

Information requirements and conduct of business rules applicable to the distribution of insurance-based investment products

2017/2855(DEA) - 25/10/2017 - Text adopted by Parliament, single reading

The European Parliament **decided to raise no objections** to the Commission delegated regulation of 21 September 2017 supplementing Directive (EU) 2016/97 of the European Parliament and of the Council with regard to information requirements and conduct of business rules applicable to the distribution of insurance-based investment products.

As a reminder, [Directive \(EU\) 2016/97](#) on insurance distribution ("IDD") provides an updated harmonised legal framework governing the rules applicable to the distribution of insurance and reinsurance products, including insurance-based investment products. It aims at enhancing protection of consumers and retail investors buying insurance products or insurance-based investment products.

IDD provides a specific chapter with additional conduct of business requirements for the sale of insurance-based investment products to guarantee a consistent standard of protection for retail investors.

The delegated Regulation is based on three empowerments in the chapter on additional conduct of business requirements for the sale of insurance-based investment products. It aims at specifying the criteria and practical details for the application of the rules on conflicts of interest, on inducements and on the assessment of suitability (which applies in the case of sales with advice) and appropriateness (to be applied in sales where the customer, in conformity with the applicable national law requires no advice.)

Given that the delegated regulation should apply from 23 February 2018, the application date of Directive (EU) 2016/97, **Parliament considered that the full use of the three-month scrutiny period available to it would not allow sufficient time for industry** to implement the necessary technical and organisational changes.

Accordingly, Members felt that **swift publication of the delegated regulation in the Official Journal** would allow timely implementation of and legal certainty concerning the provisions applicable to product oversight and governance.

Whilst the deadline for transposition of Directive (EU) 2016/97 should remain 23 February 2018, Parliament asks the Commission to adopt a legislative proposal setting **the application date at 1 October 2018.**