



10.01.2024

2023/0167(COD)

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DRAFT COMPROMISES

Retail investment Strategy (IDD)

on the proposal for a Proposal for a directive amending Directives (EU) 2009/65/EC, 2009/138/EC, 2011/61/EU, 2014/65/EU and (EU) 2016/97 as regards the Union retail investor protection rules (2023/0167(COD))

Committee on Economic and Monetary Affairs

Rapporteur: Stéphanie Yon-Courtin

Text in red, bold and italics = amendments

Text in red, bold, italics and strikethrough = amendments deleting COM proposal

Text in bold = COM proposal

(CONSOLIDATED VERSION BASE ON THE CURRENT IDD TEXT)

DIRECTIVE (EU) 2016/97 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 20 January 2016 on insurance distribution
(recast) (Text with EEA relevance)

SCOPE AND DEFINITIONS

Article 1 - Scope

1. This Directive lays down rules concerning the taking-up and pursuit of the activities of insurance and reinsurance distribution in the Union.
2. This Directive applies to any natural or legal person who is established in a Member State or who wishes to be established there in order to take up and pursue the distribution of insurance and reinsurance products.
3. This Directive shall not apply to ancillary insurance intermediaries carrying out insurance distribution activities where all the following conditions are met:
 - (a) the insurance is complementary to the good or service supplied by a provider, where such insurance covers:
 - (i) the risk of breakdown, loss of, or damage to, the good or the non-use of the service supplied by that provider; or
 - (ii) damage to, or loss of, baggage and other risks linked to travel booked with that provider;
 - (b) the amount of the premium paid for the insurance product does not exceed EUR 600 calculated on a *pro rata* annual basis;
 - (c) by way of derogation from point (b), where the insurance is complementary to a service referred to in point (a) and the duration of that service is equal to, or less than, three months, the amount of the premium paid per person does not exceed EUR 200.
4. Member States shall ensure that, when carrying out a distribution activity through an ancillary insurance intermediary who is exempted from the application of this Directive pursuant to paragraph 3, the insurance undertaking or insurance intermediary ensures that:
 - (a) information is made available to the customer, prior to the conclusion of the contract, about its identity and address and about the procedures referred to in Article 14 allowing customers and other interested parties to lodge complaints;
 - (b) appropriate and proportionate arrangements are in place to comply with Articles 17 and 24 and to consider the demands and needs of the customer before the proposal of the contract;
 - (c) the insurance product information document referred to in Article 20(5) is provided to the customer prior to the conclusion of the contract.
5. Member States shall ensure that competent authorities monitor the market, including the market for ancillary insurance products which are marketed, distributed or sold in, or from, their Member State. EIOPA may facilitate and coordinate such monitoring.
6. This Directive shall not apply to insurance and reinsurance distribution activities in relation to risks and commitments located outside the Union.

~~This Directive shall not affect a Member State's law in respect of Without prejudice to intra-group relationships where an insurance intermediary or insurance and reinsurance distribution activities pursued by insurance and reinsurance undertakings or intermediaries intermediary established in~~

a third country ~~and operating on its territory under the principle of freedom to provide services, provided that equal treatment is guaranteed to all persons carrying out or authorised to carry carries~~ out insurance ~~and or~~ reinsurance distribution activities on ~~that market behalf of an EU registered insurance intermediary acting on its behalf or having close links with such third country insurance intermediary or reinsurance intermediary~~. Member States shall require insurance intermediaries and reinsurance intermediaries registered in a third country to establish a branch in their territory and apply for registration in accordance with Article 3 in order to take up and pursue insurance or reinsurance distribution activities as defined in Article 2(1) first and second sub-subparagraph in the relevant Member State. With respect to the operation of intra-group relationships, Member States shall ensure that any registered insurance intermediary or reinsurance intermediary acting on behalf of or having close links with an insurance intermediary or reinsurance intermediary in a third country, which is unable to demonstrate to the competent authority of the home Member State:

(a) during the process of registration under Article 3 or on the basis of a regular review of the validity of the registration under Article 3(4) 5th sub-paragraph, that it has an appropriate level of corporate substance in that Member State, namely that it possesses appropriate knowledge and ability in order to complete their tasks and perform their duties adequately in accordance with Article 3(4), 4th sub-paragraph and Article 10(1), shall not be allowed to take up and pursue insurance distribution activities as defined in Article 2(1) first sub-subparagraph in that Member State or if already registered in that Member State, shall be removed from the register in accordance with Article 3(4) 6th sub-paragraph; and

(b) without prejudice to where an appropriate level of corporate substance is demonstrated to the competent authority of the home Member State undersub-paragraph (i), the establishment of a branch of an insurance or reinsurance intermediary established in a third country with the primary purpose of providing an insurance or reinsurance distribution activity to a customer or customers having their habitual residence or establishment in that Member State, shall be substantially restricted in terms of its scope and duration. [AM 687 Yon-Courtin]

This Directive shall not regulate insurance or reinsurance distribution activities carried out in third countries.

Member States shall inform the Commission of any general difficulties which their insurance or reinsurance distributors encounter in establishing themselves or carrying out insurance or reinsurance distribution activities in any third country.

Article 2 - Definitions

[Commission proposal except the following changes:]

(20) 'marketing communication' means any disclosure of information other than a disclosure required by Union or national law or other than the financial education material referred to in Article 16b, that directly ~~or indirectly~~ promotes insurance products or directly ~~or indirectly~~ [AM 692 Seekatz, Ferber] entices investments in insurance-based investment products and that is made:

(a) by an insurance undertaking or insurance intermediary, or by a third party that is remunerated, or incentivised through non-monetary compensation, by such insurance

undertaking or insurance intermediary;

(b) to natural or legal persons;

(c) in any form and by any means;

_(22) 'online interface' means any software, including a website, part of a website, or an application, **including a mobile applications** [AM 695 Heinäluoma, Lalucq, Repasi];

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CHAPTER II

REGISTRATION REQUIREMENTS

Article 3 - Registration

1. Insurance, reinsurance, and ancillary insurance intermediaries shall be registered with a competent authority in their home Member State.

Insurance and reinsurance undertakings and their employees shall not be required to register under this Directive.

Without prejudice to the first subparagraph, Member States may stipulate that insurance and reinsurance undertakings and intermediaries and other bodies may cooperate with the competent authorities in registering insurance and reinsurance and ancillary insurance intermediaries and in the application of the requirements laid down in Article 10.

In particular, insurance, reinsurance and ancillary insurance intermediaries may be registered by an insurance or reinsurance undertaking, insurance or reinsurance intermediary, or by an association of insurance or reinsurance undertakings, or insurance or reinsurance intermediaries, under the supervision of a competent authority.

An insurance or reinsurance intermediary or an ancillary insurance intermediary may act under the responsibility of an insurance or reinsurance undertaking or another intermediary. In such a case, Member States may stipulate that the insurance or reinsurance undertaking or other intermediary shall be responsible for ensuring that the insurance or reinsurance intermediary or ancillary insurance intermediary meets the conditions for registration, including the conditions set out in point (c) of the first subparagraph of paragraph 6.

Member States may also stipulate that the insurance or reinsurance undertaking or other intermediary which takes responsibility for the insurance or reinsurance intermediary or ancillary insurance intermediary registers that intermediary or ancillary intermediary.

Member States need not apply the requirement referred to in the first subparagraph to all the natural persons who work in an insurance or reinsurance intermediary or ancillary insurance intermediary and who pursue the activity of insurance or reinsurance distribution.

Member States shall ensure that the registers specify the names of the natural persons within the management of the insurance or reinsurance distributor who are responsible for the insurance or reinsurance distribution.

The registers shall further indicate the Member States in which the intermediary conducts business under the rules on the freedom of establishment or on the freedom to provide services.

2. Member States may establish more than one register for insurance, reinsurance, and ancillary insurance intermediaries provided that they lay down the criteria according to which intermediaries are to be registered.

Member States shall establish an online registration system. That system shall be easily accessible and allow the registration form to be completed directly online.

3. In the event that there is more than one register in a Member State, that Member State shall establish a single information point allowing quick and easy access to information from those registers, which shall be compiled electronically and kept updated. The information point shall also provide the

identification details of the competent authorities of the home Member State.

4. EIOPA shall establish, publish on its website and keep up-to-date a single electronic register containing records of insurance, reinsurance and ancillary insurance intermediaries which have notified their intention to carry on cross-border business in accordance with Chapter III. Member States shall provide relevant information to EIOPA promptly to enable it to do this. The register shall contain links to, and be accessible from, each of the Member States' competent authorities' websites.

EIOPA shall have the right to access the data stored in the register referred to in the first subparagraph. EIOPA and the competent authorities shall have the right to modify such data. Data subjects whose personal details are stored on the register and exchanged shall have the right to access such stored data and the right to be appropriately informed.

EIOPA shall establish a website with hyperlinks to each single information point or, where applicable, register, established by Member States in accordance with paragraph 3.

Home Member States shall ensure that registration of insurance, reinsurance and ancillary insurance intermediaries is made subject to the fulfilment of the relevant requirements laid down in Article 10, **including the requirement for an insurance or reinsurance intermediary to have an appropriate level of corporate substance with respect to an intra-group relationship with a branch of a registered insurance or reinsurance intermediary in a third country in accordance with Article 1(6).** [AM 688 Yon-Courtin]

The validity of the registration shall be subject to a regular review by the competent authority.

Home Member States shall ensure that insurance, reinsurance and ancillary insurance intermediaries who cease to fulfil the requirements laid down in Article 10 are removed from the register. Where applicable, the home Member State shall inform the host Member State of such removal **immediately**.

5. Member States shall ensure that applications by intermediaries for inclusion in the register are dealt with within three months of the submission of a complete application, and that the applicant shall be notified promptly of the decision.

Where the registration is refused or where an insurance, reinsurance or ancillary insurance intermediary is removed from the register, the competent authority shall communicate its decision to the applicant or the insurance, reinsurance or ancillary insurance intermediary concerned in a well-reasoned document and inform EIOPA about the reasons for such refusal of registration or removal from the register.

5a. EIOPA shall establish and make available to competent authorities a list of all insurance, reinsurance or ancillary insurance intermediaries whose registration has been refused or which have been removed from the register by a competent authority.

The list referred to in the first subparagraph shall contain, where applicable, information on the services or activities for which each insurance, reinsurance or ancillary insurance intermediary has sought registration, as well as the reasons for the refusal of registration or the removal from the register and shall be updated on regular basis.

6. Member States shall ensure that all of the following information is requested as a condition of registration of insurance, reinsurance and ancillary insurance intermediaries:

(a) the identities of shareholders or members, whether natural or legal persons, that have a holding

in the intermediary that exceeds 10 %, and the amounts of those holdings;

- (b) the identities of persons who have close links with the intermediary;
- (c) information that those holdings or close links do not prevent the effective exercise of the supervisory functions of the competent authority.

Member States shall ensure that intermediaries inform the competent authorities without undue delay of any change in the information provided under this paragraph.

7. Member States shall ensure that competent authorities refuse registration if the laws, regulations or administrative provisions of a third country governing one or more natural or legal persons with which the intermediary has close links, or difficulties involved in the enforcement of those laws, regulations or administrative provisions, prevent the effective exercise of their supervisory functions.

7 (new) Member States shall ensure that competent authorities uphold the integrity of the EU internal market when making their decision to grant or refuse registration to an insurance, reinsurance or ancillary insurance intermediary, which is a legal person. [AM 697 Benjumea, Fitzgerald]

~~7a. Member States shall ensure that competent authorities refuse registration if~~ ~~Where an insurance, reinsurance or ancillary insurance intermediary, which is a legal person, has its head office in the same Member State as its registered office but provides or performs investment activities solely in other Member States, Member States shall ensure that the insurance, or ancillary insurance intermediary has a sufficient understanding of the risk and legal requirements to which it or its customers are subject.- [AM 57 Yon-Courtin] and acts in a manner consistent with EU law and the principles of the single market, refraining from imposing restrictions on undertakings providing cross-border services in line with the single market principles. [AM 696 Benjumea, Fitzgerald]~~

Member States shall ensure that the competent authority of the home Member States collaborates with the competent authority of the host Member State when assessing the fulfilment of the first subparagraph of this paragraph.

