



**BANKING STAKEHOLDER
GROUP**

DISCUSSION PAPER JC/DP/2014/02 ON
“KEY INFORMATION DOCUMENTS FOR PACKAGED RETAIL AND
INSURANCE-BASED INVESTMENT PRODUCTS (PRIIPS)”

General Comments and Replies to Questions

BY THE EBA BANKING STAKEHOLDER GROUP

London, February 17, 2015

Foreword

The Regulation on key information documents for packaged retail and insurance-based investment products (PRIIPS) was approved on 26 November 2014 and published in the Official Journal of the European Union of 9 December 2014.

The Regulation empowers the three European Supervisory Authorities to prepare draft Regulatory Technical Standards (RTS) in specific areas. These areas are:

- Content, presentation, Calculation of Information in KID (art 8(5));
- Review, Revision and Republication of KID (art 10 (2));
- Timing of Delivery of KID (art 13 (5)).

As a preparatory step to these RTS, the ESAs published a Discussion Paper on 17 November 2014.

1. General Comment

The EBA Banking Stakeholder Group (“BSG”) welcomes the opportunity to comment on the Discussion Paper JC/DP/2014/02 on Key Information Documents for Packaged Retail and Insurance-Based Investment Products (PRIIPS). This response has been prepared on the basis of comments circulated and shared among the BSG members and the BSG’s Technical Working Group on Consumer Issues and Financial Innovation. It outlines some general comments by the BSG, as well as our detailed answers to all the questions indicated in the Discussion Paper.

While retail investment products can help EU citizens in building-up savings and also contribute to capital markets that support economic growth in the EU, currently essential information about the risks, rewards and costs of investment products can be overly complex, difficult to find, and hard to compare for retail investors across the EU.

The ESAs are mandated by the Regulation on Key Information Documents for Packaged Retail and Insurance-based Investment Products (PRIIPs Regulation) to develop draft Regulatory Technical Standards (RTS) on the content and presentation of the KIDs for PRIIPs.

The aim of the KIDs is to provide EU retail investors with consumer-friendly information about investment products with the ultimate aim of improving transparency in the investment market. The BSG strongly supports this objective.

This Discussion Paper is a first step in the ESAs' joint work on the broad issues to be considered in developing the RTS. The paper also includes a series of possible consumer-friendly information templates aimed at providing retail investors with clear and comparable information on the key features of investment products, including on what they might gain if they invest, the risks they are taking, the risk characteristics of financial products, and all the costs they will incur.

It is important to recognise that consumers are able to make rational decisions about financial products only if they have all relevant information. In that sense, the BSG reiterates the need for KIDs to be understandable, sufficiently concise and visually appealing so that investors are encouraged to effectively consult the document and are supported to take appropriately informed decisions. This is a multi-faceted challenge.

QUESTIONS

1: Do you have any views on how draft RTS for the KID might be integrated in practice with disclosures pursuant to other provisions?

The success of the PRIIPs initiative will depend largely of its proper integration and coordination with other existing standards. However, it must not be forgotten that this legislation protects a certain legal right (especially for retail investors) so that its rules should always be respected and just relax when other regulations are already providing the information contained in the KID with the language required. In this sense, the BSG appreciates the efforts made by ESAs to establish in Annex I the interaction with MiFID, AIFMD, UCITS, IMD and Solvency II. However, there is no reference to the Prospectus Directive although overlaps can also exist here.

Key Information Documents will only work if EU legislation governing investments, including PRIIPs and MiFID 2, applies comprehensively to all fund structures, including unit-linked pension funds, and adopts a cost disclosure and fund governance model that aligns the interests of firms and customers. In order to be as effective as possible, the

disclosure regime under the PRIIPs Regulation must cover as many products as possible and be aligned with the disclosure methodologies mandated by related EU legislation - in particular MiFID 2.

It is already foreseen under recital 78 of MiFID 2 that disclosure under that Directive may draw on information provided by manufacturers through the PRIIPs KID. We would encourage the definitions, methodologies and assumptions made under the two disclosure regimes to be inter-operable. To provide for a consistent disclosure framework, and to ensure that both consumers and firms benefit from legal clarity, we urge the ESAs to seek alignment with MiFID 2 as much as possible.

2. - Issues for Retail Investors

No questions in this section

3. - What are the risks and what could I get in return?

Definition of risk and reward

2: Do you agree with the description of the consumer's perspective on risk expressed in the Key Questions?

