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EIOPA publishes guidance on integrating the customer's sustainability preferences in the suitability assessment under the IDD

Background

The European Insurance and Occupational Pensions Authority (EIOPA) has published its guidance on integrating the customer's sustainability preferences in the suitability assessment under the Insurance Distribution Directive (IDD). The guidance is complemented by a feedback statement, which addresses the comments received from stakeholders in a public consultation on draft Guidelines on integrating the customer's sustainability preferences in May of this year.

EIOPA has advised that after the abovementioned consultation, it decided to pause its work on Guidelines on the topic of sustainability preferences in order to gather more information based on the implementation experience with the new legislative framework in the coming months. However, it has in the meantime published guidance to facilitate the implementation of the Commission Delegated Regulation (EU) 2021/1257) by insurance undertakings and intermediaries providing advice on insurance-based investment products (IBIPs).

Integrating the customer's sustainability preferences in the suitability assessment

EIOPA provides guidance on:

- how to help customers better understand the concept of "sustainability preferences" and their investment choices;
- how to collect information on sustainability preferences from customers;
- how to match customer preferences with products, based on product disclosures under the Sustainable Finance Disclosure Regulation (SFDR);
- what arrangements are necessary to ensure the suitability of an insurance-based investment product; and
- the sustainable finance-related training and competence expected of insurance intermediaries and insurance undertakings who provide advice on insurance-based investment products (IBIPs).

Both the Guidance and Feedback Statement may be accessed [here](#).

Contact

Any queries regarding the above can be addressed to csuinsurance@mfsa.mt