CHAPTER III

FREEDOM TO PROVIDE SERVICES AND FREEDOM OF ESTABLISHMENT

Unchanged articles:

Article 4 - Exercise of the freedom to provide services (current text - unchanged)

Article 6 Exercise of the freedom of establishment (current text - unchanged)

Article 7 - Division of competence between home and host Member States (current text - unchanged)

Article 8 - Breach of obligations when exercising the freedom of establishment (current text - unchanged)

Article 9 - Powers in relation to national provisions adopted in the interest of the general good (current text - unchanged)

Article 5 - Breach of obligations when exercising the freedom to provide services

1. **Where the A** competent authority of the host Member State **that** has **reasonable grounds** to consider that an insurance, reinsurance or ancillary insurance intermediary acting within its territory under the freedom to provide services **infringes the obligations arising from the provisions adopted pursuant to** this Directive, **it shall communicate inform those considerations to** the competent authority of the home Member State **thereof, without undue delay** [AM 698 Pereira].

The competent authority of the host Member State shall inform EIOPA about the fact that it has informed the home Member State of its considerations. EIOPA shall forward such information to the competent authorities of all other host Member States where the insurance, reinsurance or ancillary insurance intermediary is acting under the freedom to provide services.

After **assessing having assessed** the information received pursuant to the first subparagraph, the competent authority of the home Member State shall, where applicable, **and, if so, at the earliest opportunity** take appropriate measures to remedy the situation **at the earliest opportunity, and at the latest 30 working days after having received the communication from the competent authority of the host Member State. It shall inform the competent authority of the host Member State of any such measures taken.** The competent authority of the home Member State shall inform the competent authority of the host Member State of any such measures taken. The competent authority of the home Member State shall communicate to the competent authority of the host Member State, and to the competent authorities of all other Member States on the territory of which the insurance, reinsurance or ancillary insurance intermediary is acting under the freedom to provide services, all relevant information on the measure taken.

Where, despite the measures taken by the **competent authority of the** home Member State or because those measures prove to be inadequate or are lacking, the insurance, reinsurance or ancillary insurance intermediary persists in acting in a manner that is clearly detrimental to the interests of host Member State consumers on a large scale, or to the orderly functioning of insurance and reinsurance markets, the competent authority of the host Member State may, after **having informed informing** the competent authority of the home Member State, take appropriate measures to prevent further irregularities, including, in so far as is strictly necessary, preventing that intermediary from continuing to carry on new business within its territory.

In addition, the competent authority of the home Member State or the host Member State may refer the matter to EIOPA and request its assistance in accordance with Article 19 of Regulation (EU) No 1094/2010. In that case, EIOPA may act in accordance with the powers conferred on it by that Article.

2. Paragraph 1 shall not affect the power of the host Member State to take appropriate measures to prevent or penalise irregularities committed within its territory, in a situation where immediate action is necessary in order to protect the rights of consumers. This power shall include the possibility of preventing insurance, reinsurance and ancillary insurance intermediaries from carrying out new business within its territory.

3. ~~Any measure adopted by the competent authorities of the host Member State under this Article shall be communicated to the insurance, reinsurance or ancillary insurance intermediary concerned in a well-reasoned document and notified to the competent authority of the home Member State, to EIOPA and to the Commission.~~

The competent authorities of the host Member State shall communicate to the insurance, reinsurance or ancillary insurance intermediary concerned any measure adopted under paragraphs 1 and 2 in a well-reasoned document and notify those measures to the competent authority of the home Member State without undue delay. The competent authority of the host Member State shall also notify those measures to the Commission, EIOPA and to the competent authorities of the host Member States where the insurance, reinsurance or ancillary insurance intermediary is acting under the freedom to provide services.

4. Where, within 12 months, two or more competent authorities of host Member States have taken measures pursuant to paragraph 1 with respect to one or more insurance, reinsurance or ancillary insurance intermediaries having the same home Member State, or if a home Member State disagrees with the findings of a host Member State, EIOPA may set up a cooperation platform in accordance with Article 12b.

Article 9a Reporting of cross-border activities

1. Member States shall require that insurance distributors report the following information annually to the competent authority of their home Member State where they pursue insurance distribution activities with more than 50 customers on a cross-border basis:

- (a) the list of host Member States in which the insurance distributor is acting under the freedom to provide services or the freedom of establishment;
- (b) the scale and scope of the insurance distribution activities carried out in each host [AM 58 Yon-Courtin] Member State;
- (c) the type of insurance products distributed in each host [AM 59 Yon-Courtin] Member State;
- (d) for each host [AM 60 Yon-Courtin] Member State, the total number of customers, for the relevant period ending on the 31 December;
- (e) the number of complaints received from customers and interested parties in each host [AM 61 Yon-Courtin] Member State.

Competent authorities shall communicate to EIOPA all information reported by insurance distributors pursuant to the first subparagraph.

2. EIOPA shall establish an electronic database containing the information reported pursuant to paragraph 1, second subparagraph. That database shall be made accessible to all competent authorities.

3. EIOPA shall develop draft regulatory technical standards regarding the details of the

information referred to in paragraph 1.

EIOPA shall submit those draft regulatory technical standards to the Commission by [OJ: insert date 18 months after the date of entry into force of this Directive].

Power is delegated to the Commission to adopt the regulatory technical standards referred to in the first subparagraph in accordance with Article 10 of Regulation (EU) No 1094/2010.

4. EIOPA shall develop draft implementing technical standards specifying the data standards and formats, methods and transfer arrangements, frequency and starting date for the information to be reported and communicated pursuant to paragraph 1.

EIOPA shall submit those draft implementing technical standards to the Commission by [OJ: insert date 18 months after the date of entry into force of this Directive].

Power is conferred on the Commission to adopt the implementing technical standards referred to in the first subparagraph in accordance with Article 15 of Regulation (EU) No 1094/2010.

5. Based on the information communicated pursuant to paragraph 2, EIOPA shall publish every year a report containing anonymised and aggregated statistics on the insurance distribution activities carried out in the Union through the freedom to provide services, as well as an analysis of trends.';

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ORGANISATIONAL REQUIREMENTS

Unchanged articles:

Article 11 - Publication of 'general good' rules (current text - unchanged)

Article 12 a: Cooperation and exchange of information with EIOPA (Commission proposal - unchanged)

Article 13 Cooperation and exchange of information between the competent authorities of Member States (current text - unchanged)

Article 14- Complaints (COM proposal - unchanged)

Article 15 Out-of-court redress (current text - unchanged)

Article 16 Restriction on use of intermediaries (current text - unchanged)

Article 16b: Financial education of customers and marketing communication (COM proposal - unchanged)

Article 10 - Professional and organisational requirements

1. Home Member States shall ensure that insurance and reinsurance distributors and employees of insurance and reinsurance undertakings carrying out insurance or reinsurance distribution activities possess **appropriate the necessary** knowledge and **ability competence** in order to complete their tasks and perform their duties adequately.

*In the context of an intra-group relationship with a branch of a registered insurance or reinsurance intermediary in a third country, the competent authority of the home Member State shall assess whether the registered insurance or reinsurance intermediary has an appropriate level of corporate substance in the home Member State in accordance with Article 1(6) by considering whether the insurance intermediary or reinsurance intermediary, including its employees where the insurance or reinsurance intermediary is a legal person, has appropriate knowledge and ability in order to complete their tasks and perform their duties adequately. **[AM 704 Yon-Courtin]***

2. Home Member States shall ensure that insurance and reinsurance intermediaries, **and** employees of insurance and reinsurance undertakings and employees of insurance and reinsurance intermediaries **maintain and update their knowledge and competence by undertaking regular comply with continuing** professional **development and** training, **including specific training where new insurance products or services are being offered by the insurance or reinsurance undertakings and intermediaries. and development requirements in order to maintain an adequate level of performance corresponding to the role they perform and the relevant market.**

~~To that end,~~ **For the purpose of the first subparagraph,** home Member States shall have in place and publish mechanisms to control effectively and assess the knowledge and competence of insurance and reinsurance intermediaries, ~~and~~ employees of insurance and reinsurance undertakings and employees of insurance and reinsurance intermediaries, **as set out in Annex I,** based on at least 15 hours of professional training or development per year, **during work hours,** taking into account the nature of the products sold, the type of distributor, the role they perform, and the activity carried out within the insurance or reinsurance distributor. **The mechanisms should in particular define in which cases additional hours of professional training and development must be required from an employee or intermediary beyond the minimum of 15 hours per year, based on the assessment of knowledge and competence [AM 709 Gruffat].** ~~Seven~~ **Appropriate number of hours of the professional training of employees of insurance and reinsurance undertakings and insurance and reinsurance**

intermediaries providing advice on insurance-based investment products should be allocated by national competent authorities to the minimum necessary knowledge in environmentally and socially sustainable investment, including how to consider and integrate sustainability factors and client's sustainability preferences into the advisory processes. [AM 706 Yon-Courtin, 707 Heinäluoma, 709 Gruffat]

Home Member States **may shall** require **that compliance with the criteria set out in Annex I, as well as the yearly** successful completion of the **continuous professional** training and development **requirements** is proven by **obtaining** a certificate.

Member States shall adjust the required conditions with regard to knowledge and ability in line with the particular activity of insurance or reinsurance distributors and the products distributed, particularly in the case of ancillary insurance intermediaries. Member States may require that in the cases referred to in the third subparagraph of Article 3(1), and with regard to the employees of insurance or reinsurance undertakings who are engaged in insurance or reinsurance distribution, the insurance or reinsurance undertaking or intermediary is to verify that the knowledge and ability of the intermediaries are in conformity with the obligations set out in paragraph 1 and, if need be, is to provide such intermediaries with training or professional development means which correspond to the requirements concerning the products sold by the intermediaries.

Member States need not apply the requirements referred to in paragraph 1 and in the first subparagraph of this paragraph to all the natural persons working in an insurance or reinsurance undertaking, or insurance or reinsurance intermediary, who pursue the activity of insurance or reinsurance distribution, but Member States shall ensure that the relevant persons within the management structure of such undertakings who are responsible for distribution in respect of insurance and reinsurance products and all other persons directly involved in insurance or reinsurance distribution demonstrate the knowledge and ability necessary for the performance of their duties.

Insurance and reinsurance intermediaries shall demonstrate compliance with the relevant professional knowledge and competence requirements laid down in Annex I.

The Commission shall be empowered to amend this Directive by adopting delegated acts in accordance with Article 38 to review, where necessary, the requirements set out in Annex I.

3. Natural persons working in an insurance or reinsurance undertaking, or insurance or reinsurance intermediary, who pursue insurance or reinsurance distribution shall be of good repute. As a minimum, they shall have a clean criminal record or any other national equivalent in relation to serious criminal offences linked to crimes against property or other crimes related to financial activities and they shall not have previously been declared bankrupt, unless they have been rehabilitated in accordance with national law.

Member States may, in accordance with the third subparagraph of Article 3(1), allow the insurance or reinsurance distributor to check the good repute of its employees and, where appropriate, of its insurance or reinsurance intermediaries.

Member States need not apply the requirement referred to in the first subparagraph of this paragraph to all the natural persons who work in an insurance or reinsurance undertaking, or insurance or reinsurance intermediary provided that those natural persons are not directly involved in insurance or reinsurance distribution. Member States shall ensure that the persons within the management structure responsible for, and any staff directly involved in, insurance or reinsurance distribution fulfil that requirement.

As regards ancillary insurance intermediaries, Member States shall ensure that the persons responsible for ancillary insurance distribution fulfil the requirement referred to in the first subparagraph.

4. Insurance and reinsurance intermediaries shall hold professional indemnity insurance covering the whole territory of the Union or some other comparable guarantee against liability arising from professional negligence, for at least ~~EUR 1 300 380~~ **EUR 1 250 000** applying to each claim and in aggregate ~~EUR 4 924 560~~ **EUR 1 850 000** per year for all claims, unless such insurance or comparable guarantee is already provided by an insurance undertaking, reinsurance undertaking or other undertaking on whose behalf the insurance or reinsurance intermediary is acting or for which the insurance or reinsurance intermediary is empowered to act or such undertaking has taken on full responsibility for the intermediary's actions.

5. Member States shall require that ancillary insurance intermediaries hold professional indemnity insurance or comparable guarantees at a level established by Member States taking into account the nature of the products sold and the activity carried out.

6. Member States shall take all necessary measures to protect customers against the inability of the insurance, reinsurance or ancillary insurance intermediary to transfer the premium to the insurance undertaking or to transfer the amount of claim or return premium to the insured.

Such measures shall take any one or more of the following forms:

- (a) provisions laid down by law or contract whereby monies paid by the customer to the intermediary are treated as having been paid to the undertaking, whereas monies paid by the undertaking to the intermediary are not treated as having been paid to the customer until the customer actually receives them;
- (b) a requirement for the intermediary to have financial capacity amounting, on a permanent basis, to 4 % of the sum of annual premiums received, subject to a minimum of ~~EUR 19 510~~ **EUR 18 750**;
- (c) a requirement that customers' monies be transferred via strictly segregated customer accounts and that those accounts not be used to reimburse other creditors in the event of bankruptcy;
- (d) a requirement that a guarantee fund be set up.

