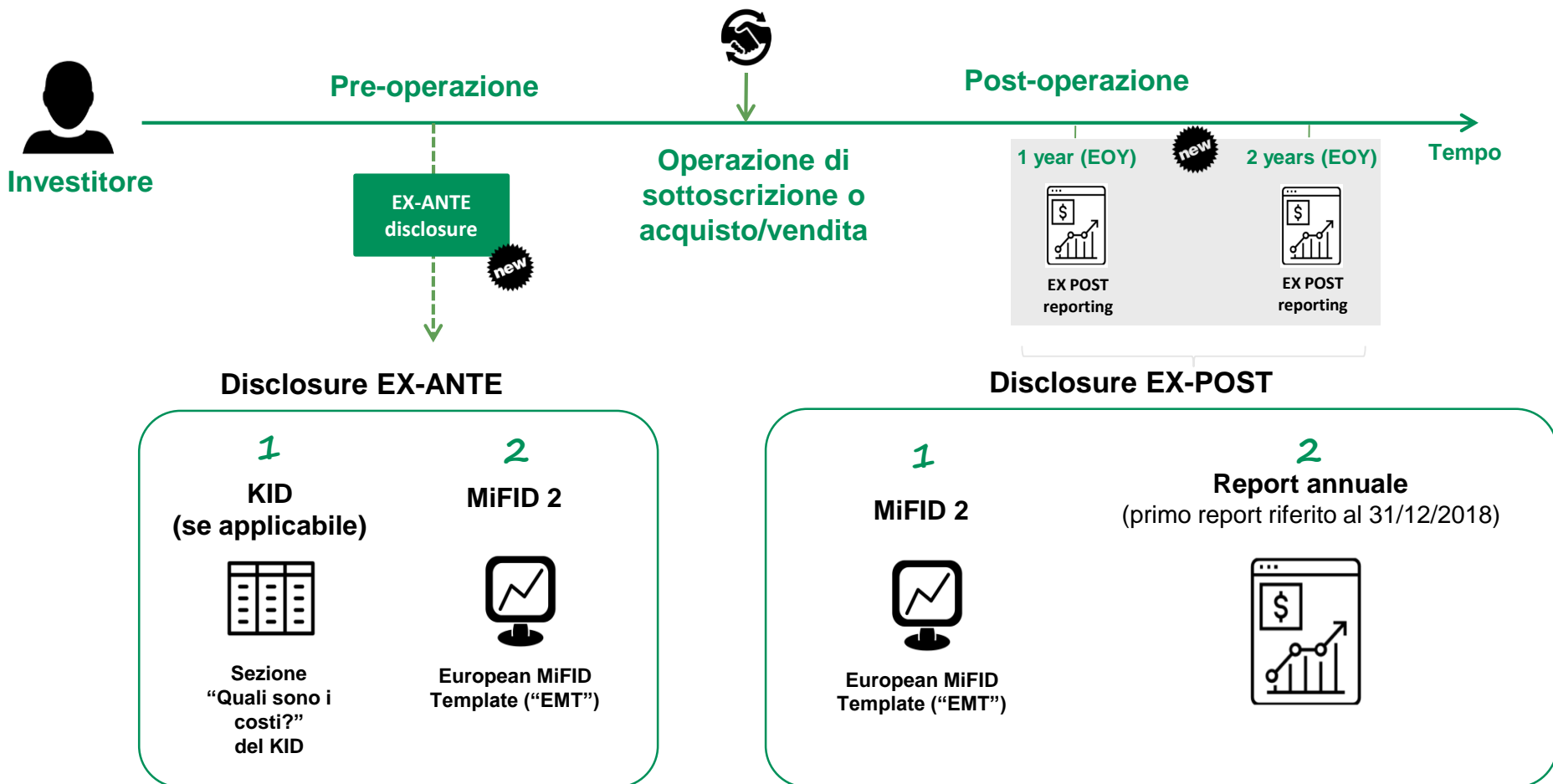


# PRIIPs e MiFID II | La disclosure dei costi su Certificates, Warrants, Notes – cosa fornisce BNPP?



# PRIIPs e MiFID II | La disclosure dei costi

## PRIIPs KID

### Solo Ex-Ante

- Il KID mostra l'impatto sul rendimento :
  - Per i prodotti con **periodo di detenzione raccomandato (RHP) superiore a 3 anni**, l'impatto sul rendimento viene fornito a:
    - **1 anno**;
    - **RHP/2**, [RHP: recommended holding period]
    - **RHP** [RHP: recommended holding period]
  - Split tra: COSTI UNA TANTUM, COSTI CORRENTI e ONERI ACCESSORI
- L'impatto sul rendimento [RiY] é un valore **annuale** calcolato sulla base della **differenza dei TIR** nello scenario moderato al RHP corrispondenti a
  - un investimento nel prodotto con i costi di prodotto/distribuzione di cui **il produttore é a conoscenza**;
  - Un investimento pari al **Fair Value**.