The BSG understands the issues and questions that underlie this section which are properly made and reflect the concerns of retail investors. The one exception is the question of what profitability is expected from the product. The grouping of these questions about the risks into three sections (market risk, credit risk, and liquidity risk) are correct but in terms of methodology and didactic they should not be presented to the consumer in this way because they are likely to confuse the retail investor and violate the objectivity of clarity expressed by the text itself.

3: Do you agree that market, credit and liquidity risk are the main risks for PRIIPs? Do you agree with the definitions the ESA's propose for these?

Among the criteria listed to assess the presentation are “engaging” and “understandable”. However, several of the proposals by the ESAs

introduce concepts that are very difficult to understand and convey to retail investors. For example, statistical indicators like VaR are often misunderstood, if understood at all. Model-based performance scenarios require awareness of the underlying assumptions in order to be properly interpreted.

Therefore, we suggest that consumer testing should focus not only on the way the KID is used and interpreted by retail investors on their own, but also look at whether it is easy to convey these concepts to investors in a way that conveys information to the customer in the most effective way.

On the other hand, we would query the assumption underpinning the Discussion Paper, as outlined on page 25, that risks (and costs) are purely stock-market-related, such as the potential for loss of capital or liquidity issues. Research undertaken on behalf of consumers in the UK¹ has shown that asset managers conduct and practice the weak principal-agent relationship, and the arbitrage between different fund structures are also very relevant when it comes to the risks associated with an investment product.

In section 3.6.1 of the Discussion Paper, the ESAs have taken performance scenarios as the reference point for calculating risk. However, we believe that this approach is flawed because of the inadequacies of performance data on investment funds. Such performance data are based on annual or 5-year periods, but the impact of alterations (such as fund name changes, closures or mergers) make performance and cost tracking virtually impossible for the long-term retail investor. A risk indicator based on such data would not provide consumers with meaningful information.

With reference to statements such as ‘probability distribution of expected returns of the product fed by historical data’ (paragraph 3.6.1 of the Discussion Paper), the BSG notes that from a behavioural perspective, most retail investors do not distinguish between ‘risk’ and mathematical probability. We would recommend that performance and cost disclosure, when measured cumulatively over the investment period, are relevant to the risk profile of an investment and should be incorporated into the KID. As outlined above, we also believe that the concept of ‘risk’ should be interpreted much more broadly to incorporate several of the structural conduct issues that are present in parts of the retail investment industry.

¹ http://www.fs-cp.org.uk/publications/pdf/investment_jaitly_final_%20report_full_report.pdf

Measuring risks

4: Do you have a view on the most appropriate measure(s) or combinations of these to be used to evaluate each type of risk? Do you consider some risk measures not appropriate in the PRIIPs context? Why? Please take into account access to data.

Quantitative assessments can lead to a very simplistic view of risk. In this sense, it is meant to be supplemented by qualitative assessments so as to give a more comprehensive and accurate view of risk and aid understanding. The existence of risk and what can affect it (capital, profitability, rescue) should be stated from the outset clearly and objectively in the interests of clarity for consumers. At the next stage, and .if desired, the presentation can proceed to the breakdown of risks. Risks should be listed and explained in the worst-case scenario - the loss of up to all of the value of an investment.

Aggregation of risk

5: How do you think market, credit and liquidity risk could be integrated? If you believe they cannot be integrated, what should be shown on each in the KID?

It does not seem very realistic that market risks, credit and liquidity can be integrated into a single indicator that is representative of the real risk of the product. Each risk should entail a different indicator.

In particular, and from the perspective of consumers and more effective information, it is proposed that the risks are grouped without being exhaustive into three:

A) SECURITY

- The risk of loss of the initial investment as a result of market developments
- Notice of special risk associated with leverage
- Loss risk of all or part of the initial investment due to bankruptcy of the issuer of the product
- Protections or guarantees and what percentage they apply to.

B) PROFITABILITY

- Profitability: magnitude and the extent to which there are any guarantees attached to returns, payment of returns, and what they depend upon.

C) DEADLINE, AVAILABILITY AND RESCUE ADVANCE

- Product deadline in which it is not possible to recover the investment without loss of initial capital.
- Risks of Capital, profitability and no refund for early redemption

Performance scenarios

General approach and methodology

6: Do you think that performance scenarios should include or be based on probabilistic modelling, or instead show possible outcomes relevant for the payouts feasible under the PRIIP but without any implications as to their likelihood?

