OpenKID

Simplifying PRIIPs KIDs dissemination

Version history

Version 1.0.1

- Protocol licensing clarification: Fairmat, the author of the openKID protocol have been asked by industry stake holders to clarify the terms of use of the protocol.

  OpenKID protocol related material can be used as follows: the documentation is licensed under the creative commons by-sa license, while sample code available in the github repository is licensed under a MIT-like license (which can be found in the file headers).

Version 1.0

The new version of the standard has been issued in order to be able to handle more types of PRIIPs and as well to support new specifications on target market needed for MIFID and IDD. In particular:

- Support for MOPs: KID with multiple investments options can now be described.
- Support for EMT format metadata for target market: we aligned fields name and values to the European Mifid Template.
- Support for attachments: additional documents can be managed. Attachments can be used to
- Added XSD file for validating repositories (https://github.com/fairmat/OpenKID/blob/master/repo-sample/kidsindex.xsd)
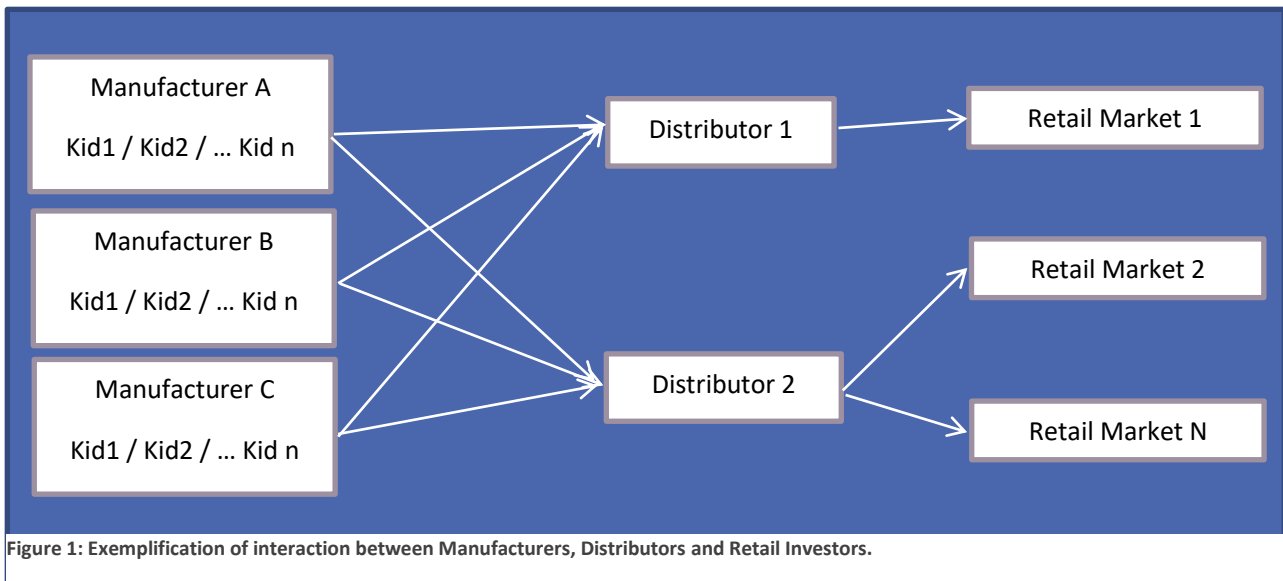

1. Introduction

OpenKID is an open standard aimed to simplify the sharing of information between counterparties (manufacturers and distributors) involved in the dissemination of PRIIPs KIDs.

The context is the following: with the new regulation EU No 1286/2014 manufacturers and distributors will responsible for the generation and the delivery to retail investors of pre-contractual Key Investment Documents (the KIDs) for any Packaged Retail Investment and Insurance-Based investment product (the PRIIP). The new KIDs will also contain sections dependent on market conditions and for such reason PRIIPs must be monitored and eventually KIDs will be updated in order to reflect new market conditions.

Distributors may distribute products from several manufacturers and they must be able to provide investors the latest versions of any KID document. The situation is exemplified in Figure 1.

Figure 1: Exemplification of interaction between Manufacturers, Distributors and Retail Investors.

From the point of view of the distributor, it may become complex and expensive having to manage several distribution technologies, for this reason there will be the opportunity for some market data players to provide KID distribution and providing services. On the other hand, if manufacturers and distributors would agree on a standard about the representation of KIDs repository which any manufacturer could implement, even if a distributor will be required to access several repositories (one for each manufacturer), any the repository will share the same structure. This will provide several advantages.

OpenKID is a format for the representation of KIDs repository. The goals and advantages of OpenKID are the following:

- Costs Reductions: OpenKID reduces the number of technical implementation needed to retrieve KIDs from several manufacturers.
- The format description is open and accessible by all parties.
- Easiness of setup: in order to receive information about KIDs, the amount of information to be shared between manufacturers and distributors is just one URL.
- Use of standards: The OpenKID repository format is independent from the technology employed to generate and host KIDs and uses other communication and information description standards such as HTTP and XML.

