



UCITS 2022 WEBINAR SERIES

UCITS PRIIPs KID

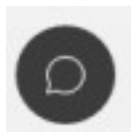
Hello and welcome!

Let's enjoy an interactive session



Q&A – please send your questions to the panelists

You can access the Q&A section by clicking on the 3 dots button in the toolbar at the bottom of your screen.



Chat – should you have technical issues, please write us in the chat

You can access the chat section by clicking on the icon in the toolbar at the bottom of your screen.

The speakers



Corinne Prinz
Partner
Arendt & Medernach

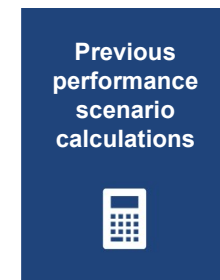
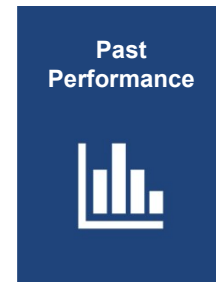
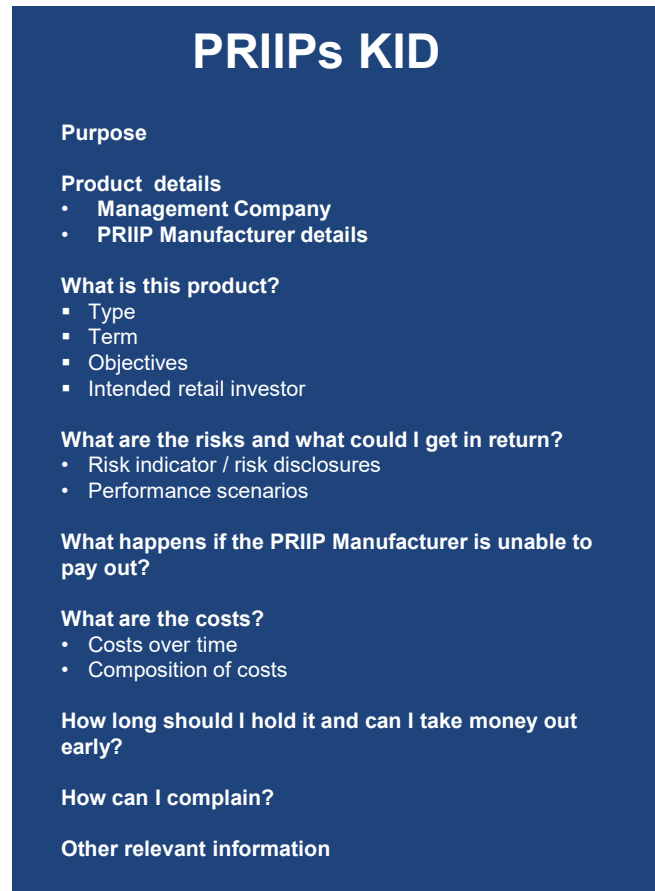