Information scenarios are very timely, although they may be affected if probabilities are introduced because, if these are favourable, the consumer may tend to buy the product whilst ignoring other important risks.

There are different views on this issue. Some would argue that it is essential for performance scenarios to include probabilistic modelling because if they are not included customers might consider the middle or the average scenario to be the most probable which could be very misleading. What is necessary is to ensure that the probabilities are calculated in the same way for all PRIIPS and that the model used is not dependent on the particular features of the product.

On the other hand,, others would argue that this information may be misleading for a client, achieving the opposite objective which was pursued (e.g. probability of 90% profit can be an incentive to think they will win anyway). This view considers that information on probabilities, besides being very subjective, is not beneficial to either party. ESAs themselves point out in their paper that the same data, depending on the methodology, can lead to very different results.

7: How would you ensure a consistent approach across both firms and products were a modelling approach to be adopted?

From the point of view of the consumer, these profitability models could only be given at his/her request, having no reason to be standardized according to the type of product. But they must be delivered and incorporated as part of the contractual documentation.

Time frame and holding period

8: What time frames do you think would be appropriate for the performance scenarios?

It would be convenient to distinguish:

- Less than a year
- Less than or equal to three years
- Between 3 and 5 years
- Over 5 years

These limits are established on the basis that the products up to 5 years are very common in the market. The time frame should be coherent with the recommended holding period or the maturity of the product. It could be useful to introduce other time frames when there is a possibility of early redemption.

Other aspects of performance to be considered

9: Do you think that performance scenarios should include absolute figures, monetary amounts or percentages or a combination of these?

A combination. In relation to the scenarios, and given that they have been worked upon extensively in the field of other directives (UCITS) whose need for coordination with PRIIPs has been demonstrated, it seems necessary that standards level two, conducted with the same

scope and parameters as long as, in accordance with these regulations the resulting information is easily understood by consumers with special attention to all possible costs are clearly defined in the document.

10: Are you aware of any practical issues that might arise with performance scenarios presented net of costs?

See answer to question 9.

11: Do you have any preferences in terms of the number or range of scenarios presented? Please explain.

See answer to question 9.

12: Do you have any views, positive or negative, on the different examples for presentation of a summary risk indicator? Please outline advantages and disadvantages, and provide any other examples that you are aware of that you think would be useful.

As one of the main objectives of PRIIPS is simplicity, the risk scale for UCITS KII seems the most appropriate. But the risks, costs and any other parts should appear in manuscript form.

Abstract presentations of performance

13: Do you have any views, positive or negative, on the different examples for presentation of performance scenarios? Please outline advantages and disadvantages, and provide any other examples that you are aware of that you think would be useful.

Some of the examples are neither intuitive nor easy to understand. Here again clarity should prevail, and models such as the ABI (Association of British Insurers) are preferred.

Combinations

14: Do you have any views on possible combinations of a summary risk indicator with performance scenarios?

The combination of the various risks was already defined as being difficult in Question 5, so it seems even less realistic that combining them with scenarios can lead to a single consistent indicator. Although PRIIPS regulations should seek simplicity, it cannot be taken to an extent that results in unrepresentative product information. However, as an incidental and less relevant with respect to other information, this combination may be included to facilitate their comparison with other products.

4. - What are the costs?

What are costs?

15: Do you agree with the description of the consumer's perspective on costs expressed in the Key Questions?

The BSG understands the suitability of the enumeration of costs that affect the consumer. However, such enumeration may be ineffective if not all the information is transferred correctly to the consumer, precisely so that he/she can make comparison with other products.

Similarly, the BSG understands that, regarding costs and amendments thereto over the life of the contract (e.g. rising fees), it must be ensured that the contract for the consumer is maintained or guarantees the possibility of cancellation without penalty. This is because otherwise the enforcement of the contract would be left to one side.

Identifying, quantifying and measuring costs

16: What are the main challenges you see in achieving a level-playing field in cost disclosures, and how would you address them?

Regarding the information about costs, it is important not to forget that it is still under development in the MiFID level 2 standards so that coordination between the two standards is essential. It is desirable that the MiFID 2 notes the requirements of clarity, simplicity and understanding collected by this regulation, in order to adopt the most beneficial investor-consumer framework.

We urge EBA to consider whether the costs should be presented as a single annual charge which will aid comparability and prevent firms from charging retail investors 'hidden' costs (such as transaction costs) which are usually defrayed against the value of the funds invested rather than charged directly to the consumer. We have concerns that the ESAs have not fully addressed the issue of undisclosed costs, which can be very significant and should, therefore, be known to the investor or, at the very least, their intermediary.

