



**eiopa**  
EUROPEAN INSURANCE  
AND OCCUPATIONAL PENSIONS AUTHORITY

# **Presentation on the conflicts of interest in sales of insurance-based investment products**

**24 June 2014**

IRSG Meeting

---

# Conflicts of Interest in IMD

- Mandate from Commission for advice on conflicts of interest in the IMD
- Context: amendment of IMD by Article 91 of MiFID II
  - For insurance-based investment products only
  - Insurance undertakings and insurance intermediaries to make organisational and administrative arrangements to prevent conflicts from harming customers.
  - Covers direct sales
  - Mandate requests advice on technical details of how this is to be done
  - Mandate requests alignment with MiFID as far as possible

# Conflicts of Interest in IMD

- Key issues on which Discussion Paper focuses
  - **Types** of conflicts of interests
  - **Measures to be taken** to avoid or manage them
  - **Proportionality** (adapting requirements for natural persons)
  - **Third party payments** (inducements and commissions)
- Member States can ban inducements and commissions
- Measures to cover where no ban is introduced
- EIOPA also to look at disclosure, but disclosure **not** in normal circumstances a way to manage conflicts of interest

Date	Milestone
July 11 2014	Public Hearing
Autumn 2014	Consultation Paper
Mid-February 2015	Delivery of technical advice to EC
June 2015	Notification of Commission Delegated Directive to European Parliament and Council
Jan 2016	Entry into force
<b>June 2016</b>	<b>Date of application</b>

## Questions for IRSG

- What key types of conflict of interest need to be covered?
- How should conflicts of interest be avoided?
- How should conflicts of interest that cannot be avoided be managed?
- How should this work for small intermediaries?



**eiopa**  
EUROPEAN INSURANCE  
AND OCCUPATIONAL PENSIONS AUTHORITY

**Thank you**

IRSG meeting

---