REQUEST TO EIOPA FOR TECHNICAL ADVICE ON THE POSSIBLE CONTENT OF DELEGATED ACTS UNDER THE INSURANCE DISTRIBUTION DIRECTIVE (IDD) IN THE CONTEXT OF THE RETAIL INVESTMENT STRATEGY (RIS)

With this mandate to EIOPA, the Commission seeks EIOPA's technical advice on possible delegated acts and on the review of existing delegated acts concerning Directive (EU) 2016/97 of the European Parliament and of the Council of 20 January 2016 on insurance distribution (hereafter "IDD" or "the Directive") in the context of the Retail Investment Strategy.

EIOPA should deliver technical advice on the following issues:

- Product Oversight and Governance – Value for Money
- Inducements
- Simplification and burden reduction in the retail investor journey
- Suitability and appropriateness assessment, simple advice
- Marketing communication

This technical advice shall be delivered to the Commission by 1 October 2027.

1. CONTEXT

1.1. State of play of the Retail Investment Strategy

On 24 May 2023, the Commission adopted the Retail Investment Strategy('RIS'), with the aim to enhance retail participation in capital markets to enable consumers to benefit easily and in a simple way from investment opportunities offered by capital markets. The legislative proposal included a comprehensive set of measures to make a sizeable difference to retail investors: from ensuring that investments in financial instruments bring value for money to modernising disclosures, reconsidering suitability and appropriateness tests, addressing issues with marketing communication and finfluencers' actions, tackling conflict of interest, improving supervision and supporting insurance distributors' knowledge and competence and financial literacy. The importance of retail investor participation in capital markets was further reaffirmed in the Commission's communication on the Savings and Investment Union (SIU). [1]

The RIS included a package of legislative proposals:

i) an **Omnibus Directive,** which amends Directive 2014/65/EU ('Markets in Financial Instruments Directive II' or '**MiFID II'**), Directive (EU) 2016/97 ('Insurance Distribution Directive' or 'IDD'), Directive (EU) 2009/65/EC ('Undertakings for Collective Investment in Transferable Securities Directive or '**UCITSD**'), Directive 2011/61/EU ('Alternative Investment Fund Managers Directive' or '**AIFMD**'), and Directive 2009/138/EC ('Insurance and Reinsurance Directive' or '**Solvency II'**), and

ii) a **Regulation** amending Regulation (EU) No 1286/2014 ('Packaged Retail and Insurance-based Investment Products Regulation' or '**PRIIP**s Regulation').

[1] Factsheet: Savings and Investments Union – Finance – European Commission

The European Parliament and Council reached a provisional agreement on the RIS on 18 December 2025. The compromise was approved by the Council in COREPER on 5 June 2026 and by the European Parliament in ECON on 23 June 2026. The adapted legislative texts are still subject to lawyer-linguists' review, but the Commission does not expect any substantive changes. The completion of the lawyer-linguists work is expected in the course of the summer or at the latest in September. Final votes by the European Parliament and the Council are expected in Q4 2026, which means the publication of the Retail Investment Strategy in the Official Journal ('OJ') should occur at the latest in January 2027.

Member States will have 24 months from the date of entry into force of the Omnibus Directive to transpose the text into their national laws and regulations. They will have to apply the provisions of the legal text as from July 2029, assuming that the Omnibus Directive is published in January 2027 and that a 30-month implementation period will apply following the date of entry into force.

A number of provisions laid down in the above-mentioned Omnibus Directive need to be further specified in level 2 ('L2') measures. Some of those L2 measures will be implemented through delegated regulations to be adopted by the Commission in accordance with Article 290 of the Treaty of the Functioning of the European Union (TFEU).

This Call for Advice concerns the amending provisions of the IDD. In its technical input for this Call for Advice and other possible future calls for Advice addressed to EIOPA at a later point under RIS, when supplementing or specifying similar or identical legal concepts, EIOPA is requested to ensure full consistency across all concerned legal acts, i.e. across delegated acts, regulatory technical or implementing standards under the same legislative act and across other legislative acts that refer to these legal concepts. In certain cases, where required under the relevant provision of the Omnibus Directive, EIOPA should coordinate with ESMA (for its work on MiFID II, UCITSD and AIFMD) and the Joint Committee ("JC") of the ESAs (for its work on the PRIIPs Regulation) and conduct prior consumer testing. Additionally, in other cases and with the objective of ensuring to the extent possible consistency across the different legal frameworks, EIOPA is invited, where relevant for its technical input under this Call for Advice, to also coordinate with ESMA. Efficient coordination and strong adherence to the deadlines would be essential to ensure the timely adoption of the relevant L2 and its application by stakeholders. In its technical input, EIOPA is also required to act fully in line with the principles of Better Regulation and the Commission simplification objective[2].

