



eiopa
EUROPEAN INSURANCE
AND OCCUPATIONAL PENSIONS AUTHORITY

Public Consultation on PRIIPs with Environmental or Social Objectives (EOS PRIIPs)

EIOPA Insurance & Reinsurance Stakeholder Group meeting
Frankfurt, 15 Feb 2017

- European Commission (EC) mandate to Joint Committee May 2016 for Technical Advice.
- Focus on governance procedures to give substance to claims made in KID.
- EC identified 3 steps:
 - policy statement -> investment strategy -> processes, systems, controls
- No labelling!

Outline of approach taken in the draft CP



- Space limitations in the KID -> include cross-reference to other documents
 - Wide variety of highly divergent objectives could be regarded as 'environmental' or 'social'
 - Each retail investor to decide on what is EOS ...
 - PRIIPs manufacturer to provide details to support this decision
- > transparency on the whole value chain/product lifecycle and contribution to claimed objectives

Outline of approach taken in the draft CP – cont'd



- POG framework provides sufficient requirements w.r.t. application to EOS PRIIPs.
- ESAs propose EC can use Delegated Act to provide additional certainty and convergence:
 - clarifying how POG requirements are relevant;
 - how should they be interpreted by PRIIPs manufacturers;
 - reinforcing expectation that there will be effective transparency.
- Aim to inform retail investors -- not to establish normative label

Existing frameworks seem sufficient ...

... **however** input of IRSG sought on two possible exceptions:

1. Application of MiFID 2 / IDD POG rules to UCITS or AIF based EOS PRIIPs
2. Necessity, type, frequency and granularity of additional disclosures (if not covered by KID, Solvency II, national rules)