BARINGS

Barings Europe: Product Approval Process

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Barings European Product Approval Process

A key investor protection provision of MiFID 2 requires firms that manufacture or distribute investment products in the European Union to establish a product approval process and make this and other relevant information available to distributors.

This document, outlines a summary of the product approval process which is applied across Barings' European business.

It should be noted that all new product rationales and specifications are first approved by a global product committee.

Barings has established a multistage approval process for products that are capable of being distributed in the EU. All relevant products are presented to the Product Oversight Committee (POC), which obtains its authority from Barings' European Management Team (EMT).

The Compliance and Internal Audit teams perform periodic reviews of the Product Approval Process.

Product Design

Target Market Assessment
Risk / reward profile
Charging structure
Conflicts and Complexity
Scenario and systemic risk analysis
Distribution channels
SFDR Classification

Periodic reviews

Annual review of all relevant products **Product metrics**: complaints, costs,
performance and risk parameters **Distribution metrics**: fund flows, target
market, fund registrations

Product Oversight Committee

Detailed paper submitted to the POC POC reviews and challenges the product proposal, including operational feasibility

Product materials

Prepare KIID's or KID's
Finalise prospectus or offering documents
with relevant SFDR disclosures
Prepare marketing materials
Complete European MiFID Template or
European ESG Template
Send information to distributors

Further approvals

Pre-launch review approval by the relevant fund boards or Management Companies Review and approval by Regulators where required

