The FCA's final rules for the UK's Consumer Composite Investments (CCI) regime

Top Ten Things you should know

The FCA's Consumer Composite Investments (CCI) regime introduces a new, outcomes-focused disclosure framework for investment products sold to UK retail investors, replacing the need to produce and use PRIIPs KIDs and UCITS KIIDs. On **8 December 2025**, the Financial Conduct Authority (**FCA**) published its Policy Statement (the **PS**) containing the final rules that underpin the regime. The regime came into effect on 6 April 2026 and firms have until **8 June 2027** to comply.

The regime is intended to address longstanding criticisms of the PRIIPs KID and UCITS KIID frameworks, which were often viewed as overly prescriptive and of limited value to retail investors. The new approach gives firms greater flexibility in how they communicate with consumers, while retaining standardised requirements for key metrics such as costs, risk and performance to support comparability and transparency.

The transition to the CCI regime will require firms to undertake significant implementation work. As well as producing new disclosure materials, firms will need to consider changes to governance arrangements, customer journeys, distribution processes and technology infrastructure, taking into account the expectations of the Consumer Duty.

We have set out some key items firms will need to consider as they start on this journey below.

1. What is the CCI regime and why is it being introduced?

The CCI regime is a UK-specific regime which introduces a new, outcomes-focused disclosure framework for investment products sold to UK retail investors, replacing the need to produce and use PRIIPs KIDs and UCITS KIIDs.

Its overall objective is to provide information to UK retail investors to empower them to make more effective, timely, and properly informed investment decisions.

The CCI regime is intended to address longstanding criticisms of the previous KID/KIID documents, which were widely regarded as overly complex, inflexible, and unhelpful for retail investors. The new approach gives firms greater flexibility in how they communicate with consumers, while mandating standardised disclosure of key metrics such as costs, risk, and performance to ensure comparability and transparency.

The regime is underpinned by the Consumer Duty, requiring firms to focus on delivering good outcomes for retail clients.

Simmons says:

The move away from the prescriptive PRIIPs KID and UCITS KIID templates is a welcome development, reflecting industry feedback that these documents failed to engage or inform retail investors in a meaningful way. However, the increased flexibility under the CCI regime will require firms to exercise careful judgement in designing disclosures that are both compliant and genuinely useful to consumers.

The overlay of the Consumer Duty means that firms must be able to evidence that their disclosures support good consumer outcomes, not just technical compliance. This is likely to require significant investment in consumer testing and ongoing review of disclosure effectiveness.

2. Who and what is in scope of the CCI regime?

Who is in scope: The CCI regime applies to any firm that **manufactures** or **distributes** a CCI to UK retail investors.

A **manufacturer** is any firm (authorised or unauthorised) who:

creates, develops, designs, issues, manages, operates or carries out a CCI, including making or being able to make changes to a term, condition or features of a CCI.

This expands on the Product Governance and Consumer Duty definition of "*manufacturer*", bringing firms who can "*make changes to a term, condition or feature of a CCI*" into scope of the manufacturer regime. The definition also captures unauthorised firms who previously were out of scope of the requirement to issue KIIDs/KIDs. The definition is intended to be all encompassing, looking to ensure maximum coverage of firms who could potentially be in scope of the regime.

A **distributor** is any:

- authorised firm who:
    - sells or offers to sell an investment;

- deals or arranges a deal in an investment with an investor who is entering into the deal as buyer; or
- advises on the merits of entering an investment.

- unauthorised firm who:
  - advises a retail investor (or their agent) located in the UK on the CCI; or
  - offers or sells a CCI to a UK retail investor.

What is a CCI and what products are in scope: Under the final rules, the FCA describes a CCI as:

"*an investment where the returns are dependent on the performance or changes in the value of indirect investments*".

The FCA has confirmed that the scope of the CCI regime is not intended to extend beyond the perimeter established by the current UK PRIIPs and UCITS regimes. The CCI regime will therefore capture all products previously within the UK PRIIPs regime, as well as UK UCITS, NURS, EU UCITS marketed under the Temporary Marketing Permissions Regime (**TMPR**) or Overseas Funds Regime (**OFR**), and UK-listed closed-ended funds (investment trusts).

