

Plan, prepare and partner for the PRIIPs KID transition

WHAT IS A PRIIPs KID

A pre-contractual document to be provided to investors prior to subscription (or very shortly post subscription). The document, similar to the UCITS KIID¹, should be reviewed and updated annually however it is not bound by the same 35 business day refresh window as UCITS KIID – the PRIIPs KID² can be refreshed at any time during the year.

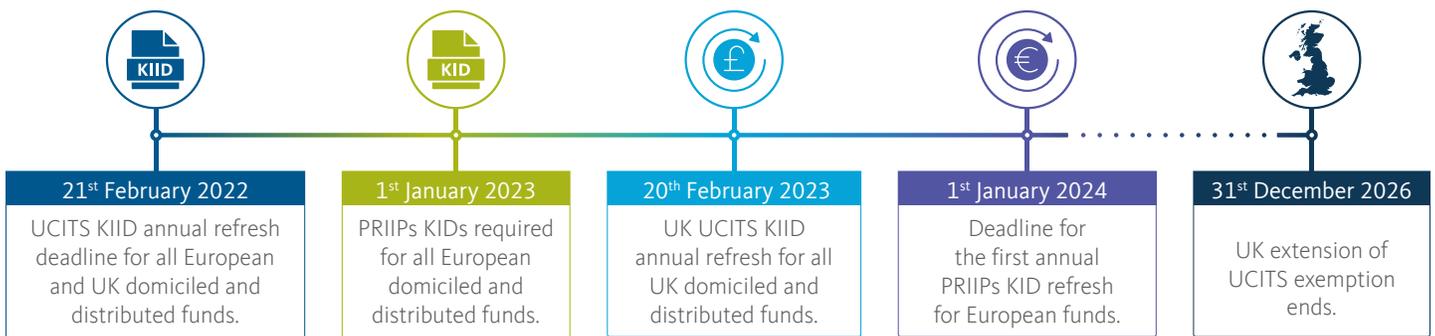
At the moment only some jurisdictions have a notification requirement (Belgium, Croatia, Finland, Italy, Portugal) meaning the KID needs to be filed there before use. The document should then be available at all times on the product manufacturers website. Translation requirements remain the same as for UCITS KIID, with the KID requiring translation into a recognised language of the member state it is being sold into.

WHAT IS THE CHANGE?

Within a year, all UCITS Funds or Retail Funds, domiciled in an EU jurisdiction or being sold into a EU Jurisdiction will require a PRIIPs KID instead of a UCITS KIID³. With this change comes new data requirements, content, calculations and methodologies, all of which are currently creating a broad array of questions. There is a new requirement to now publish the Performance Scenario calculations on a monthly basis and provide a link to a location of a past performance record.



