

Steven Maijoor

Chair of the European Securities and Markets Authority

Gabriel Bernardino

Chair of the European Insurance and Occupational Pensions Authority

08 April 2020

Dear Chairs,

In context of the upcoming publication of the ESMA's and EIOPA's draft RTS on the PRIIPs KID, we would like to recall the level one agreement of legislators. We strongly underline the decision to impose future performance scenarios in the KID, as it is agreed in the level one text of PRIIPs. This provision is the result of Parliament's longstanding position and careful consideration, not dependent on the opinion of individuals. Unlike future performance scenarios, which show a range of potential outcomes, past performance indicators tend to lead investors to extrapolate past performance directly into the future, which is misleading. The current losses of many financial products in the Corona crisis underlines this serious problem.

A uniform PRIIPs KID makes financial products across different classes comparable. Comparability of different types of financial products through a uniform KID is a major political achievement of PRIIPs established in European legislation and continues to be an important political priority for us. After the delay of the phasing out of the exemption for UCITs, it is crucial that the ESAs contribute to swiftly bringing UCITs under a uniform PRIIPs KID.

We stand ready to consider any draft RTS in line with the level one agreement, in order to ensure timely adoption. Any proposals running against the compromise established by co-legislators would delay the agreed timeline and ultimately put the overall objective of PRIIPs at risk. We would prefer avoiding any further instances of regrettable differences between the European Parliament and the ESAs and stand ready to discuss issues around PRIIPs with you.

In cooperation,

Jonás Fernández

Sven Giegold

Sirpa Pietikäinen