Under RIS, the Commission is empowered to adopt a number of delegated acts in accordance with Article 290 TFEU. To ensure a smooth application of the legislative provisions, the application date of the delegated acts needs to be aligned with the date of application of the provisions they are intended to supplement or specify. Based on an estimated date of the publication of the Omnibus Directive in the OJ in January 2027, most L2 measures should be applicable as from July 2029.

To align with the mid-2029 deadline, EIOPA will be required to submit its advice to the Commission by **1 October 2027** to also allow time for the review and timely adoption of the L2 measures by the Commission and the necessary adjustment time for the industry.

This Call for Advice is being issued to EIOPA in advance of the final adoption of the amending provisions of the Omnibus Directive, based on the assumption that the legislative act will be published in the OJ

[2] Better regulation - European Commission

without major amendment in January 2027 at the latest. This should allow EIOPA to begin work immediately, providing additional time for the preparation of its advice.

2. SCOPE OF THE REQUEST

2.1. General

With this mandate, in accordance with Article 16a(4) of the EIOPA Regulation[3], the Commission seeks EIOPA's technical advice on certain delegated acts to supplement or specify specific provisions of the IDD. The Call for Advice covers various topics which are further detailed below. The technical advice does not necessarily have to take the form of a legal text. EIOPA should provide the Commission with a clear and structured text, accompanied by sufficient and detailed explanations for the advice given, and which is presented in a language respecting current legal terminology in the Union. Where EIOPA considers this appropriate, it may propose legal drafting or provide guidelines and recommendations that it believes should accompany the delegated act to better ensure its effectiveness.

The Omnibus Directive is expected to be published beginning 2027 at the latest and should be applicable 30 months later. Unless specified otherwise in this mandate, **EIOPA is invited to submit its technical advice <u>by 1 October 2027 at the latest</u>**. This deadline should enable to take into consideration the subsequent timeline for the adoption of the delegated acts by the European Commission (which implies the consultation of the Expert Group on Banking, Payments and Insurance (EGBPI) and the publication of the draft delegated acts on the Have-your-say portal for four weeks, for stakeholders' feedback). This timeline also takes into account the scrutiny period by the co-legislators, and some implementation time for insurance undertakings and insurance intermediaries.

2.2. Overarching principles

In developing its technical advice, EIOPA should take into account all of the following principles:

- **Increased retail participation in capital markets:** The technical advice should contribute to the Commission overall objective to ensure a growing participation of retail investors in EU capital markets that are more transparent, accessible and competitive and provide better value for money while maintaining a high level of investor protection.
- **Proportionality:** The technical advice should not go beyond the mandate as set out in this Call for Advice. EIOPA should prepare input containing proportionate requirements that should be practically easy to put in place and commensurate with the objectives of the Omnibus Directive, while, at the same time, adhering to the principles of simplification, efficiency and avoidance of undue regulatory burden on insurance distributors and citizens. For instance, any excessive or overly complex disclosure may deter retail investors from investing, while being costly for insurance distributors to comply with.
- **Comprehensibility:** EIOPA should provide, where relevant, comprehensive advice on the subject matters covered by the mandate in an easily understandable language. All recitals, articles and, where relevant, annexes should be drafted in a succinct manner, in accordance with the standards

[3] Regulation (EU) No 1094/2010 of the European Parliament and of the Council.

applicable to the Commission legal acts and in line with the Interinstitutional Style Guide[4]. Recitals should not repeat legal requirements but rather set out reasons for why these requirements have been put forward. Each article should in principle have a corresponding recital. Any disclosures for consumers need to be easily comprehensible by the target audience and tested with consumers where feasible and relevant under the respective EIOPA's mandate.

