



JOINT COMMITTEE OF THE EUROPEAN
SUPERVISORY AUTHORITIES

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PRESS RELEASE

ESAs finalise Key Information Documents for retail investors in the EU

- *Innovative and pioneering new approach on risks, performance and costs developed jointly by ESAs.*
- *For the first time simple and comparable information for retail investors in all the financial sectors across the EU.*
- *Strong foundation for enhanced consumer protection.*

The Joint Committee of the European Supervisory Authorities (EBA, EIOPA, ESMA - ESAs) has finalised its proposal for regulatory technical standards (RTS) on Key Information Documents (KIDs) for Packaged Retail and Insurance-based Investment Products (PRIIPs).

The proposed KIDs provide retail investors for the first time across the EU with simple and comparable information on investment products in the banking, insurance and securities sectors. A 3-page document increases the transparency and comparability of information about the risks, performance and costs of these products. The new rules will contribute to enhancing the confidence and strengthening the protection of EU consumers of banking, insurance and securities products.

Gabriel Bernardino, Chairman of EIOPA and current Chairman of the Joint Committee, said:

"These new rules prepared jointly by the ESAs are a major step forward for consumers. They are an innovative and pioneering new approach to risk, performance and cost disclosures that we believe lays a strong foundation for

the future. Now, for the first time, consumers can easily compare different products and make informed investment decisions fitting their particular needs.

The ESAs reached a significant milestone in managing to transform high-level EU legislative principles into a set of practical cross-sectoral rules. On behalf of the Joint Committee, I would like to thank all the stakeholders for their extensive contributions throughout the entire process."

The new rules benefited from the public feedback received by the ESAs on two Discussion Papers and a Consultation Paper, from extensive consumer testing, which was facilitated by the European Commission across a sample of Member States, and from a consultative expert group.

The new rules address the content and presentation of the KIDs and include:

- *a common mandatory 3-page template for the KID, covering the texts and layouts to be used (see Annexes I, III, V and VII of the Report);*
- *a summary risk indicator of seven classes for the risk and reward section of the KID;*
- *a methodology to assign each PRIIP to one of the seven classes contained in the summary risk indicator, and for the inclusion of additional warnings and narrative explanations for certain PRIIPs;*
- *details on performance scenarios and a format for their presentation, including possible performance for different time periods and at least three scenarios;*
- *costs presentation, including the figures that must be calculated and the format to be used for these i.e. in both cash and percentage terms;*
- *specific layouts and contents for the KID for products offering multiple options that cannot effectively be covered in three pages;*
- *rules on revision and republication of the KID, to be done at least each year; and*

- *rules on providing the KID sufficiently early for a retail investor to be able to take its contents into account when making an investment decision.*

The new rules have been submitted to the European Commission for endorsement: <https://goo.gl/LFJ3Qr>

They will come into force on the 31 December 2016.

Notes for editors

1. *JC/CP/2015/073 Joint Consultation Paper – PRIIPs Key Information Documents: <https://goo.gl/RzWwzS>*
2. *A report on the Consumer Testing: <http://goo.gl/BNw1BW>.*
3. *JC/DP/2015/01 Technical Discussion Paper - Risk, Performance Scenarios and Cost Disclosures In Key Information Documents for PRIIPs: <https://goo.gl/7CVOZW>*
4. *JC/DP/2014/02 Discussion Paper - Key Information Documents for Packaged Retail and Insurance-based Investment Products (PRIIPs): <https://goo.gl/wD5g32>*
5. *The PRIIPs Regulation defines the main rules and principles on KIDs and mandates the Joint Committee to develop draft RTS on the content and presentation of the KIDs, as well as on the timing of delivery of the KIDs.*
6. *PRIIPs cover the range of investment products marketed to retail investors, a market worth up to €10 trillion in the EU according to European Commission estimates. They include structured products, whatever their underlying legal form and including structured deposits, insurance-based investments (including unit-linked and with-profit products), and investment funds.*
7. *The Joint Committee is a forum for cooperation that was established on 1 January 2011, with the goal of strengthening cooperation between the three European Supervisory Authorities (ESAs) (European Banking*

Authority, European Securities and Markets Authority and European Insurance and Occupational Pensions Authority).

- 8. The Joint Committee allows the ESAs to cooperate in ensuring consistency in their practices. In particular, the Joint Committee works in the areas of supervision of financial conglomerates, accounting and auditing; micro-prudential analyses of cross-sectoral developments, risks and vulnerabilities for financial stability; retail investment products and measures combating money laundering.*

Further information:

Anzhelika Mayer

Senior Press Officer

Telephone: + 49 69 951119 68

Email: press@eiopa.europa.eu