

Comments Template for Joint Consultation Paper concerning amendments to the PRIIPs KID (JC 2018 60)

**Deadline
6 December 2018
23:55 CET**

Name of Company:	CFA Society Poland	
Disclosure of comments:	Please indicate if your comments should be treated as confidential:	Public
<p>Please follow the following instructions for filling in the template:</p> <ul style="list-style-type: none"> ⇒ Do not change the numbering in the column "reference"; if you change numbering, your comment cannot be processed by our IT tool ⇒ Leave the last column <u>empty</u>. ⇒ Please fill in your comment in the relevant row. If you have <u>no comment</u> on a question or a cell, leave the row <u>empty</u>. ⇒ Our IT tool does not allow processing of comments which do not refer to the specific numbers below. <p>Please send the completed template, in Word Format, to CP-18-005@eiopa.europa.eu</p> <p>Our IT tool does not allow processing of any other formats.</p>		
Reference	Comment	
General Comments	-	
Q1	Yes, we believe it will be worthwhile to include past performance information where it is available. It would add another dimension to the future performance scenarios and we believe it would ameliorate understanding by investors the likelihood of the future performance scenarios realization.	
Q2	Yes, there are challenges to present past performance for PRIIPs without history or for structured products.	
Q3	Yes, if it is presented in the form of the bar graph it would be easily understood by investors. However two factors should be underlined: <ul style="list-style-type: none"> - If the presentation of the past performance does not include entry and exit costs, and 	

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	<p>futures performance scenarios do include them, the information presented will not be coherent nor fully comparable. Bearing in mind allure of past performances charts it would be advisable to present it after accounting for all the costs necessary to bear by investor, including entry and exit costs or at least highlighting it strongly that those cost are not included in the calculation.</p> <ul style="list-style-type: none"> - SRRRI measure should not be sustained, as it suffers from numerous limitations and SRI measure introduced in the KID is considerable step forward comparing to SRI, composing of MRM and CRM measures. 	
Q4	<p>No, we do not believe it is advisable to include simulation on the past performance in the KID. Given the fact that there are already the future performance scenarios included in the KID and there are themselves based on the historical data the past performance simulations would actually duplicate the information. What is more, not including past performance information for the PRIIPs without history (or structured in a way to make it impossible to prepare actual historical data) would allow investors to clearly differentiate products with the future performance scenarios based on actual historical data from the products with simulated future performance scenarios.</p>	
Q5	-	
Q6	<p>In general we are afraid that the statement included in the consultation paper that “retail investors disregard such information or explanations in general” is true, nevertheless we agree that those amendments might improve the explanation, should investor manage to read it.</p>	
Q7	<p>On one hand, we do not believe that introducing:</p> <ul style="list-style-type: none"> - future performance scenarios anchored in the risk-free rate of return - extension of the historical period used to measure performance <p>is worthwhile – consultation paper lays down the reasons not to consider it for new PRIIPs framework and we support that notion.</p> <p>On the other, concept of introducing the graphical presentation of future performance scenarios could enhance the understanding of investors of the document and clarify the possible outcomes of investment. Therefore we would support it being introduced into new PRIIPs framework.</p>	

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	However, based on our experience on Polish market, we do not find it confusing for investors to present results 4 scenarios. We believe that we can join the concept of the graphical presentation of the range of possible outcomes together with presenting all 4 scenarios both in graphical and tabular form.	
Q8	<p>In general all efforts aimed at increasing coherence of scenarios assumptions and increasing comparability of KIDs between PRIIPs. The analysis of the KIDs produces throughout the 11 months of 2018 proved that incoherence of calculations among different PRIIPs manufacturers is a serious threat to achieving aims of the regulation. Lots of issues needs clarification, either in the form of revised RTS or Q&A, e.g.:</p> <ul style="list-style-type: none"> - should MRM and Performance Scenarios calculations account for one-off costs beared by investos (entry and exit costs) or should it be solely based on NAV? According to our knowledge both approaches are being used on the market. - 	
Q9	We agree with the propositions.	
Q10	No comment	
Q11	Regarding the requirement to fit 3-pages – it is indeed often challenging for PRIIPs manufacturers to meet this requirement, therefore any proposition of adding extra content to the current template should be revised carefully. Perhaps one extra page to reach 4-page document should be considered. In terms of adding past performance chart – information on past performance and future performance scenarios could be joined in one graph, as it done e.g. in inflation predictions, where on put realisation of inflation together with range of possible outcomes going forward – in our opinion it would enhance investors experience with the KID.	
Q12	-	
Q13	-	