- **Coherence**: EIOPA should ensure coherence when developing concepts and requirements that concern different parts of the Omnibus Directive, in particular where those are included in different legal acts. This is in particular the case for the 'value for money' concept that will apply not only in the IDD, but also in MIFID II, AIFMD and UCITSD and is relevant for cost-related aspects in the context of the aforementioned legislative acts and the PRIIPs Regulation. The advice should also be coherent with the wider regulatory framework of the Union.
- **Simplification:** When working on its technical advice, EIOPA should consider more broadly the simplification objectives and, more specifically, where the existing rules could benefit from greater simplification to lower the costs of compliance for stakeholders while ensuring that the policy objectives of the regulatory framework are achieved.
- **Consultation**: When preparing its technical advice, EIOPA is invited to consult relevant stakeholders (e.g., consumer associations, capital market participants, , academics, national competent authorities) in an open and transparent manner and provide a feedback statement justifying its choices vis-à-vis the main arguments raised. EIOPA's technical advice should consider the different opinions expressed by stakeholders.
- **Evidence**: EIOPA should justify its technical advice by identifying, where relevant, a range of technical options and undertaking an evidenced assessment of the costs and benefits of each of those options. EIOPA should provide an in-depth justification for its choices, in particular for the elements relating to the concept of 'value for money' which is for the first time explicitly mentioned by the Omnibus Directive, and any related disclosures. The results of this assessment should be submitted with the advice to the Commission.

EIOPA should provide sufficient factual data backing the analyses. It is important that the presentation of the technical advice makes maximum use of the data gathered and enables all stakeholders to understand the overall impact of the possible delegated acts.

3. Technical advice for the Commission delegated regulations under the IDD

EIOPA is invited to provide technical advice on the following issues.

3.1. Product Oversight and Governance – Value for money

The Omnibus Directive strengthens the existing product governance framework of the IDD by adding an obligation for manufacturers and, to a limited extent, distributors of insurance-based investment products to assess the 'value for money' ('VfM') of insurance-based investment products they manufacture or distribute. It aims to prevent insurance-based investment products which do not offer VfM from being released to the market and distributed to investors. It should also ensure, where the regular assessment detects that an insurance-based investment product no longer offers value for

[4] Interinstitutional Style Guide

money, that the insurance undertaking or insurance intermediary manufacturing the product takes appropriate action to mitigate the situation and prevent future detriment to existing and prospective policyholders.

The VfM assessment seeks to establish whether at the time of the assessment or of a regular review, the identified costs and charges of an insurance-based investment product are justified and proportionate, having regard to the performance and other benefits for the identified target market. Competent authorities will, as part of their supervision of product oversight and governance, have to monitor the value for money offered by insurance-based investment products and, if necessary, take enforcement action to ensure compliance with VfM requirements. For that purpose, the Omnibus Directive provides supervisory benchmarks as a tool allowing competent authorities for an efficient identification of insurance-based investment products with an increased risk of poor value for money. Unless the competent authorities of a Member State apply national benchmarks under the specific conditions set out in the Directive, the benchmarks will be Union supervisory benchmarks developed by EIOPA under a specific mandate in the Omnibus Directive.

In accordance with Article 25(14) of IDD, as amended by the Omnibus Directive, the Commission invites EIOPA to provide technical advice on the specification necessary to the product oversight and governance principles set out in Article 25 IDD, including, with regard to insurance-based investment products, the criteria to determine whether the costs and charges of an insurance-based investment product are justified and proportionate for the purposes of the value-for-money assessment referred to in Article 25(1) 3rd subparagraph point h IDD (as amended by the Omnibus Directive).

In particular, EIOPA is invited to provide technical advice, by proposing criteria to determine whether the costs and charges of an insurance-based investment product are justified and proportionate for the purposes of the value-for-money assessment to be performed by insurance and insurance intermediaries manufacturing insurance-based investment products as part of their product approval process under Article 25(1) 3rd subparagraph point h IDD. This should build on EIOPA's existing work on the assessment of value for money of unit-linked insurance products under product oversight and governance.[5]

The technical advice shall take into account, in a proportionate way, the activities performed, the nature of the insurance products sold and the nature of the distributor.

EIOPA should ensure that in preparing its technical advice on value for money, it also considers its work under the mandates to develop Union supervisory benchmarks and issue guidelines, and the work of the Joint Committee of the ESAs on the RTS under the PRIIPs Regulation, on distribution costs, ensuring coherence of input across the various mandates.

