

To whom it may concern  
at The Danish Ministry of Industry, Business and Financial Affairs  
at The Swedish Ministry of Finance  
at The Finnish Ministry of Finance

February 3, 2021

Doc: FIDA-931287038-689849-v1

## Concerns regarding timing of PRIIPs RTS

*The recent developments in the work on preparing a new PRIIPs RTS will potentially cause significant implementation challenges both regarding timing and overlap in legislation to the sector. The Nordic Associations Finance Finland, Finance Denmark, Swedish Investment Fund Association, Swedish Securities Markets Association, Norwegian Securities Dealers Association, Finance Norway and Verdipapirfondenes Forening therefore call on the Nordic governments to urge the Commission to extend the UCITS exemption and postpone amendments to the RTS until a holistic review of the PRIIPs Regulation has been carried out.*

We write to you to make you aware of our concerns about the process and outcome that will follow Commissioner McGuinness' letter to EBA, EIOPA and ESMA (ESAs) formally requesting to receive approved draft Regulatory Technical Standards (RTS) by 29 January. From what we understand, if the ESAs do not deliver a draft RTS, the Commission will take "the necessary steps" to preserve and exercise its institutional prerogatives under Article 290 TFEU.

It is our understanding that the intention is that the new RTS shall apply as of January 2022 in order "to ensure its appropriate application to retail investments funds". As the RTS has not yet been approved or not even published with less than a year to the intended application of the RTS this leaves the industry in a challenging position. Regardless of when the RTS will be approved in the coming months, it will leave the industry with very little time to adjust the setup and KIDs for products already application to PRIIPs as well as very little time to implement a setup for retail investments funds in order to provide PRIIPs KIDs based on the new RTS in January 2022.

Both product managers and the distribution side face challenges because of the very short time from when the final RTS has been approved to application of the rules. Product managers will have to make amendments to their setups producing KIDs, whereas distributors must educate advisors and inform retail investors about the changes in the KIDs for products already applicant to PRIIPs and introduce PRIIPs KID as a new information document for retail investment funds. From a client perspective we fear that by January 2022 both a UCITS KID and a PRIIPs KID will have to be made available to clients. This will confuse retail investors since they will receive different product information on the same product. It will be next to impossible for investment advisors to explain these differences to clients. This situation could be costly for the otherwise solid UCITS brand value and investors might withdraw from capital markets.

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A holistic assessment of the PRIIPs regulation (including level 1) is part of the new Capital Markets Union. We therefore ask you to consider the timing of the new RTS as it is likely to be amended again following the review. In their letter to the ESAs the Commission writes that it needs to make the urgent adjustments to the RTS to ensure its appropriate application to retail investment funds. We would like you instead consider supporting a postponement of the application of the Regulation for investment funds until a holistic review of the PRIIPs regulation has been carried out.

Kind regards



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**Sindre Støer**

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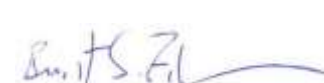
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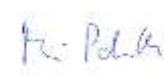
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