

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

2021/0219(COD) - 23/11/2021 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 609 votes to 6, with 73 abstentions, a legislative resolution 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).

The European Parliament's position adopted at first reading under the ordinary legislative procedure amends the Commission proposal as follows:

As a reminder, 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 key information document. This arrangement currently applies until 31 December 2021.

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.

In order to avoid a situation where retail investors receive two different pre-contractual disclosure documents in respect of the same UCITS from 1 January 2023 and to give the parties concerned sufficient time to prepare for the obligation to produce a key information document, the Regulation as amended **extends the duration of the transitional regime until 31 December 2022** (instead of 30 June 2022).

For investors other than retail investors, investment companies and management companies should continue to draw up key investor information in accordance with Directive 2009/65/EC, unless they decide to draw up a key information document as set out in Regulation (EU) No 1286/2014. In such cases, investment companies and management companies should not be required by competent authorities to provide the key investor information, and only the key investor document should be provided to those investors.

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.