



Plenary sitting

A9-0297/2021

29.10.2021

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REPORT

on the proposal for a regulation of the European Parliament and of the Council amending Regulation (EU) No 1286/2014 as regards the extension of the transitional arrangement for management companies, investment companies and persons advising on, or selling, units of undertakings for collective investment in transferable securities (UCITS) and non-UCITS (COM(2021)0397 – C9-0326/2021 – 2021/0215(COD))

Committee on Economic and Monetary Affairs

Rapporteur: Jonás Fernández

(Simplified procedure – Rule 52(2) of the Rules of Procedure)

Symbols for procedures

- * Consultation procedure
- *** Consent procedure
- ***I Ordinary legislative procedure (first reading)
- ***II Ordinary legislative procedure (second reading)
- ***III Ordinary legislative procedure (third reading)

(The type of procedure depends on the legal basis proposed by the draft act.)

Amendments to a draft act

Amendments by Parliament set out in two columns

Deletions are indicated in ***bold italics*** in the left-hand column. Replacements are indicated in ***bold italics*** in both columns. New text is indicated in ***bold italics*** in the right-hand column.

The first and second lines of the header of each amendment identify the relevant part of the draft act under consideration. If an amendment pertains to an existing act that the draft act is seeking to amend, the amendment heading includes a third line identifying the existing act and a fourth line identifying the provision in that act that Parliament wishes to amend.

Amendments by Parliament in the form of a consolidated text

New text is highlighted in ***bold italics***. Deletions are indicated using either the ***■*** symbol or strikeout. Replacements are indicated by highlighting the new text in ***bold italics*** and by deleting or striking out the text that has been replaced.

By way of exception, purely technical changes made by the drafting departments in preparing the final text are not highlighted.

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DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

**on the proposal for a regulation of the European Parliament and of the Council amending Regulation (EU) No 1286/2014 as regards the extension of the transitional arrangement for management companies, investment companies and persons advising on, or selling, units of undertakings for collective investment in transferable securities (UCITS) and non-UCITS
(COM(2021)0397 – C9-0326/2021 – 2021/0215(COD))**

(Ordinary legislative procedure: first reading)

The European Parliament,

- having regard to the Commission proposal to Parliament and the Council (COM(2021)0397),
 - having regard to Article 294(2) and Article 114 of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C9-0326/2021),
 - having regard to Article 294(3) of the Treaty on the Functioning of the European Union,
 - having regard to the opinion of the European Economic and Social Committee of 20 October 2021¹,
 - having regard to Rule 59 of its Rules of Procedure,
 - having regard to the report of the Committee on Economic and Monetary Affairs (A9-0297/2021),
1. Adopts its position at first reading hereinafter set out;
 2. Calls on the Commission to refer the matter to Parliament again if it replaces, substantially amends or intends to substantially amend its proposal;
 3. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

¹ Not yet published in the Official Journal.

Amendment 1

Proposal for a regulation Recital 4

Text proposed by the Commission

(4) On [OJ Please insert the date], the Commission adopted Commission Delegated Regulation (EU) .../2021¹⁴, amending Delegated Regulation (EU) 2017/653, *inter alia*, to make it easier for management companies, investment companies, and persons advising on, or selling, units of UCITS and non-UCITS to make use of the presentation, content and standard format of the KID. The date of application of Delegated Regulation (EU) .../2021, ***however, has been set on 1 July 2022*** to give those management companies, investment companies, and persons advising on, or selling, units of UCITS and non-UCITS sufficient time to prepare for the end of the transitional arrangement and thus for the obligation to draw up a KID. ***Because the date of application of Delegated Regulation (EU) .../2021 has been set on 1 July 2022, and because it is necessary to ensure that the end of the transitional arrangement coincides with the date of application of Delegated Regulation (EU) .../2021, it is necessary to extend the duration of the transitional arrangement by six months, that is until 30 June 2022.***

¹⁴ OJ C [...], [...], p. [...].

Amendment

(4) On [OJ Please insert the date], the Commission adopted Commission Delegated Regulation (EU) 2021/..., amending Delegated Regulation (EU) 2017/653, *inter alia*, to make it easier for management companies, investment companies, and persons advising on, or selling, units of UCITS and non-UCITS to make use of the presentation, content and standard format of the KID. The date of application of Delegated Regulation (EU) .../2021, ***should reflect the need*** to give those management companies, investment companies, and persons advising on, or selling, units of UCITS and non-UCITS sufficient time to prepare for the end of the transitional arrangement and thus for the obligation to draw up a KID.

Amendment 2

Proposal for a regulation Recital 4 a (new)

Text proposed by the Commission

Amendment

(4a) In order to ensure that this need for sufficient time to prepare for the obligation to produce a KID is met, it is necessary to extend the duration of the transitional arrangement by twelve months, that is until 31 December 2022.

Amendment 3

Proposal for a regulation Recital 5 a (new)

Text proposed by the Commission

Amendment

(5a) Regulation (EU) No 1286/2014 aims to enable retail investors to make better-informed investment decisions. In spite of its good intentions a number of criticisms have been made since its adoption that urge to be addressed in order to improve retail investors' trust into financial markets, for the benefit of companies looking for funding and for the investors' long-term benefit. Existing limitations include, among others, the need for a clearer definition of retail investors, the product scope of the PRIIPs Regulation, the elimination of paper by default where a PRIIP is offered on a face-to-face basis, the concept of successive transactions, the provision of pre-contractual information to professional investors. The need for a broader review was already set out in Regulation (EU) No 1286/2014 and its urgency remains unchanged. On the basis of such a review in accordance with Regulation (EU) No 1286/2014, the Commission is expected to submit as a

matter of urgency a report to the European Parliament and to the Council accompanied, where appropriate, by a proposal to address the existing limitations.

Amendment 4

Proposal for a regulation

Article 1 – paragraph 1

Regulation (EU) No 1286/2014

Article 32 – paragraph 1

Text proposed by the Commission

In Article 32(1) of Regulation (EU) No 1286/2014, the date ‘31 December 2021’ is replaced by ‘**30 June 2022**’.

Amendment

In Article 32(1) of Regulation (EU) No 1286/2014, the date ‘31 December 2021’ is replaced by ‘**31 December 2022**’.

PROCEDURE – COMMITTEE RESPONSIBLE

Title	Amending Regulation (EU) No 1286/2014 as regards the extension of the transitional arrangement for management companies, investment companies and persons advising on, or selling, units of undertakings for collective investment in transferable securities (UCITS) and non-UCITS
References	COM(2021)0397 – C9-0326/2021 – 2021/0215(COD)
Date submitted to Parliament	15.7.2021
Committee responsible Date announced in plenary	ECON 13.9.2021
Committees asked for opinions Date announced in plenary	IMCO 13.9.2021
Not delivering opinions Date of decision	IMCO 1.9.2021
Rapporteurs Date appointed	Jonás Fernández 1.9.2021
Simplified procedure - date of decision	27.9.2021
Discussed in committee	27.9.2021
Date adopted	25.10.2021
Date tabled	3.11.2021