

## › PRIIPS KIDS SOLUTION

In an effort to increase investor transparency and level the playing field in the single market, the European Union has implemented a new regulation, Packaged Retail and Insurance-Based Investment Products (PRIIPs).

PRIIPs is part of a package of measures introduced by the EU in response to the fallout from the global financial crisis, and is designed to ensure retail investors properly understand the risks of and likely returns from their investments. It aims to illustrate this information through scenarios simulating different outcomes in varying economic and market conditions.

The regulation requires manufacturers, and those advising on PRIIPs, to produce Key Information Documents (KIDs) for their clients. The PRIIPs KID is a standardized document articulated around eight specific sections to help retail investors compare products to each other.

After the publication of a KID, the manufacturer must review it annually and whenever a change occurs that significantly affects the disclosures contained in the KID

### THE CHALLENGE

- PRIIPs requires manufacturers to provide retail investors with comparable, standardized, and understandable information
- Manufacturers, and those advising on PRIIPs, are required to produce KIDs once per year and when there is a material change to the fund or the product
- Distributors must track, manage, and store PRIIPs KIDs

### THE SOLUTION

#### Portfolio Integration

Leverage our robust infrastructure and client service around the integration of client portfolios to meet the data required by PRIIPs. If you are a current client of FactSet's portfolio products, implementation of the PRIIPs KIDs process is seamless. Utilizing the data in your current analytics workflow will help you avoid duplicate processes for regulatory compliance with PRIIPs. Our Portfolio Services team will ensure secure, accurate, and consistent processing of portfolio data to reduce the burden of data management.

#### Powerful Analytics

Summary Risk Indicator and Performance Scenarios, the two main statistics required by PRIIPs, are available for products in categories one and two. FactSet will provide you full transparency into the calculations used so you can be sure the regulatory requirements are being met. Due to our deep understanding of analytics and the needs of the investment community, our solution for regulatory analytics requirements will continue to evolve as the regulation is updated.

### THE REGULATION

**Effective date:** January 1, 2018

**In-scope products:**

- Packaged retail investment products
- Insurance-based investment products
- Investment funds
- Structured products, such as deposits and securities

**Purpose:**

To improve transparency of PRIIPs offered to retail investors by standardizing disclosures and regulating the sales process

## HOW THE SOLUTION WORKS

### Flexible Reporting

FactSet's suite of reporting solutions provides flexibility in the delivery of data necessary for PRIIPs, and allows you to produce standardized KIDs. Our two options for PRIIPs reporting allow you to easily meet the needs of your organization and the regulation.

- Receive raw data in flat file format to easily satisfy the European PRIIPs Template (EPT) or the "Comfort" EPT (CEPT)
- Produce standardized KIDs

### Close Monitoring

Manufacturers, and those advising on PRIIPs, are required to produce KIDs before the PRIIP is made available to retail investors. They are also required to review them at least once a year, and when there is a material change to the PRIIP. FactSet's monitoring tools will alert you when it is time to produce the KID and when there is a material change.

### PrimeRDDS for Distributors

To help you comply with regulations while addressing your specific solution needs, we have developed PrimeRDDS. Rely on PrimeRDDS to assist you with sourcing PRIIPs metadata and KIDs. Sort, update, archive, and distribute this information through technical interfaces that match your specific solution needs.

## REGULATORY SERVICES

Activating a compliance strategy is difficult. We're here to help, with the flexible, consultative approach you've come to expect from FactSet. Talk to regulatory specialists about your challenges, and we'll help you figure out the most effective solution—without disrupting your investment process: [regulatory.solutions@factset.com](mailto:regulatory.solutions@factset.com)

We bring together industry expertise, reliably connected data, portfolio analytics, client reporting, and strategic partnerships to help you address multiple regulations and standards, including: MIFID II, PRIIPS, BMR, KYC & AML, Solvency II, and more.