The rules prescribe a list of in-scope instruments, supplemented by a broad "catch-all" provision to ensure that economically equivalent products are also captured. The following are classified as CCIs:

- structured deposits, structured products and structured finance products;
- open and closed ended funds, including recognised funds;
- contracts for differences;
- insurance-based investment products;
- certain debt instruments;
- complex products including derivatives; and
- any other investment where the returns are dependent on the performance or changes in the value of indirect investments.

It is worth flagging that the exemption for **closed ended funds** will drop and they will be brought into scope of this regime, and manufacturers will need to gear up to produce a Product Summary and core information disclosures for these products. There is some tailoring of the information which will need to be produced to ensure a more accurate articulation of the costs and charges,

risks, and performance of these funds. This includes a change to the rules so that costs in relation to gearing and the maintenance of real assets will not need to be included in ongoing cost calculations (which will be the case for all CCIs). Further, the ongoing costs of closed-ended funds will not need to be aggregated into the ongoing costs figure of funds investing into them, which has been received positively by the industry.

The regime also sets out explicit **carves-outs** for a number of products. These include plain vanilla listed bonds (so, straightforward corporate bonds are out of scope), as well as pension products and pure protection insurance contracts. Traditional deposits (unless they are structured deposits), pension annuities, and funeral plan products are also excluded.

There are further technical exclusions, such as certain non-equity transferable securities, non-fungible shares linked to property occupation, and shares in the capital of central banks. Units in Authorised Contractual Schemes (**ACS**) and Qualified Investor Schemes (**QIS**) are also not caught, nor are ordinary equity shares in commercial companies or their overseas equivalents.

Finally, the regime is not intended to capture non-retail products – so long as these are not marketed to retail investors and the distribution strategy reflects this, they will fall outside the CCI requirements. In response to industry feedback, the FCA has removed the previously proposed minimum investment threshold and the requirement for products to be "*readily realisable securities*" (**RRS**) for non-retail classification.

Simmons says:

The FCA's decision to maintain a broadly consistent scope with the existing PRIIPs and UCITS regimes provides welcome certainty for firms, particularly given the significant operational changes required. The removal of the minimum investment and RRS requirements for non-retail products is a pragmatic response to industry concerns and should reduce unnecessary complexity. However, firms will need to review their product ranges and distribution strategies carefully to ensure that products are correctly classified and that non-retail products are not inadvertently brought within scope. The inclusion of UK-listed closed-ended funds is a notable change, and these firms will need to prepare for the new disclosure requirements.

3. When does the regime take effect?

The regime came into force on **6 April 2026** but has an 18-month implementation period. This means that firms will need to be fully compliant with the rules by **8 June 2027**.

Although firms may now transition to the new regime, existing PRIIPs KIDs and UCITS KIIDs (or equivalent disclosures) which are in line with current requirements will be considered compliant until **8 June 2027**.

UK **closed ended listed funds** who are not currently in scope of the regime, will be subject to the same transitional period and will need to be ready with their disclosures from 8 June 2027.

The FCA has recently proposed, in CP26/32, extending the implementation period for certain CCIs that are closed to new business by 12 months until **8 June 2028**, although the main implementation deadline of **8 June 2027** remains unchanged for products that continue to be marketed to investors.

Simmons says:

The 18-month implementation period is tight, particularly for firms with large product ranges or complex distribution chains.

Implementation will require significant project management, including the retirement of existing disclosure documents, the development and testing of new Product Summaries, and the adaptation of systems to support new data and reporting requirements.

Firms that have not yet transitioned to the new regime will need to consider whether updating existing PRIIPs KIDs and UCITS KIIDs remains the most efficient approach where those documents may only be used for a limited period before the end of the transitional arrangements on 8 June 2027. In some cases, an accelerated transition to CCI-compliant materials may be more practical.

Firms will likely be dependent on technology development, whether in-house or with third party providers, which can often add to timing pressures and will need to be factored into project plans.

Early engagement and robust planning will be essential to ensure compliance by June 2027.