The Discussion Paper appears to assume that such costs, including transaction costs, are not easily identifiable or that they are embedded in a way that makes analysis impossible (section 4.2.1, page 49). Similarly, in section 4.4.1.3 on 'cost categories with specific difficulties' (page 58), the ESAs make no attempt to identify the extent of these problematic costs. We note that, in its final technical advice to the European Commission on the implementation of MiFID 2, ESMA specifically rejects the claims put forward by the industry that transaction costs cannot be quantified:

“ESMA considers that transaction costs may be estimated on a best effort basis and that the estimation should be based on reasonable underlying assumptions”.

On the other hand, and irrespective of how good a KID is designed, the availability of investment advice should be safeguarded. There is a risk that access to advice comes under pressure for retail investors that do not belong to the upper wealth classes.

In the independent distribution model, advice is paid for separately, but is often prohibitively expensive unless the amount invested is sufficiently high. In the dependent model, advice is not paid for separately, but part of a bundled product fee. However, this results in an unlevel playing field when fees are compared in situations where advice is or is not included. In this context, we believe that the provision

of the PRIIPS Regulation article 8.3.f is important: “the key information shall include a clear indication that advisors, distributors or any other person advising on, or selling, the PRIIP will provide information detailing any cost of distribution that is not already included in the costs specified above”.

Therefore, it is equally important that, to the extent that distribution costs are implicitly included in the product price, it is also mentioned on the KID that distributors will not impose an additional fee for this service.

17: Do you agree with the outline of the main features of the cost structures for insurance-based investment products, structured products, CFDs and derivatives? Please describe any other costs or charges that should be included.

See answer to question 19 on the margins.

18: Do you have any views on how implicit costs, for instance costs embedded within the price of a structured product, might be best estimated or calculated?

See answer to question 19 on the margins.

19: Do you agree with the costs and charges to be disclosed to investors as listed in table 12? If not please state your reasons, including describing any other cost or charges that should be included and the method of calculation.

Regarding the implicit costs, if the aim is that the margin of the entity is to be made public, it shows that, on one hand, this is misleading information because it would appear that this margin is the benefit of the entity whereas there are many costs of the entity that are not

included in this range. On the other hand, having to disclose their margins could go against the rules on competition.

Fixing the margin may be determined by a multitude of factors such as the risk of the transaction with the customer, the remaining positions, by the consumer's relationship with the entity, any guarantees that are provided, the methods of measuring credit risk of the counterparty, the liquidity needs of the institutions, etc., which cannot be known in advance and can vary greatly from one operation to another.

In that sense, to combine all interests it seems necessary that, in the interests of clarity, all costs and their determinants are broken down exhaustively and the concepts agreed, and that no information is hidden from the consumer.

20: Do you agree that a RIY or similar calculation method might be used for preparing 'total aggregate cost' figures?

It is unrealistic to think that for all products within the scope of PRIIPs it is possible to reach a representative RIY of all costs.

21: Are you aware of any other calculation methodologies for costs that should be considered by the ESAs?

As the entities have different methodologies for calculating costs and prices, which represent very sensitive information to them, it is necessary to reach agreements that provide clear and comparable consumer information between PRIIPs without this sensitive information being revealed.

22: Do you agree that implicit or explicit growth rates should be assumed for the purpose of estimating 'total aggregate costs'? How might these be set, and should these assumptions be adjusted so as to be consistent with information included on the performance scenarios?

No comment

23: How do you think implicit portfolio transaction costs should be taken into account, bearing in mind also possible methods for assessing implicit costs for structured products?

No comment

Parameters and assumptions

24: Do you have any views on possible assumptions that should be made, and how these might be calibrated or set?

No.

Presentation of cost disclosure in the KID

25: What do you think are the key challenges in standardising the format of cost information across different PRIIPs, e.g. funds, derivatives, life insurance contracts?

The biggest challenge is to achieve a standardized representation that accurately reflects the costs of each product. In this sense, it seems that an oversimplification can lead to costs not being accurately indicated. For this reason, some flexibility is needed when informing the consumer what the norm seeks to achieve.

26: Do you have a marked preference or any objection for any of the presentational examples? If so, why? Please provide any alternative examples which you believe could be useful.

There is no special preference for any of the examples presented.

