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'I/A' ITEM NOTE

From:	General Secretariat of the Council
To:	Permanent Representatives Committee/Council
No. Cion doc.:	C(2016) 3999 final
Subject:	COMMISSION DELEGATED REGULATION (EU) .../... of 30.6.2016 supplementing Regulation (EU) No 1286/2014 of the European Parliament and of the Council on key information documents for packaged retail and insurance-based investment products (PRIIPs) by laying down regulatory technical standards with regard to the presentation, content, review and revision of key information documents and the conditions for fulfilling the requirement to provide such documents - Objection by the European Parliament to the delegated act = Statements

Statement by Germany, the United Kingdom, France, Austria, Croatia, Sweden, Ireland, Slovenia, Lithuania, Cyprus, Romania, Finland, Denmark, Portugal, the Netherlands, Malta, Estonia, Hungary, Greece, Belgium, Bulgaria, Latvia, Czech Republic and Slovakia

We fully support the EU-wide introduction of a Key Information Document for retail investors which aims to provide retail investors with clear, accurate and comparable information on all the instruments included in the scope of the PRIIPs.

We believe that it is important PRIIPs Regulation is fully applied and it is essential in order to meet the needs of EU citizens for products with which to build up savings and investments, whilst also contributing to efficient capital markets that help fund EU economic growth.

Also in light of the rejection of the PRIIPS RTS by the EP, we call on the Commission to consider postponing only the application date of the PRIIPS Regulation (thus without any change to any other provision of the level 1 Regulation). In our view, the Commission should propose a postponement of the application date by 12 months in order to provide sufficient time to clarify open questions and reach the goals of the PRIIPs Regulation.

Statement by Croatia

Croatia is concerned that the proposed adjustment of the market risk scale and the proposed divergence from the UCITS scale in the Key Information Document (KID) may have potentially disruptive consequences in terms of retail risk perception and industry sales processes. We are of view that further very careful consideration is needed in this area in particular. Therefore, we cannot support the RTS and the ensuing delegated act in its current form containing these provisions.

In the area of insurance we also have concerns regarding the content of the RTS and the methodology used for calculation, which cannot be addressed through legally non-binding Level III guidelines. It is important to highlight more clearly two important aspects: costs and risks for consumers. Also, we see the need to clarify that insurance-based investment products include insurance coverage for investors and the KID should not be misleading or overly complex for customers, especially with regard to its size.

Furthermore, it is suggested that the costs in relation to the Biometric Risk Premium should be presented as administrative costs linked to the provision of the biometric risk cover. Even if undertakings could separate administrative costs and the biometric risk premium for some types of products, this could nonetheless result in a misleading representation of the product (for example, variable monthly risk premium on sum at risk basis).

Statement by Italy

We fully support the EU-wide introduction of a Key Information Document which aims to provide retail investors with clear, accurate and comparable information on all the instruments included in the scope of the PRIIPs Regulation.

Taking into account the rejection of the PRIIPs RTS by the European Parliament and the views expressed by other Member States on the timetable for PRIIPs implementation, we call on the Commission to consider postponing the application date of the PRIIPS Regulation for the period strictly necessary to the co-legislators to approve the modified RTS and without any amendment to the level 1 text, and to the industry to prepare for the implementation of the new standards. In any case the postponement should not exceed one year.