4. What are manufacturers required to do under the regime?

Under the CCI regime, manufacturers are subject to a range of key obligations, including:

- **Preparing a Product Summary:**

Manufacturers must prepare a concise, consumer-friendly Product Summary for each CCI (DISC 2A.2.1R). The Product Summary should be a stand-alone, consumer-friendly document about the CCI, made available to distributors alongside the machine-readable core information disclosures (see below).

Neither the design nor the layout of the Product Summary is prescribed in the final rules, although if the Consumer Duty applies to them, firms should also ensure the Product Summary's design and drafting are in line with these obligations.

The Product Summary must include information relating to:

- costs and charges information;
- risk and return information;
- past performance information; and
- general product information.

These are minimum requirements; firms may choose to include additional information where they believe this will help consumer understanding.

Where the CCI is a fund with multiple share classes, manufacturers can elect to use a combined Product Summary or a representative Product Summary approach and are not required to produce a Product Summary for all share classes. This is subject to an overarching requirement that the resulting Product Summary meets the needs of the investor, can be understood by them and allows them to make properly informed investment decisions.

Copies of Product Summaries must be kept for at least 3 years (see DISC 3.2.6R).

- **Preparing core information disclosures:**

Manufacturers must also prepare and provide underlying core information disclosures to distributors in a machine-readable format, unless the manufacturer is the sole distributor of its own products. The core information disclosures aim to assist distributors in understanding the product and enable them to prepare additional product communications suited to their client base (see DISC 2A.2.1R and 2A.2.3G).

The machine-readable core information disclosures must include the following information, which matches the information used to generate the Product Summary:

- costs and charges information;
- risk and return information;
- past performance information; and
- general product information.

The core information disclosures should be made available in a machine-readable file, allowing for easy use by distributors and facilitating the information being presented to consumers in innovative ways. The FCA has not prescribed a specific template for these disclosures but the data set is expected to be a supplemented version of the European MiFID Template (EMT).

- **Providing the Product Summary and core information disclosures to distributors**

The requirement to provide the Product Summaries, the machine-readable underlying core information disclosures and the information outlined above would be met by the manufacturer publishing the materials on its website (free of charge).

- **Providing additional product governance information:**

Manufacturers must also provide distributors with sufficient and appropriate information about:

- the CCI's target market, including the identified needs, characteristics, and objectives of retail customers in the target market;
- their assessment of the value provided by the CCI to the target market, including any relevant assumptions;
- any relevant risks identified in relation to retail investors, including those with characteristics of vulnerability; and
- the distribution strategy for the CCI.

Simmons says:

The design and content of the Product Summary is likely to be where firms spend significant time and resource. While the rules deliberately allow flexibility, firms will need to decide whether to adopt a bespoke approach, seek alignment with emerging market practice or remain relatively close to the structure and content of existing KIIDs/KIDs.

What is clear is that the FCA sees this as an opportunity for firms to produce a document which can sit at the heart of investment decision making for consumers. With this comes a significant level of risk and firms will need to be able to demonstrate that their disclosures support consumer understanding and good outcomes in line with the Consumer Duty.

5. What are distributors required to do under the regime?

Distributors are also subject to a range of new key obligations under the CCI regime.

Importantly, distributors should note that the FCA, in CP26/32, sets out amendments to DISC 7.1.4R to confirm that Product Summaries are manufacturer-owned disclosures. While distributors may reproduce and provide Product Summaries to investors, they should not create, amend or customise their own versions of those summaries. Firms should review current disclosure governance arrangements to ensure these expectations are reflected in practice.

- **Pre-sale**

Distributors must ensure that an up-to-date Product Summary for each CCI is **made available** to retail investors at an appropriate stage in the investment journey, typically early on in the investment journey and before the investor initiates a transaction or provides instructions to invest. The Product Summary must also be **provided** in a durable medium at the point of sale or as soon as reasonably practicable afterwards, and in any case before the investor is bound by any agreement to invest.

- **Highlighting key information:**

The FCA expects distributors to provide customers with sufficient product information to meet consumers' information needs and equip them to make effective, timely and properly informed decisions about the product. Distributors will be required to highlight, at a minimum, the following information to retail investors:

- a brief explanation of the product;
- the ongoing costs figure and any other relevant costs (e.g., one-off costs);
- the risk and return score and a brief explanation of the product's risk and return profile, including any required warnings.