2. The OpenKID format

OpenKID is a format for describing a repository of KID, the information to be passed to the distributors is just a single static Url, for example https://github.com/fairmat/OpenKID/tree/master/repo-sample   pointing to the repository index.

The repository is composed by several XML files containing metadata useful to retrieve information about the published PRIIPs and their KIDs.

The manufacturer has the obligation of generating and maintaining the repository structure and files.

The repository is composed by the following files:

- An index file, KIDsIndex.xml, containing the list of all PRIIPs and the information on the latest KID version, plus several metadata information such as SRI, holding period and target market (in the EMT format).
- Several history files containing the list of published KIDs. Every PRIIP has an optional history file containing the information to the older versions.
- The KIDs in PDF format.

3. The KIDsIndex.xml format

The **KIDsIndex.xml** file is the core of the repository and contains the list of the active PRIIPs and links to the latest versions of every KID, including all the languages and versions to be produced.

The only information the manufacturers must provide to distributors is the location (the Url) of the KIDsIndex.xml file, every other information can be retrieved by reading the index.

The KIDsIndex.xml file follows the specifications described in this XSD file below https://github.com/fairmat/OpenKID/blob/master/repo-sample/kidsindex.xsd

See also example of KIDsIndex.xml

```xml
<?xml version='1.0' encoding='UTF-8'?>
<KIDsIndex>
<LastRepositoryUpdated>2017-08-23</LastRepositoryUpdated>
<KIDs>
<KIDEntry>
<FinancialInstrumentIdentifyingData>IT0000000001</FinancialInstrumentIdentifyingData>
<FinancialInstrumentTypeOfIdentificationCode>1</FinancialInstrumentTypeOfIdentificationCode>
<FinancialInstrumentName>Product Name A</FinancialInstrumentName>
<FinancialInstrumentCurrency>EUR</FinancialInstrumentCurrency>
<FinancialInstrumentIssuerName>Issuer Name</FinancialInstrumentIssuerName>
<FirstKIDDocumentPublished>2017-01-01</FirstKIDDocumentPublished>
<LastKIDDocumentUpdated>2017-06-30</LastKIDDocumentUpdated>
<KIDDocumentVersions>
<KIDDocumentVersion>
<KIDLanguage>it</KIDLanguage>
<KIDUrl>https://raw.githubusercontent.com/fairmat/OpenKID/kids/IT0000000001-KID-it.pdf</KIDUrl>
</KIDDocumentVersion>
<KIDDocumentVersion>
<KIDLanguage>en</KIDLanguage>
<KIDUrl>https://raw.githubusercontent.com/fairmat/OpenKID/kids/IT0000000001-KID-en.pdf</KIDUrl>
</KIDDocumentVersion>
</KIDDocumentVersions>
<Attachments>
<Attachment>
<AttachmentDescription>Any description</AttachmentDescription>
<AttachmentLanguage>it</AttachmentLanguage>
<AttachmentUrl>https://raw.githubusercontent.com/fairmat/OpenKIDkids/OthersFiles-it.zip</AttachmentUrl>
</Attachment>
```

```xml
<Attachment>
<AttachmentDescription>Any description</AttachmentDescription>
<AttachmentLanguage>en</AttachmentLanguage>
<AttachmentUrl>https://raw.githubusercontent.com/fairmat/OpenKIDkids/OtherFiles-en.zip</AttachmentUrl>
</Attachment>
</Attachments>
<History>https://raw.githubusercontent.com/fairmat/OpenKID/history/IT0000000001-history.xml</History>
<TargetMarkets>
<InvestorType>
<InvestorTypeRetail>Y</InvestorTypeRetail>
<InvestorTypeProfessional>N</InvestorTypeProfessional>
<InvestorTypeEligibleCounterparty>Neutral</InvestorTypeEligibleCounterparty>
</InvestorType>
<KnowledgeAndExperience>
<BasicInvestor>Y</BasicInvestor>
<InformedInvestor>Y</InformedInvestor>
<AdvancedInvestor></AdvancedInvestor>
</KnowledgeAndExperience>
<AbilityToBearLosses>
<NoCapitalLoss>N</NoCapitalLoss>
<LimitedCapitalLoss>Neutral</LimitedCapitalLoss>
<LimitedCapitalLossLevel>0.1</LimitedCapitalLossLevel>
<NoCapitalGuarantee>N</NoCapitalGuarantee>
<LossBeyondCapital>N</LossBeyondCapital>
</AbilityToBearLosses>
<RiskTolerance>
<RiskTolerancePRIIPSMethodology>2</RiskTolerancePRIIPSMethodology>
</RiskTolerance>
<ClientObjectivesAndNeeds>
<ReturnProfilePreservation>Y</ReturnProfilePreservation>
<ReturnProfileGrowth>N</ReturnProfileGrowth>
<ReturnProfileIncome>N</ReturnProfileIncome>
<ReturnProfileHedging>N</ReturnProfileHedging>
<OptionOrLeveragedReturnProfile>Y</OptionOrLeveragedReturnProfile>
<ReturnProfileOther>Neutral</ReturnProfileOther>
<TimeHorizon>L</TimeHorizon>
<MaturityDate>2019-11-30</MaturityDate>
<MayBeTerminatedEarly>Y</MayBeTerminatedEarly>
<SpecificInvestmentNeed>N</SpecificInvestmentNeed>
</ClientObjectivesAndNeeds>
</TargetMarkets>
<InvestmentOptions></InvestmentOptions>
</KIDEntry>
</KIDs>
```