### Che cos'è il Fair Value?

- Si applicano le definizioni della regolamentazione PRIIPs (cf. Appendice)

## MiFID II

### Ex-Ante

- Viene fornito l'impatto effettivo (generalmente up-front) dei costi di prodotto (non valore annuale) a cui il broker/distributore aggiunge i propri costi
- Per Certificates/Warrants/Notes:
  - Costo di **ingresso**: **Ask – FV**;
  - Costo di **uscita**: **FV – Bid**;
  - Costo **ricorrente**: generalmente zero, a parte alcuni prodotti che hanno costi di *financing*

### Ex-Post (per aiutare la disclosure del distributore/broker)

- **Mercato primario**: generalmente coincide con EMT fornito ex-ante
- **Mercato secondario**: aggiornamento dipende a seconda della tipologia di prodotto

**Ex-Post annuale** : contiene, a livello aggregato, la disclosure dei costi con il seguente split:

- 1) Costi dello strumento finanziario,
- 2) Costi ancillari
- 3) Incentivi (pagamenti a terze parti)



# Esempio pratico – Collocamento di un Express Certificate | La disclosure dei costi (PRIIPs)

## Caratteristiche del prodotto:

- Express Certificate: scadenza 4Y
- Prezzo di offerta del Certificate: 100 EUR
- Commissione di collocamento implicita: 4 EUR per Certificate
- FV=94,50 EUR -> costo di prodotto = 1,50 EUR
- Spread Bid-Ask sul mercato secondario= 1 EUR

## PRIIPs KID

Investimento EUR 10.000			
Scenari	In caso di disinvestimento dopo 1 anno	In caso di disinvestimento dopo 2 anno	In caso di disinvestimento alla scadenza
Costi totali	632,01 EUR	632,84 EUR	569,33 EUR
Impatto sul rendimento (RIY) per anno	6,32%	3,12%	1,42%

Questa tabella presenta l'impatto sul rendimento per anno			
Costi una tantum	Costi di ingresso	1,42%	Impatto dei costi già compresi nel prezzo.
	Costi di uscita	0%	Impatto dei costi di uscita dall'investimento alla scadenza.
Costi correnti	Costi di transazione del portafoglio	0%	Impatto dei nostri costi di acquisto e vendita degli investimenti sottostanti per il prodotto.
	Altri costi correnti	0%	Impatto dei costi che tratteniamo ogni anno per gestire i vostri investimenti.
Oneri accessori	Commissioni di performance	0%	Impatto della commissione di performance.
	Carried interests (commissioni di overperformance)	0%	Impatto dei carried interests.



# Esempio pratico – Collocamento di un Express Certificate | La disclosure dei costi (MiFID)

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## MiFID – EMT (Ex-ante )

07010_Structured_Securities_Quotation	U
07020_One-off_cost_Financial_Instrument_entry_cost	1.5
07080_One-off_costs_Financial_Instrument_Typical_exit_cost	0
07090_One-off_cost_Financial_Instrument_exit_cost_structured_securities_prior_RHP	0.5
07100_Financial_Instrument_Ongoing_costs	0

## MiFID – EMT (Ex-post )

08010_One-off_cost_Structured_Securities_entry_costs_ex_post	1.5
08020_One-off_cost_Structured_Securities_exit_costs_ex_post	0.5
08030_Financial_Instrument_Ongoing_costs_ex_post	0
08040_Structured_Securities_Ongoing_costs_ex_post_accumulated	0
08050_Financial_Instrument_Management_fee_ex_post	0



# APPENDICE – DEFINIZIONE DEL FV (1/3)

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### List of costs of PRIIPs other than investment funds

#### Costs to be disclosed

##### One-off costs

27. A one-off cost is an entry and exit cost which include initial charges, commissions or any other amount paid directly by the retail investor or deducted from a payment received by or due to the retail investor.

28. One-off costs are borne by a PRIIP other than an investment fund, whether they represent expenses necessarily incurred in its operation, or the remuneration of any party connected with it or providing services to it.

##### *One-off entry costs and charges*

29. One-off entry costs and charges include, but are not limited to, the following types that shall be taken into account in the cost amount to be disclosed for PRIIPs other than investment funds:

- (a) sales commissions;
- (b) structuring costs, including market-making costs (spread) and settlement costs;
- (c) hedging costs (to ensure that the PRIIP manufacturer is able to replicate the performance of the derivative component of the structured product – these costs include transaction costs)
- (d) legal fees;
- (e) costs for capital guarantee;
- (f) implicit premium paid to the issuer.