There are some exceptions when a distributor is purchasing as a discretionary manager on behalf of a retail investor, via a power of attorney or where the investor has approached the firm to arrange the transaction (see DISC 2A.3.3R – 2A.3.5).

For repeated investments by the same retail investor into the same CCI, the Product Summary only needs to be provided in respect of the initial transaction.

Simmons says:

Distributors will not be required (and are not permitted) to make changes to the Product Summaries and core information disclosures received from manufacturers. They are entitled to rely on the information provided to them from manufacturers, subject to an acceptable level of reasonableness.

A key consideration for distributors is the obligation to "*promote engagement*" by investors with core product information. Distributors will need to assess their current practices to determine whether they currently meet this requirement and, if not, look at ways of enhancing the customer journey to ensure this is effectively incorporated.

6. What is required in respect of costs and charges?

Manufacturers are required to present costs and charges information within the Product Summary and supply the same to distributors in the core information disclosures.

Manufacturers must **assess**, **categorise** and **calculate** all costs and charges associated with the product and then **disclose** these in the Product Summary in accordance with the requirements set out in DISC 6.

Assessment and Categorisation

Manufacturers are required to identify all of the direct and indirect costs and charges associated with the product and assess these under the conditions set out in DISC. They must then categorise them into one of the following categories:

- the one-off entry costs;
- the one-off exit costs;
- the ongoing costs; and
- transaction costs.

Performance fees and carried interests are categorised and assessed separately.

Calculation

Manufacturers will need to calculate costs and charges using the principles set out in DISC 6, including:

- using the applicable assumed investment amount which, for the most part, will be £10,000;
- covering costs and charges incurred over the previous 12 months; and
- on a gross basis.

Certain adjustments can be made such as where costs are unknown, where a product has less than 12 months operating history, or has less than 12 months to run, or where the data would be misleading.

Transaction costs and performance fee costs receive a different treatment.

Transaction costs - the rules require a numerical disclosure of explicit transaction costs, presented separately to ongoing costs. The requirement to disclose or include implicit transaction costs within this figure has been removed.

Performance fees - CCIs with performance fees or carried interests will need to set out a narrative on how these fees operate.

Presentation of cost and charges:

The regime has relatively prescriptive requirements on how cost and charges should be presented. Each of the following figures must be presented in both a **percentage** and **cash** amount:

- the one-off entry costs figure;
- the one-off exit costs figure;
- the ongoing costs figure; and
- where applicable, the ongoing costs of any investee closed-ended investment funds.

An example of this might look like the following:

Cost Type	Percentage (%)	Amount (£)	Description
Ongoing costs (OCF)	1.20%	£120	This is the annual charge for managing the product, including management and administration fees.
One-off entry costs	0.50%	£50	These are costs you pay when you invest, such as initial charges or stamp duty.
One-off exit costs	0.00%	£0	There are no exit charges for selling or redeeming your investment.
Transaction costs	0.10%	£10	These are explicit costs incurred when the product buys or sells underlying investments.
Performance fees	N/A	N/A	This product does not charge a performance fee.

The FCA has also set out, in CP26/32, that the requirement to convert costs and charges into sterling does not apply to percentage-based charges for non-GBP products.

What does this mean for you?

The ongoing costs reduce the potential growth of your investment each year. One-off entry costs are paid up front and you will only pay them once. Transaction costs are incurred as part of the product's investment activity and may vary from year to year. There are no exit charges or performance fees for this product.

Please note:

- the figures above are illustrative and may change over time; and
- the person selling or advising you on this product may charge additional fees.

Costs and charges are calculated for the preceding 12-month period and must be adjusted if it is expected that future costs and charges will be materially different, such as in response to a change in the fee rates charged to the product. For funds, we expect the preceding 12-month period will continue to be the most recent annual accounting period unless circumstances require otherwise.

Simmons says:

The FCA's decision not to include pull through costs has been welcomed by the funds industry, as well as the removal of implicit transaction costs and the removal of the summary cost illustration combining one-off and ongoing costs. The changes for structured products are also welcome.

