Key information documents for packaged retail and insurance-based investment products (PRIIPs): date of application of the Regulation

2016/0355(COD) - 09/11/2016 - Legislative proposal

PURPOSE: to defer the date of application of Regulation (EU) No 1286/2014 of the European Parliament and of the Council on key information documents for packaged retail and insurance-based investment products.

PROPOSED ACT: Regulation of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: Regulation (EU) No 1286/2014 of the European Parliament and of the Council introduced a series of measures aimed at enhancing investor protection and rebuilding consumer trust in the financial services industry by increasing transparency in the retail investment market. It requires manufacturers of packaged retail and insurance-based investment products (PRIIPs) to produce a Key Information Document (KID).

The Regulation empowers the European Supervisory Authorities to prepare regulatory technical standards specifying the elements of the KID.

On 6 April 2016, the ESAs jointly submitted the draft regulatory technical standards (RTS) on the KID for PRIIPs to the Commission. The draft RTS were endorsed by the Commission on 30 June 2016 by adopting the Delegated Regulation on KID.

During the scrutiny period, the Council raised no objections to the Commission Delegated Regulation. However, on 14 September 2016, the European Parliament rejected it. The European Parliament called on the Commission to review the provisions relating to multi-option PRIIPs, performance scenarios and comprehension alert. Moreover, the European Parliament and a large majority of Member States asked the Commission to **defer the date of application of Regulation (EU) No 1286/2014**.

Given the exceptional circumstances that have led to delays in the adoption of the Delegated Regulation and in order to reduce legal uncertainty and give more time to PRIIPs manufacturers to prepare for the application of the new rules, the date of application of Regulation (EU) No 1286/2014 shall be deferred.

CONTENT: the proposal seeks to **defer the date of application of Regulation (EU) No 1286/2014 by 12 months, until 1 January 2018**, in order to reduce legal uncertainty and give more time to PRIIPs manufacturers to prepare for the application of the new rules.