proposed amendments. In the meantime, the European Parliament and Council have also been discussing deferring the application of the KID by UCITS and certain non-UCITS funds until December 31, 2021. In light of the above, the ESAs have decided not to propose substantive amendments to the Delegated Regulation at this time.

Instead, the ESAs have begun work to provide input to a review of the Delegated Regulation during 2019. The final report sets out how the ESAs plan to conduct this work and discusses the next steps that the ESAs intend to take.

At the same time, the ESAs also believe that an immediate supervisory response is needed in relation to the issues discussed in the consultation paper concerning performance scenarios. The ESAs consider that there is a risk that retail investors may have developed inappropriate expectations about the possible returns they may receive. Therefore, the ESAs recommend that PRIIP manufacturers include a warning in KIDs to ensure that retail investors are fully aware of the limitations of the figures provided in the performance scenarios.

The final report is available [here](#).

The joint supervisory statement is available [here](#).

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