

Deadline
1st December 2014
18:00 CET

Name of Company:		
Disclosure of comments:	Please indicate if your comments should be treated as confidential:	Confidential/Public
<p>Please follow the following instructions for filling in the template:</p> <ul style="list-style-type: none"> ⇒ Do not change the numbering 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, in Word Format, to CP-102-IMD@eiopa.europa.eu . Our IT tool does not allow processing of any other formats.</p> <p>The numbering of the questions refers to the Consultation Paper on Conflicts of Interest in direct and intermediated sales of insurance-based investment products.</p>		
Reference	Comment	
General Comment	<p>Finance Norway welcomes the opportunity to provide our views on the conflicts of interest rules in direct and intermediated sales of insurance-based investment products.</p> <p>Based on Finance Norway representing the whole of the financial sector, our basic position is that to improve investor protection, and to further develop a level playing field, it is important to avoid regulatory arbitrage between insurance-PRIIPs and other investment products. The clients and the purpose of the delegated acts - to prevent conflicts of interests – are the same, and many of the products are often exchangeable.</p> <p>This should be reflected in a proper balance between the different parts of the legislation, i.e. MiFID II, IMD II and PRIIPs.</p>	

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It is not uncommon that banks are the main channels for the distribution of insurance-PRIIPs and investment products. Indeed, in some northern European countries this is the rule. Crafting the conflicts of interests-rules in IMD on the MiFiD is therefore welcome and will preempt regulatory arbitrage in this area.

However, Finance Norway would support a clarification in the level 2-text that the principle of proportionality should be applicable.

Question 1

Question 2

Finance Norway believes that a general principle similar to those set out in Article 21 of the MiFID Implementing Directive, should also be applied to insurance distribution activities, further specified through EIOPA guidelines. This will help to further develop a level playing field for financial instruments and insurance-PRIIPs and to strengthen investor protection.

Finance Norway believes that creating a more similar European regulation on sales of products, including disclosure of remuneration, information about tying/bundling of products, on execution-only etc., will help to avoid a potential national regulatory arbitrage when it comes to product selling.

However, it is important that the commission-based distribution-model is not made impossible: In MiFID II, investment firms are required to inform their clients of whether their advice is being provided on an independent basis or a non-independent basis. Only investment firms that provide advice on an **independent basis** or provide portfolio management are banned from accepting or receiving fees, commissions or any monetary benefits paid or provided by any third party in relation to the provision of the services to clients.

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Question 3

Finance Norway fails to see how MiFID I Art. 21 e) would be applicable in this context. A ban on commissions was left as a Member State option in IMD 1,5 (Article 13 d 3).

A too far-reaching implementing measures on inducements may result in a de-facto ban on commission-based business models, ref. Question 2.

Question 4

Triologue negotiations on IMD II are expected to start in January 2015. The outcome of these negotiations will have impact on the rules that will apply to insurance-based investment products. It is of uttermost importance that disparity and overlaps between IMD II and these delegated acts are avoided.

Finance Norway calls on both EIOPA and ESMA to align the regimes for investment products and insurance-based investment products to allow a level-playing field, while preserving the current remuneration model as decided by the legislator on level 1. A quality enhancement criteria should not be used to render a commission-based distribution model de-facto impossible.

Question 5

Finance Norway agrees that general principles should form the basis for the organisational requirements for insurance undertakings and insurance mediaries. These principles must be aligned with IMD II.

However, we think that organisational requirements for insurance undertakings and insurance intermediaries on conflict of interest should be addressed directly in the text of Level 2 measures, as this will advance legal certainty, clarity and precision.

NCA's then may not to the same extent as today, impose new obligations based on their own interpretations.

Question 6

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Question 7		
Question 8	Finance Norway thinks that proportionality should be addressed directly in the text of the Level 2 measures. This will enhance legal clarity and certainty.	
Question 9	<p>Finance Norway supports EIOPAs argumentation. In order to secure the uniform and consistent regulation of financial customer protection in similar investment products, Finance Norway thinks that the rules governing conflicts of interest should be aligned with MiFID, in order to secure a level playing field.</p> <p>However, the quality enhancement criterion should not have the effect of rendering commission-based distribution models impossible, ref. Question 2.</p>	
Question 10		
Question 11		
Question 12		
Question 13		