

18 April 2021

EIOPA Consults on Draft Guidelines Integrating the Customer's Sustainability Preferences in the Suitability Assessment as Required Under the IDD

Background

On the 13 April 2022, EIOPA has published a [Consultation on Draft Guidelines on integrating the customer's sustainability preferences in the suitability assessment under the IDD](#). This consultation is addressed to insurance undertakings and intermediaries providing advice in the context of distribution of insurance-based investment products.

By virtue of the requirements of [Commission Delegated Regulation \(EU\) 2021/12573](#) which will come into force on the August 2022, the sustainability preferences of the individual customer are required to be taken into account in the suitability assessment carried out by insurance undertakings and insurance intermediaries when providing advice in relation to insurance based investment products.

In the light of the above, the purpose of these draft Guidelines is to provide further guidance to the above mentioned insurance undertakings and intermediaries with respect to the following matters:

- Helping customers better understand the concept of “sustainability preferences” and their investment choices;
- The collection of information on sustainability preferences from customers;
- Matching customer preferences with products, based on the Sustainable Finance Disclosure Regulation (SFDR) product disclosures;
- When to assess sustainability preferences (i.e. only once the suitability of the product has been assessed according to the customer's knowledge and experience, financial situation and other investment objectives); and
- The sustainable finance-related competences expected of insurance intermediaries and insurance undertakings who provide advice on IBIPs.

Target Audience

The content of this document is aimed at insurance undertakings and insurance intermediaries providing advice in the context of the distribution of insurance-based investment products.

Public Hearing

Further to this consultation, EIOPA will also hold a public hearing with stakeholders on **6 May 2022**. The MFS A highly recommends the participation of insurance undertakings and insurance intermediaries which provide or intend to provide advice with respect to insurance-based investment products, and other interested stakeholders to this public hearing. Registration closes on the **30 April 2022** and may be effected [directly via the EIOPA website](#).

Way Forward

The consultation closes on **13 May 2022**. Feedback is to be provided by responding to the questions via the online survey on [EIOPA's website](#). EIOPA will consider the feedback provided and aims to finalise the Guidelines by the 2 August, which is the application date of Commission Delegated Regulation (EU) 2021/1257.

We would appreciate it if any feedback sent to EIOPA is also be sent to the Conduct Supervision Insurance Team on csuinsurance@mfsa.mt.

Contact

Should you have any queries regarding the above, please do not hesitate to contact: csuinsurance@mfsa.mt.