Julien Ganter
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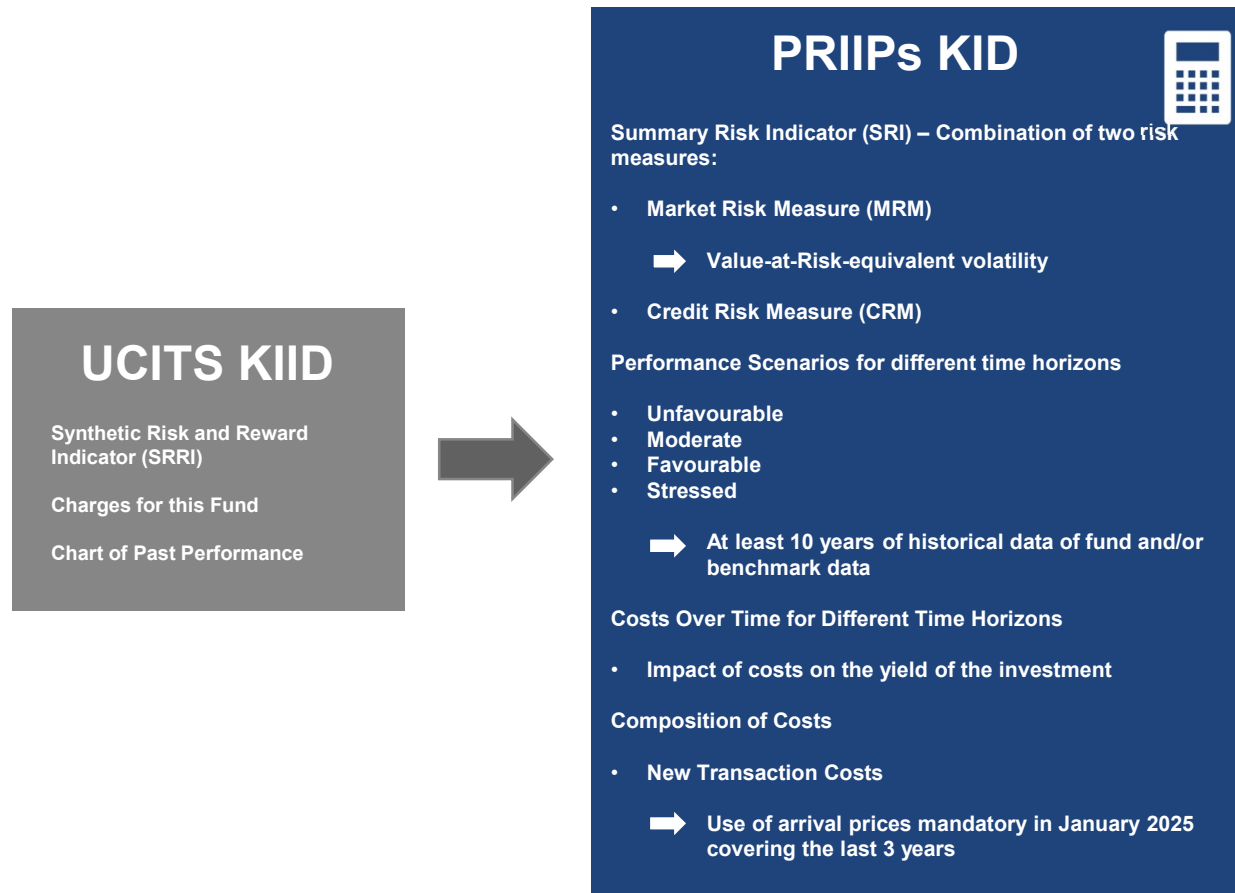
Alexandre Brajou
Manager
Arendt Regulatory & Consulting

Differences in content



Not part of the PRIIPs KID, but link to be included for:

Differences in metrics production



Main challenges

- Implementation of dedicated methodology for the computation of performance scenarios as defined in the Regulation
- Extensive use of data with regards to the minimal length of time series as required by the Regulation
- Collection and storage of arrival prices since January 2022 for the computation of transaction costs

