

MEDIA RELEASE

Brussels, 23 February 2021

EUSIPA pleads for exempting structured PRIIPs from new RTS

EUSIPA unreservedly supports the ambition of the EU PRIIPs Regulation to establish an EU-wide standard for delivering correct, non-misleading and comparable product information to retail investors. It also recognises the challenges involved in bringing a diverse range of asset classes into the scope of the PRIIPs Regulation.

EUSIPA seeks to alert the relevant institutions, however, that the redrafted version of the PRIIPs Regulatory Technical Standards (RTS) finalised by the ESAs in early February does not meet the technical requirements across a broad range of packaged investment products. The implementation of these RTS once more risks providing incorrect and inconsistent information in the Key Information Documents (KIDs), especially for Category 1 and 3 products.

EUSIPA also is highly concerned that the envisaged timeline for implementing the new RTS by January 2022 will derail their successful roll-out. This is because the “Level 1” review of the PRIIPs Regulation scheduled to bring results in about 18-24 months from now will inevitably lead to yet more changes to the RTS ruleset, if not their complete overhaul.

EUSIPA therefore urges the relevant institutions to seek a constructive solution to the above constraints, aiming to safeguard the EU PRIIPs Regulation’s initial purpose of providing technically correct information in a market-friendly format that enables investors to make informed investment decisions rather than confusing them.

To cater for the above need, EUSIPA proposes to apply the redrafted RTS to Category 2 UCITs funds only and to hold off with applying them to other products until the EU PRIIPs Regulation’s Level 1 review has been finalised.



Heike Arbter, EUSIPA chairwoman, said:

“At the retail point of sale, technically insufficient new RTS and such that allow product manufacturers to apply individual methodologies, will render many KIDs incorrect and incomparable. This will have a detrimental effect on the retail customers’ understanding and willingness to invest. In addition, the uncertainty of yet another change to the RTS ruleset in the near term will deter many distributors from engaging with retail customers on future investment opportunities.”

For more information please contact:

Mrs Kim Hunter, Greyfriar Communications

Tel: + 44 (0)7985 275447

Email: kim.hunter@greyfriarcommunications.com

EUSIPA is the European umbrella organisation for issuers of structured investment products on the retail markets. EUSIPA's member body consists of national associations from Austria, Belgium, France, Germany, Italy, Luxembourg, Sweden Switzerland, The Netherlands and the United Kingdom. For more information, please visit www.eusipa.org.

EUSIPA (aisbl)

Rond-Point Schuman 2-4
B-1050 Brussels

Phone +32 (0) 2 550 34 15

Mail secretariat@eusipa.org

Web www.eusipa.org