

Commission Delegated Regulation (EU) 2017/2359 of 21 September 2017 supplementing Directive (EU) 2016/97 of the European Parliament and of the Council with regard to information requirements and conduct of business rules applicable to the distribution of insurance-based investment products (Text with EEA relevance)

## CHAPTER II

### CONFLICTS OF INTEREST AND INDUCEMENTS

#### *Article 6*

#### **Disclosure**

1 Insurance intermediaries and insurance undertakings shall avoid over-reliance on disclosure to ensure that disclosure to customers, pursuant to Article 28(2) of Directive (EU) 2016/97, is a measure of last resort that can be used only where the effective organisational and administrative arrangements established by the insurance intermediary or insurance undertaking to prevent or manage conflicts of interest in accordance with Article 27 of Directive (EU) 2016/97 are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of the customer will be prevented.

2 For the purposes of a disclosure of conflicts of interest insurance intermediaries and insurance undertakings shall do all of the following:

- a provide a specific description of the conflict of interest in question;
- b explain the general nature and sources of the conflict of interest;
- c explain the risks to the consumer that arise as a result of the conflict of interest and the steps undertaken to mitigate those risks;
- d clearly state that the organisational and administrative arrangements established by the insurance intermediary or insurance undertaking to prevent or manage the conflict of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of the customer will be prevented.

**Changes to legislation:**

There are outstanding changes not yet made to Commission Delegated Regulation (EU) 2017/2359. Any changes that have already been made to the legislation appear in the content and are referenced with annotations.

[View outstanding changes](#)

**Changes and effects yet to be applied to :**

- Regulation power to modify conferred by [2023 c. 29 s. 3 Sch. 1 Pt. 3](#)
- Regulation revoked by [2023 c. 29 Sch. 1 Pt. 3](#)
- Art. 6(1) words substituted by [S.I. 2019/663 reg. 10\(4\)\(a\)](#)
- Art. 6(1) words substituted by [S.I. 2019/663 reg. 10\(4\)\(b\)](#)

**Changes and effects yet to be applied to the whole legislation item and associated provisions**

- Ch. 3A inserted by [S.I. 2019/663 reg. 12](#)
- Signature words omitted by [S.I. 2019/663 reg. 13](#)
- Art. 2(4)(5) inserted by [S.I. 2019/663 reg. 9\(2\)](#)
- Art. 2(6)-(8) inserted by [S.I. 2019/710 reg. 31](#)
- Art. 2(8)(b)(i) words substituted in earlier amending provision [S.I. 2019/710, reg. 31](#) by [S.I. 2020/1301 reg. 3Sch. para. 43\(i\)](#)
- Art. 2A inserted by [S.I. 2019/663 reg. 9\(3\)](#)
- Art. 2A words substituted in earlier amending provision [S.I. 2019/663, reg. 9\(3\)](#) by [S.I. 2020/1301 reg. 3Sch. para. 38\(b\)](#)