Regulatory Update – PRIIPs update
May 2021

On 3 February 2021, the European Supervisory Authorities (ESAs) published the outcome of their discussions on the packaged retail investment and insurance products (PRIIPs) regulation and announced that they reached a consensus on the PRIIPs amendments. There were no content changes to the draft RTS as published in June 2020. The new RTS bring significant changes to performance scenarios, costs computations and disclosures.

The text was sent to the EU Commission for approval with high hopes from the industry that there would be an extension of the crucial 1 January 2022 deadline for the new requirements.

In a letter dated 10 May 2021, Commissioner Mairead McGuinness informed the European Parliament and European Council that the EU Commission will move the end of the exemption for UCITS funds and the application of the new requirements of the RTS from 1 January 2022 to 1 July 2022.

Also, the Commission has taken the position that they want to avoid both PRIIPS KID and UCITS KIID to be published for retail investors of UCITS funds after this deadline.

The European Commission will introduce “quick-fix” technical adaption to the PRIIPs and UCITS level 1 legislations to avoid duplication of pre-contractual disclosures to retail investors by means of the PRIIPs KID and UCITS KIID. This will be introduced at the same time than the RTS formal adoption. After this adoption, the package will be discussed at the European Parliament and European Council.

Upon adoption by the European Parliament and the European Council, the new RTS is an important milestone for producers of PRIIPs KID, as this document will pave the way for the new format that should be applied by July 2022.

This has an impact on PRIIPs KIID production for all concerned stakeholders, Asset Managers, Banking Institutions and Insurance Companies. Compliance with new RTS will involve review, gap analysis, modifications and testing of existing KID production systems prior to the go-live date.
Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms, and their related entities (collectively, the "Deloitte organization"). DTTL (also referred to as "Deloitte Global") and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.

Deloitte is a leading global provider of audit and assurance, consulting, financial advisory, risk advisory, tax and related services. Our global network of member firms and related entities in more than 150 countries and territories (collectively, the "Deloitte organization") serves four out of five Fortune Global 500® companies. Learn how Deloitte's approximately 330,000 people make an impact that matters at www.deloitte.com.

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms or their related entities (collectively, the "Deloitte organization") is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser.

No representations, warranties or undertakings (express or implied) are given as to the accuracy or completeness of the information in this communication, and none of DTTL, its member firms, related entities, employees or agents shall be liable or responsible for any loss or damage whatsoever arising directly or indirectly in connection with any person relying on this communication. DTTL and each of its member firms, and their related entities, are legally separate and independent entities.