

**Comments Template on
the Consultation Paper on
Product Intervention Powers under the Regulation on Key Information
Documents for Packaged Retail and Insurance-Based Investment Products
(PRIIPs)**

**Deadline
27 February 2015
17:00 CET**

Name of Company:	BIPAR	
Disclosure of comments:	Please indicate if your comments should be treated as confidential:	Public
<p>Please follow the following instructions for filling in the template:</p> <ul style="list-style-type: none"> ⇒ Please insert a name in the box next to "Name of Company"; ⇒ <u>Do not change the numbering</u> in the column "reference"; ⇒ Leave the last column <u>empty</u>; ⇒ Please fill in your comment in the relevant row. If you have <u>no comment</u> on a paragraph or a cell, keep the row <u>empty</u>; ⇒ Our IT tool does not allow processing of comments which do not refer to the specific numbers below. <p>Please send the completed template, in Word Format, to CP-14-064@eiopa.europa.eu. Our IT tool does not allow processing of any other formats.</p> <p>Q1: Do you agree with the criteria and factors proposed?</p> <p>Q2: Are there any additional criteria and/or factors that you would suggest adding?</p> <p>Q3: Is there evidence that certain criteria do not apply under any circumstances to insurance-based investment products? Please elaborate.</p> <p>Q4: What would you estimate as the costs and benefits of the possible changes outlined in this Consultation?</p> <p>The questions listed here are those in the Consultation Paper on Product Intervention Powers under the Regulation on Key Information Documents for PRIIPs.</p>		

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Reference	Comment
General Comment	<p>BIPAR is the European Federation of Insurance Intermediaries. It groups 50 national associations in 30 countries. Through its national associations, BIPAR represents the interests of insurance intermediaries (agents and brokers) and financial intermediaries in Europe. More information on BIPAR can be found on: www.bipar.eu</p> <p>Broadly speaking, there are three types of intermediaries.</p> <p>Most intermediaries are small or micro enterprises, established near to the consumer in the High Street of each and every city and village. They render personalised services to mostly local private clients and smaller businesses. They are confronted with growing competition from alternative forms of distribution. Many intermediaries are SME type enterprises servicing SME's in all sectors of the economy at regional or national level. These intermediaries follow increasingly their clients abroad when they export or import or set up branches or subsidiaries outside their national borders.</p> <p>Some of these intermediaries are large enterprises. They work Europe-wide or even globally serving a wide range of mainly business clients. Some intermediaries also handle reinsurance business.</p> <p>BIPAR welcomes the opportunity provided by EIOPA to comment on <i>EIOPA consultation paper on Product Intervention Powers under the Key Information Documents for Packaged Retail and Insurance-Based Investment Products (PRIIPs)</i>.</p> <p>BIPAR is in favour of all actions taken in order to ensure the safety of products where the cost-benefits has been clearly and precisely assessed.</p> <p>We wonder how the responsibility of National Competent Authorities or of EIOPA is engaged if</p>

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	<p>they prohibit a product which is, in the end, not falling under the requirements of Articles 16 and 17 of PRIIPs and where a damage is caused by this prohibition.</p> <p>BIPAR would also like to highlight the fact that the intervention of the NCAs or of EIOPA, in exceptional cases, must be limited to the circumstances clearly described in Articles 16 and 17 of the PRIIPs Regulation. The intervention of the NCAs or of EIOPA must not be used as a pre-approval tool.</p> <p>Several European Legislations address this issue and the interaction between the different texts and the intervention powers of the NCAs and of EIOPA must also clearly be taken into account in the drafting of the technical advice.</p>	
Q1	<p>It is important to ensure that the criteria listed are as complete and precise as possible since the intervention powers may have a detrimental effect on investors (in particular for those investors who acquired the product before it was withdrawn from the market).</p> <p>The PRIIPs Regulation does not refer to distribution channels as one of the criteria when it comes to product intervention while paragraph 1.16.10 of the draft technical advice does. We wonder why this element has been added and how it would work in practice.</p>	
Q2	<p>Article 16.3 of PRIIPs states that when action is taken, it should be ensured that it does not:</p> <p><i>(a) have a detrimental effect on the efficiency of financial markets or on investors that is disproportionate to the benefits of the action; or</i></p> <p><i>(b) create a risk of regulatory arbitrage.</i></p> <p>This addition could positively complete the technical advice.</p>	
Q3	<p>Paragraph 1.16.3.a) states that one of the elements to take into account before intervening is to know whether or not the client is a retail client, professional client or eligible counterparty under</p>	

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	<p>MiFID.</p> <p>We wonder why reference is made to MiFID and not to IMD in this paragraph.</p>	
Q4	<p>It is not possible to evaluate the potential costs of the possible changes outlined in this Consultation if it is not been made very clear and certain that the intervention is a last resort process in exceptional cases.</p>	