

Chapter 13A

Qualifying for authorisation under the Act

13A.6A Enhanced supervision of EEA firms passporting under the IDD

13A.6A.1 G

- (1) The split of responsibility (between *Home* and *Host States*) for ensuring compliance with *IDD* requirements is as follows.
 - (a) For incoming EEA *branches*:
 - (i) the *Host State* is responsible in relation to the obligations in Chapter V (Information requirements and conduct of business rules) and Chapter VI (Additional requirements in relation to insurance-based investment products) (see article 7(2) of the *IDD*); and
 - (ii) the *Home State* is responsible in relation to all other obligations.
 - (b) For *EEA firms* providing *cross border services*, the *Home State* is responsible in relation to all *IDD* obligations.
- (2) However, under article 7(1) of the *IDD*, if an *IDD insurance intermediary's primary place of business* is in a *Host State*, the *Host* and *Home State regulators* may agree that the *Host State regulator* will act as if it were the *Home State regulator* with regard to certain provisions. Those provisions are Chapters IV (Organisational requirements), V (Information requirements and conduct of business rules), VI (Additional requirements in relation to insurance-based investment products) and VII (Sanctions and other measures) of the *IDD*. This sort of *Home* and *Host State regulator* agreement is referred to as an Article 7(1) *IDD Agreement*.

13A.6A.2 G

Where the *FCA* is a *Host State regulator* it may enter into an article 7(1) *IDD Agreement* in respect of an *incoming EEA firm*. The *FCA* is given this power by section 203A of the *Act* subject to the conditions set out in that section. If the *FCA* enters into such an agreement, the *EEA firm* will be subject to enhanced supervision by the *FCA* to the extent specified in the agreement.