In addition, EIOPA is requested to provide advice on the amendments, updates and possible repeals that may be necessary in the Commission Delegated Regulation (EU) 2017/2358 in view of the amendments to Article 25 IDD.

In its work, EIOPA should take into account all relevant provisions of the IDD as amended by the Omnibus Directive, in particular Article 25, all relevant recitals of the Omnibus Directive and all relevant provisions of Commission Delegated Regulation (EU) 2017/2358.

[5] EIOPA Supervisory statement on assessment of value for money of unit-linked insurance products under product oversight and governance of 30 November 2021.

In conducting its work, EIOPA should:

- Consult widely with stakeholders, including NCAs, consumer organisations, industry representatives and data providers, to ensure the criteria are practical, proportionate, and effective, enabling a non-biased and complete comparison of costs (including inducements) and relevant components of the insurance-based investment products subject to value for money assessment.
- Consider existing EIOPA guidance on product governance and value for money to promote consistency and avoid duplication.
- Address cross-border dimensions, particularly for insurance undertakings and insurance intermediaries operating in multiple Member States.
- Consider costs and charges, performance, methodology and requirements under the Regulation (EU) No 1286/2014 on key information documents for packaged retail and insurance-based investment products (PRIIPs)[6] .
- Take into account the specificities of various distribution models and target markets of insurance-based investment products and of different underlying investment products and investment strategies with a view to preserving product diversity and continued innovation.

3.2. Inducements

The IDD tightens rules on inducements by prohibiting insurance intermediaries distributing insurance-based investment products from accepting or retaining inducements if they inform the customer that advice is given on an independent basis. For non-independent advice, the Omnibus Directive introduces a new "inducements test" to ensure that fees, commissions, or non-monetary benefits do not impair insurance undertakings' and insurance intermediaries' duty to act in the best interests of their customers, addressing persistent conflicts of interest and uneven investor protection across the EU.

In light of the changes introduced by the Omnibus Directive to the inducement framework, including the inclusion in level 1 of certain provisions currently set out in level 2, EIOPA should review the current level 2 to ensure consistency with the amended level 1.

Pursuant to Article 29a (8) IDD, as amended by the Omnibus Directive, the Commission invites EIOPA to provide technical advice assessing the need to specify and, where appropriate, setting out:

(a) the criteria for assessing compliance of insurance intermediaries and insurance undertakings paying or receiving inducements with their obligation to act honestly, fairly and professionally in accordance with the best interests of the customer, in respect of advice given on an independent basis;

(b) the criteria for assessing whether an inducement provides a tangible benefit to the customer (as referred to in Article 29a(1) 1st subparagraph point (b) IDD, as amended by the Omnibus Directive);

[6] Regulation - 1286/2014 - EN - PRIIPs Regulation - EUR-Lex

(c) the criteria for assessing whether an inducement is proportionate to the value of the insurance-based investment product and the level of service provided (as referred to in Article 29a(1) 1st subparagraph point (c) IDD, as amended by the Omnibus Directive);

(d) the criteria for assessing whether an appropriate mechanism is in place for reclaiming an inducement, as referred to in Article 29a(1) 1st subparagraph point (e) IDD.

In its work, EIOPA should take into account all relevant provisions related to inducements of IDD as amended by the Omnibus Directive, in particular, Article 2(1) points (24) (definition of an inducement) and (25) (definition of an inducement scheme), Article 29a, all relevant recitals of the Omnibus Directive and all relevant provisions of Commission Delegated Regulation (EU) 2017/2359. EIOPA should also take into account relevant past or existing supervisory work, for example in the area of value for money and in relation to monetary incentives and remuneration payments from asset managers to insurance undertakings in the unit-linked market and relevant existing national examples, for example in relation to inducement clawback mechanisms. In particular, EIOPA should take into account that the Commission's mandate above should be understood as being limited to specific narrowly defined areas, considering the specificities of different sectors and products, where there is a need to ensure consistency and legal certainty regarding the application of the rules on inducements.

Where relevant, EIOPA should also take into consideration corresponding provisions in MiFID II as amended by the Omnibus Directive and of Commission Delegated Directive (EU) 2017/593 and Commission Delegated Regulation (EU) 2017/565.

