



## PRIIPs Exemption for UCITS Extended to December 2022

December 2021

On 24 November 2021, EU legislators published their agreement to extend the PRIIPs exemption for UCITS to 31 December 2022. The extension, set out in so-called 'quick-fix' PRIIPs and UCITS legislation (to turn off UCITS KIID and turn on PRIIPs KID for UCITS), means that UCITS will now have until the end of 2022 to prepare and publish a PRIIPs KID in place of the UCITS KIID.

In addition to extending the UCITS exemption, the quick-fix legislation also addresses the issue, arising from the application of PRIIPs to UCITS, for UCITS sold only to professional investors. As discussed [here](#), professional investor UCITS are not required to produce a PRIIPs KID but, following the application of PRIIPs rules to UCITS, remain subject to the requirement for all UCITS to produce a UCITS KIID.

The proposed legislative solution to this issue is to (i) specifically permit professional investor UCITS to produce either a UCITS KIID or a PRIIPs KID in satisfaction of UCITS KIID rules and (ii) preclude competent authorities from imposing a requirement on professional investor UCITS to prepare a UCITS KIID if they choose to produce a PRIIPs KID.

While the proposed solution is to be welcomed, it does not address the wider issue of whether professional investors require any key information (be it a PRIIPs KID or UCITS KIID). However, the Parliament has requested the Commission's ongoing PRIIPs regime review to specifically include this issue and report on it as part of next year's PRIIPs reform proposals.

### Next steps

The UCITS and PRIIPs quick-fix legislation must now be finalised and published by year-end to ensure implementation of the 12-month extension before the current PRIIPs exemption end-date of 31 December 2021. In addition, finalisation of the PRIIPs regime, which will be applicable to UCITS from December 2022, is expected in the coming weeks, once the amendments to the PRIIPs rules (principally to incorporate UCITS-specific provisions) are finalised (see [here](#) for further details).

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