

Circular

EIOPA consults on policy proposals regarding the implementation of the Insurance Distribution Directive

The European Insurance and Occupational Pensions Authority (“EIOPA”) has launched a [consultation process](#) on policy proposals regarding the implementation of the Insurance Distribution Directive (“IDD”).

Background

On 2 February 2016, the Insurance Distribution Directive (Directive 2016/97/EU) was published in the Official Journal. The implementation date of IDD is the 23 February 2018.

On 24 February 2016, the European Commission [requested](#) EIOPA to provide Technical Advice on possible Delegated Acts concerning the IDD, by the 1 February 2017.

EIOPA invites all interested parties to provide their feedback on policy proposals in relation to the following areas:

i. **Product Oversight and Governance** (*article 25(2) of the IDD*)

Detailed product oversight and governance arrangements for insurance undertakings and insurance intermediaries manufacturing and distributing insurance products. Such arrangements aim at protecting customers by ensuring that insurance products meet the needs of the target market and thereby mitigate the potential for mis-selling.

ii. **Conflicts of Interest** (*articles 27 and 28(4) of the IDD*)

Organisational and administrative arrangements designed to identify, prevent, manage and disclose conflicts of interest that arise in the course of carrying out any distributional activities.

iii. **Inducements** (*article 29(2) of the IDD*)

The conditions under which inducements (namely third party payments and non-monetary benefits) paid or received by insurance intermediaries or insurance undertakings in connection with the distribution of an insurance-based investment product may have a detrimental impact on the quality of the relevant service to the customer.

iv. **Suitability, appropriateness and Reporting to customers** (*article 30(5) of the IDD*)

The information distributors should obtain when assessing the suitability or appropriateness of insurance-based investment products for their customers, the criteria to define non-complex insurance-based investment products and the content and format of records and agreements for the provision of services to customers.

Consultation Process

The Consultation Paper and the template for comments can be viewed on the [EIOPA website](#).

The consultation period ends on the **3 October 2016** at 18.00 CET. Comments are to be submitted to EIOPA by email on CP-16-006@eiopa.europa.eu. EIOPA has advised that comments submitted after the deadline or not submitted in the provided template will not be assessed. EIOPA will make all comments available on its website, except where respondents specifically request that their comments remain confidential. It is appreciated if any feedback provided to EIOPA is copied to the Malta Financial Services Authority – Conduct Supervisory Unit via email on csu@mfsa.com.mt.

EIOPA will consider the responses received to the Consultation Paper and will finalise the draft technical advice for submission to the Commission by the 1 February 2017.

Public Hearing

On the **23 September 2016**, EIOPA will hold a [Public Hearing](#) on the Consultation Paper in Frankfurt. The purpose of the public hearing is for the Commission and National Competent Authorities working on the Technical Advice to explain to the industry the rationale behind the policy proposals contained in the Consultation Paper and to reply to any queries in this regard. Registration for attendance to the Public Hearing will be available on EIOPA's website in due course.

Contacts

Should you have any queries on the above, please do not hesitate to contact Dr Sarah Pulis, Senior Manager – Conduct Supervisory Unit (SPulis@mfsa.com.mt) or Ms Erika Farrugia, Analyst – Conduct Supervisory Unit (EFarrugia@mfsa.com.mt).

**Communications Unit
Malta Financial Services Authority
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