



Luxembourg newsflash

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PRIIPs KID: The final pieces of the puzzle

The pieces of the puzzle are finally falling into place. The long-awaited level 3 and 4 measures have been published earlier this week, half a year before the PRIIPs KID becomes compulsory.

On 4 July 2017 the European Supervisory Authorities (ESAs) published a Questions and Answers document related to the PRIIPs KID which reverts to questions linked with the presentation, content and review of the KID, including the methodologies underpinning the risk, reward and costs information. The Q&A document is rather technical and remains high level, focusing on the methodologies, especially the calculation of costs, but does not contain any surprises. An accompanying press release states that the Q&A document refers to questions that were raised by different stakeholders, such as product manufacturers and distributors and that the ESAs will continue to answer further questions and publish them subsequently.

On the same day, on 4 July 2017, the European Commission adopted guidelines on the application of the PRIIPs Regulation and released a copy of the text adopted. The final version of this document is not yet available. The guidelines issued by the European Commission seek to facilitate the implementation of the PRIIPs Regulation by smoothing out potential interpretative divergences throughout the EU. It builds on feedback from stakeholders received during a workshop and subsequent queries raised by the ESAs. The guidelines provide clarification on some highly discussed topics such as the territorial scope, existing commitments, distribution and KIDs “on demand”.

Two days later, on 6 July 2017, the CSSF published a set of FAQ dealing with PRIIPs KID. In version 11 of its FAQ on AIFMs, the CSSF recommends to Luxembourg AIFs which are sold to professional investors to amend their offering documents prior to 1 January 2018 by including a statement that their units are reserved to professional investors. As an alternative to the aforementioned amendment of the offering document, the CSSF can be provided with a duly completed and signed self-assessment form in such respect.

Background

The KID is a mandatory three-page A4 information document to be provided to consumers before they purchase Packaged Retail and



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Insurance-based Investment Products (PRIIPs). The KID will become a compulsory document as from 1 January 2018.

We, in conjunction with Arendt Regulatory & Consulting, have prepared an offer of services that we are in a position to render to you. Please do not hesitate to contact us for any assistance you may require.

[The Questions and Answers document on the PRIIPs KID, published by the ESAs may be downloaded here.](#)

[The adopted text of the Commission Guidelines on the application of the PRIIPs Regulation may be downloaded here.](#)

[The FAQ by the CSSF concerning the 2013 Law on AIFMs may be downloaded here.](#)

[See also our newsflash of 15 March 2017 and the text of the revised RTS referred to therein.](#)

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This publication is intended to provide information on recent legal developments and does not cover every aspect of the topics with which it deals. It was not designed to provide legal or other advice and it does not substitute for the consultation with legal counsel before any actual undertakings.

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