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TEXTS ADOPTED

*Provisional edition*

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**Objection to a delegated act: Key information documents for packaged retail and insurance-based investment products**

**European Parliament resolution of 14 September 2016 on the Commission delegated regulation of 30 June 2016 supplementing Regulation (EU) No 1286/2014 of the European Parliament and of the Council on key information documents for packaged retail and insurance-based investment products (PRIIPs) by laying down regulatory technical standards with regard to the presentation, content, review and revision of key information documents and the conditions for fulfilling the requirement to provide such documents (C(2016)03999 – 2016/2816(DEA))**

*The European Parliament,*

- having regard to the Commission delegated regulation (C(2016)03999) (‘the delegated regulation’),
- having regard to Article 290 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (‘PRIIPs’) and in particular Articles 8(5), 10(2) and 13(5) thereof,
- having regard to Article 13 of Regulation (EU) No 1093/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Banking Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/78/EC, of Regulation (EU) No 1094/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Insurance and Occupational Pensions Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/79/EC, and of Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/77/EC,

- having regard to the draft regulatory technical standard (RTS) submitted on 6 April 2016 by the Joint Committee of the European Supervisory Authorities under Articles 10 and 56 of Regulations (EU) No 1093/2010, (EU) No 1094/2010 and (EU) No 1095/2010,
  - having regard to the letter announced to the Commission and sent by the Chair of the Committee on Economic and Monetary Affairs to the Commission on 30 June 2016, and the letter sent by the Chair of the Committee on Economic and Monetary Affairs on 12 July 2016,
  - having regard to the motion for a resolution by the Committee on Economic and Monetary Affairs,
  - having regard to Rule 105(3) of its Rules of Procedure,
- A. whereas it is essential that consumer information on investment products is comparable in order to promote a level playing field in the market no matter what type of financial intermediary manufactures or markets them;
  - B. whereas it would be misleading to investors to remove credit risk from the calculation of risk categorisation of insurance products;
  - C. whereas the treatment of multi-option products still needs to be clarified, in particular in relation to the explicit exemption granted to UCITS funds under Regulation (EU) No 1286/2014;
  - D. whereas the delegated act as adopted by the Commission contains flaws in the methodology for the calculation of future performance scenarios and does not therefore fulfil the requirement under Regulation (EU) No 1286/2014 to provide information which is ‘accurate, fair, clear and not misleading’ and, in particular, does not show for some PRIIPs, even in the adverse scenario, and even for products which have regularly led to losses over the recommended minimum holding period, that investors could lose money;
  - E. whereas the lack of detailed guidance in the delegated regulation on the ‘comprehension alert’ creates a serious risk of inconsistent implementation of this element in the key information document across the single market;
  - F. whereas Parliament remains of the view that further standardisation of when the comprehension alert will be used should be introduced as an additional RTS mandate;
  - G. whereas, left unchanged, there is a risk that the rules set out in the delegated regulation go against the spirit and aim of the legislation, which is to provide clear, comparable, understandable and non-misleading information on PRIIPs to retail investors;
  - H. whereas in the letter of 30 June 2016 sent to the Commission by the Chair of the Committee on Economic and Monetary Affairs, Parliament’s negotiating team asked the Commission to assess whether the implementation of Regulation (EU) No 1286/2014 should be delayed;
1. Objects to the Commission delegated regulation;
  2. Instructs its President to forward this resolution to the Commission and to notify it that the delegated regulation cannot enter into force;

3. Calls on the Commission to submit a new delegated act which takes account of the above concerns;
4. Calls on the Commission to consider a proposal postponing the application date of Regulation (EU) No 1286/2014 without changing any other provision of level 1 in order to ensure a smooth implementation of the requirements set out in the Regulation and the delegated regulation, and avoid the application of level 1 without RTS being in force in advance;
5. Instructs its President to forward this resolution to the Council and to the governments and parliaments of the Member States.