7. EIOPA shall regularly review the amounts referred to in paragraphs 4 and 6 in order to take account of changes in the European index of consumer prices as published by Eurostat. The first review shall take place by 31 December 2017 and successive reviews shall take place every five years thereafter.

EIOPA shall develop draft regulatory technical standards which adapt the base amount in euro referred to in paragraphs 4 and 6 by the percentage change in the index referred to in the first subparagraph of this paragraph over the period between 1 January 2013 and 31 December 2017 or between the last review date and the new review date and rounded up to the nearest multiple of EUR 10.

EIOPA shall submit those draft regulatory technical standards to the Commission by 30 June 2018 and the successive draft regulatory technical standards every five years thereafter.

Power is conferred on the Commission to adopt the regulatory technical standards referred to in the second and third subparagraphs of this paragraph in accordance with Articles 10 to 14 of Regulation (EU) No 1094/2010.

8. To ensure compliance with the requirements in paragraphs 1, 2 and 3, insurance and reinsurance undertakings shall approve, implement and regularly review their internal policies and appropriate internal procedures.

Insurance and reinsurance undertakings shall identify a function to ensure the proper implementation of the endorsed policies and procedures.

Insurance and reinsurance undertakings shall establish, maintain and keep up-to-date records of all the relevant documentation regarding the application of paragraphs 1, 2 and 3. Insurance and reinsurance undertakings shall, upon request, make available the name of the person responsible for that function to the home Member State competent authority.

Article 12 - Competent authorities

1. Member States shall designate the competent authorities empowered to ensure implementation of this Directive. They shall inform the Commission thereof, indicating any division of those duties.

2. The authorities referred to in paragraph 1 of this Article shall be either public authorities or bodies recognised by national law or by public authorities expressly empowered for that purpose by national law. They shall not be insurance or reinsurance undertakings or associations whose members directly or indirectly include insurance or reinsurance undertakings, or insurance or reinsurance intermediaries, without prejudice to the possibility of cooperation between competent authorities and other bodies where that is expressly provided for in Article 3(1).

2a. Insurance undertakings and intermediaries shall be required to report to national competent authorities of its home Member State on an annual basis:

(i) the number of insurance-based investment products and, where applicable, underlying investment assets, that it considers when providing advice, with a distinction between those issued or provided by entities with close link to the insurance undertaking or intermediary and those provided by non-affiliated third-party providers;

(ii) the ratio of insurance-based investment products and, where applicable, underlying investment assets, sold to clients that are issued or provided by entities with close links to the insurance undertaking or intermediary and those provided by non-affiliated third-party providers; National competent authorities shall forward this information to EIOPA without undue delay. [AM 711 Heinäluoma, Lalucq, Repasi]

3. The competent authorities shall possess all the powers necessary for the performance of their duties under this Directive.

The powers referred to in the first subparagraph, first sentence, shall include the power to:

- (a) have access to any document or other data in any form which the competent authority considers could be relevant and necessary for the performance of its duties and receive or take a copy of that document or those data;**
- (b) require or demand the provision of information from any person and if necessary to summon and question a person to obtain information;**
- (c) carry out on-site inspections or investigations;**
- (d) carry out mystery shopping activities;**
- (e) require the freezing or the sequestration of assets, or both;**
- (f) require the temporary prohibition of professional activity;**
- (g) require the auditors of insurance undertakings or insurance intermediaries to provide information;**
- (h) refer matters for criminal prosecution;**

- (i) allow auditors or experts to carry out verifications or investigations;
- (j) suspend or prohibit for a maximum duration of 1 year marketing communications or practices used in their Member State, where there are reasonable grounds for believing that this Directive has been infringed.;
- (k) require the temporary or permanent cessation of any practice or conduct that the competent authority considers to be contrary to the provisions adopted in the implementation of this Directive and prevent repetition of that practice or conduct;
- (l) adopt any other type of measure to ensure that insurance undertakings and insurance intermediaries continue to comply with legal requirements;
- (m) suspend or prohibit the distribution of an insurance-based investment product;
- (n) suspend the distribution of an insurance-based investment product where the insurance undertaking or insurance distributor has failed to comply with Article 25;
- (o) require the removal of a natural person from the management board of an insurance undertaking or insurance distributor;
- (p) take all the necessary measures, including by requesting a third party or other public authority to implement such measures, whether on a temporary or permanent basis, to:
 - (i) remove content or to restrict access to an online interface or to order the explicit display of a warning to customers when they access an online interface;
 - (ii) order a hosting service provider to remove, disable or restrict access to an online interface;
 - (iii) order domain registries or registrars to delete a fully qualified domain name and to allow the competent authority concerned to register it;
- (q) impose the use of risk warnings for insurance-based investment products, ***and, where applicable, underlying investment options*** in information materials, including marketing communications, ***related to particularly risky insurance-based investment products and, where applicable, underlying investment assets***, where those products and ***assets underlying investment options*** [AM 62 Yon-Courtin] could pose a serious threat to investor protection.

(qa) use webscraping techniques and tools to collect online data for monitoring, surveillance, detection and investigation purposes. [AM 63 Yon-Courtin]

When making use of the powers referred to in point (j), the competent authority shall notify EIOPA. Where such practices or communications are used in more than one Member State, EIOPA shall, upon request of at least one competent authority, coordinate actions taken by competent authorities pursuant to point (j).

The implementation and the exercise of powers set out in this paragraph shall be proportionate and shall comply with Union and national law, including with applicable procedural safeguards and with the principles of the Charter of Fundamental Rights of the European Union. The investigation and enforcement measures adopted pursuant to this Directive shall be appropriate to the nature and the overall actual or potential harm of the infringement.

Article 12b

Collaboration platforms

1. EIOPA may, in the case of justified concerns about negative effects on policyholders, on its own initiative or at the request of one or more of the competent authorities, set up and coordinate a collaboration platform, to strengthen the exchange of information and to enhance collaboration between the relevant supervisory authorities where an insurance or reinsurance distributor carries out, or intends to carry out, insurance distribution activities which are based on the freedom to provide services or the freedom of establishment *or when an insurance manufacturer distributes, or intends to distributes products in another Member State using insurance distributors registered in the host Member State* [AM 714 Yon-Courtin, AM 713 Heinäluoma, Lalucq, Repasi] and where such activities are of relevance with respect to the host Member State's market. If a collaboration platform is set up at the request of a competent authority, that competent authority shall notify the competent authority of the home Member State of its justified concerns about negative effects on investors.
2. Paragraph 1 shall be without prejudice to the right of the relevant supervisory authorities to set up a collaboration platform where they all agree to do so.
3. The setting up of a collaboration platform pursuant to paragraphs 1 and 2 is without prejudice to the supervisory mandate of the supervisory authorities of the home Member State and host Member State provided for in this Directive.
4. Without prejudice to Article 35 of Regulation (EU) No 1094/2010, at the request of EIOPA, the relevant competent authorities shall provide all necessary information in a timely manner.
5. Where two or more competent authorities of a collaboration platform disagree about the procedure or content of an action to be taken, or inaction, EIOPA may, at the request of any relevant competent authority or on its own initiative, assist the competent authorities in reaching an agreement in accordance with Article 19(1) of Regulation (EU) No 1094/2010.
6. In the event of disagreement within the platform and where there are serious concerns about negative effects on policyholders or about the content of an action or inaction to be taken in relation to an insurance or reinsurance distributor, EIOPA may, ~~in accordance with Article 16 of Regulation (EU) No 1094/2010, issue a recommendation to decide to initiate and coordinate joint on-site inspections. In that case, EIOPA shall invite~~ the competent authority of the home Member State ~~to consider the concerns of, as well as~~ other relevant competent authorities ~~concerned and to launch a of the collaboration platform, to participate in such~~ joint on-site inspection ~~together with other competent authorities concerned.~~ [AM 64 Yon-Courtin]

Article 16a

Financial education of customers

1. Member States shall **define and implement information and educational actions in order to promote measures that support the and increase customers education of customers and knowledge** [AM 717 Yon-Courtin] in relation to the responsible purchase of insurance products when accessing insurance services or ancillary services.

Member States shall consider the contribution of national competent authorities, universities and relevant stakeholders when designing the educational instruments to promote financial literacy. [AM 685 Pereira]. **Member States shall duly consider, in this regard, to introduce compulsory teaching content in their national school curricula.** [AM 681 Karas]

Member States shall fund consumer organisations and independent investor or shareholder organisations that support the support the education of retail clients and prospective retail clients in relation to responsible investment when accessing investment services or ancillary services. [AM 680 Heinäluoma, Lalucq, Repasi]

1a. National competent authorities shall engage in a dialogue and carry out, at their own initiative, peer reviews to assess the applicability of best practices to their national system. [AM 685 Kovařík]

1b. The Commission, in collaboration with the European Supervisory Authorities (ESAs), the European Investment Bank and the European Central Bank shall:

(a) facilitate cooperation and exchange of best practices among Member States and stakeholders active in education and finance;

(b) establish clear targets on financial literacy;

(c) establish a Platform on Financial education and literacy, which shall be composed of representatives of:

- each Member State in the education and finance sectors, designated by the national competent authorities;

- the ESAs;

- the European Central Bank;

- the European Investment Bank;

- European and national consumer associations.

International organisations, and other public and private stakeholders may be invited on an ad hoc basis.

The Platform shall be chaired by the Commission. Representatives shall be appointed for a two-year renewable mandate.

Member States shall promote and take measures for the development of financial literacy skills.

By [PO please insert the date = 12 months after the entry into force of the Directive] and every three years thereafter, Member States shall report to the Commission on the implementation on the first paragraph. The Commission shall issue guidelines regarding the scope of such reports.

By [PO please insert the date = 12 months after the entry into force of the Directive] and every five years thereafter, the Commission shall submit a report to the European Parliament and the

Council on the implementation of measures in relation to the first paragraph, outlining the best practices, the possible way forward as well as the observed evolution and results between each report.

1c. Member states are encouraged to:

(a) coordinate and cooperate on matters related to financial education at European level, such as through the use of the open methods of coordination and joint exchanges on best practices between EU finance ministers and EU education ministers, as well as with other European institutions;

(b) promote financial education and training, also through lifelong learning opportunities on national level ,as for example public-private partnerships, or through mentoring programmes.

The Commission and Member States shall aim at strengthening the cooperation in the field of financial education within the European Education Area, as for example through the Erasmus+ Teacher's academy' initiative. Member States are encouraged to use the existing tools and EU funding programmes at Union and national level in order to promote, support and enable financial education and training, and ensure the mutual recognition of diplomas across the European Union.

[AM 720 Yon-Courtin]

1ab. Member States shall consider the contribution of national competent authorities, universities and relevant stakeholders when designing the educational instruments to promote financial literacy. [AM 722 Pereira]

Article 16b: Financial education of customers and marketing communication

Financial education material that aims to support individuals' financial literacy by enabling them to acquire financial competences, and that does not directly promote or entice investment in one or several insurance products, or categories thereof, or specific insurance services, shall not be deemed to constitute a marketing communication for the purposes of this Directive.';

CHAPTER V

INFORMATION REQUIREMENTS AND CONDUCT OF BUSINESS RULES

Unchanged articles :

Article 17 General principle(Commission proposal - unchanged)

Article 18 - General information to be provided to the customer ~~by the insurance intermediary or insurance undertaking~~(Commission proposal - unchanged)

Article 19 - Conflicts of interest and transparency Disclosures (Commission proposal - unchanged)

Article 21 - Information provided by ancillary insurance intermediaries (current text- unchanged)

Article 22 - Information exemptions and flexibility clause (current text - unchanged)

Article 20 - Advice, and standards for sales where no advice is given

1. ~~Prior to the conclusion of~~ **In good time before the customer is bound by an insurance contract or offer**, the insurance distributor shall specify, on the basis of information obtained from the customer, the demands and the needs of that customer and shall provide the customer with objective information about the insurance product in a comprehensible form to allow that customer to make an informed decision.

Any contract proposed shall be consistent with the customer's insurance demands and needs.

Where advice is provided prior to the conclusion of any specific contract, the insurance distributor shall provide the customer with a personalised recommendation explaining why a particular product would best meet the customer's demands and needs.

2. The details referred to in paragraph 1 shall be modulated according to the complexity of the insurance product being proposed and the type of customer.

