

**Comments Template on
DP-14-IMD
Discussion Paper on
Conflicts of Interest in
direct and intermediated sales of
insurance-based investment products (PRIIPs)**

**Deadline
22 July 2014
18:00 CET**

Name of Company:	ACA	
Disclosure of comments:	EIOPA will make all comments available on its website, except where respondents specifically request that their comments remain confidential. <i>Please indicate if your comments on this DP should be treated as confidential, by deleting the word Public in the column to the right.</i>	Public
<p>Please follow the following instructions for filling in the template:</p> <ul style="list-style-type: none"> ⇒ <u>Do not change the numbering</u> in the column "reference"; if you change numbering, your comment cannot be processed by our IT tool ⇒ 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, <u>in Word Format</u>, to DP-14-IMD@eiopa.europa.eu. Our IT tool does not allow processing of any other formats.</p>		
Reference	Comment	
General Comment	ACA is the professional organization of insurance companies operating in Luxembourg. Up to 90% of premiums written are under the freedom of services provisions.	
Q1.	In general the remuneration of any party intervening in the sale of a PRIIP can be considered as rising, to different extents, the necessity to treat the question of conflicts of interests. In crossborder business the role of one same intermediary might be in one country a tied agent and in another country an independent broker and in a third one an asset manager. In this perspective	

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	a European level playing field would be welcome. Retrocessions by fund managers in unit-linked policies might also rise issues of conflicts of interest.	
Q2.	Conflicts of interest related to remuneration issues and especially “hidden retrocessions”, as well as “soft commissions” are important; such type of remuneration is hidden to the client and therefore not in line with a fair treatment of the client.	
Q3.	No	
Q4.	Most insurance-based PRIIP products allow different types of transactions after the conclusion of the contract such as top-ups or changes in the list of underlying assets. Similar provisions to those applicable before the subscription should treat these transactions.	
Q5.		
Q6.		
Q7.		
Q8.	We do not agree to additional measures for sole traders. Any segregation would be difficult to achieve. The fact that the intermediary is a sole trader should be disclosed to the client and nothing should be added.	
Q9.	We do not agree and we think that no additional provisions are necessary. The base is an adequate organisation of the insurer. Going beyond in detail is not necessary.	
Q10.	In the assessment work of conflicts of interests it has to be taken into account that all risks are not equivalent i.e a risk grading has also to be done. Positions inside the company and external directorship have to be taken into account in the assessment work. For intermediaries a proportionality system is necessary depending on the intermediary’s size and the complexity of the products he sells.	
Q11.	More information is not better information. The information should be concise and the client should have the possibility to get more details on request. The most important is to treat the client fairly and to tell him what services he can expect from the intermediary and what his role	

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	precisely is in the subscription of a PRIIP.	
Q12.	The insurance distribution is not identical to other financial services' distribution entities. Insurance intermediaries are very often very small or even single person structures with no legal personality.	
Q13.	The research provisions are not applicable to unit-linked products. This information for insurance based PRIIP is generally done by external entities such as banks or fund managers. The Unit linked insurance PRIIP relies on information provided by third parties.	
Q14.	Gold plating by member states should be avoided and EIOPA should be empowered to intervene in case of goldplating.	
Q15.		
Q16.	More obligations also mean more costs for advice. The costs are at the end borne by the customer.	
Q17.	Insurance PRIIP are for the moment subject to several new regulations coming up. Solvency 2 is an example. Superposition of different regulations have to be considered and overlapping should be avoided. There is a risk that sole traders will more and more disappear and with them the close proximity to clients.	
Q18.	The impact on small structures like sole traders and other small intermediaries should be analyzed. Small structures have the most difficulties to absorb supplementary costs caused by more regulation. One should also consider exemption of low value products.	