27: In terms of a possible breakdown of costs, are you aware of cost structures for which a split between entry or exit costs, ongoing costs, and costs only paid in specific situations or under specific conditions, would not work?

It is very likely that there are cases in which this occurs.

28: How do you think contingent costs should be addressed when showing total aggregated costs?

To the extent that it is intended that the document reflects the most relevant information to achieve the objective of simplicity, contingent costs should not be part of the same document. However, and in order to give the consumer all necessary evidence, it should be explicitly mentioned that such costs may occur.

29: How do you think should cumulative costs be shown?

The accumulated costs should result from a breakdown of total costs, in numbers which are quantifiable and in percentage terms which do not, adding together both in order that the consumer is able to compare the total cost, warning of the possibility of other costs not collected.

5. - Other Sections of the KID

30: Do you have any views on the identity information that should be included?

No: the information contained in the document is quite complete. The point of contact should be the customer service department so that consumers can directly proceed.

Comprehension Alert

31: Do you consider that the criteria set out in recital 18 are sufficiently clear, or would you see some merit in ESAs clarifying them further?

The alerts generally are considered very simplistic given the wide spectrum of customers which can be included in the definition of

"retail", although they include three large blocks of criteria that serve as warning signs for consumers.

What is this product?

32: Do you agree that principles on how a PRIIP might be assigned a 'type' will be needed, and do you have views on how these might be set?

Most of the time, information on the type of product is included in the product's name and is, therefore, redundant. However since there is no limitation on regulation, and that financial contracts are atypical in their name and composition, it is recommended that, in order to facilitate consumer understanding, this information is furnished especially if they contain ambiguous terms such as "fixed", "safe", etc.

33: Are you aware of classifications other than by legal type that you think should be considered?

No

Objectives and means of achieving them

34: Do you agree that general principles and as necessary prescribed statements might be needed for completing this section of the KID?

A brief description of the product is required, but information on the objectives is already given in the analysis of risks and benefits. However, in the interest of clarity and understanding, and as we judge it to be important information, we believe it is necessary that it falls into the scope of this legislation.

In relation to environmental or social objectives, it does not seem to be relevant information in the field of PRIIPs. For the sake of brevity this information should not be part of the document's key data.

35: Are you aware of other measures that might be taken to improve the quality of the section from the perspective of the retail investor?

No. All relevant aspects have been covered, and it should not be forgotten that summarising is one of the objectives sought by this Regulation.

Consumer types

36: Do you have views on the information PRIIPs manufacturers should provide on consumer types?

The types of clients are determined by the regulations and on these classifications there should be no variations.

Furthermore, the suitability of the product to the customer must be performed after the design of it in the case of products subject to MiFID through the test of suitability or appropriateness. This suggests that, at the time of drafting the document, the PRIIPs does not seem to make a big difference.

In any case, in view of both qualifications and standards, it seems clear that the product description indicates for what type of investor or consumer the product is more suitable so that subsequent analysis of adequacy can be made.

Insurance benefits

37: What is the key information that needs to be given to the retail investor on insurance benefits, and how should this be presented?

No comment

Term

38: Are you aware of PRIIPs where the term may not be readily described, or where there are other issues?

No. The duration of contracts, whether determined or not, shows no difficulties.

What happens if [the name of the PRIIP manufacturer] is unable to pay out?

39: Are you aware of specific challenges arising for specific PRIIPs in completing this section?

The reference to the existence of Guaranteed Funds (deposits, investors, etc.) is considered adequate.

How long should I hold it and can I take money out early?

40: Are you aware of specific challenges arising for specific PRIIPs in completing this section?

Regarding the possibility of early termination, the absence of existing a regulatory prohibition to offer term contracts, it is sufficient to clearly warn customers of the absence of the possibility of early termination in the case of a particular product. Given the importance of this risk to consumers, it is highly recommended strengthening and clarifying this reporting requirement

How can I complain?

41: Are you aware of specific challenges arising for specific PRIIPs in completing this section?

To the extent that redress is one of the main rights of users it is recommended that such information is attached to the product information, just as European authorities insist in almost all consumer contracts.

Other relevant information

42: Do you agree that this section should link to a webpage of the manufacturer?

Yes. It is considered very appropriate that there is reference to other documents through a link to the website of the issuer.

6. - Products offering many options

43: Do you agree with the assessment of when PRIIPs might be concerned by article 6(3)?

Yes, the view adopted by ESAs is considered adequate.