3. Where an insurance intermediary **distributing insurance products other than insurance-based investment products** informs the customer that it gives its advice on the basis of a fair and personal analysis, it shall give that advice on the basis of an analysis of a sufficiently large number of insurance contracts available on the market to enable it to make a personal recommendation, in accordance with professional criteria, regarding which insurance contract would be adequate to meet the customer's needs.

4. ~~Without prejudice to Articles 183 and 184 of Directive 2009/138/EC, prior to the conclusion of a~~ **In good time before the customer is bound by an insurance_ contract_or offer**, whether or not advice is given and irrespective of whether the insurance product is part of a package pursuant to Article 24 of this Directive, the insurance distributor shall provide the customer with the relevant information about the insurance product in a comprehensible form to allow the customer to make an informed decision, while taking into account the complexity of the insurance product and the type of customer.

5. In relation to the distribution of non-life insurance products as listed in Annex I to Directive 2009/138/EC **and to life insurance products as listed in Annex II to Directive 2009/138/EC other than insurance-based investment products, and other than life insurance products within the meaning of Article 2 (1) No. 17 (c) to (e) [AM 724 Seekatz, Ferber]** the information referred to in paragraph 4 of this Article shall be provided **to retail customers** by way of a standardised insurance product information document on paper or on another durable medium.

6. The insurance product information document referred to in paragraph 5 shall be drawn up by the manufacturer of the non-life insurance product.

7. The insurance product information document shall:

- (a) be a short and stand-alone document;
- (b) be presented and laid out in a way that is clear and easy to read, using characters of a readable size;
- (c) be no less comprehensible in the event that, having been originally produced in colour, it is printed or photocopied in black and white;
- (d) be written in the official languages, or in one of the official languages, used in the part of the Member State where the insurance product is offered or, if agreed by the consumer and the distributor, in another language;
- (e) be accurate and not misleading;
- (f) contain the title 'insurance product information document' at the top of the first page;
- (g) include a statement that complete pre-contractual and contractual information on the product is provided in other documents.

Member States may stipulate that the insurance product information document is to be provided together with information required pursuant to other relevant Union legislative acts or national law on the condition that all the requirements set out in the first subparagraph are met.

8. **For non-life insurance products,** ~~The~~ insurance product information document shall contain the following information:

- (a) information about the type of insurance;
- (b) a summary of the insurance cover, including the main risks insured, the insured sum and, where applicable, the geographical scope and a summary of the excluded risks;
- (c) the means of payment of premiums and the duration of payments;
- (d) main exclusions where claims cannot be made;
- (e) obligations at the start of the contract;
- (f) obligations during the term of the contract;
- (g) obligations in the event that a claim is made;
- (h) the term of the contract, including the start and end dates of the contract;
- (i) the means of terminating the contract;
- (j) **the law applicable to the contract where the parties do not have a choice of law or, where the parties can choose the law applicable to the contract, the law that the insurance undertaking proposes to choose, and the competent jurisdiction.**

8a. For life insurance products other than insurance-based investment products, *and other than life insurance products within the meaning of Article 2 (1) No. 17 (c) to (e), [AM 728 Seekatz,*

Ferber] the insurance product information document shall contain the following:

- (a) information about the type of insurance;
- (b) a summary of the insurance cover, including details of the insurance benefits and options and the circumstances that would trigger them, and, where applicable, a summary of the excluded risks;
- (c) the means of payment of premiums and the duration of payments;
- (d) information on the premiums for each benefit, both main benefits and supplementary benefits, where applicable;
- (e) where applicable, the means of calculation and distribution of bonuses;
- (f) main exclusions where claims cannot be made;
- (g) obligations at the start of the contract;
- (h) obligations during the term of the contract;
- (i) obligations in the event that a claim is made;
- (j) an indication of surrender and paid-up values and the extent to which they are guaranteed;
- (k) information on the right of cancellation pursuant to Article 186 of Directive 2009/138/EC, in particular details on the time-limitations and conditions for the exercise of that right;
- (l) general information on the tax rules applicable to the type of insurance policy;
- (m) the term of the insurance contract, including the start and end dates of the contract;
- (n) the means of terminating the contract;
- (o) the law applicable to the contract where the parties do not have a choice of law or, where the parties can choose the law applicable to the contract, the law that the insurance undertaking proposes to choose, and the competent jurisdiction.

9. EIOPA, after consulting national authorities and after consumer testing, shall develop draft implementing technical standards regarding a standardised presentation format of the insurance product information document specifying the details of the presentation of the information referred to in paragraph 8a.

EIOPA shall submit those draft implementing technical standards to the Commission by **23 February 2017 [DATE TBD IN ACCORDANCE TO DATE OF ADOPTION]**.

Power is conferred on the Commission to adopt the implementing technical standards referred to in the first subparagraph of this paragraph in accordance with Article 15 of Regulation (EU) No 1094/2010.

Article 23

Information conditions-

Electronic distribution and other durable means

Article 23 replaced by following:

1. Insurance distributors shall provide all information required by this Directive to customers in electronic format.

By way of derogation from the first subparagraph, insurance distributors shall provide, upon request from the retail customer, the information referred to in the first subparagraph, free of charge on paper.

2. Insurance distributors shall inform retail customers that they have the option of receiving the information free of charge on paper.

3. Insurance distributors shall inform the existing retail customers that they have the choice either to continue receiving the information free of charge on paper or to receive the information only in electronic format. Insurance distributors shall inform existing retail customers that an automatic switch to the electronic format will occur after a period of at least eight weeks, if they do not request the continuation of the provision of the information on paper within that eight week period. Existing retail customers who already receive the information referred to in paragraph 1 in electronic format do not need to be informed.

4. EIOPA shall, *taking into account the requirements of other existing legislation*, [AM 733 Fitzgerald] after consulting ESMA and after conducting consumer testing and industry testing, by [2 years after the entry into force of the amending Directive] develop, and update periodically, guidelines specifying the presentation of information provided in an electronic format in a suitable way for the average customer to whom the information is directed.

The guidelines referred to in the first subparagraph shall specify:

- (a) the presentation and format of the digital disclosures, considering the various designs and channels that insurance distributors may use to inform their customers;
- (b) the necessary safeguards to ensure ease of navigability and accessibility of the information, regardless of the device used by the customer;
- (c) the necessary safeguards to ensure easy retrievability of the information and facilitate the storing of information by customers in a durable medium.

Article 24 Cross-selling (current text - unchanged)

Article 25

Article 25 Product oversight and governance requirements

1. **The home Member State of the manufacturer shall require that insurance undertakings and, as well as intermediaries which manufacture any insurance product for sale to customers, shall establish, maintain, operate and review a process for the approval of each insurance product, or and for significant adaptations of an existing insurance products, before they are marketed or distributed to customers ('the product approval process').**

The product approval process shall be proportionate and appropriate to the nature of the insurance product. The product approval process **shall contain all of the following:**

- (a) a specification of an identified target market for each insurance product;**

- (b)** a clear identification of target market's objectives and needs;
- (c)** an assessment of whether the insurance product is designed appropriately to meet the target market's objectives and needs;
- (d)** an assessment of all relevant risks to the identified target market and that the intended distribution strategy is consistent with the identified target market;
- (e)** ~~and take~~ reasonable steps to ensure that the insurance product is distributed to the identified target market;
- (f)** in relation to insurance-based investment products, a clear identification *of both quantitative and qualitative elements of the financial product, and quantification of including i) all costs and charges related to the product and, ii) an assessment of whether these costs and charges are justified in relation to those actually incurred for the design, management and distribution of the product* and proportionate, having regard to the characteristics, objectives, strategy and performance of the product, as well as the guarantees and insurance coverage of biometric and other risks (pricing process) *and iii) additional product features and services that may impact the value and benefits provided to investors. When an insurance product offers a range of underlying investment options, these requirements must also be carried out at the level of each investment option;* [AM 737 Yon-Courtin, 738 Benjumea, 740 Fitzgerald]
- (g)** in relation to insurance-based investment products, an assessment of the risk of misunderstanding of the main features, costs and risks of the insurance-based investment product by the customers belonging to the target market.
- (g a)** *an assessment of whether the financial product is designed to contribute to improving the financial health of a consumer, meaning consumer's ability to manage short-term finances, build resilience to economic shocks, set and achieve long-term financial goals, and have confidence in their financial future.* [AM 745 Yon-Courtin]

~~The pricing process referred to in point (f) shall contain a comparison with the relevant benchmark, where available, on costs and performance published by EIOPA in accordance with paragraph 8.~~ [AM 65 Yon-Courtin, AM 746 Nesci, AM 747 Fitzgerald, AM 748 Polfjärd, AM 749 Karas, AM 750 Zanni, Grant, Rinaldi, AM 751 Benjumea,]

~~2. When an insurance-based investment product which deviates from the relevant benchmark referred to in paragraph 8, the manufacturer shall perform additional testing and further assessments and establish whether costs and charges are nevertheless justified and proportionate. If justification and proportionality of costs and charges cannot be demonstrated, the insurance-based investment product shall not be approved by the manufacturer. Where no relevant benchmark exists for an insurance-based investment product, a manufacturer shall approve the product only if it has established through product testing and assessments that the costs and charges are justified and proportionate and that the product meets the target market's objectives and needs.~~ [AM 66 Yon-Courtin, AM 756 Nesci, AM 757 Seekatz, Ferber, AM 758 Karas, AM 759 Benjumea, AM 760 Fitzgerald, AM 761 Polfjärd, AM 762 Zanni, Grant, Rinaldi]

3. ~~The~~ Insurance undertakings and intermediaries which manufacture insurance products shall understand and regularly review the insurance products ~~they~~ it offers or markets, taking into account any event or risk that could materially affect the ~~potential risk to the~~ identified target market, and to assess

at least whether the product remains consistent with the **objectives and** needs of the identified target market and whether the intended distribution strategy remains appropriate.

Insurance undertakings, ~~as well as~~ and intermediaries which manufacture insurance products shall make available to distributors all **appropriate** information on the insurance product and the product approval process **that is needed to fully understand that product and the elements taken into consideration during the product approval process**, including **complete and accurate details on any costs and charges *features, objectives, strategy and performance*** ~~the identified target market~~ of the insurance product. [AM 766 Fitzgerald]

In the case of insurance-based investment products, the information made available to distributors shall contain all the elements referred to in paragraph 1, third subparagraph, points (f) and (g), any further relevant data and an explanation showing that costs and charges are justified and proportionate and that the product meets the objectives and needs of the customers belonging to the target market.

4. Insurance undertakings and insurance intermediaries which manufacture insurance-based investment products shall report to their home authorities all of the following:

- a) complete and accurate details of costs and charges of the insurance-based investment product, including distribution costs incorporated into the costs of the product, inclusive of third-party-payments;
- b) data on the characteristics of the insurance-based investment product, in particular its performance, **objectives** and level of risk. [AM 769 Fitzgerald, 773 Benjumea]

The competent authorities shall transmit the data referred to in the first subparagraph to EIOPA without undue delay.

5. ~~Where~~ An insurance distributor **that** advises on or proposes insurance products which it does not manufacture ~~it~~ shall have in place adequate arrangements to obtain the information referred to **paragraph 3, second subparagraph**, and to understand the characteristics and identified target market of each insurance product.

Insurance intermediaries or insurance undertakings distributing insurance-based investment products shall:

- a) make sure that they obtain and fully understand the information referred to in paragraph 3, third subparagraph;
- b) identify and quantify any further costs and charges, in particular distribution costs, that are not already taken into account in the calculation of total costs and charges by the manufacturer **including entry costs, exit costs and third-party payments received and retained by the distributor** [AM 776 Benjumea];
- c) assess whether the total costs and charges are justified and proportionate, having regard to the target market's objectives and needs (pricing process);

(c a) assess additional product features and services that may impact the value and benefits provided to investors. [AM 782 Benjumea]

~~The pricing process referred to in point (c) shall include, where available, a comparison with the relevant benchmark on costs and performance published by EIOPA in accordance with paragraph 8.~~ [AM 67 Yon-Courtin, AM 783 Nesci, AM 784 Benjumea, AM 785 Polfjärd, AM 786 Fitzgerald, AM

787 Zanni, Grant, Rinaldi]

The distributor shall provide the insurance undertaking or insurance intermediary manufacturing the insurance-based investment product regularly with all relevant information about the results of its pricing process. Where the distributor finds that there are costs and charges, in particular distribution costs, that have not been fully taken into account in the manufacturer's pricing process, it shall immediately inform the manufacturer.

