

MFSA

MALTA FINANCIAL SERVICES AUTHORITY

Note for Information

EIOPA consultation on Conflicts of Interest in direct and intermediated sales of insurance-based investment products

The European Insurance and Occupational Pensions Authority (EIOPA) on the 1 October 2014 launched a Public Consultation on Conflicts of Interest in direct and intermediated sales of insurance-based investment products.

The Consultation Paper may be accessed through the following link:

<https://eiopa.europa.eu/consultations/consultation-papers/index.html>

The amendments in Article 91 of the Markets in Financial Instruments Directive (Directive 2014/65/EU) (MiFID II), published on 12 June 2014 in the Official Journal of the European Union and entered into force on 2 July 2014, introduce new organisational requirements for insurance intermediaries and insurance undertakings with regard to conflicts of interest.

For that purpose, the Insurance Mediation Directive (Directive 2002/92/EC) has been amended by a new Article 13b which requires insurance undertakings and insurance intermediaries to take all reasonable steps to prevent conflicts of interest from adversely affecting the interests of their customers and by a new Article 13c, specifying how to identify and manage conflicts of interest that arise in the course of carrying out insurance distribution activities.

Article 13c (3)(a) and (b) empower the Commission to adopt delegated acts to further define the steps insurance undertakings and insurance intermediaries have to take to identify, prevent, manage and disclose conflicts of interest, as well as to establish criteria for determining the types of conflict of interest that may damage the interests of the consumers.

The European Commission has asked EIOPA to provide technical advice to assist the Commission on the possible content of the new delegated acts.

On 21 May 2014, EIOPA published a Discussion Paper in order to provide stakeholders with an early orientation on issues that will need to be addressed in the technical advice to the Commission and to gather feedback from the market. Having taken account of the feedback received from stakeholders, EIOPA has prepared this Consultation Paper which presents, in more detail, the recommendations that EIOPA considers including in its Technical Advice to the Commission.

The Public Consultation will end on the **1 December 2014**.

It would be appreciated if any feedback provided to EIOPA is copied to the Malta Financial Services Authority – Insurance and Pensions Supervision Unit via email to ipsu@mfsa.com.mt

Communications Unit
Malta Financial Services Authority
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