Packaged retail and insurance-based investment products (PRIIPs): key information documents. Extension of the transitional arrangement

2021/0215(COD) - 03/11/2021 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Economic and Monetary Affairs adopted the report by Jonás FERNÁNDEZ (S&D, ES) on the proposal for a regulation of the European Parliament and of the Council amending Regulation (EU) No 1286/2014 as regards the extension of the transitional arrangement for management companies, investment companies and persons advising on, or selling, units of undertakings for collective investment in transferable securities (UCITS) and non-UCITS.

As a reminder, Article 32 of Regulation (EU) No 1286/2014 provides for a transitional arrangement whereby management companies, investment companies and persons advising on, or selling, units of UCITS and non-UCITS within the meaning of Directive 2009/65/EC of the European Parliament and of the Council are temporarily exempted from the requirement to provide retail investors with a KID. This arrangement currently applies until 31 December 2021.

The Commission proposes to extend the transitional regime under Regulation (EU) No 1286/2014 until 30 June 2022. This will give stakeholders time to prepare for the end of the transitional regime and to implement the other proposed measure (which provides for amendments to Delegated Regulation (EU) 2017/653).

In order to meet this need to give the parties concerned sufficient time to prepare for the obligation to produce a key information document, the competent committee proposes to extend the duration of the transitional regime by twelve months, i.e. until 31 December 2022 (instead of 30 June 2022).

Members introduced a new recital stating that the need for a broader review of Regulation (EU) No 1286/2014 and its urgency remains unchanged with a view to eliminating existing limitations including, inter alia, the need for a clearer definition of retail investors, the product scope of the PRIIPs Regulation, the elimination of paper by default where a PRIIP is offered on a face-to-face basis, the concept of successive transactions, the provision of pre-contractual information to professional investors.

On the basis of this review, the Commission should, in accordance with Regulation (EU) No 1286/2014, submit as a matter of urgency a report to the European Parliament and the Council, accompanied, where appropriate, by a proposal to address the existing limitations.