~~6. When an insurance-based investment product deviates from the relevant benchmark referred to in paragraph 8, the insurance intermediary or insurance undertaking distributing insurance-based investment products shall perform additional testing and further assessments and establish whether costs and charges are nevertheless justified and proportionate. If justification and proportionality of costs and charges cannot be demonstrated, the insurance intermediary or insurance undertaking shall not advise on or propose the insurance-based investment product to retail customers. Where no relevant benchmark exists for an insurance-based investment product, distributors shall only advise on or propose the product, if they have established through product testing and assessments that the costs and charges are justified and proportionate and that the product meets the target market's objectives and needs. [AM 68 Yon-Courtin, AM 792 Nesci, AM 793 Zanni, Grant, Rinaldi, AM 794 Benjumea, AM 795 Karas, AM 796 Seekatz, Ferber, AM 797 Polfjärd, AM 798 Fitzgerald.]~~

7. An insurance intermediary or insurance undertaking which manufactures or distributes insurance-based investment products shall document all assessments made, *and shall upon request, provide such assessments to a relevant competent authority*, including all of the following: [AM 803 Heinäluoma]

- ~~a) where relevant, the results of the comparison of the insurance-based investment product to the relevant benchmarks, [AM 69 Yon-Courtin, AM 804 Polfjärd]~~
- ~~b) where applicable, the reasons justifying a deviation from the benchmark [AM 70 Yon-Courtin, AM 806 Zanni, Grant, Rinaldi, AM 807 Polfjärd]~~
- c) justification and demonstration of the proportionality of costs and charges of the insurance-based investment product.

~~8. EIOPA, after having consulted ESMA and the competent authorities, shall, where appropriate, develop and make publicly available common benchmarks for insurance-based investment products that present similar levels of performance, risk, strategy, objectives, or other characteristics to help insurance undertakings and insurance intermediaries manufacturing or distributing insurance-based investment products to perform the comparative assessment of the cost and performance of insurance-based investment products. [AM 814 Nesci]~~

~~The benchmarks shall display a range of costs and performance, in order to facilitate the identification of insurance-based investment products whose costs and performance depart significantly from the average. [AM 818 Nesci]~~

~~The costs used for the development of benchmarks shall, in addition to the total product cost, also include all costs of distribution, inclusive inducements. They shall allow comparison with individual cost components.~~

~~EIOPA shall regularly update those benchmarks. [AM 827 Nesci; Entire paragraph 8: AM 71 Yon-Courtin, AM 810 Benjumea, AM 811 Zanni, Grant, Rinaldi, AM 812 Polfjärd, AM 813 Fitzgerald, 815 Seekatz, Ferber]~~

9.-2-The Commission shall be empowered to supplement this Directive by adopting delegated acts in accordance with Article 38 to further specify the principles set out in this Article, including, with regard to insurance-based investment products, *criteria to determine whether the product characteristics are justified and proportionate*; [AM 835 Fitzgerald]

- a) ~~the methodology to be used by EIOPA to develop the benchmarks referred to in paragraph 8~~; [AM 72 Yon-Courtin, AM 836 Zanni, Grant, Rinaldi]
- b) the criteria and elements to determine whether costs and charges are justified and proportionate;

Those delegated acts shall take into account in a proportionate way the activities performed, the nature of the insurance products sold and the nature of the distributor.

10. EIOPA, after having consulted ESMA and the competent authorities and after industry testing, ~~and taking into consideration the methodology referred to in paragraph 9, point (a)~~, [AM 73 Yon-Courtin, AM 840 Karas, AM 841 Benjumea, AM 842 Zanni, Grant, Rinaldi] shall develop draft regulatory technical standards to determine the following:

- a) content and type of data to be reported to the home authorities in accordance with paragraph 4, based on *existing* [AM 844 Fitzgerald] disclosure and reporting obligations, unless additional data is exceptionally necessary;
- b) the data standards and formats, methods and arrangements, frequency and starting date for the information to be reported in accordance with paragraph 4.

EIOPA shall submit those draft regulatory technical standards to the Commission by [9 months after ~~the adoption of the delegated act referred to in paragraph 2 date of entry into force of this Directive~~]. [AM 74 Yon-Courtin, AM 845 Zanni, Grant, Rinaldi, AM 846 Fitzgerald, AM 847 Karas]

Power is delegated to the Commission to adopt the regulatory technical standards referred to in the first subparagraph in accordance with Articles 10 to 14 of Regulation (EU) No 1094/2010.

11.-3-The policies, processes and arrangements referred to in this Article shall be without prejudice to all other requirements under this Directive including those relating to disclosure, suitability or appropriateness, identification and management of conflicts of interest, and **inducements third-party payments**.

12.-4-This Article shall not apply to insurance products which consist of the insurance of large risks.

CHAPTER VI

ADDITIONAL REQUIREMENTS IN RELATION TO INSURANCE-BASED INVESTMENT PRODUCTS

Unchanged article:

Article 26- Scope of additional requirements (Commission proposal - unchanged)

Article 21 Information provided by ancillary insurance intermediaries (current text- unchanged)

Article 22 Information exemptions and flexibility clause (current text - unchanged)

Agence Europe

Article 26a - Marketing Communications and practices

1. By derogation from Article 17(2), Member States shall ensure that marketing communications of insurance-based investment products are clearly identifiable as such and clearly identify the insurance intermediary or insurance undertaking responsible for their content and distribution, regardless of whether the communication is made directly or indirectly by the insurance intermediary or insurance undertaking.

2. Member States shall ensure that marketing communications of insurance-based investment products are developed, designed and provided in a manner that is fair, clear, not misleading, balanced in terms of presentation of benefits and risks, and appropriate in terms of content and distribution channels for the target audience and where related to a specific insurance-based investment product to the target market identified pursuant to Article 25(1).

All marketing communications of insurance-based investment products shall present, in a prominent and concise way, the essential characteristics of the insurance-based investment products to which they refer.

The information shall be made accessible, depending on the characteristics of the medium, via a nested display, scroll over, through a QR-code, or similar. [AM 855 Seekatz, Ferber]

The presentation of the essential characteristics of marketing communications of insurance-based investment products shall ensure that retail investors can easily understand the key features of the insurance-based investment product as well as the **costs and** [AM 856 Heinäluoma, Lalucq, Repasi] main risks associated with them.

3. Member States shall ensure that marketing practices are developed and used in a manner that is fair and not misleading, and shall be appropriate for the target audience. ***Member States shall ensure that insurance undertakings and insurance intermediaries, carrying out profiling of individuals for the purpose of this paragraph, fully comply with Regulation (EU) 2016/679. [AM 857 Yon-Courtin]***

4. Where a manufacturer of an insurance-based investment product prepares and provides a marketing communication to be used by a distributor, the manufacturer shall be responsible for the content of such marketing communication and its update. The distributor shall be responsible for the use of this marketing communication and shall ensure that it is used for the identified target market only and in line with the distribution strategy identified for ***that the*** [AM 75 Yon-Courtin] target market.

Where an insurance undertaking or an insurance intermediary that offers or recommends insurance-based investment products which it does not manufacture, organises its own marketing communication, it shall be fully responsible for its appropriate content, update and use, in line with the identified target market.

4a. Where an insurance undertaking or insurance intermediary uses the services of a third party that is remunerated or incentivised through non-monetary compensation by such insurance undertaking or insurance intermediary, in order to promote investments in one or several insurance-based investment products, or underlying investment options, and where such third party carries out such promotion through public social media platforms (“finfluencer”), the insurance undertaking or insurance intermediary shall comply with the following obligations:

(a) it shall establish a written agreement with the finfluencer determining the nature and scope of the activity to be carried out on behalf of the insurance undertaking or insurance intermediary;

(b) upon request, it shall provide to the competent authority with the identity and contact details of all influencers whose services it relies on;

(c) it shall regularly check that the activity of the influencers whose services it relies on complies with paragraphs 1 to 4. [AM 76 Yon-Courtin]

5. Member States shall ensure that insurance undertakings and insurance intermediaries make annual reports to their management body on the use of marketing communications and strategies aimed at marketing practices, the compliance with relevant obligations on marketing communications and practices under this Directive and on any signalled irregularities and proposed solutions.

6. Member States shall ensure that national competent authorities can take timely and effective action in relation to any marketing communication or marketing practice that do not comply with the requirements laid down in paragraphs 1 to 3.

7. Member States shall ensure that insurance undertakings and insurance intermediaries keep records of all their marketing communications of insurance-based investment products *provided or made accessible to retail customers or potential retail customers*, or their marketing communications *provided or made accessible to retail customers or potential retail customers that is* [AM 77 Yon-Courtin] made by any third party remunerated or incentivised through non-monetary compensation. *Such records shall be retained for at least the duration of the relationship between the insurance intermediary or insurance undertaking and the customer.*

Such records shall be kept for a period of five years and, where requested by the competent authority, for a period of up to seven years. Those records shall be retrievable by the insurance undertaking or insurance distributor upon request by the competent authority.

The records referred to in the first subparagraph shall contain all of the following:

- (a) the content of the marketing communication;
- (b) details about the medium used for the marketing communication;
- (c) the date and duration of the marketing communication, including relevant starting and end times;
- (d) the targeted customer segments or profiling determinants;
- (e) the Member States where the marketing communication was made available;
- (f) the identity of any third party involved in the dissemination of the marketing communication.

Records of such identity referred to in point (f) shall contain the legal names, registered addresses, contact details and, where relevant, social media handle of the natural or legal persons involved.

8. The Commission shall be empowered to adopt a delegated act in accordance with Article 38 to supplement this Directive by specifying:

- (a) the essential characteristics of insurance-based investment products to be disclosed in all marketing communications targeting retail customers or potential retail customers and any other relevant criteria to ensure that those essential characteristics appear in a prominent way and are easily accessible by an average retail customer, regardless of the means of communication;
- (b) the conditions with which marketing communications and marketing practices of insurance-based investment products should comply in order to be fair, clear, not misleading, balanced in terms of the presentation of the advantages, **costs** [AM 868 Heinäluoma, Lалуçq, Repasi] and risks, and appropriate in terms of content and distribution channels for the target audience or, where applicable, the target market.

Article 27 - Prevention of conflicts of interest (current text - unchanged)

Article 28 Conflicts of interest (Commission proposal - unchanged)

Article 29

Article 29 Information to customers and policyholders

Article 29 is replaced by the following:

1. Without prejudice to Article 18 and Article 19(1) and (2), **Member States shall ensure that insurance intermediaries and insurance undertakings distributing insurance-based investment products provide customers appropriate information shall be provided** in good time, ~~prior to the conclusion of a~~ **before** the customers are bound by an insurance contract or offer, with

appropriate information in personalised form to customers with regard to about the distribution of insurance-based investment products proposed to those customers, and with regard to all costs and related charges. That information shall include at least contain all of the following:

- (a) ~~when where~~ advice is provided; ~~whether the insurance intermediary or insurance undertaking will provide the customer with a periodic assessment of the suitability of the insurance-based investment products recommended to that customer, referred to in Article 30;~~
 - (i) whether or not the advice is provided on an independent basis;
 - (ii) whether the advice is based on a broad or on a more restricted analysis of different types of insurance-based investment products and, where applicable, underlying investment *assets options* [AM 78 Yon-Courtin], and in particular, whether or not the range is limited to products and assets manufactured or provided by entities having close links with the insurance intermediary or insurance undertaking, or any other legal or economic relationships, such as contractual relationships, so close as to pose a risk of impairing the independent basis of the advice provided;
 - (iii) whether the insurance intermediary or insurance undertaking will provide the customer with a periodic assessment of the suitability of the insurance based investment product recommended to that customer;
 - (iv) where the insurance intermediary or insurance undertaking provides independent advice to a retail customer, whether the range of insurance-based investment products that are recommended is restricted or not to well-diversified, non-complex (as referred to in Article 30(3)) and cost-efficient insurance-based investment products only;
 - (v) how the recommended insurance-based investment products take into account the diversification of the customer's portfolio; [AM 878 Yon-Courtin]*
- (b) ~~as regards the information on~~ a description of the main features of the proposed insurance-based investment products and, where applicable, any ~~proposed~~ recommended underlying investment *assets options* and investment strategies, including appropriate guidance on, and warnings of, the risks associated with the insurance-based investment products and, where applicable, the recommended underlying investment *assets options* [AM 79 Yon-Courtin] or in respect of particular investment strategies followed by that product proposed;
- (c) information on the proposed insurance cover, including details of the insurance benefits and options and the circumstances that would trigger them, and, where applicable, a summary of the excluded risks and exclusions, where claims cannot be made;
- (d) ~~(e) as regards the~~ information on all explicit and implicit costs, and related associated charges and third-party payments, ~~to be disclosed, information~~ including all costs and charges relating to the distribution of the insurance-based investment product, including and the cost of advice, where relevant, ~~the cost of the insurance-based investment product recommended or marketed to the~~ customer, and how the customer may pay for it and the duration of payments; ~~also encompassing any third-party payments.~~
- (e) the law applicable to the contract and the competent jurisdiction;

(f) general information on the tax rules applicable to the type of insurance-based investment product.

