

PRESS RELEASE

EU SAVERS BACK THE REJECTION OF THE DRAFT IMPLEMENTATION RULES FOR THE KEY INFORMATION DOCUMENT (KID) FOR INVESTMENT PRODUCTS, BUT FOR DIFFERENT REASONS

30 August 2016 - Better Finance, the European Federation of Investors and Financial Services Users, supports the proposed resolution by the European Parliament¹ to reject the misleading and overly complex draft implementation rules ("Regulatory Technical Standards" or RTS) of the "PRIIPs" Regulation as designed by the European Supervisory Authorities and approved by the European Commission.

Better Finance however regrets that the stated reasons for the proposed resolution for rejection of the RTS include only those advocated by the financial industry, omitting the most crucial and critical issue for EU citizens as savers, which is the elimination of past performance disclosures (including that of the products' benchmarks). This will prevent EU savers from knowing whether a product has made or lost money in the past and whether it ever met its investment objective or promise. It will also prevent savers from comparing similar products, such as, for instance, index and index-benchmarked funds, or choosing between different with-profit life insurance policies.

The proposed rules are also grossly inconsistent with the EU initiative for a Capital Markets Union (CMU Action Plan) that explicitly calls for more transparency on the past performance of long-term savings products.

Better Finance asks the Members of the European Parliament to take this major concern of EU savers into account besides those of the EU financial industry.

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¹ The ECON Committee of the EU Parliament will vote on this resolution on September 2nd, 2016