

EU-regulation: PRIIPS (and related delegated regulation)

Topic	Article (where relevant)	Proposal	Justification
Scope	Article 4 PRIIPs	Excluding bonds and OTC-derivatives used for hedging activities	Consider exempting bonds and OTC-derivatives used for hedging activities from the scope of PRIIPs. The application of the PRIIP KID is burdensome for this type of instruments and activity and offer no meaningful value to the typical client.
Scenario Analysis		Reconsider the Scenario analysis section of the KID	Reconsider the scenario analysis of the PRIIP KID and the value for end client interpretation. Either replacing it with a simplified “what if approach” or consider a proper risk premia approach that is more realistic than forming estimates about the future based on performances of the past.
Disclosure		Take a holistic approach to align the rules on disclosure in PRIIPs, MiFID and the Prospectus regulation.	There are currently partly diverging rules on disclosure as regards PRIIP-products in both PRIIPs, MiFID and the Prospectus regulation
Cost & Charges		PRIIPs cost & charges rules should be better aligned with MiFID II.	Different disclosure rules in MiFID II and PRIIPs as regards costs contributes to information overload and could make it more difficult for



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			retail clients to make an informed investment decision.
Cost & Charges		Simplification of cost disclosure.	Further to aligning cost disclosure between PRIIPs and MiFID, cost disclosure would also benefit from simplification making it understandable for retail clients. Such simplification is currently taking place in the UK ¹ .
Review of KIDs	Article 15 of the Delegated Regulation	Delete the requirement to review the KID every 12 months unless there is a change that significantly affects or is likely to significantly affect the information contained in the key information document.	The manufacturer should be able to determine the frequency of a review as long as the content of the KID is compliant with the regulation.
Use of text fragments		Remove the requirements to include hardwired text fragments in the KID but keep the requirement when it comes to headings.	The Delegated Regulation contains multiple hardwired text fragments that are to be included in the KID. Whereas headings serve a purpose, many of the text fragments in the KID rather confuses the investor instead of clarifying. Cleaning up the Delegated Regulation from hardwired text fragments will improve the readability of the KID and make it

¹ [CP25/9: Further proposals on product information for Consumer Composite Investments | FCA](#)



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			easier to understand the product described in the KID