The information referred to in the first subparagraph, point (d), shall be accompanied by an appropriate explanation, in a standardised and comprehensible language for an average retail customer, on the impact of the costs, charges and any third-party payments on the expected return.

~~The information about all costs and charges, including costs and charges in connection with the distribution of the insurance-based investment product, which are not caused by the occurrence of underlying market risk, shall be in aggregated form to allow the customer to understand the overall cost as well as the cumulative effect on the return of the investment, and, where the customer so requests, an itemised breakdown of the costs and charges shall be provided. Where applicable, such information shall be provided to the customer on a regular basis, at least annually, during the life cycle of the investment.~~

Member States shall ensure that insurance intermediaries and insurance undertakings present the information on all costs, charges and third-party payments referred to in the first subparagraph, point (d) in aggregated form to enable the customer to understand the overall cost and the cumulative effect on the return of the investment. The overall cost shall be expressed in monetary terms and percentages calculated over the term of the insurance-based investment product. *Where the customer so requests, Insurance intermediaries and insurance undertakings provide shall inform clients explicitly about the possibility to ask for an itemised breakdown of that information and they shall provide such an itemised breakdown at the request of the client.* [AM 899 Heinäluoma, Lalucq, Repasi]

If the disclosure of third-party payments cannot be ascertained at the pre-contractual stage, the method for calculating the amount shall be clearly disclosed to the client in a manner that is comprehensible, accurate and understandable for an average retail client. [AM 80 Yon-Courtin, AM 906 Polfjärd] . Insurance intermediaries and insurance undertakings shall also provide its clients with information of the exact amount of the third-party payments received or paid on an ex-post basis [AM 557 Yon-Courtin]

The third-party payments paid or received by the insurance intermediary or insurance undertaking in connection with the provision or distribution of the insurance-based investment product shall be itemised separately. The insurance intermediary or insurance undertaking shall disclose the cumulative impact of such third-party payments, including any recurring third-party payments, on the net return over the term of the insurance-based investment product. The purpose of the third-party payments and their impact on the net return shall be explained in a standardised way and in a comprehensible language for an average retail customer.

2. Member States shall ensure that manufacturers of insurance-based investment products draw up a concise personalised document containing key information to be provided annually to each retail customer holding the product ('annual statement').

The exact date to which the information in the annual statement refers shall be stated prominently.

The information in the annual statement shall be accurate and up to date.

Manufacturers shall make the annual statement available to each retail policyholder free of charge through electronic format. A paper copy shall be provided upon request in addition to any information available through electronic means.

The annual statement does not need to be provided where the manufacturer provides its retail policyholders with access to an online system, which qualifies as a durable medium, where up-to-date statements with the relevant information set out in paragraph 3 can be easily accessed and the manufacturer has evidence that the retail policyholder has accessed those statements at least once during the previous 12 months.

3. The annual statement shall include, at least, the following key information:

- (a) the total costs associated charges and third-party payments, expressed in an itemised way in monetary terms and percentages, paid or borne, directly or indirectly, by the retail policyholder over the previous 12 months and on a compounded basis since the start of the contract term in connection with the insurance-based investment product;
- (b) the annual performance of each of the underlying investment **assets options** [AM 81 Yon-Courtin] of the insurance-based investment product and the annual global performance of the portfolio, each compared with past performance over previous years;
- (c) the total taxes including stamp duty, transactions tax, withholding tax and any other taxes where levied by the insurance undertaking, with a split per tax, borne by the retail customer in connection with the insurance-based investment product;
- (d) where applicable, the market or estimated value when the market value is not available of the underlying investment **assets options** [AM 82 Yon-Courtin] of the insurance-based investment product;
- (e) payments made by the retail policyholder with regard to the insurance-based investment product including investments, deposits, contributions, premiums and fees, over the previous 12 months, deducting any withdrawals made;
- (f) adjusted individual projections of the expected outcome at the end of the contractual or recommended holding period, based on the current value of the investment and its performance development so far and linked to the pre-contractual performance scenarios in the key information document provided for in Regulation No 1286/2014, and a disclaimer that those projections may differ from the actual final value of the investment;
- (g) information on the conditions and financial consequences of an early termination of the investment or switching of providers, including the surrender value and conditions for surrendering the insurance policy;
- (h) a short summary on the insurance cover, in particular the insurance benefits and any options and information on what happens when the insured person dies or another insured event occurs;
- (i) in the case of insurance-based investment products for which the policy terms and conditions provide for periodic premium reviews, the projected premiums required to maintain existing protection benefits until the ages of 55, 65, 75 and 85.

Without prejudice the requirements in this paragraph, where sufficient information is not available on a specific product to draw up an annual statement, the requirements with respect to the annual statement must only be applicable to new contracts, which are concluded after the entry into force of this Directive. [AM 910 Benjumea; 911 Nagtegaal, de Lange]

4. The information described in paragraph 1 and the annual statement referred to in paragraphs 2 and 3 shall be provided to retail customers and policyholders by using a Union standardised terminology and format. *Without prejudice to the manufacturer providing its retail policyholders with access to an online system in accordance with Article 29(2) sub-paragraph 5, layering of the information required under paragraphs 1, 2 and 3, whereby detailed parts of the information can be presented through pop-ups or through links to accompanying layers, shall be permitted where the annual statement is provided in an electronic format. In this case, it shall be possible to print the annual statement as one single document.* [AM 923 Yon-Courtin]

EIOPA shall, after having consulted ESMA and after conducting consumer testing and industry testing, develop draft regulatory technical standards to specify:

- (a) the relevant format for the provision of the information listed in paragraphs 1 and 3, including the form and the length of the document, and the content of each of the elements of information;
- (b) the Union standardised terminology and related explanations to be used for the provision of the information listed in paragraphs 1 and 3. The explanations shall ensure that they are likely to be understood by any retail customer without specific knowledge on insurance-based investment products;

EIOPA shall submit those draft regulatory technical standards to the Commission by [OJ: insert date 18 months after the date of entry into force].

Power is conferred on the Commission to supplement this Directive by adopting the regulatory technical standards referred to in the third subparagraph in accordance with Article 10 of Regulation (EU) No 1094/2010.

5. Member States shall ensure that insurance intermediaries and insurance undertakings distributing insurance-based investment products display appropriate warnings in information material, including marketing communications, provided to retail customers to alert them on the specific risks of potential losses carried by particularly risky *or complex* [AM 924 Yon-Courtin] insurance-based investment products and, where applicable, underlying investment *assets options* [AM 83 Yon-Courtin].

EIOPA shall, by [18 months after the entry into force of the amending Directive], develop, and update periodically, guidelines on the concept of particularly risky *or complex* insurance-based investment products, taking due account of the specificities of the different types of insurance-based investment products.

EIOPA shall develop regulatory technical standards to further specify the format and content of such risk warnings, taking due account of the specificities of the different types of insurance-based investment products and types of communications, *including the specificities of multi-option products (MOPs)* [AM 932 Fitzgerald].

EIOPA shall submit those regulatory technical standards to the Commission by [OJ: insert date 18 months after the date of entry into force].

Power is delegated to the Commission to adopt the regulatory technical standards referred to in the third subparagraph in accordance with Article 10 of Regulation (EU) No 1094/2010.

EIOPA National competent authorities shall monitor the ***consistent*** application of risk warnings ***throughout the Union***. In case of concerns regarding the use, or absence of use ***or supervision of the use*** of such risk warnings ***in Member States***, that may have a material impact on the investor protection, ***EIOPA, after having consulted the national*** competent authorities ***concerned*** [AM 933 Yon-Courtin], may impose the use of risk warnings by insurance intermediaries and insurance undertakings distributing insurance-based investment products.

Article 29a

Inducements

~~1. Member States shall ensure that insurance intermediaries or insurance undertakings that manufacture insurance-based investment products or distribute such products in accordance with Article 30(2) and (3) do not pay or receive any fee or commission, or provide or are provided with any non-monetary benefit with regard to the provision or distribution of an insurance-based investment product, to or by any party except the customer or a person on behalf of the customer. [AM 943 Sailliet]~~

~~The prohibition contained in the first sub-paragraph shall not apply to minor non-monetary benefits of a total value below EUR 100 per annum or of a scale and nature such that those benefits do not impair compliance with the insurance intermediary's or insurance undertaking's duty to act in the best interests of their customer provided those benefits have been clearly disclosed to the customer.~~

~~Any payment or benefit which enables or is necessary for the provision of services, including regulatory levies or legal fees, and which by its nature cannot give rise to conflicts with the insurance intermediary's or insurance undertaking's duty to act honestly, fairly and professionally in accordance with the best interests of their customers, shall not be subject to the requirements set out in the first subparagraph.~~ [Entire paragraph 1: AM 84 Yon-Courtin, AM 938 Györi, AM Zanni, Grant, Rinaldi, AM 940 Seekatz, Ferber, AM 941 Benjumea, AM 943 Polfjärd]

2. Member States shall ensure that insurance intermediaries or insurance undertakings, when distributing insurance-based investment products in accordance with Article 30(1), only receive or pay fees or benefits from or to a third-party on the condition that those insurance intermediaries or insurance undertakings ensure that the reception or payment of such fees or benefits does not impair compliance with their duty to act honestly, fairly and professionally in accordance with the best interests of their customers. Insurance intermediaries and insurance undertakings shall disclose the existence, nature and amount of such third-party payments in accordance with Article 29.

3. Member States shall ensure that insurance intermediaries and insurance undertakings shall, where applicable, inform the customer on mechanisms for transferring to the customer any fee, commission, monetary or non-monetary benefit received in relation to the distribution of the insurance-based product.

4. Member States may impose stricter requirements on insurance intermediaries and insurance undertakings in respect of the matters covered by this Article. In particular, Member States may ***additionally*** prohibit or ***further*** [AM 85 Yon-Courtin, AM 958 Zanni, Grant, Rinaldi] restrict the offer

or acceptance of fees, commissions or non-monetary benefits from third parties in relation to the provision of insurance advice.

Stricter requirements may include requiring any such fees, commissions or non-monetary benefits to be returned to the customers or offset against fees paid by the customer.

The stricter requirements of a Member State referred to in this paragraph shall be complied with by all insurance intermediaries or insurance undertakings, including those operating under the freedom to provide services or the freedom of establishment, when concluding insurance contracts with customers having their habitual residence or establishment in that Member State.

4 a. Member States shall require that, where an insurance intermediary or insurance undertaking distributing insurance-based investment products informs the customer that advice is given on an independent basis, the insurance intermediary or insurance undertaking:

(a) assesses a sufficiently large number of insurance products available on the market which are sufficiently diversified with regard to their type and product providers to ensure that the customer's objectives can be suitably met and shall not be limited to insurance products issued or provided by entities having close links with the insurance intermediary or insurance undertaking;

(b) not accept and retain fees, commissions or any monetary or non-monetary benefits paid or provided by any third party or a person acting on behalf of a third party in relation to the provision of the service to customers. [AM 962 Yon-Courtin]

The provisions of this paragraph do not prevent insurance intermediaries whose legal status qualifies them as independent, to present themselves as not contractually tied to a specific insurance undertaking if they indicate receiving inducements [AM 1047 Seekatz, Ferber].

5. The Commission shall be empowered to supplement this Directive by adopting delegated acts in accordance with Article 38 to further specify:

- (a) how insurance intermediaries and insurance undertakings are to comply with the principles set out in this Article;
- (b) the criteria for assessing compliance of insurance intermediaries and insurance undertakings paying or receiving inducements with the obligation to act honestly, fairly and professionally in accordance with the best interests of the customer.

