

**MEMO# 35146**

March 7, 2023

# **ICI Global Comment Letters on HM Treasury and FCA Consultations on the Retail Disclosure Framework**

[35146]

March 08, 2023

TO: ICI Global Members SUBJECTS: International/Global  
MiFID, EMIR, AIFMD, UCITS V RE: ICI Global Comment Letters on HM Treasury and FCA  
Consultations on the Retail Disclosure Framework

ICI Global recently submitted the attached comment letters in response to consultations issued by HM Treasury and the Financial Conduct Authority (FCA) as the first step in the UK Government's process of establishing an alternative disclosure regime for the United Kingdom (UK) that fosters retail investor participation and repeals EU-inherited regulation that, in its view, imposes burdensome requirements that restrict investor choice and opportunity.

## **HM Treasury Consultation on PRIIPS and UK Retail Disclosure**

HM Treasury's consultation on PRIIPS and UK Retail Disclosure<sup>[1]</sup> sets out the UK government's intention to commence the repeal of the Packaged Retail and Insurance-based Investment Products (PRIIPS) Regulation and seeks views on a framework to replace it. Our response expresses support for the UK government's efforts but cautions the government to refrain from adopting a regime that differs significantly from the European Union's disclosure regime as markedly different regulatory frameworks would make it more complex and costly for UK investment products, such as regulated funds, to be offered outside of the UK. We also urge the government to adopt digital delivery as a default because digital delivery of information has the potential to engender greater investor engagement and enhance investor understanding. Lastly, we recommend the adoption of a unified categorization that is used across all investor disclosures and that splits out distribution and management costs (and describe what would fall into each of those categories).

## **FCA Discussion Paper on Future Disclosure Framework**

The FCA's discussion paper on the Future Disclosure Framework<sup>[2]</sup> seeks feedback on how the FCA can design and deliver a good disclosure regime that is "supportive, engaging, accessible, and flexible," as well as future-proof. It specifically asks for input on: (1) the

delivery of retail disclosure, (2) the presentation of retail disclosure, and (3) the content of retail disclosure. Similar to the HM Treasury response, we recommend to the FCA that the new retail disclosure framework should make digital medium the default for disclosures and information and allow information in investor disclosures to be delivered in either document form (e.g., as a PDF) or non-document form (e.g., on a mobile phone or webpage). We also we recommend a disclosure approach that permits the layering of information, for example with the first layer containing general/key information and the second layer containing descriptive/additional information and links to external sources. As in the HM Treasury response, we propose the adoption of a unified categorization that is used across all investor disclosures and that splits out distribution and management costs.

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#### **Notes**

[1] The HM Treasury consultation on PRIIPS and UK Retail Disclosure is available at <https://www.gov.uk/government/consultations/priips-and-uk-retail-disclosure>.

[2] The FCA discussion paper on the Future Disclosure Framework is available at <https://www.fca.org.uk/news/press-releases/fca-sets-out-ideas-improve-information-provide-d-retail-investors>.

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