

Commissioner Jonathan Hill
Member of the
European Commission
Financial Stability, Financial Services and Capital Markets Union

Brussels, 27 April 2016

Dear Commissioner Hill,

European financial associations call for a one-year delay of the entry of application of the PRIIPs Regulation

The European Banking Federation, Insurance Europe and European Fund and Asset Management Association (EFAMA) and the European Structured Investment Products Association are fully supportive of the objectives of the PRIIPs initiative. We all agree that the PRIIPs Key Information Document (KID) – if appropriately designed – could be a valuable tool enabling retail investors to compare more easily and, hence, make better informed decisions.

We acknowledge the challenges faced by the Joint Committee of the ESAs but also by the European Commission, in defining the details of the KID contents, notably in light of the variety of products it covers. However, we are all extremely concerned that, in the best case scenario, the final Regulatory Technical Standards (RTS) – which are essential for the development of the KID – will only be officially published in the third quarter of 2016, leaving only three to four months for product manufacturers and distributors to meet the 31 of December 2016 deadline. This timeline is simply unrealistic.

We cannot stress enough the considerable operational challenges that PRIIPs manufacturers need to overcome in order to provide the PRIIPs KID to retail investors. More specifically, the launch of a KID requires the development of all necessary processes to ensure that the data are accurate, to build and test the relevant IT systems, to program and test the KID itself, and to ensure that the actual provision of the new KIDs via distributors is working. All of these steps need to be executed properly, if the ultimate aim is to provide consumers with a useful tool that allows them to better understand and compare PRIIPs.

We would also like to stress that the industry cannot rely on the final draft RTS as proposed by the ESAs, or on the RTS as approved by the European Commission, to start implementing the PRIIPs KID, as both the European Parliament and Council can still accept or reject the RTS proposed by the European Commission.

We would finally point to the fact that a number of fundamental questions are still unresolved in the final draft RTS proposed by the ESAs from a practical, technical and legal points of view. It is also worrying that a number of highly complex and technical matters feature in these final draft RTS but have never been put out for public consultation.

For all the reasons above, we urge the European Commission, as well as all the policymakers involved and the European Supervisory Authorities, to address the fundamental questions raised by the undersigned, reconsider the current PRIIPs timeline and postpone the application date of the PRIIPs Regulation by one year.

We thank you for your kind consideration.

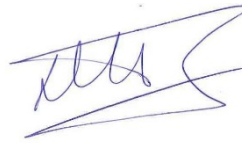
Sincerely,



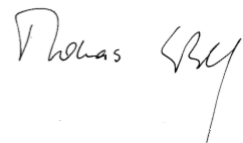
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