6. ~~Three Five~~ years after ~~the date of entry into force end of the transposition period~~ of Directive (EU) [OP Please introduce the number of the amending Directive] and after having consulted ESMA and EIOPA, the Commission shall assess the ~~effects of third-party payments on retail investors, in particular in view of potential conflicts of interest and as regards the availability of independent advice, and shall evaluate the~~ impact of the relevant provisions of Directive (EU) [OP Please introduce the number of the amending Directive] on ~~the potential conflicts of interest associated with inducements, the evolution of costs, the overall level of~~ retail investors. ~~If necessary to prevent investment in capital markets, consumer protection detriment, the Commission shall propose legislative amendments to the European Parliament protection and,~~

the *Council-relevance of distribution rules* [AM 86 Yon-Courtin] and the implementation of financial literacy measures. [AM 972 Benjumea]

Agence Europe

Article 29b

Best interest of customers

1. Member States shall ensure that in order to act in the best interest of the customer in accordance with Article 17(1), when providing advice to customers on insurance-based investment products, insurance undertakings and insurance intermediaries are under the obligation:

~~[(a)] to inform the customer of the range of insurance-based investment products or, where applicable, underlying investment options assessed by the insurance undertaking or insurance intermediary, and to provide such advice on the basis of an assessment of an appropriate range of insurance-based investment products and or, where applicable, underlying investment assets options, suited to the client's needs; [AM 87 Yon-Courtin] The range of insurance-based investment products shall reflect the business model of the insurance intermediary or insurance undertaking. [AM 982 Seekatz, Ferber]~~

~~1a. Where insurance undertakings and insurance intermediaries are tied by exclusive partnerships they may build the appropriate range of insurance-based investment products referred to in paragraph 1, point (a), among products or, where applicable, underlying investment options offered by only one insurance undertaking. In that case, customers shall be informed in accordance with the applicable requirements, in particular the information in accordance with Article 29 (1) (a) (ii). [AM 90 Yon-Courtin]~~

~~[(b)] to recommend, taking into consideration its performance, level of risk, costs and charges reported pursuant to Article 25(1c), the most cost-efficient insurance-based investment product and or, where applicable, underlying investment assets options among the insurance-based investment products identified as suitable for the customer pursuant to Article 30(1) and offering similar features, or [AM 88 Yon-Courtin] or if the equivalent product with higher costs is recommended, to justify this with objective reasons and keep records of that justification; [AM 989 Seekatz, Ferber]~~

~~[(a)][(c)] to recommend, among the range of insurance-based investment products identified as suitable for the customer pursuant to Article 30(1), one or several insurance-based investment products and, where applicable, underlying investment assets, a product or products, without additional features that are not necessary to the achievement of the customer's objectives and that give rise to extra costs; [AM 89 Yon-Courtin, AM 997 Seekatz, Ferber, AM 998 Martusciello, AM 999 Fitzgerald, AM 1000 Castaldo, AM 1001 Kyrtos, AM 1002 Karas]~~

~~(c a) not to place the financial or other interest of the insurance firm ahead of the interest of the client. [AM 1005 Benjumea]~~

~~[(d)] to recommend an insurance-based investment products which insurance covers are is consistent with the customer's insurance demands and needs. [AM 1009 Heinäluoma, Lalucq, Repasi]~~

~~1a. Insurance undertakings and insurance intermediaries tied by exclusive partnerships may build the appropriate range of insurance-based investment products referred to in paragraph 1, point (a), among products or, where applicable, underlying investment options offered by only one insurance undertaking. In that case, customers shall be informed in accordance with the~~

~~applicable requirements. [AM 90 Yon-Courtin]~~

1 ab. EIOPA shall organise and conduct a mandatory peer review in cooperation with national competent authorities regarding the implementation of the obligations described in this Article. [AM 1012 Heinäluoma, Lalucq, Repasi]

1b. Where insurance undertakings and insurance intermediaries are subject to an inducement ban, the conditions of this article shall be deemed fulfilled. The national competent authority might reverse this presumption if an insurance undertaking or insurance intermediary does not comply with the provisions in this article [AM 961 Nagtegaal, de Lange].

2. The Commission shall be empowered to supplement this Directive by adopting delegated acts in accordance with Article 38 to further specify how insurance intermediaries and insurance undertakings are to comply with the principles set out in this Article.

Those delegated acts shall take into account the nature of the services offered or provided to the customer, the nature of the products, **and where applicable, underlying investment options,** being offered or considered, including different types of insurance-based investment products, **or where applicable, underlying investment options;** **[AM 91 Yon-Courtin]**

Article 30

Article 30 - Assessment of suitability and appropriateness and reporting to customers

-1. Member States shall require that insurance intermediaries and insurance undertakings distributing insurance-based investment products assess the suitability or appropriateness of insurance-based investment products and, where applicable, underlying investment_**assets options** **[AM 92 Yon-Courtin]** to be recommended to or demanded by customers in good time before the customers are bound by an insurance contract or offer. Each of these assessments shall be carried out on the basis of proportionate and necessary information about the customer as obtained by the insurance intermediary or insurance undertaking in accordance with the requirements set out in this Article.

Member States shall ensure that insurance intermediaries and insurance undertakings distributing insurance-based investment products explain to customers the purpose of the suitability or appropriateness assessment before any information is requested from them. Member States shall ensure that insurance intermediaries and insurance undertakings distributing insurance-based investment products warn customers, in a standardised format, of all of the following:

- (a) that the provision of inaccurate or incomplete information may impact negatively the quality of the assessment to be made by the insurance intermediary or insurance undertaking**
- (b) that the absence of information prevents the insurance intermediaries and insurance undertakings distributing insurance-based investment products from determining whether**

the service or financial instrument envisaged is suitable or appropriate for the customer and from providing advice.

Member States shall ensure that insurance intermediaries and insurance undertakings distributing insurance-based investment products provide customers, upon their request, with a report on the information collected for the suitability or appropriateness assessment. That report shall be presented in a standardised format, as developed by EIOPA.

EIOPA shall develop draft regulatory technical standards to determine the explanation and warning referred to in the second subparagraph and the format and content of the report referred to in the third subparagraph.

EIOPA shall submit those draft regulatory technical standards to the Commission by [OJ: insert date 18 months after the date of entry into force].

Power is delegated to the Commission to adopt those regulatory technical standards in accordance with Article 10 of Regulation (EU) No 1094/2010.

1. Without prejudice to Article 20(1), when providing advice on insurance-based investment products, the insurance intermediary or insurance undertaking shall obtain **the necessary** information regarding the customer's knowledge and experience in the investment field relevant to the specific type of **insurance-based investment** product or, where applicable, underlying investment **assets options** [AM 93 Yon-Courtin, AM 1020 Nesci, AM 1021 Zanni, Grant, Rinaldi, AM 1022 Castaldo, AM 1023 Martusciello], service offered or demanded, that customer person's financial situation, **including the composition of any existing portfolios possession of insurance-based investment product**, its that person's ability to bear **full or partial** losses, **and that person's investment needs and objectives**, including **that person's risk tolerance—any sustainability preferences, and risk tolerance**, so as to enable the insurance intermediary or the insurance undertaking to recommend to the customer the insurance-based investment products that are suitable for that person and that, in particular, **are in accordance with** [AM 1021 Zanni, Grant, Rinaldi, AM 1022 Castaldo, AM 1023 Martusciello] **that person's—its risk tolerance, and ability to bear losses, its sustainability preferences** [AM 1016 Tang, Lalucq, AM 1017 Lalucq, AM 1018 Canfin, AM 1026 Gruffat] **and, the need for portfolio** [AM 1027 Yon-Courtin] diversification.

~~When providing advice on an independent basis to retail customers restricted to well-diversified, non-complex, and cost-efficient insurance-based investment products, the insurance intermediary or insurance undertaking shall be under no obligation to obtain information on the customer's knowledge and experience about the considered insurance-based investment products or on the customer's portfolio composition.~~ [AM 1028 Yon-Courtin]

When providing advice that involves switching between underlying investment **assets options** [AM 1035 Zanni, Grant, Rinaldi, AM 1036 Castaldo, AM 1037 Benjumea, AM 1038 Nesci], insurance intermediaries and insurance undertakings shall obtain the necessary information on the customer's existing underlying investment **assets options** and the recommended new investment **assets options** [AM 94 Yon-Courtin, , AM 1035 Zanni, Grant, Rinaldi, AM 1036 Castaldo, AM 1037 Benjumea, AM 1038 Nesci] and shall analyse the expected costs and benefits of the switch, so that they are reasonably able to demonstrate that the benefits of switching are expected to be greater than the costs.

~~Member States shall ensure that where an insurance intermediary or insurance undertaking provides investment advice recommending a package of services or products bundled pursuant to Article 24, the overall bundled package is suitable. [COM proposal]~~

2. Without prejudice to Article 20(1), Member States shall ensure that, ~~an insurance intermediary or insurance undertaking, when~~ **where no advice is given in relation to an insurance-based investment products is sold without advice** [AM 1042 Gruffat], ~~carrying out insurance distribution activities other than those referred to in paragraph 1 of this Article, in relation to sales where no advice is given,~~ the insurance intermediary or insurance undertaking shall ask the customer or ~~potential customer~~ to provide information regarding that person's knowledge and experience in the investment field relevant to the specific type of **insurance-based investment** product or, ~~where applicable, underlying investment assets, service offered or demanded~~ **and the person's capacity to bear full or partial losses and risk tolerance** [AM 1039 Zanni, Grant, Rinaldi, AM 1040 Seekatz, Ferber, AM 1041 Martusciello] so as to enable the insurance intermediary or the insurance undertaking to assess whether the insurance ~~service or-based investment~~ product or products envisaged **is** are appropriate for the customer. ~~Where a bundle of services or products is envisaged pursuant to Article 24, the assessment shall consider whether the overall bundled package is appropriate~~

Where the insurance intermediary or insurance undertaking considers, on the basis of the information received under the first subparagraph, that the product is not appropriate for the customer, the insurance intermediary or insurance undertaking shall warn the customer. ~~or potential customer to that effect.~~ That warning ~~shall may~~ be provided in a standardised format **and shall be recorded**.

~~Where customers or potential customers do not provide the information referred to in the first subparagraph, or where they provide insufficient information regarding their knowledge and experience, the insurance intermediary or insurance undertaking shall warn them that it is not in a position to determine whether the product envisaged is appropriate for them. That warning may be provided in a standardised format. [COM proposal]~~

The insurance intermediary or insurance undertaking shall not proceed with the distribution of an insurance-based investment product subject to a warning indicating that the product of service is not appropriate, unless the customer asks to proceed with it despite such warning and the insurance undertaking accepts to conclude the contract at the demand of the customer. Both the demand of the customer and the acceptance by the insurance undertaking shall be recorded.

EIOPA shall develop draft regulatory technical standards to determine the format and content of the warning referred to in the second subparagraph.

EIOPA shall submit the draft regulatory technical standards to the Commission by [OJ: insert date 18 months after the date of entry into force].

Power is conferred on the Commission to adopt those regulatory technical standards in accordance with 10 of Regulation (EU) No 1094/2010.

3. Without prejudice to Article 20(1), where no advice is given in relation to insurance-based investment products, Member States may derogate from the obligations referred to in paragraph 2 of this Article, allowing insurance intermediaries or insurance undertakings to carry out insurance distribution activities **in relation to insurance-based investment products** within their territories without the need to obtain the information or make the determination provided for in paragraph 2 of this Article where all the following conditions are met:

- (a) the **insurance distribution** activities ~~refer relate~~ to either of the following: ~~insurance-based investment products~~:
- (i) **insurance-based investment products contracts** which only provide investment exposure to the financial instruments deemed non-complex under Directive 2014/65/EU and do not incorporate a structure which makes it difficult for the customer to understand the risks involved; ~~or~~
 - (ii) other non-complex insurance-based investments **products** for the purpose of this paragraph;
- (b) the insurance distribution activity is carried out at the initiative of the customer ~~or potential customer~~;
- (c) the customer ~~or potential customer~~ has been clearly informed that, in the provision of the insurance distribution activity, the insurance intermediary or the insurance undertaking is not required to assess the appropriateness of the insurance-based investment product or insurance distribution activity provided or offered and that the customer or potential customer does not benefit from the corresponding protection of the relevant conduct of business rules. Such a warning **may shall** be provided in a standardised format;
- (d) the insurance intermediary or insurance undertaking complies with its obligations under Articles 27 and 28.

All insurance intermediaries or insurance undertakings, including those operating under the freedom to provide services or the freedom of establishment, when ~~concluding insurance contracts with distributing insurance-based investment products to~~ customers having their habitual residence or establishment in a Member State which does not make use of the derogation referred to in this paragraph shall comply with the applicable provisions in that Member State.

EIOPA shall develop draft regulatory technical standards to determine the format and content of warning referred to in the first subparagraph, point (c).

EIOPA shall submit the draft regulatory technical standards to the Commission by [OJ: insert date 18 months after the date of entry into force].

Power is conferred on the Commission to adopt those regulatory technical standards in accordance with 10 of Regulation (EU) No 1094/201039.

4. The insurance intermediary or insurance undertaking shall establish a record that includes the document or documents agreed between the insurance intermediary or insurance undertaking and the customer that set out the rights and obligations of the parties, and the other terms on which the insurance intermediary or insurance undertaking will provide services to the customer. The rights and duties of the parties to the contract may be incorporated by reference to other documents or legal texts.