PRIIPs news: ESA supervisory statement

ESA joint supervisory statement: Focus on „**WHAT IS THIS PRODUCT?**“

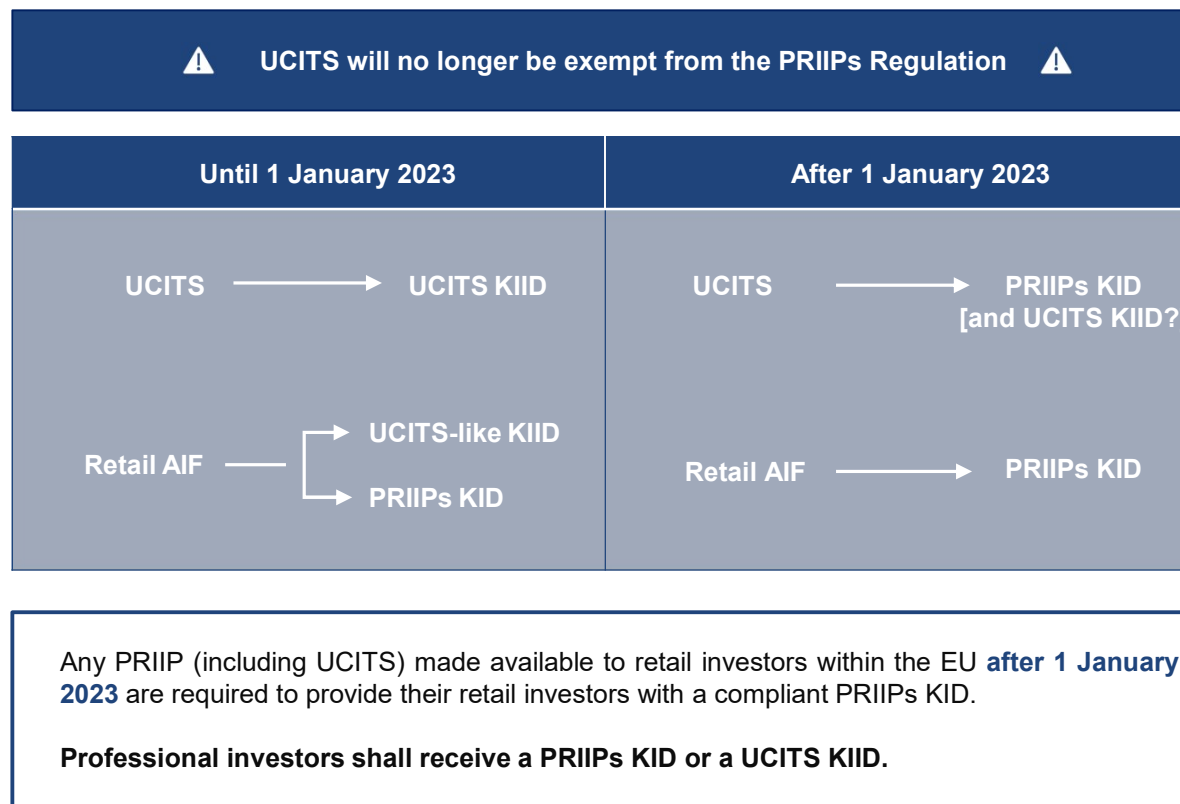
- Addressed to the competent supervisory authorities
- Issues identified related to the disclosure of the product type, objectives and intended retail investor where it was observed that the information disclosed is too generic, high level, abstract or not sufficiently clear and detailed
- Focus also on automated processes to generate the KID where it is stated that automation should not impair the quality of the disclosure and that checks are advised to ensure accuracy of the drafting
- Important to ensure proper drafting since NCAs will now look at this very closely; in the event of non-compliance, fines and sanctions can be imposed, to narrative parts of the KID with free text need to be monitored for legal compliance

Quick Focus on Illiquid Assets

Funds investing in illiquid assets are falling in a specific category under the PRIIPs KID Regulation:

- Illiquid funds have a NAV frequency less than monthly;
- The Market Risk Measure is fixed at 6 for these funds;
- There is no defined methodology for the computation of performance scenarios of such PRIIPs. They “[...] *shall provide a reasonable and conservative best estimate of the expected values for the performance scenarios at the recommended holding period.*”;
- For new PRIIPs, transactions costs shall be estimated on the basis of the fair value method using comparable assets.

What does that mean for UCITS and their Management Companies after 1 January 2023?





Questions?

Contact Us



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UCITS 2022 webinar series - May / June



31 May | UCITS PRIIPs KID
a transition guide with practical insights

8 June | UCITS Eligible Assets
overview of the market trends

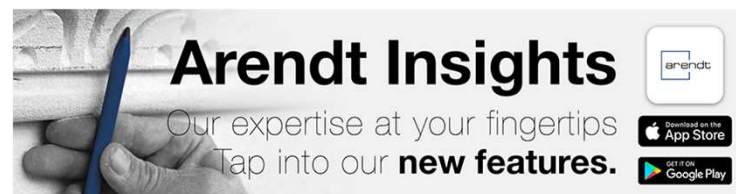
14 June | UCITS Cross-Border Distribution
update on recent developments

28 June | UCITS Delegation and Oversight
legal and operational aspects, points to watch out and some tips

all webinars from 1:00PM to 1:45PM CET
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