

Getting to grips with PRIIPs

Introduction

The Packaged Retail and Insurance-based Investment Products Regulation (“PRIIPs”) takes effect on 1 January 2018.

The regulation covers a broad range of structures and products and will affect a significant proportion of asset managers, insurance companies, distributors and banks. UCITS products, which already produce a similar document, are exempt from the requirements until January 2020.

PRIIPs “manufacturers” will be required to produce a Key Information Document (“KID”), for retail investors, for each of their retail products and for each class of share/security in issue.

This will impact a range of investment products with investment trusts, VCTs, REITs and insurance based investments all required to produce a compliant KID from 1 January 2018.

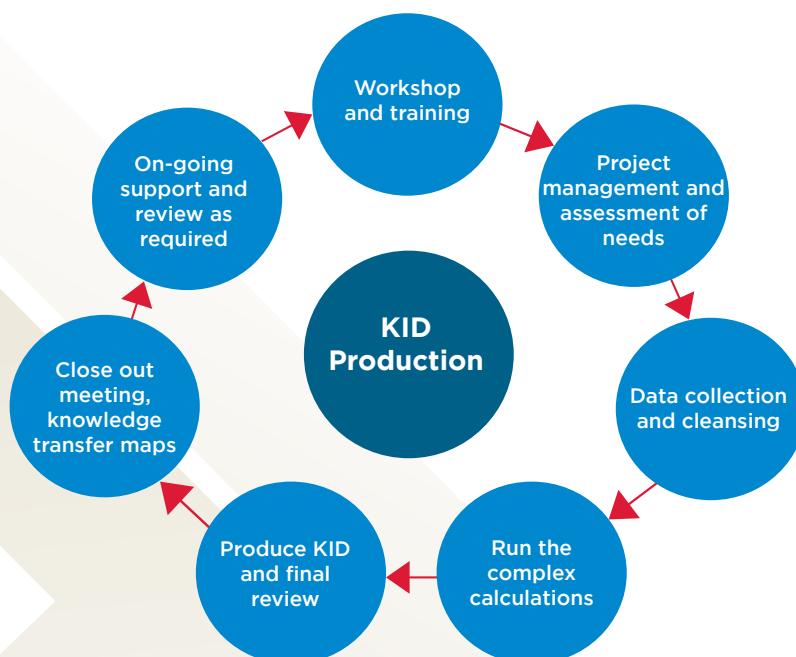
Key issues

- There is limited guidance supporting the production of KIDs and the underlying legislation is involved and difficult to interpret.
- Complex modelling is required to produce risk indicator, performance scenario and cost impact data for each KID.
- There needs to be a process in place to regularly review parameters, in order to determine if updated KIDs are required.

How we can help

Understandably, given the complexities involved, many providers are looking to outsource all or part of their KID production, to ensure they de-risk the process and meet the tight deadline. We have significant experience of the existing KIID regime for UCITS funds and the financial models used to produce these documents.

We provide a range of services to ensure you are able to produce the required documentation systematically and on a timely basis. We can offer a full service, overseeing the whole project, or we can assist in areas where you need particular guidance / help. Our service encompasses the following components:



Our strategic partnership

We have a strategic partnership with Barnett Waddingham LLP, a large, independent actuarial practice. Using their actuarial knowledge, Barnett Waddingham have developed a PRIIPs model which performs the calculations required for each KID. The model is very intuitive, fully supported, and includes an early warning system which flags when you need to produce an updated KID.

The Barnett Waddingham model is being used to produce a range of KIDs.

Our wider financial services offering

Our team apply their industry expertise to advise regulated clients across the UK. We are the only accountancy firm outwith the Big Four, with a dedicated Scotland based financial services team.

We work with wealth managers responsible for over **£2 billion** assets under management.



We have strong expertise in the new FRC CASS Assurance Standard, with client-ready templates, an efficient audit approach and the experience to provide training and compliance advice on CASS requirements.

We act for over **50** collective funds worth over **£1.6 billion** including UCITS / NURS / AIFS.



We help clients comply with the Global Investment Performance Standards and provide independent verification, confirming the veracity of results to potential investors.

What makes us different?

- We have an Edinburgh based financial services team, all fully qualified with vast experience in the industry.
- We provide significant input of partner and senior team members' time.
- We are part of the PKF family and work closely with other specialist financial services teams across the network, to provide a multi-jurisdictional offering, covering Edinburgh, London, Dublin, New York, Luxembourg and the Channel Islands.

Our Financial Services team can help with:

- Statutory audit
- Internal audit
- Client assets audits and regulatory reviews
- ISAE 3402 / AAF reports
- Global Investment Performance verification audits ("GIPS")
- Production and verification of Key Information Documents
- Corporate tax planning and compliance
- Regulatory reporting (e.g. Gabriel returns) and compliance reviews
- Help and assistance on producing/reviewing ICAAP documents
- Information technology advisory and consulting
- Agreed upon procedures reviews covering a wide range of assurance matters

How we work with our clients

“ We have worked with Johnston Carmichael over many years and they provide us with excellent service built on regular open and transparent communication. They are a business we trust and who care about us and about the experience we have with them - they are always prepared to go the extra mile to deliver highest quality for us. Johnston Carmichael are a key component in our successful business model. ”

Anne Laing, Director,
Valu-trac Investment Management Limited

Get in touch



Scott Holmes
Partner and Head of
Financial Services
Scott.Holmes@jcca.co.uk



David McBain
Partner and Head of
Audit
DavidMcBain@jcca.co.uk



Richard Brown
Manager
Richard.Brown@jcca.co.uk

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