The kidsindex.xml structure provided by one manufacturer can be merged with the one provided by other manufacturers.

The ProductHistory.xml format

One attribute of KIDEntry entity named History contains the list of all the updates to a KID. This information is a link to another xml file with the following structure:

```xml
<?xml version='1.0' encoding='UTF-8'?>
<History>
<KIDDocumentUpdated>
<KIDDocumentPublished>2016-03-01</KIDDocumentPublished>
<KIDDocumentVersions>
<KIDDocumentVersion>
<KIDLanguage>it</KIDLanguage>
<KIDUrl>https://raw.githubusercontent.com/fairmat/OpenKID/kids/IT0000000001-KID-it-v1.pdf</KIDUrl>
</KIDDocumentVersion>
<KIDDocumentVersion>
<KIDLanguage>en</KIDLanguage>
<KIDUrl>https://raw.githubusercontent.com/fairmat/OpenKID/kids/IT0000000001-KID-en-v1.pdf</KIDUrl>
</KIDDocumentVersion>
</KIDDocumentVersions>
</KIDDocumentUpdated>
<KIDDocumentUpdated>
<KIDDocumentPublished>2016-04-15</KIDDocumentPublished>
<KIDDocumentVersions>
<KIDDocumentVersion>
<KIDLanguage>it</KIDLanguage>
<KIDUrl>https://raw.githubusercontent.com/fairmat/OpenKID/kids/IT0000000001-KID-it-v2.pdf</KIDUrl>
</KIDDocumentVersion>
<KIDDocumentVersion>
<KIDLanguage>en</KIDLanguage>
<KIDUrl>https://raw.githubusercontent.com/fairmat/OpenKID/kids/IT0000000001-KID-en-v2.pdf</KIDUrl>
</KIDDocumentVersion>
</KIDDocumentVersions>
</KIDDocumentUpdated>
<KIDDocumentUpdated>
<KIDDocumentPublished>2016-05-10</KIDDocumentPublished>
<KIDDocumentVersions>
<KIDDocumentVersion>
<KIDLanguage>it</KIDLanguage>
<KIDUrl>https://raw.githubusercontent.com/fairmat/OpenKID/kids/IT0000000001-KID-it-v3.pdf</KIDUrl>
</KIDDocumentVersion>
<KIDDocumentVersion>
<KIDLanguage>en</KIDLanguage>
<KIDUrl>https://raw.githubusercontent.com/fairmat/OpenKID/kids/IT0000000001-KID-en-v3.pdf</KIDUrl>
</KIDDocumentVersion>
</KIDDocumentVersions>
</KIDDocumentUpdated>
</History>
```

4. Reading the repository (usage examples)

The structured provided by OpenKID can easily accessed and operations like

- retrieving the current PRIIPs offer for a given issuer
- retrieving information of all PRIIPs issued or updated after a given date
- retrieving the publishing history for a given PRIIP

Can be easily performed.

For illustrative purposes we built a repository example available at the following url https://github.com/fairmat/OpenKID/tree/master/repo-sample   On www.openkid.org/demo you can find an example of web application which is able extract information from an OpenKID repository and at this link (https://github.com/fairmat/OpenKID/tree/master/client-sample/) you may find some code snippets in PHP and C# (other languages to follow) to demonstrate operations on the repository.

5. Further considerations and questions

- Even if KIDs must be available for the end users, the information structured may not be publicly available. HTTP based security rules can be easily implemented if necessary.
- Should we list in the repository also expired KIDs? Maybe listing them in a secondary index?
- Aside SRI, further PRIIPs metadata could be easily included in the metadata.

6. How to contribute

The OpenKID format will evolve following parties needs: If you are a player (manufacturer/distributor/provider) involved in the PRIIPs/KIDs regulation implementation please contact us at kid@fairmat.com, we need the feedback and the contribution of as many parties as possible in order to consolidate and widespread the format.