7. What is required in respect of performance display?

The Product Summary will revert to the more traditional form of display of past performance (away from the PRIIPs KID method of performance scenarios). The rules set out minimum requirements for manufacturers in how they prepare standardised displays of past performance information for those products in scope of the CCI regime.

The key requirements are:

- **Past performance information** - this must be presented for products that have such information available. Such information must be calculated by the manufacturer and provided to the distributor.
- **Line Graphs for past performance** - past performance information should be presented as a line graph over a 10-year period, using at least monthly data points. Firms can elect to use more frequent performance data (if this would help consumer understanding, particularly where the investment is priced on a more frequent basis). The graph should be based on an initial investment of £10,000 (or its equivalent in another currency).

- **Dating** - the line performance information must be dated within 60 days of the date of the Product Summary. This will be a change from usual practice, meaning that there are opportunities to update the performance more regularly than annually.

- **Structured products and derivative instruments** - products, such as structured products, which do not have past performance data do not need to include a performance details or a performance graph but must provide a narrative explanation of factors likely to impact performance.

- **Closed Ended Investment Companies and other listed Funds (including ETFs)** - these products must include: (i) the historical share prices and (ii) the historical NAV to meet past performance requirements. They may add a separate line graph comparing historical share prices against historical NAV over the relevant period.

- **Benchmarks** - there are specific requirements around the use or inclusion of benchmark data for authorised funds and recognised schemes. More flexibility is granted to other funds (i.e. those not authorised or recognised in the UK). Where applicable, benchmarks should be included in the line graph to provide a point of comparison for consumers. If no suitable benchmark is available, manufacturers must explain how investors can otherwise assess the product's performance.

- **Cost and charges** - the past performance graph should be displayed net of all product costs and charges and should show how the initial investment amount has changed for both the benchmark and the product value over the period.

- **Warning on future performance** - the graph must be supplemented with information on the past performance, including a warning explaining that past performance is not a guide to future performance.

- **Material Changes** - any material changes to a product's objectives and strategy during the period displayed in the graph must be highlighted and labelled with a clear warning.

- **Feeder Funds** - the past performance information should be specific to the feeder fund rather than the master fund. Though notably the FCA proposes, in CP26/32, that manufacturers would be permitted to use the historical performance of a master fund when simulating a feeder fund's performance history in certain circumstances.

Simmons says:

For authorised funds, the ability to issue product information documents with more recent/live performance data is an interesting development and may push firms to consider the benefits of publishing both this document and fund factsheets.

Recognised funds will be required to bucket their use of benchmarks in the same manner as UK authorised funds. This is a change to current practice and will require some thinking on the part of recognised funds.

Certain products, such as structured products, will not be able to show past performance data. Arguably, this will impact the ability of retail investors to compare Product Summaries between different types of CCIs.

8. What is required in respect of risk and reward?

Manufacturers are required to undertake the following steps in order to comply with the risk and reward requirements under the regime:

- calculate the risk/reward score of the CCI and plot it on the risk/reward scale;
- prepare a narrative explanation of the "score";
- prepare a narrative explanation of any materially relevant risks to the value/performance or returns of the CCI; and
- include further prescribed risk warnings and additional risk and return information.

The risk/reward score must be calculated using a prescribed volatility methodology. There are two methodologies set out in the rules, one for the majority of CCIs, the other specifically targeting structured products.

Once the volatility is calculated, firms will then need to plot their product onto a risk scale. The new CCI regime uses a risk scale of 1-10, which is different to the 1-7 scale firms are more used to using under PRIIPs/UCITS.

The rules identify a series of products which will be assigned an initial score of 9, (such as contracts for difference, contingent convertible securities, derivatives, EIS, VCTs). This score can then be upgraded or downgraded following prescribed rules.

The risk reward indicator must be accompanied by supplementary information setting out details of how the score was calculated.

As well as the risk/reward score process, manufacturers will need to include further risk related information in the Product Summary. These rules set out a 15 potential data points which must be covered as part of this description, including an explanation of the relationship between risk and performance, narrative explanations of factors that increase the investment risk of the CCI, explanations of the conditions where the CCI might generate lower or higher returns or lead to investment losses or gains, certain risk disclosures where the product meets certain conditions

(such as where it has limited liquidity, has features which an average investor may have difficulty understanding). Firms will need to plot their products against these requirements and produce wording accordingly.

