Course: Product Governance and KIID/PRIIP Preparation

Course Description

To avoid and reduce from an early stage potential risks of failure with investor protection rules, investment firms, manufacturing and distributing financial instruments should comply with product governance requirements. Investment firms are required to comply, in a way that is appropriate and proportionate, with the product governance requirements, taking into account the nature of the financial instrument, the investment service and the target market for the product

This course describes Product Governance, a new concept for financial instruments introduced with the advent of MiFID II. The objective of Product Governance is to ensure that firms, which manufacture and distribute financial instruments and structured deposits, act in the clients' best interests during all the stages of the life cycle of products or services. It defines product Manufacturer and product Distributor and explains the relevant provisions of MiFID II. This course also explains and analyses Target Markets, both positive and negative, and their characteristics as well as the distribution and marketing strategy. Examples are provided for better understanding.

This course explains how an investment firm offering CFDs can comply with the requirement of the Law to "ensure that Products which designs and offers or recommends are compatible with the needs, characteristics, and objectives of the positive target market. This includes the design features for each product while the firm should ensure that all relevant risks concerns of the positive target market are met. Conflicts of interest will be identified and taken into account during the product development phase in order to ensure the features of the product benefit the Client and not the Company."

It also provides a brief summary of investment Analysis and explains the difference between Analysis and recommendation.

In addition, this course explains Key Investor Information Document (KIID), its components, how it should look like, etc. The KIID is a two-page 'fact-sheet' style document which includes the critical information about a fund. The document aims to help investors understand the nature and key risks of the fund in order to make a more informed investment decision.

It also explains the Synthetic Risk and Reward Indicator (SRRI), the PRIIPs and the KID analysing its content.

Topics covered

The course is split into the following sections:

Section 1: Product Governance

- Governance
- Manufacturers and Distributors
- Producer vs Distributor
- Ensuring Compliance
- The process
- The Producers
- Description Examples
- Scenario Analysis
- Product risks
- Charges and Fees
- Conflicts of Interest
- Target Markets

- Market Characteristics
- Distribution and Marketing
- Review and Approval

Section 2: CySEC Circular 236

- Analysis of CySEC Circular 236
- Actions Required
- Example (CFD Broker)
  - General View CFDs
  - Positive Target Market (CFDs)
  - Negative Target Market (CFDs)
  - Counterparty Risk
  - Costs and Scenario Analysis
  - Distribution
  - Marketing Campaigns
  - Conflicts of Interest
  - Monitor and Review
  - Responsible Person(s)
  - Client Consent
- Distribution of Instruments

Section 3: Investment Analysis

- Analysis vs Recommendation
- Money means job not well done
- Knowledge means compliance
- Public vs Personal
- Advice or Not Advice?
- Clients Come First
- So is Analysis Research?

Section 4: Advice and Distribution

- ESMA 2018 Guidelines

Section 5: The KIID

- Key Investor Information Document
- Components of the KIID
  - How it should look like
  - Objectives – S&P500 UCITS ETF
  - Risk and Reward – S&P500 UCITS ETF
  - Charges – S&P500 UCITS ETF
  - Past Performance – S&P500 UCITS ETF
  - Practical Information – S&P500 UCITS ETF
- KIID Summary

Section 6: The SRRI

- Synthetic Risk and Reward Indicator
- Explanations
- Examples

Section 7: PRIIPs and the KID

- The PRIIP
- About PRIIPs
- PRIIP Scope
- Non-PRIIPs
- Definitions

Section 8: The KID Content

- Content Dissected
- Scenarios
- Timing
- Availability
- Ex Ante Notification
- Review and Revision

Section 9: PRIIPs and the KID

- KIID vs PRIIP KID
- Risk (SRI vs SRRI)

Course Duration

This course may take up to 5 hours to be completed. However, actual study time differs as each learner uses their own training pace.

The course is addressed to:

This course is addressed to all individuals who are involved in financial services (Investment Firms, (forex, brokers), Funds, UCITS, etc) such as:

- Executive Directors, Non-executive directors, Senior Managers, Risk Managers, Asset Managers, Compliance Officers, Product Managers, Portfolio Managers, Investment Advisors, Dealers, Marketing Managers and in general employees of investment firms, UCITS and Funds
- Internal Auditors
- Consultants

It is also suitable to professionals pursuing CPD for the renewal of CySEC Certificate (CySEC Basic and CySEC Advance Certificate) or other relevant professional certificates in other jurisdictions.

Training Method

The course is offered fully online using a self-paced approach. The learning units consist of power point presentations. Learners may start, stop and resume their training at any time.

At the end of the course, participants take a Quiz to complete the course and earn a Certificate of Completion once the quiz has been passed successfully.

Accreditation and CPD Recognition

The course may be accredited by regulators and other bodies for up to 5 CPD Units, that require CPD training in financial regulation.

Eligibility criteria and CPD Units are verified directly by your association, regulator or other bodies in which you hold membership.

Registration and Access

To register to this course, click on the *Take this course* button to pay online and receive your access instantly. If you are purchasing this course on behalf of others, please be advised that you will need to create or use their personal profile before finalizing your payment.

Access to the course is valid for 60 days.

If you wish to receive an invoice instead of paying online, please Contact us by email. Talk to us for our special Corporate Group rates.

Instructor

With more than 10 years of experience, Nektarios is an expert in the financial services industry, having worked in key roles at investment funds, CIFs and other service providers. His exposure to the industry allowed him to gain knowledge in a variety of vital investment functions.

Complementing his practical knowledge of the industry, Nektarios also holds a number of professional and academic qualifications, including CySEC's Advance Certification. He is currently employed by an Investment Fund.