

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

2017/0350(COD) - 01/03/2018 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 543 votes to 27, with 53 abstentions, a legislative resolution on the proposal for a directive of the European Parliament and of the Council amending Directive (EU) 2016/97 as regards the date of application of Member States' transposition measures. For reasons of urgency, it is justified to proceed to the vote before the expiry of the deadline of eight weeks laid down in Article 6 of Protocol No 2 on the application of the principles of subsidiarity and proportionality.

As a reminder, 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).

The European Parliament's position adopted at first reading under the ordinary legislative procedure amended the Commission proposal as follows:

- Directive (EU) 2016/97 shall be **transposed no later than 1 July 2018** and Member States shall apply the transposition measures by **1 October 2018 at the latest**;
- given the very short period of time left before the national laws, regulations and administrative provisions are to be brought into force, and in order to ensure legal certainty and avoid potential market, this amending Directive shall enter into force as a matter of urgency and shall apply, with retroactive effect, from **23 February 2018**.

The text recalled that in its **decisions to raise no objections to the Delegated Regulations** supplementing the IDD adopted by the Commission on 21 September 2017 [see [2017/2854\(DEA\)](#) and [2017/2855\(DEA\)](#)], the European Parliament invited the Commission to adopt a legislative proposal setting 1 October 2018 instead of 23 February 2018 as the date of application of the IDD transposition measures.

The European Parliament substantiated that request by the need to give insurance undertakings and insurance distributors more time to better prepare for a correct and effective implementation of Directive (EU) 2016/97 and to implement the necessary technical and organisational changes to comply with the Delegated Regulations.