The determination of the criteria as mentioned under points a), b) and c) above, could include, where appropriate, how those criteria would need to be applied by insurance intermediaries and insurance undertakings for their assessment.

The advice should also include any necessary amendments, updates and possible repeals in the rules on inducements set out in Delegated Directive (EU) 2017/2359 to ensure alignment with IDD as amended by the Omnibus Directive.

In conducting its work, EIOPA should:

• Consider the overall objective of simplification and burden reduction.

Consult widely with stakeholders, including NCAs, consumer organisations, and industry representatives, to ensure the criteria are practical, proportionate, and effective.

• Consider existing EIOPA guidance on inducements under IDD to promote consistency.

• Address possible cross-border dimensions, particularly for insurance undertakings and insurance intermediaries operating in multiple Member States.

• Consider the need to ensure positive results for retail investors.

3.3. Simplification and burden reduction in the retail investor journey

The Commission invites EIOPA to provide technical advice on measures to streamline the investor journey, with simplification and burden reduction, while ensuring that the policy objectives of the regulatory framework are achieved. The advice should focus on identifying concrete and operational measures to reduce unnecessary complexity, administrative burdens and avoidable frictions throughout the investor journey.

In particular, EIOPA is invited to assess where existing regulatory or supervisory arrangements may give rise to duplicative, disproportionate or outdated requirements, and to propose targeted simplification measures that would make the investor journey more efficient and accessible for retail investors.

In conducting its work, EIOPA should:

- Consider the aspect of risk of insurance-based investment products recommended to customers and how risk is being presented to customers.
- Address possible cross-border dimensions, particularly for insurance undertakings and insurance intermediaries operating in multiple Member States.

3.4. Suitability and appropriateness assessment, simple advice

The Omnibus Directive revises the suitability and appropriateness regime to make the assessments more proportionate, more focussed on relevant information (such as portfolio diversification and ability to bear full or partial losses) and more transparent to the customers. In particular, the Omnibus Directive makes it mandatory for insurance intermediaries and insurance undertakings distributing insurance-based investment products:

- to have suitability and appropriateness assessments limited to necessary information;
- to explain to their customers the purpose of these assessments and the consequences in case of inaccurate, incomplete or missing information;
- to warn their customers when the insurance-based investment product or service is not appropriate, and
- to provide their customers with the collected information upon their demand.

In addition, in order to facilitate the access to advice, the Omnibus Directive introduces the concept of a "simple advice" limited to well-diversified, non-complex and cost-efficient insurance-based investment products, without the need for insurance intermediaries or insurance undertakings to collect, for the purpose of the suitability assessment, information on knowledge and experience of the customer relating to the considered insurance-based investment products or on the customer's portfolio composition.

For those purposes, in accordance with Article 30(6) IDD, as amended by the Omnibus Directive, the Commission invites EIOPA to provide technical advice on how insurance intermediaries and insurance undertakings should comply with the principles set out in Article 30 IDD, as amended by the Omnibus Directive, when carrying out distribution activities in relation to insurance-based investment products and whether and to which extent Commission Delegated Regulation (EU) 2017/2359, and in particular Articles 9 to 19 thereof, should be amended, updated and possibly repealed in view of the amendments made in the Omnibus Directive.

EIOPA is in particular requested to provide technical advice covering the following aspects:

- the information that insurance intermediaries and insurance undertakings should collect when assessing the suitability or appropriateness of insurance-based investment products for their customers, to ensure that it is limited to what is proportionate and necessary to achieve an outcomes-focussed approach for their customers;

- the criteria to identify and assess "other non-complex insurance-based investment products" that do not require an appropriateness assessment in accordance with Article 30(3), point (a)(ii) IDD as amended by the Omnibus Directive;
- the content and format of records and agreements in relation to insurance distribution activities undertaken for customers and of periodic reports to customers on those insurance distribution activities:

the criteria and conditions for insurance-based investment products to qualify as well-diversified, non-complex and cost-efficient for the purpose of the provision of "simple advice" pursuant to Article 30(1), third subparagraph IDD, as amended by the Omnibus Directive, Considering the objectives of simplification and avoidance of unnecessary burden and taking into account the findings of EIOPA's mystery shopping exercise on the distribution of insurance-based investment products, in particular the fact that it revealed that longer and more detailed sessions did not translate into better outcomes for shoppers, EIOPA is requested to assess in its advice:

- how it can streamline the customer journey by considering a broad scope of IBIPs to fall under a "simple advice" regime, without compromising appropriate standards of consumer protection
- whether Chapter III of Commission Delegated Regulation (EU) 2017/2359 should be further amended to align their content to Article 30 IDD, as amended by the Omnibus Directive.

