

PRESS RELEASE**BETTER FINANCE WELCOMES THE ECON VOTE ON AMENDING THE PRIIPS REGULATION**

4 December 2018 – BETTER FINANCE welcomes yesterday’s vote of the European Parliament’s Economic and Monetary Affairs Committee amending the Packaged Retail and Insurance-based Investment Products (PRIIPs) Regulation.

BETTER FINANCE has always strongly supported the aim of the PRIIPs Regulation since it is the first – and so far the only - “horizontal” EU set of investor protection rules that encompasses both non-insurance based and insurance based retail investment products. However, the current design of the level 1 and 2 rules fails to meet their own goals, i.e. enabling retail investors to **understand** and **compare** the key features and risks of the PRIIP. In fact, the PRIIPs KID is very difficult to understand and almost impossible to compare even for similar products. Therefore, BETTER FINANCE welcomed the invitation from the European Parliament’s ECON Committee to make a [statement](#) on 21 November 2018 on a proposed amendment to the PRIIPs Regulation. The European Commission and the Permanent Representation of Germany were also asked to make a statement on the same issue.

The European Commission has not performed the full review of the PRIIPs Regulation this year (2018), as legally required. Given that most of the main PRIIPs issues would not be addressed before the Level 1 review, and given that the current key disclosure regime for UCITS is far more effective, BETTER FINANCE strongly advocated for not delaying the legally required review of the entire PRIIPs level I Regulation by more than one year (to 2019 at the latest), and for extending the exemption for UCITS funds to the end of 2021, once such a review has been fully completed and its conclusions are fully reflected in EU rules.

Therefore, we are pleased to see that yesterday the ECON voted for the full PRIIPs review not to be delayed beyond the end of 2019, and, accordingly, for extending the UCITS exemption from the PRIIPs Regulation to the end of 2021. Moreover, we join the European Parliament in its call on the European Commission to initiate the review of the PRIIPs regulation as soon as possible, so that it will allow for stakeholders to scrutinise the final proposals in detail until they are submitted to the European Parliament and Council for a final endorsement.

Guillaume Prache, Managing Director of BETTER FINANCE underlined that *“we were grateful for the opportunity to contribute to the policy debate on possibly amending the Regulation on Key Information Documents for PRIIPs. Now, we are even happier to see that the voice of EU savers and individual investors was indeed heard by the Parliament and we hope that the co-legislators will find a satisfactory compromise during the dialogues”*.

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