

Undertakings for collective investment in transferable securities (UCITS): the use of key information documents

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The Committee on Economic and Monetary Affairs adopted the report by Jonás FERNÁNDEZ (S&D, ES) on the proposal for a directive of the European Parliament and of the Council amending Directive 2009/65/EC as regards the use of key information documents by management companies of undertakings for collective investment in transferable securities (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 presented a proposal for a Regulation to extend the transitional arrangement provided for in Regulation (EU) No 1286/2014 until 30 June 2022. This will give stakeholders time to prepare for the end of the transitional arrangement and to implement the other proposed measure (which provides for amendments to Delegated Regulation (EU) 2017/653).

As things stand, as of 1 July 2022 retail investors in UCITS would receive both a key information document in accordance with Regulation (EU) No 1286/2014 and key investor information in accordance with Directive 2009/65/EC. It is desirable to avoid a situation where retail investors receive two different pre-contractual disclosure documents in respect of the same UCITS.

Therefore, in order to avoid this situation and 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 until **1 January 2023** (instead of 1 July 2022).

Lastly, the report proposes that Member States should communicate to the Commission the text of the main measures of national law which they adopt in the field covered by this Directive.