

FCA's CCI Framework

What you need to know





of a wide range of investment products, including:

The framework applies to both manufacturers and distributors

funds (e.g. PRIIPs, UCITS, NURS,

Open-ended

non-PRIIP packaged funds (excluding pensions)

funds (e.g. Investment Companies, VCTs)

Closed-ended

Investment **Products (IBIPs)**

Insurance-based

Products

Structured

Difference (CFDs)

Contracts for

other complex investments

Derivatives &



2

in early 2025 (transaction costs and transitional provisions)

Consultation

Final rules

Policy Statement (PS) to be published at some point in 2025.

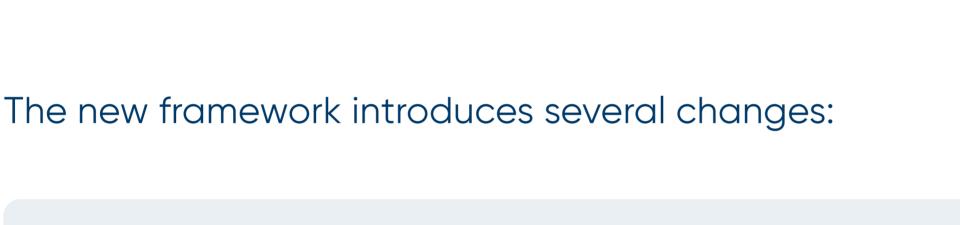
19 Dec 2024 – 20 March 2025, with additional 'sub' consultations

CCI will enter into force at this point

Implementation 2-month transition period for closed-ended funds.

18 months for all other product types. Firms can however

begin to apply the CCI rules as soon as it enters into force when the PS is published



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Requirements

Replaces the PRIIPs KID / UCITS KIID with a standalone, simplified product summary, plus an accompanying machine-readable file

template, enabling flexibility in disclosures. It is, however, subject to standardisation of the information to be contained within it. **Manufacturers** can satisfy the requirements by publishing these

on their website and providing to their distributors.

The **product summary** is not subject to a fixed, regulator-defined

containing the core information per the product summary.

strategy, date of revision, complaints/redress and similar), along with risk, past performance and costs & charges information. Risk – Replaces the 1-7 scale under PRIIPs/UCITS with a 1-10 scale,

The **product summary** must contain basic information (identifiers,

based on the standard deviation of returns over a 5-year history.

Costs & Charges – broadly consistent with PRIIPs – requires one-off

entry/exit costs, ongoing costs, transaction costs and contingent

costs (performance/carried interest) to be disclosed. The FCA will

however consult further on the transaction cost methodology in **early 2025**. Eliminates the 'reduction in yield' presentation in PRIIPs, in favour of a simple trailing 12-month cost impact.

Performance – eliminates forward-looking performance scenarios

as under PRIIPs, in favour of a simple past performance across

a 10-year history (or up to, if 10 years is not available)

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Key challenges

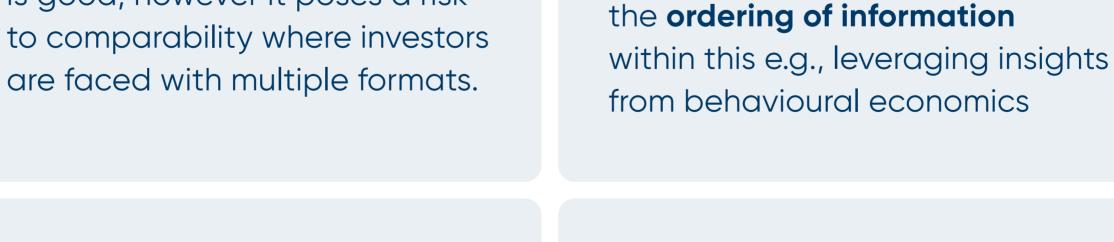
Firms might consider not only

the format of presentation, but

monitor divergent methodologies

across calculation components

(risk, performance, costs)



How will the **dynamics between** manufacturers and distributors play out? Will distributors seek

Flexibility on format and layout

is good, however it poses a risk

widely, and if so, how? Will they require additional information?

CCI is technology-neutral – will

firms seek to move beyond PDFs

to a more digital interactive/

layered presentation?

to modify product summaries

Firms with **UK and EU fund** ranges will need to maintain and

> The **transition period** for closed-ended funds is only 12 months (vs. 18 months for all other product types). Expect this to be challenging if it is not amended

in the final rules.

Our next steps Confluence will be adapting our

existing end-to-end PRIIPs KID and

UCITS KIID production solution to

support impacted firms.





Confluence