



Retail Distribution Policy
Strategy & Competition
Financial Conduct Authority
12 Endeavour Square
London
E20 1JN

21 September 2018

Dear Sir/Madam,

FCA PRACTITIONER PANEL RESPONSE TO CALL FOR INPUT ON PRIIPS REGULATION

We welcome the opportunity to comment on the industry's initial experiences of the requirements introduced by the Packaged Retail and Insurance-based Investment Products (PRIIPs) Regulation and the related PRIIPs Regulatory Technical Standards (RTS). Individual firms will be responding with their specific experiences, but we have some general observations to make.

We noted Andrew Bailey's speech to the London Business School Annual Asset Management Conference on 26th April and his concerns that the PRIIPs rules are leading to literally accurate disclosure which is not providing useful context, as well as his concerns about performance projections. We share these concerns.

The Panel has consistently raised issues about the format of the Key Information Document required by the PRIIPs rules, including inconsistencies with the MiFID II regime. We consider the rules around the disclosure of past performance require firms to issue information which may be potentially misleading. This, compounded by the fact that the new rules were implemented around the same time as other consumer-facing documentation required by MiFID II and the Insurance Distribution Directive, potentially created substantial consumer detriment. Although the FCA has subsequently issued a statement which clarifies firms may provide explanatory materials to put the calculations in context and to set out their concerns for investors to consider we still consider it to be an unsatisfactory position and that the FCA and other relevant bodies should seek to improve a poor piece of legislation.

Kind regards,

Anne Richards
FCA Practitioner Panel Chair