

UK consumer composite investments: interest rate steps

As reported at pages 26-27 of the [2025 Second Quarter edition](#) of the ICMA Quarterly Report, ICMA's [20 March response](#) to the FCA's [consultation paper CP24/30](#) *inter alia* cited uncertainties, that should be addressed, in several specific provisions of the purported exclusion of the mainstream, vanilla space from the instrument scope of the new consumer composite investment (CCI) regime, which is due to replace the UK PRIIPs regime. Two of these (at #5(A)(5) of the response) related to interest rate steps – regarding deletion of the fixed-rate step reference and the prior contrast with the absence of a similar floating-rate step reference.

Subsequently on 16 April, FCA published [consultation paper CP25/9](#). This raised specific questions away from ICMA's CCI focus, noting in passing (at #2.5 on page 9) that responses to the prior consultation were being analysed – and so ICMA did not respond. However, the draft Handbook text in Appendix 1 to the CP25/9 consultation (at draft DISC 1A.2.4R) reinstates the previously deleted fixed-rate step reference. ICMA understands that the reinstatement was merely due to the deletion not having been initially intended, and that it was not a reaction to responses to the CP24/30 consultation.

The reinstatement is nonetheless welcome and addresses the fixed-rate step uncertainty in #5(A)(5) of the 20 March response. However, the residual uncertainty regarding floating-rate steps in #5(A)(5) of the 20 March response remains outstanding. Furthermore, the uncertainty around interest rate steps is actually even wider – including also “event-driven” steps, as outlined at #7 of ICMA's [September 2021 response](#) to FCA's [consultation paper CP21/23](#).

ICMA will continue to engage with new CCI regime as it is finalised.



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