Simmons says:

In the funds space, industry has welcomed the extension of the volatility calculation for the risk and return scale to 10 years of weekly pricing data, rather than 5 years. Some will be disappointed in the retention of the 1 – 10 scale, citing the potential for retail investor confusion with EU PRIIPs KIDs.

The structured products industry welcomed the changes for structured products in terms of capital-at-risk products no longer being automatically allocated a 9 on the risk scale and the ability to use the VEV methodology to calculate risk.

9. What is required in respect of the general information?

Outside of the prescribed content in respect of risk/reward, costs and charges and past performance, manufacturers must ensure that the Product Summary contains certain general information about the product.

Manufacturers will be familiar and recognise much of this from their obligations under the PRIIPs/UCITS regime. The information requirements can be loosely bucketed as follows:

Identity information

- the name and type of the CCI;
- any international securities identification number (ISIN) or unique product identifier that applies to the CCI;
- the legal name of the manufacturer; and
- the date on which the core information disclosures were produced or most recently revised.

Product characteristics

Manufacturers will be required to describe:

- the product's investment objective and strategy;
- any underlying investment assets or reference values;
- any markets to which the value of the CCI has material exposure or sensitivity; and

- any environmental or social objectives of the CCI.

Manufacturers should also explain how the return will be determined and any factors contributing to its performance. Where the return is determined by a formula, a clear explanation of how the formula works should be given.

Where the product offers insurance benefits, details of the benefits and the circumstances in which they would be payable should be given.

Complaints and redress

Manufacturers must provide complaints information, which can be provided through a web link, on how to make a complaint about either the product or the manufacturer, disclosing whether cover may be available from the Financial Ombudsman Service (the **FOS**), the Financial Services Compensation Scheme (**FSCS**), or other compensation scheme.

Holding or exiting the investment

The summary should include:

- information on any fixed term or recommended holding period for an investment;
- a warning, where a minimum holding period applies, making it clear that the CCI may not be appropriate for investors who plan to withdraw their money within that time period; and
- any penalties or fees that might apply in the case of early exit.

Other relevant information

Firms would be expected to disclose where additional information about the CCI can be found (e.g., the prospectus or other offer documents).

Simmons says:

This information is very similar to that which was already required by the PRIIPs KID and we expect much of firms' current data can be reused.

The description of the investment objective and strategy is likely to be where firms will need to deliver particular focus. Firms will need to determine whether to use its existing language and, if so, that this meets the requirements of the new regime.

10. What is the impact on overseas firms?

The regime captures unauthorised firms manufacturing CCIs which are intended for offer to UK retail customers. This will mean that overseas product manufacturers (as well as UK manufacturers who are not authorised by the FCA) will be brought into scope of the regime.

The general principles will require these issuers to act with integrity, due skill, care and diligence and take reasonable care to organise their affairs responsibly. Firms will be required to arrange adequate protection for the assets of the retail investors and deal with the FCA in an open and cooperative way.

EU UCITS management companies who have availed of the OFR will not be subject to these specific requirements.

However, all unauthorised firms (including EEA UCITS management companies) will be required to ensure that:

- they have a product approval process in place for the CCI they manufacture which is designed to meet the identified needs, characteristics and objectives of the target market and, for products other than UCITS in the OFR, will provide fair value to the retail investor;
- an assessment is carried out in respect of all risks to the retail investor, including customers with characteristics of vulnerability; and
- the distribution strategy for the CCI is appropriate.

Simmons says:

Overseas manufacturers will need to digest these requirements and determine what extension of their current product approval processes will be required in order to ensure their products can be sold to UK retail investors in compliance with the CCI regime.

The FCA has provided guidance to distributors to exercise particular care when considering whether to rely on information or communications prepared or provided by an unauthorised firm.

These requirements are not straightforward, particularly the requirement to assess risks posed to consumers with characteristics of vulnerability and to undertake a value assessment.