

White Paper

MiFID and PRIIPs: What can openfunds do for you?

Introduction

This white paper provides information about the Markets in Financial Instruments Directive (MiFID), Packaged Retail and Insurance-based Investment Products (PRIIPs), and how openfunds can help you comply with these regulations.

MiFID II

The MiFID II directive was introduced on the 3rd of January 2018. The main purpose of the directive is investor protection. In addition, the aim of this directive is to achieve better market efficiency. It addresses distributors of financial products, e.g. investment funds. The main topics are target market, costs and charges. For these reasons, the European MiFID Template was created. It contains relevant fields that facilitate compliance with the MiFID directive. For further information about the MiFID regulation, please refer to [The MiFID II Directive 2014/65/EU](#). For a summary regarding target markets, please read the "[Final Report – Guidelines on MiFID II product governance requirements](#)" from the European Securities and Markets Authority (ESMA).

PRIIPs

The PRIIPs regulation was also introduced on the 3rd of January 2018. The main focus of this regulation is the creation of a new document; the PRIIPs KID. The document addresses insurance companies. The main topics of the regulation are risk and performances as well as costs and charges. To transmit the necessary data for the creation of a PRIIP KID, the European PRIIPs Template (EPT) Template was created to support the PRIIPs regulation. For more information about the PRIIPs regulation please refer to [Regulation \(EU\) No 1286/2014 on key information documents for PRIIPs](#).

openfunds

The openfunds standard aims to help fund houses, fund distributors, publication platforms and service providers to comply with MiFID and PRIIPs. In version 1.24, openfunds implemented all MiFID fields from the EMT and all PRIIPs fields from the EPT templates. In version 1.26, these fields were moved to two separate field sets within openfunds (OFEM for EMT and OFEP for EPT) and brought into closer alignment with the FinDatEx templates.

Ringfenced field sets

When openfunds implemented the MiFID II and PRIIPs regulation in 2018, it followed the approach of the EMT for MiFID and EPT for PRIIPs, which were created by the European Working Group (today

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FinDatEx). However, while FinDatEx had chosen a ring-fenced approach for each set of fields, openfunds used existing static fields from its standard if they were already available.

At the time this approach reduced the number of new fields substantially, but has led to some practical difficulties since then. The biggest problem was the result of separate deliveries for regulatory data and for static data. As these data sets are often provided by different teams within an asset management group, deliveries take place at different points in time, thus overwriting data sent by the other team. This overwriting happened not only between static and MiFID data, but also between MiFID and PRIIPs data.

A second weakness of this approach is the (not always intuitive) translation rules between openfunds and the EMT or EPT. For these two reasons openfunds decided to switch to an approach that follows the EMT and EPT closely. This means that the openfunds fields for MiFID II and PRIIPs will be ringfenced and not mixed in with existing static data fields. To emphasise this, openfunds has also decided to change the prefix of the openfunds identifier to OFEM for MiFID fields and OFEP for PRIIPs fields, as opposed to OFST for static data fields. Although this leads to an increase in the number of openfunds fields, the practical data management will benefit from this conceptual change. Another advantage will be the possibility to directly translate regulatory openfunds fields into EMT or EPT, with very few exceptions. The below linked tables provide translation between openfunds and FinDatEx templates:

FinDatEx EMT 4 to openfunds: [IT Specification EMT v4.0 Full Adapter 2022-03-21.xlsx](#)

FinDatEx EMT 3.1 to openfunds: [IT Specification EMT v3.1 Full Adapter 2022-02-16.xlsx](#)

FinDatEx EPT 1.1 to openfunds: [IT Specification EPT v1.1 Full Adapter 2020-06-18.xlsx](#)

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3.0	2021-08-11	Final	Updated information for v1.27
2.0	2021-06-25	Final	Updated information for v1.26
1.0	2018-12-06	Draft	First draft

Implementation

If you have any questions about the new data type or difficulties with implementation please contact us at businessoffice@openfunds.org.

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Joining openfunds

If your firm has a need to reliably send or receive fund data, you are more than welcome to use the openfunds fields and definitions free-of-charge. Interested parties can contact the openfunds association by sending an email to: businessoffice@openfunds.org

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