5. Member States shall ensure that The insurance intermediaries or insurance undertakings shall provide the customer with adequate reports on the ~~service provided insurance distribution activities~~ on a durable medium. Those reports shall ~~include contain~~ periodic communications to customers, taking into account the type and the complexity of insurance-based investment products involved and the nature of the service provided to the customer and shall ~~include contain~~, where applicable, the costs associated with the transactions and services undertaken on behalf of the customer.

Member States shall ensure that insurance intermediaries or insurance undertakings, ~~When~~ providing advice on ~~an~~ insurance-based investment products, ~~the insurance intermediary or the~~

~~insurance undertaking shall, prior to the conclusion of the contract,~~ provide the customer **sufficiently before the conclusion of the contract and with a suitability statement** on a durable medium, **with a suitability assessment** specifying the advice given and how that advice meets the preferences, objectives and other characteristics of the customer. ~~The conditions set out in Article 23(1) to (4) shall apply.~~ The provision of such statement shall be made sufficiently in advance before the customer is bound by an insurance contract or offer to ensure that the customer gets enough time to review it, and where necessary, obtain additional information or clarifications from the insurance intermediary or insurance undertaking.

Member States shall ensure that ~~W~~where the **insurance**_contract is concluded using a means of distance communication which prevents the prior delivery of the suitability statement, the insurance intermediary or the insurance undertaking may provide the suitability statement on a durable medium immediately after the customer is bound by **any an insurance**_contract, provided both of the following conditions are met:

- (a) the customer has consented to receiving the suitability statement without undue delay after the conclusion of the contract; and
- (b) the insurance intermediary or insurance undertaking has given the customer the option of delaying the conclusion of the contract in order to receive the suitability statement in advance of such conclusion.

Member States shall ensure that ~~W~~where an insurance intermediary or an insurance undertaking has informed the customer that it will carry out a periodic assessment of suitability, the periodic report shall contain an updated statement of how the insurance-based investment product meets the customer's preferences, objectives and other characteristics of the **retail** customer.

5a. Member States may impose stricter requirements on distributors in respect of the matters covered by this Article. In particular, Member States may make the provision of advice referred to in Article 30 mandatory for the sales of any insurance-based investment products, or for certain types of them.

Member States shall ensure that their stricter requirements referred to in the first subparagraph are complied with by all insurance intermediaries or insurance undertakings, including those operating under the freedom to provide services or the freedom of establishment, when concluding insurance contracts with customers having their habitual residence or establishment in that Member State.

~~**5b. Member States shall require that, where an insurance intermediary or insurance undertaking distributing insurance-based investment products informs the customer that advice is given on an independent basis, the insurance intermediary or insurance undertaking:**~~

- ~~(a) assesses a sufficiently large number of insurance products available on the market which are sufficiently diversified with regard to their type and product providers to ensure that the customer's objectives can be suitably met and shall not be limited to insurance products issued or provided by entities having close links with the insurance intermediary or insurance undertaking;~~
- ~~(b) not accept and retain fees, commissions or any monetary or non-monetary benefits paid or provided by any third party or a person acting on behalf of a third party in relation to the provision of the service to customers. [AM 1046 Yon-Courtin]~~

~~**5c. When providing investment advice to retail customers on an independent basis, the insurance intermediary or insurance undertaking may limit the assessment in relation to the type of insurance-based investment products mentioned in paragraph 5b, point (a), to well-diversified, cost-efficient and non-complex insurance-based investment products. Before accepting such service, the retail customer shall be duly informed about the possibility and conditions to get**~~

~~access to standard independent advice and the associated benefits and constraints.~~ [AM 1054 Yon-Courtin]

6. The Commission shall be empowered to ~~adopt~~ **supplement this Directive by adopting** delegated acts in accordance with Article 38 to further specify how insurance intermediaries and insurance undertakings are to comply with the principles set out in this Article when carrying out insurance distribution activities **in relation to insurance-based investment products with their customers**, including with regard to:

- (a) the information to be obtained when assessing the suitability and appropriateness of insurance-based investment products for their customers;
- (b) the criteria to assess non-complex insurance-based investment products for the purposes of ~~point (ii) of point (a) of~~ paragraph 3, **point (a)(ii)**, of this Article; **and**
- (c) the content and format of records and agreements for the provision of services to customers and of periodic reports to customers on the services provided.

(c a) the criteria for assessing the alignment of financial products with a client's sustainability preferences and outlining the procedures for tailoring a portfolio or investment product offering to align with a client's sustainability preferences. [AM 1058 Tang, Aurore Lalucq, AM 1059 Lalucq, AM 1060 Canfin]

Those delegated acts shall take into account: ~~(a) the nature of the services offered or provided to the customer or potential customer, taking into account the type, object, size and frequency of the transactions;~~ ~~(b) the nature of the products being offered or considered,~~ including different types of insurance-based investment products; ~~(c) and~~ the retail or professional nature of the customer ~~or potential customer.~~

7. By 23 August 2017, EIOPA shall develop guidelines, and thereafter update them periodically, for the assessment of insurance-based investment products that incorporate a structure which makes it difficult for the customer to understand the risks involved as referred to in point (i) of point (a) of paragraph 3.

8. EIOPA may develop guidelines, and thereafter update them periodically, for the assessment of insurance-based investment products being classified as non complex for the purpose of point (ii) of point (a) of paragraph 3, taking into account the delegated acts adopted under paragraph 6.

SANCTIONS AND OTHER MEASURES

Unchanged articles:

Article 31 - Administrative sanctions and other measures (current text - unchanged)

Article 32 - Publication of sanctions and other measures (current text - unchanged)

Article 33 - Breaches, and sanctions and other measures (current text - unchanged)

Article 34 - Effective application of sanctions and other measures (current text - unchanged)

Article 35 - Reporting of breaches (Commission proposal- unchanged)

Article 36 - Submitting information to EIOPA in relation to sanctions and other measures (Commission proposal - unchanged)

Article 35a**Procedure to address activities offered through digital means without authorisation or registration**

1. Member States shall ensure that where a natural or legal person is pursuing insurance distribution activities online targeting customers within its territory without being registered in accordance with Article 3 of this Directive or authorised in accordance with Article 14 of Directive 2009/138/EC, or where a competent authority to suspect that that entity pursues such activities without being registered in accordance with Article 3 of this Directive or authorised in accordance with Article 14 of Directive 2009/138/EC, the competent authority takes all appropriate and proportionate measures to prevent the pursuit of these distribution activities, including related marketing communication, by resorting to the supervisory powers referred to in Article 12(3). Any such measures shall respect the principles of cooperation between Member States set out in this Directive.

The first subparagraph shall also apply to any third party (“influencer”) that is remunerated or incentivised through non-monetary compensation by an insurance undertaking or insurance intermediary without being registered in accordance with Article 3 of this Directive or authorised in accordance with Article 14 of Directive 2009/138/EC, where such third party promotes through public social media platforms services or insurance-based investment products or underlying investment options on behalf of such an insurance undertaking or insurance intermediary. [AM 95

Yon-Courtin]

2. Member States shall provide that competent authorities publish any decision imposing a measure pursuant to paragraph 1 in compliance with Article 32.

Competent authorities shall inform EIOPA of any decision referred to in paragraph 2 without undue delay. EIOPA shall establish an electronic database containing the decisions submitted by competent authorities, which shall be accessible to all competent authorities. EIOPA shall publish a list of all existing decisions, describing the natural or legal persons concerned and the types of services or products provided. The list shall be accessible to the public through a link on EIOPA’s website. As regards natural persons, this list shall not lead to the publication of more personal data of those natural persons than that published by the competent authority pursuant to the first subparagraph, and in accordance with Article 32.

Omnibus Directive FINAL PROVISIONS (Commission proposal - unchanged)
(also applicable for Solvency II/UCITS/AIFMD)

IDD Annexes
(Annex I is amended, the rest of the annexes remain unchanged)

ANNEX I

MINIMUM PROFESSIONAL KNOWLEDGE AND COMPETENCE REQUIREMENTS

(as referred to in Article 10(2))

I Non-life risks classified under classes 1 to 18 in Part A of Annex I to Directive 2009/138/EC:

- (a) minimum necessary knowledge of terms and conditions of policies offered, including ancillary risks if covered by such policies;
- (b) minimum necessary knowledge of applicable laws governing the distribution of insurance products, such as consumer protection law, relevant tax law and relevant social and labour law;
- (c) minimum necessary knowledge of claims handling;
- (d) minimum necessary knowledge of complaints handling;
- (e) minimum necessary knowledge of assessing customer needs;
- (f) minimum necessary knowledge of the insurance market;
- (g) minimum necessary knowledge of business ethics standards; and
- (h) minimum necessary financial competency.

ha) for insurance-based investments products, minimum necessary knowledge in environmentally and socially sustainable investment, including how to consider and integrate sustainability factors and client's sustainability preferences into the advisory processes. [AM 1175 Yon-Courtin]

II Insurance-based investment products:

- (a) minimum necessary knowledge of **the key characteristics, risks and features of** insurance-based investment products, including terms and conditions and net premiums and, where applicable, guaranteed and non-guaranteed benefits **as well as the financial risks borne by policyholders and any general tax implications to be incurred by the client;**
- (aa) **minimum necessary knowledge of the total costs and charges to be incurred by the client in the context of the type of insurance-based investment product being offered or recommended and the costs related to the provision of the advice and any other related services being provided;**
- (b) minimum necessary knowledge of advantages and disadvantages of different investment options for policyholders;

- (c) minimum necessary ~~knowledge of financial risks borne by policyholders;~~ financial competency, including:
- (i) understanding how financial markets function and how they affect the value and pricing of financial instruments offered or recommended to clients;
 - (ii) understanding the impact of macro-economic developments, national/regional/global events on financial markets and on the value of financial instruments being offered or recommended to clients;
 - (iii) understanding of the difference between past performance and future performance scenarios as well as the limits of forecasting;
 - (iv) understanding of specific market structures for the type of financial instruments offered or recommended to clients;
 - (v) understanding of the valuation principles for the type of financial instruments offered or recommended to clients;
- (d) minimum necessary knowledge of policies covering life risks and other savings products;
- (e) minimum necessary knowledge of organisation and benefits guaranteed by the pension system;
- (f) minimum necessary knowledge of applicable laws governing the distribution of insurance products, such as consumer protection law and relevant tax law;
- (fa) minimum necessary knowledge to assess data relevant to the insurance-based investment products offered or recommended to clients such as key information documents, prospectuses, financial statements, or financial data;**
- (fb) minimum necessary knowledge of the general implications of the main elements of the financial regulatory framework;**
- (g) minimum necessary knowledge of the insurance market and of the saving products market;
- (h) minimum necessary knowledge of complaints handling;
- (i) minimum necessary knowledge of assessing customer needs, **including understanding of how the type of insurance-based investment product provided by the firm may not be suitable for the client, having assessed the relevant information provided by the client against changes that have occurred since the relevant information was gathered;**
- (ia) understanding the concept of sustainable investment and how to consider and integrate sustainability factors and customer's sustainability preferences into the advisory processes;**
- (j) conflicts of interest management;
- (k) minimum necessary knowledge of business ethics standards. ~~;~~ **and**
- (ka) for insurance-based investment products, minimum necessary knowledge in environmentally and socially sustainable investment, including how to consider and integrate sustainability factors and client's sustainability preferences into the advisory processes. [AM 1176 Yon-Courtin]***
- ~~(l) minimum necessary financial competency.~~

III Life risks classified in Annex II to Directive 2009/138/EC:

- (a) minimum necessary knowledge of policies including terms, conditions, the guaranteed benefits and, where applicable, ancillary risks;
- (b) minimum necessary knowledge of organisation and benefits guaranteed by the pension system of the relevant Member State;
- (c) knowledge of applicable insurance contract law, consumer protection law, data protection law, anti-money laundering law and, where applicable, relevant tax law and relevant social and labour law;
- (d) minimum necessary knowledge of the insurance and other relevant financial services markets;
- (e) minimum necessary knowledge of complaints handling;
- (f) minimum necessary knowledge of assessing consumer needs;
- (g) conflicts of interest management;
- (h) minimum necessary knowledge of business ethics standards; and
- (i) minimum necessary financial competency.

(ia) for insurance-based investment products, minimum necessary knowledge in environmentally and socially sustainable investment, including how to consider and integrate sustainability factors and client's sustainability preferences into the advisory processes. [AM 1177 Yon-Courtin]

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