##### *One-off exit costs and charges*

30. One-off exit costs and charges include, but are not limited to, the following types that shall be taken into account in the amount to be disclosed for PRIIPs other than investment funds:

- a) proportional fees;
- b) bid-mid spread to sell the product and any explicit costs or penalties for early exit applicable. The estimation of the bid-mid spread shall be done in relation to the availability of a secondary market, to the market conditions and the type of product. In the situation where the PRIIP manufacturer (or a related third party) is the only available counterparty to buy the product on the secondary market, it shall estimate the exit costs to be added to the fair value of the product according to its internal policies;
- c) contract-for-difference (CFD) related costs such as:
  - (i) commissions charged by CFD providers – general commission or a commission on each trade - i.e. on opening and closing a contract;
  - (ii) CFD trading such as bid-ask spreads, daily and overnight financing costs, account management fees and taxes which are not already included in the fair value.



# APPENDICE – DEFINIZIONE DEL FV (2/3)

## P. 40-43 OF DELEGATED REGULATION 2017

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### **Recurring Costs**

31. Recurring costs are payments regularly deducted from all payments due to the retail investor or from the amount invested.

32. Recurring costs include all types of cost borne by a PRIIP other than an investment fund whether they represent expenses necessarily incurred in its operation, or the remuneration of any party connected with it or providing services to it.

33. The following list is indicative but not exhaustive of the types of recurring charge that, where they are deducted or charged separately, shall be taken into account in the amount to be disclosed:

- (a) costs related to coupon payments;
- (b) costs of the underlying, if any.

### **Costs of PRIIPs referred to in point 17 of Annex IV**

34. One-off exit costs and charges are exchange fees, clearing fees and settlement fees where known.

35. Recurring costs are hedging costs borne under normal market conditions and stressed market conditions.

### **Calculation of implicit costs of PRIIPs other than investment funds**

36. For the purposes of the calculation of the implicit costs embedded in PRIIPs, the PRIIP manufacturer shall refer to the issue price and, after the subscription period, to the price available to purchase the product on a secondary market.

37. The difference between the price and the fair value of the product is considered as an estimation of the total entry costs included in the price. If the PRIIP manufacturer is unable to distinguish the relevant implicit costs to be disclosed as referred to in point 29 of this Annex using the difference between the price and the fair value, it shall liaise with the issuer of the different components of the product, or the relevant body, in order to gather the relevant information on those costs.

38. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

39. The fair value policy that governs the measurement of the fair value shall set a series of rules including in the following areas:

- (a) governance;
- (b) methodology for the calculation of the fair value.



# APPENDICE – DEFINIZIONE DEL FV (3/3)

## P. 40-43 OF DELEGATED REGULATION 2017

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### **40. The rules referred to in point 39 of this Annex shall aim at outlining a valuation process that:**

- a) complies with the applicable accounting standards, in relation to fair value;
- b) makes sure that internal pricing models for PRIIPs are consistent with the methodologies, modelling and standards used by the PRIIP manufacturer to value its own portfolio under the hypothesis that the product is available for sale or held for trading;
- c) is consistent with the level of complexity of the product and the type of underlying;
- d) takes into account the issuer credit risk and the uncertainty about the underlying;
- e) sets the parameters to identify an active market in order to avoid risk mispricing that could lead in extreme cases to significantly inaccurate estimates;
- f) maximises the use of relevant observable market inputs and minimizes the use of unobservable inputs.

### **41. The fair value of a structured product shall be determined on the basis of:**

- a) market prices, where available or efficiently formed; internal pricing models using as an input market values which are indirectly connected to the product, derived from products with similar characteristics (comparable approach);
- b) internal pricing models based on inputs which are not derived directly from market data for which estimations and assumptions must be formulated (markto-model approach).

If the fair value cannot be derived from market prices, it shall be calculated using a valuation technique that is able to represent properly the different factors affecting the product payoff structure making maximum use of market data.

### **43. The valuation technique referred to in point 42 of this Annex shall consider the following according to the complexity of the product:**

- a) the use of recent arm's length market transactions between knowledgeable, professional counterparties;
- b) reference to the current market price of another instrument that is substantially the same;
- c) the use of an appropriate discounted cash-flow model where the likelihood of each cash flow is determined using an appropriate model of asset price evolution.

In the case of subscription products, the fair value shall be calculated on the date when the product terms are determined. This valuation date shall be close to the beginning of the subscription period. Where long offering periods or high market volatility exists, a criterion to update cost information shall be defined.

45. Where preliminary terms are used, costs shall be calculated by using the minimum terms of the product.

46. Where variable subscription prices are used, a procedure on how to incorporate and disclose the cost effect of the varying subscription price shall be defined.