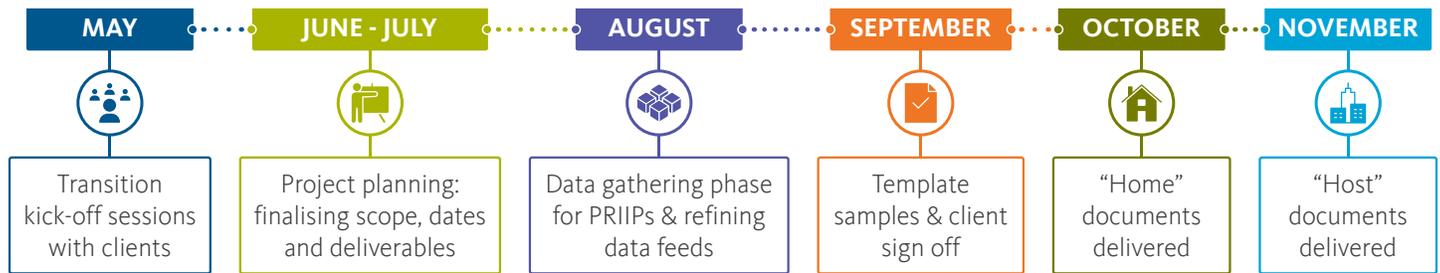
TIMELINE FOR UPCOMING PRIIPs KID TRANSITION



FIVE POINTS FOR A UCITS KIID TO PRIIPS KID TRANSITION

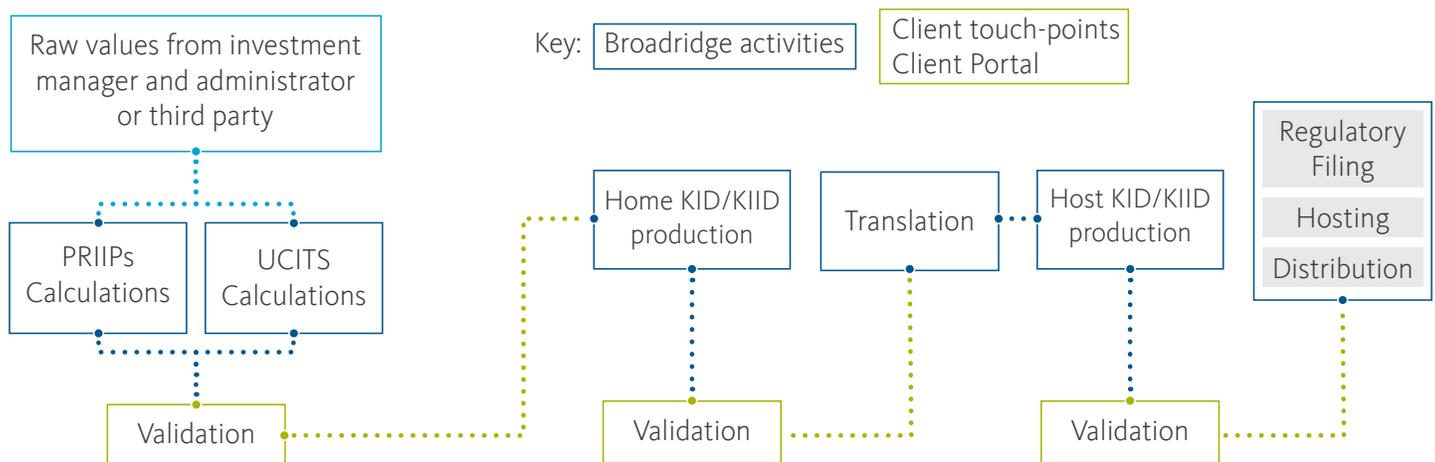
1 - START EARLY WITH A TRUSTED PROVIDER

Begin gathering your data well in advance, we suggest July, and then work closely with your provider through to December.



2 - ONE PROVIDER, ONE PROCESS

To keep things simple for you, work with a single provider who can manage every step. Below is the end-to-end process we have been refining with our clients over many years.



3 - DATA GATHERING

There will be new requirements for asset managers who have not previously had exposure to PRIIPs (via EPTs⁴). For those who have, there will be further updates to the current requirements. Understanding how to identify and source the data will be important. The PRIIPs regulation will require more detailed underlying data than is currently used for calculations in UCITS.

Key Calculations and Data requirements to consider:

- Identifying both explicit and implicit costs will be required to calculate Transaction Costs under PRIIPs rules.
- The PRIIPs RTS⁵ are changing how ADL⁶ impacts how Transaction Costs are reflected as well as methodology for SRI⁷ and OOCs⁸.
- Ten years of historic data will now be required so consider the provisions for how that data can be sourced.