Scale of market

44: In your market, taking into account the list of criteria in the above section, what products would be concerned by article 6(2a)? What market share do these represent?

If it is understood that the question refers to Article 6 (3), the approach of the ESAs that the products concerned are hybrid life insurance contracts and unit linked is considered to be adequate.

45: Please provide sufficient information about these products to illustrate why they would be concerned?

No comment

Impact of article 6(3)

46: Do you have views on how you think the KID should be adapted for article 6(3) products, taking into account the options outlined by the ESAs?

The fundamental data document must contain a generic description, including all specifications resulting from the different options in a separate document. In order not to complicate the fundamental data document, it could be considered to include only certain ranges as regards costs and risk.

47: How do you consider that the product manufacturer should meet the requirements to describe and detail the investment options available?

It must be left to the freedom for each issuer to determine the way to meet the requirements.

48: Are you aware of further challenges that should be taken into account?

No

7.- Review, Revision and Republication

49: Do you agree with the measures outlined for periodic review, revision and republication of the KID where 'material' changes are found?

Since the purpose of the document is to provide fundamental data for the decision of investors, updating it would make sense during the duration of the product. As for the rest of pre-contractual documentation, updating it once the distribution period is completed would not be considered necessary.

50: Where a PRIIP is being sold or traded on a secondary market, do you foresee particular challenges in keeping the KID up-to-date?

The characteristics of the products are very clear at the time of issue. After that, the need to update the PRIIPS document is considered an excessive burden, as the variations may be constant (e.g., within until maturity). In the case of a subsequent amendment, consumers may require as contractual that the information is delivered to them at the time of recruitment for the purposes of legal certainty.

51: Where a PRIIP is offering a wide range of investment options, do you foresee any particular challenges in keeping the KID up-to-date?

See answer to question 50

52: Are there circumstances where an active communication model should be provided?

As the fundamental data document is part of the contractual information, the rationale for any subsequent reporting obligations is not easy to understand.

8. - Timing of delivery

53: Do you agree that Recital 83 of the MiFID II might be used as a model for technical standards on the timing of the delivery of the KID?

Yes. The rules set out in MiFID, namely in the point 83, are considered adequate to achieve the objectives of the PRIIPS regulation and facilitate the necessary coordination between the rules.

54: Are you aware of any other criteria or details that might be taken into account?

No

9. - General aspects of the KID

55: Do you think that the ESAs should aim to develop one or more overall templates for the KID?

The development of templates to summarise the different aspects of all products included in the PRIIPS Regulation may lead to an oversimplification of them. The regulation should specify the minimum content to be included but, once defined, it should be for each issuer to decide the content and development of the various documents though always ensuring a clear and easy comprehension by the user.

56: Do you think the KID should be adjusted to reflect the impact of regular payment options (on costs, performance, risk) where these are offered? If so, how?

Among the possibilities referred to in the document of the ESAs, these issues should not be included in the fundamental data document, but in a different pre-contractual document. This option best meets the objective of maintaining the PRIIPS fundamental data document being

easier to understand. It is also the approach followed in the KII for UCITS.

10.- Impact assessment

57: Are there other cost or benefit drivers that you are aware of that have not been mentioned? Please consider both one-off and ongoing costs.

In relation to the costs of implementation, it is necessary to consider not only the amount but also the need for a period sufficient to develop the fundamental data document for such a wide range of products covered by this regulation.

58: Do you have any evidence on the specific costs or benefits that might be linked to the options already explored earlier in this Discussion Paper? Please provide specific information or references broken down by the specific options on which you wish to comment.

Most of the costs and benefits have already been referred to in the document. You can add, in the case of deciding on indicators with different colours, the cost of putting colour printers in each and every one of the offices of the various distributors.

59: Are you aware of situations in which costs might be disproportionate for particular options, for instance borne by a specific group of manufacturers to a far greater degree in terms relative to the turnover of that group of manufacturers, compared to other manufacturers?

Costs might be disproportionate when the new obligations overlap with other existing regulations. This means that PRIIPS information should be as concise and simple as possible and, where appropriate, refer to more complete documents.

The overrun can be derived from the overlap of these new obligations with other existing (information MiFID, brochures, etc.), so you will not

only influence the cost but also the result sought by the legislation, plus simplifying the information provided to the customer.

We emphasize at all times the need that the document derived from the obligation contained in PRIIPs Regulation should be as concise as possible, and in every case where necessary refer to other more complete documents.

Submitted on behalf of the Banking Stakeholder Group

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Chairperson