Regarding the customers' suitability preferences, EIOPA is invited to consider the outcome of the future political agreement on the review of the Regulation on sustainability-related disclosures in the financial services sector (SFDR).[7]

With the same objectives in mind, EIOPA is also requested to consider whether the current rules on the content and the format of statements and records and of periodic reports set out in Commission Delegated Regulation (EU) 2017/2359 need to be simplified, ensuring that the information provided to customers is easily comprehensible for the target audience.

In conducting its work, EIOPA should consider the nature of the service provided to the customer, the nature of the insurance-based investment products being offered or considered, including different product types, and the characteristics of the customer. In the context of insurance distribution, this may also include considerations relating to the customer's level of sophistication and financial literacy.

EIOPA should take into account all relevant provisions of IDD as amended by the Omnibus Directive, all relevant recitals of the Omnibus Directive and all relevant provisions of Commission Delegated Regulation (EU) 2017/2359. Where relevant, EIOPA should also take into consideration corresponding provisions in MiFID II as amended by the Omnibus Directive and of Commission Delegated Regulation (EU) 2017/565.

3.5. Marketing communication

The revised rules on marketing communications and practices relating to insurance-based investment products introduce new requirements addressing, in particular, risks posed by the use of digital channels, influencers and practices involving behavioral bias.

Those rules require that marketing communications are fair, clear and not misleading, and include, in a clear format, the essential characteristics of the insurance-based investment products to which they

[7] Regulation - 2019/2088 - EN - SFDR - EUR-Lex.

refer together with a balanced presentation of risks and benefits tailored to the intended target market.

Those rules also reinforce the responsibility of insurance undertakings and insurance intermediaries when they use services provided by third parties, such as distributors, social media, finfluencers (financial influencers), etc. for their marketing communication. To mitigate risks from the use of services provided by those third parties, insurance undertakings and insurance intermediaries must conclude written agreements with those third parties, defining the nature and scope of their promotional activities. Additionally, insurance undertakings and insurance intermediaries must implement internal policies, controls and reporting procedures to monitor compliance, while maintaining records of all marketing communications (including third-party promotions) for at least five years, or up to seven years if requested by competent authorities. These measures aim to enhance transparency, prevent misleading practices, and ensure robust enforcement in a fast-evolving digital marketing environment.

In accordance with Article 26a(9) IDD as amended by the Omnibus Directive, EIOPA is invited to provide technical advice specifying:

- the essential characteristics of insurance-based investment products to be disclosed in all marketing communications targeting customers or potential customers and any other relevant criteria to ensure that those essential characteristics appear in a prominent way and are easily accessible by a customer, regardless of the means of communication;
- the conditions with which marketing communications and marketing practices of insurance-based investment products should comply in order to be fair, clear, not misleading, balanced in terms of presentation of benefits and risks and appropriate in terms of content and distribution channels for the target market.

EIOPA should take into account all relevant provisions of the IDD as amended by the Omnibus Directive, all relevant recitals of the Omnibus Directive and all relevant provisions of Commission Delegated Regulation (EU) 2017/2359. Where relevant, EIOPA should also take into consideration corresponding provisions in MiFID II as amended by the Omnibus Directive and of Commission Delegated Regulation (EU) 2017/565. EIOPA should also consider that the information provided is easily comprehensible by the target audience and, where relevant and feasible, perform consumer testing.

4. PROCEDURE

The Commission reserves the right to revise and/or supplement this mandate. The technical advice received on the basis of this mandate will not prejudge the Commission's final decision on the content of delegated acts in any way.

In accordance with the established practice, the Commission may continue to consult experts appointed by the Member States to prepare amendments to the IDD Delegated Regulations.

This request will be available on the website of the Directorate-General for Financial Stability, Financial Services and Capital Markets Union once it has been transmitted to EIOPA.