

London Stock Exchange Derivatives

MARKET NOTICE 2017/074

Availability of Key Information Documents (KIDs) in pursuance of PRIIPS Regulation

London Stock Exchange Derivatives Market (LSEDM) informs Market Participants that it will make available Key Information Documents (KIDs) as required by the Packages Retail and Insurance-based Investment Products (PRIIPs) Regulation which comes into force 1 January 2018.

The PRIIPs Regulation is intended to enhance investor protection by helping retail investors to better understand and compare the key features, risks, rewards and costs of different investment products, through access to a short, standardised and consumer-friendly KID. The PRIIPs Regulation applies to manufacturers and distributors of certain financial instruments.

London Stock Exchange, in its capacity as manufacturer for all derivatives products admitted to trading on LSEDM, will publish a number of KIDs covering all of the instruments trading on LSEDM. This will assist market participants in meeting their obligations as a distributor under PRIIPs where they offer trading services in LSEDM contracts to retail investors.

LSEDM has adopted an aggregated approach to its KIDs, as set out in Q&A 29 of the “Questions and answers (Q&A) on the PRIIPs KID”¹ published by the relevant European Supervisory Authorities, which allow for an aggregation of KIDs for exchange-traded derivatives where the relevant product characteristics are the same within a given group.

One KID will be published for each product in the Derivatives Contract Specifications for Equity Derivatives and Interest Rate Derivatives, a separate KID will be produced for Call and Put Options, e.g. one KID each for IOB DR Call options; IOB DR Put options; IOB DR Futures; Bund Futures; Three month Sterling Futures; etc. Each KID will cover all instruments (i.e. individual ISINs) belonging to the corresponding product. The instrument parameters of generic KIDs for Single Stock and DR derivatives will take on representative values.

LSEDM informs market participants of the following characteristics of the KIDs:

- KIDs will be made available for download in pdf format in a dedicated section under the [LSEDM Resources](#) website;
- KIDs will be updated at least annually, and as required following any modifications of contract characteristics leading to a change of the potential payoff, risk profile or costs of the contract;
- KIDs will be only available in English;

¹ <https://esas-joint-committee.europa.eu/Publications/Consultations/Questions%20and%20answers%20on%20the%20PRIIPs%20KID.pdf>

- Cost information in LSEDM KIDs will refer to the costs charged by LSEDM to its direct clients. Distributors of LSEDM contracts are responsible for disclosing costs charged to their retail investors, and the impact that such costs will have on the investor's investment over time.

Member Firms wishing to receive more information may contact the LSEDM Sales Team on +44 (0) 20 7797 3833.

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