



In this week's Insurance Bulletin:

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1. REGULATION AND LEGISLATION

Europe: Council of Europe agrees to delay the IDD

On 14 February 2018, the Council of the EU announced in a press release that the transposition deadline and application date of the Insurance Distribution Directive ((EU) 2016/97) (IDD) will be delayed.

The original transposition deadline (i.e. the deadline for Member States to pass legal measures to transpose the IDD into national law) and application date (i.e. the date from which firms would need to comply with the IDD) were 23 February 2018; the transposition deadline has now been delayed to 1 July 2018 and the application date has been delayed to 1 October 2018.

The announcement follows a legislative proposal for a directive (COM(2017) 792/2) to amend the IDD application and transposition dates (Amending Directive). The European Parliament indicated that the Amending Directive would be discussed by the European Parliament during its plenary session of 28 February to 1 March 2018. The Amending Directive needs to be formally adopted by the Council and the European Parliament and will then enter into force on the day of its publication in the Official Journal of the EU. As it is not possible for the Amending Directive to be adopted prior to the original application and transposition date (23 February 2018), the Council of the EU has stated that the delay of the transposition and application dates will apply retroactively from 23 February 2018.

The Council of the EU stated in its press release that the delay will enable the insurance industry “to better prepare for the directive and for the changes necessary to comply with implementing rules”.

The IDD replaces the current Insurance Mediation Directive and seeks to strengthen policyholder protection, establish a fairer playing field for distributors of insurance products, and facilitate cross-border trade and market integration.

The Council of the EU’s press release can be found [here](#).

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UK: Association of British Insurers proposes template for trade with non-EU countries

The Association of British Insurers (ABI) has put forward a template for future trade agreements with non-EU countries, in an effort to assist UK insurers expand their operations to new countries after Brexit. The ABI’s proposals are contained in a document that has been offered to HM Treasury and the Department for International Trade. It is envisaged that the text within the document could be inserted straight into future trade agreements on financial services if/when they are agreed with other countries.

The terms proposed include:

- Relaxing the rules on foreign ownership, to assist UK firms in achieving a minimum 51% ownership stake in companies, so that they have a controlling stake;
- Liberalising regulations on data transfer, so that firms can transfer data across borders in a way which allows them to assess and underwrite risk properly; and
- Including pension and savings products within the scope of the deal(s), so that UK firms can compete on long-term savings products in more countries.

According to the ABI, insurers see China and India as their priority market once Britain leaves the EU, and want bilateral trade deals to ensure those states relax restrictions on foreign ownership.

One of the ABI’s motivations in submitting the template was to stand up for the insurance industry and prevent its interests from being overshadowed by those of the banking industry in discussions about UK financial services after Brexit.

The press release and a link to the framework are available [here](#).

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