ESAs - Risposta consultazione sulle modifiche ai PRIIPs

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General Comments

Assogestioni welcomes the ESAs' initiative to begin to address the shortcomings of the current PRIIPs KID. However, we are concerned about the limited scope of the consultation, the short time to respond and the absence of a consumer testing that will ensure that the proposed amendments address all shortcomings.

We would like to highlight that, however well-intentioned, the PRIIPs Regulation and its Regulatory Technical Standards could fail in their objective of empowering fund investors to make better and more informed investment decisions. We support a more comprehensive review of the PRIIPs framework that will address all the drawbacks of this challenging Regulation, included but not limited to the methodologies for the calculation of transaction costs and the overall cost disclosures towards investors.

In order to avoid regulatory failure and to produce a coherent and well-staged process to the possible "phasing out" of the UCITS KIID, we strongly believe that the process put in place by the co-legislators in the PRIIPs Regulation (PRIIPs Regulation Articles 33) must be followed.

It is clear from this consultation that information provided to investors with UCITS KIID is of great informative value, as it is also confirmed by their proposed inclusion in the PRIIPs framework. The UCITS KIID cannot be phased out without an in-depth assessment of all relevant provisions.

As an example, the broad disclosure regime for UCITS should be reviewed since it would be inappropriate and costly, to make the UCITS KIID (only) for professional investors (which are not in the scope of PRIIPs) who are capable of analysing more complex information. It should also be confirmed the approach under the UCITS KIID framework for share classes, which makes it possible to present information on the most representative share class, where appropriate, fair and clear for investor. In similar way, it should be clarified that one single document would be sufficient, both in case of a single or of regular investments.

While targeted changes to the Level-2 requirements may address some issues currently plaguing the PRIIPs KID, other issues can be solved only through changes to the Level-1 Regulation. Again, this underlines the need for a full review, as originally specified by the co-legislators.

We understand the complexity of these discussions and again strongly underline that such decisions should be based on proper consultation on all the issues of detriment to retail investors and the results confirmed by consumer testing.

It is not in the best interest of retail investors to support the Commission's intentions to "phase out" the UCITS KIID by the end of 2019, upending the original sequencing as set out in the PRIIPs Regulation, and therefore having to put in place "quick fixes" that need to be agreed by the European co-legislators, at the latest, in Q22019 –only weeks before a new European Parliament is elected and a new European Commission constituted.

We would state clearly that the switch over from the UCITS KIID to the PRIIPs KID will carry material costs for the fund sector. Implementing or transitional costs become even higher where quick fixes reviews are followed by a larger review. The situation is not made easier by the fact that there are also other topics of concerns not addressed in the current consultation, such as the market impact of orders in the calculation of transaction costs. Timing is also another issue as the transition is a massive process that can start only once the regulatory framework is clear.

We are calling on the co-legislators to extend the exemption for UCITS in order to reinstate the original timeline and to allow time for a proper review of the PRIIPs KID. In light of the recent developments, we therefore stress our full support for the European Parliament's ECON Committee's proposal to extend the UCITS exemption until 2021.

This being said, we consider this ESAs' consultation and our subsequent comments as only a first preparatory step towards a full review in the near future and under a newly to be defined timeline. So, our comments on the points raised in this consultation should not be seen as any sort of endorsement to address substantial issues with rushed quick-fixes to the PRIIPs Regulatory Technical Standards.

Scarica la versione integrale della risposta alla consultazione [2].

Risposta al documento di consultazione congiunto delle ESAs sulle modifiche ai PRIIPs