

PRESS RELEASE**ESAs ADVICE ON PRIIPs IS WELL-INTENTIONED, BUT MISSES ON KEY ISSUES**

12 February 2019 - BETTER FINANCE welcomes the [final report](#) of the European Supervisory Authorities' Joint Committee (ESAs JC) to the European Commission (EC) on targeted amendments to the PRIIPs Level 2 legislation.¹ These proposals fall in line with some of BETTER FINANCE's positions, but unfortunately do not solve the most important issues.

In November 2018, the ESAs launched [a public consultation](#) on possible amendments to the provisions laying down the content and presentation of the Key Information Document (KID) for Packaged Retail and Insurance-based Investment Products (PRIIPs). The ESAs explored the possibility of including past-performance information in the PRIIPs KID along the lines of the information currently required for UCITS funds, and to include a warning concerning future performance projections.

We are pleased to see that the advice following this consultation is aligned with [our response](#)² by favouring the inclusion of a prominent warning to retail investors that performance projections are not a reliable indicator of actual future performance.

However, the technical advice does not address a major and urgent issue for the PRIIPs review: the information requirements on actual costs and performances are missing, and the "future" ones are unreliable, not comparable, and highly misleading. The ESAs "*decided not to propose the inclusion of past performance information in the PRIIPs*", thus leaving investors in the dark since actual track record and, potentially, comparisons with objective market indicators are no longer available.

The advice provided is based on the consultation feedback and justified by the "*expected 2-year extension*" for the UCITS KIID. BETTER FINANCE disagrees with this position, since this leaves all PRIIPs other than UCITS funds (life insurance products in particular) with extremely poor regulatory disclosures on their actual performance and costs.

Guillaume Prache, Managing Director of BETTER FINANCE said that "*it is hard to understand the European Commission's position on this crucial issue for EU citizens as long-term savers: the Commission first disregarded the PRIIPS Level 1 Regulation provision which required its full review by the end of 2018. And now that the Parliament has voted for its full review by the end of this year (2019), the Commission is planning it only for after 2020! It is quite irresponsible in our view to again extend the use of such a poorly designed Key Information Document for retail investment products.*"

Read also BETTER FINANCE's [Statement on a proposed amendment to the PRIIPs Regulation](#).

Contact: Chief Communications Officer | Arnaud Houdmont | +32 (0)2 514 37 77 |
houdmont@betterfinance.eu

¹ Commission Delegated Regulation (EU) 2017/653, OJ L 100, 12.4.2017, p. 1-52.

² <https://betterfinance.eu/publication/better-finance-response-to-the-joint-consultation-paper-concerning-amendments-to-the-priips-kid/>.