Transition to PRIIPs KID

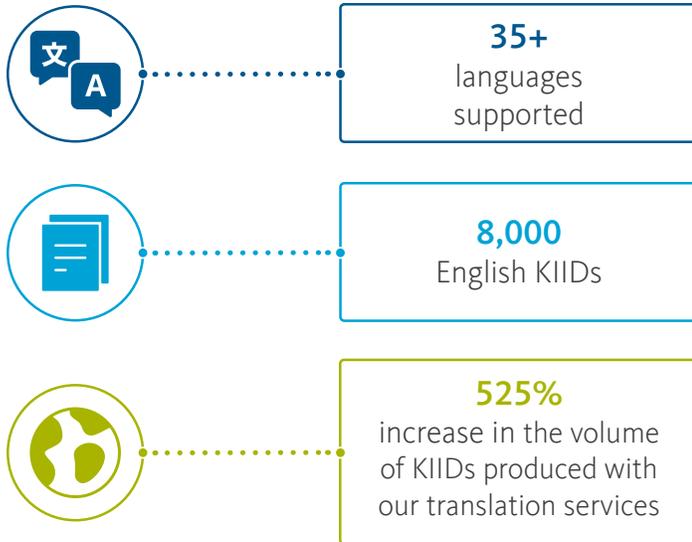
- Transaction Cost Data - three years of past trade data will be required (if you have not received EPT or EMT⁹ services to date).
- Additional NAVs¹⁰ and Dividends - We will store a ten year data set rather than five years and any missing NAVs and Dividends will need to be sourced.
- PRIIPs KID Text and Static Fields - A matrix will be provided to clients to populate over the coming months.
- New calculation types - SRI, Performance Scenarios, OOCs, Transaction Costs and Incidental Costs.

Preparation, Process, and Partner up

As with many other regulatory changes, the transition from UCITS KIIDs to PRIIPs KIDs is best approached with preparation. Our advice to asset managers is to consider the most efficient ways that their data can be sent to third parties and have an established process in place for approving calculations.

4 - DISTRIBUTE & TRANSLATE FOR GLOBAL AUDIENCES

翻訳する, Tradurre, Översätt or translate your updates to documents into numerous languages. We deliver more than 50,000 KIIDs, in multiple languages, on behalf of clients, all created by our in-house team of translation experts. FCS can assist you with translation and localisation to assist distribution into Europe.



5 - FUTURE-PROOF AGAINST REGULATORY CHANGE

Access expert advice to meet the challenges of regulatory change. Broadridge is actively engaged in industry working groups and forums to ensure that we stay ahead of the ever-changing regulatory backdrop, so our clients can trust that they are always in line with the latest requirements and guidance.

Plans for 2022 include preparing and implementing the latest Regulatory Technical Standard changes mentioned above and which are due to go live January 2023.

Broadridge Financial Solutions (NYSE: BR), a global Fintech leader with \$5 billion in revenues, provides the critical infrastructure that powers investing, corporate governance, and communications to enable better financial lives. We deliver technology-driven solutions that drive business transformation for banks, broker-dealers, asset and wealth managers and public companies. Broadridge's infrastructure serves as a global communications hub enabling corporate governance by linking thousands of public companies and mutual funds to tens of millions of individual and institutional investors around the world. Our technology and operations platforms underpin the daily trading of more than U.S. \$9 trillion of equities, fixed income and other securities globally.

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WHY CHOOSE BROADRIDGE?

- With over 20 years of fund data, document dissemination and related regulatory reporting experience, we have extensive expertise in supporting clients with these challenges.
- We are a trusted partner and leading distributor of fund data, currently working with over 275 international fund managers⁹.
- We offer a resilient and secure solution. Our data centre and technology meet the highest industry standards.
- We commit to over 150,000 work hours annually to support the research and development of our client offerings.
- You will have complete access to our accountable and responsive Client Service teams, based in London, Dublin and Bristol.
- Our solutions are delivered by an experienced implementation team, ensuring timely delivery whilst retaining the highest standards of quality.

CONTACT US

For more information please contact us on:

+44 (0)7552 625 593

FCS_sales@broadridge.com

FOOTNOTES

- ¹ Packaged Retail and Insurance-based Investment Products Key Information Document.
- ² Undertakings for Collective Investment in Transferable Securities Key Investor Information Document.
- ³ UCITS KIIDs will still be required for fund distribution in the UK.
- ⁴ Regulatory Technical Standards
- ⁵ Anti-Dilution Levies
- ⁶ Summary Risk Indicator
- ⁷ Other Operating Costs
- ⁸ European MiFID Templates
- ⁹ All figures accurate as of 31.3.2022

