Key information documents for packaged retail and insurance-based investment products (PRIIPs): presentation, content, review and revision of key information documents and conditions for fulfilling the requirement to provide such documents

2017/2602(DEA) - 04/04/2017 - Text adopted by Parliament, single reading

The European Parliament decided not to object to the Commission delegated regulation of 8 March 2017 supplementing 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 (PRIIPs) by laying down regulatory technical standards with regard to the presentation, content, review and revision of key information documents and the conditions for fulfilling the requirement to provide such documents.

In its resolution of 14 September 2016, Parliament objected to the Commission delegated regulation of 30 June 2016 supplementing Regulation (EU) No 1286/2014 and called on the Commission to submit a revised delegated regulation which addressed its concerns expressed on:

- the unclear treatment of multi-option PRIIPS,
- the insufficient representation of the fact that retail investors may also lose money in adverse scenarios concerning certain products,
- the lack of detailed guidance as regards the use of the 'comprehension alert'.

Parliament noted that the **provisions of the revised delegated regulation are consistent with the objectives** expressed by Parliament:

- the revised delegated regulation clarifies that manufacturers of multi-option PRIIPs which include underlying investment options that are Undertakings for Collective Investments in Transferable Securities (UCITS) or non-UCITS funds would not need to provide all information requested under PRIIPs and will be authorised to use **UCITS key investor information documents** instead as an appropriate means of providing retail investors with more detailed pre-contractual information;
- an additional fourth performance scenario has been included in the revised delegated regulation; this '**stress scenario**' is intended to set out significant unfavourable impacts of the products that are not covered in the existing 'unfavourable scenario';
- the use of the comprehension **alert** was clarified by including in its scope of application those PRIIPs that are considered 'complex products';
- the proposed 'What is this product' section of the key information document was altered and the section on 'What are the risks and what could I get in return' includes a **presentation of administrative costs** in relation to the biometric components of insurance-based investment products.

In light of these considerations, Parliament declared that it had no objections to the revised delegated regulation.