

Directive on insurance distribution: date of application of Member States' transposition measures

2017/0350(COD) - 20/12/2017 - Legislative proposal

PURPOSE: to postpone until 1 October 2018 the date from which Member States will be required to apply the transposition measures of Directive (EU) 2016/97 on insurance distribution (IDD).

PROPOSED ACT: Directive of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure on an equal footing with the Council.

BACKGROUND: [Directive \(EU\) 2016/97](#) of the European Parliament and of the Council harmonises national provisions concerning the distribution of insurance and reinsurance products and insurance-based investment products by insurance intermediaries, insurance companies, their employees, and ancillary insurance intermediaries in the Union.

IDD entered into force on 23 February 2016 and Member States have until 23 February 2018 to transpose and apply its provisions.

On 21 September 2017, the Commission adopted two Delegated Regulations supplementing IDD with regard to product oversight and governance requirements for insurance undertakings and insurance distributors and to information requirements and conduct of business rules applicable to the distribution of insurance-based investment products.

In its decisions to raise no objections to the Delegated Regulations [see [2017/2854\(DEA\)](#) and [2017/2855 \(DEA\)](#)], the **European Parliament** asked the Commission to adopt a legislative proposal setting up a date of application on **1 October 2018, rather than 23 February 2018**, as the date of application of the transitional measures of the IDD.

The European Parliament justified this request by the fact that it was necessary to **give more time to the insurance sector** (which includes small operators) to better prepare for a correct and effective implementation of the IDD and to implement the technical and organisational changes required to comply with delegated regulations. **Sixteen Member States** supported Parliament's proposal and further requested an extension of the transposition period until at least 1 October 2018 at least.

While considering that the sector has already had a lot of time to adapt, the Commission **agrees to respond to the request of the European Parliament and the Member States** to postpone to 1 October 2018 the date from which Member States will be obliged to apply the laws, regulations and administrative provisions necessary to comply with the IDD.

CONTENT: the proposed amendment of Directive (EU) 2016/97 provides that by 23 February 2018 at the latest, Member States must adopt and publish the provisions necessary to comply with that Directive. Member States shall apply these provisions **from 1 October 2018**.