

MEMO# 33100

February 9, 2021

IOSCO Survey on ESG Ratings and Data Providers

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TO: ICI Global Members

ESG Task Force

ICI Global Regulated Funds Committee SUBJECTS: ESG

International/Global RE: IOSCO Survey on ESG Ratings and Data Providers

We wanted to alert you to the attached IOSCO survey on the use of ESG ratings and ESG data products. The survey is aimed at users of ESG ratings and data (e.g., asset managers), issuers, and ESG ratings and data providers.

Unfortunately, the survey deadline is extremely short - next Friday, 19 February. We are going to have a call next Tuesday, 16 February (8.00 am PT/11.00 am ET/4.00 pm GMT/5.00 pm CET) to discuss whether and how ICI should respond to the survey. We are very interested in any initial views you may have, and please do not hesitate to reach out with any thoughts or questions. We also have reached out to IOSCO staff to inquire about the deadline.

We have circulated a calendar invite to the ESG Task Force. If you have not received the calendar invite and would like to join, please reach out to Linda French at linda.french@ici.org. We will circulate an agenda in advance of the call that includes potential responses for discussion.

Survey questions

The survey asks for views on whether activities of ESG rating and ESG data providers should be subject to regulation and whether IOSCO has a role to play. The survey also notably asks whether variations between ESG rating products are a positive or a negative feature of the market.

Background

This survey is part of the IOSCO Sustainability Task Force's workstream on credit ratings agencies, ESG ratings, and ESG data providers. IOSCO is expected to launch a consultation paper for this workstream at some point this spring, and a final report is expected in February 2022.

EU context

We are seeing momentum in the EU continue to build around regulation of ESG data and service providers. The EU's forthcoming Renewed Sustainable Finance Strategy is expected to include a focus on sustainability research and ratings. On 28 January, the European Securities and Markets Authority (ESMA) published a letter to the Commission that calls for legislation to regulate ESG ratings.^[1] This follows a Commission report published on 6 January that recommends developing industry-wide standards, including a certification system and supervisory body, for sustainability-related rating and data providers.^[2] The French and Dutch regulators similarly published a paper in December 2020 calling for a mandatory EU regulatory framework for service providers of ESG data, ratings, and related services.^[3]

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[Attachment](#)

endnotes

^[1] ESMA's letter is *available at* https://www.esma.europa.eu/sites/default/files/library/esma30-379-423_esma_letter_to_ec_on_esg_ratings.pdf.

^[2] The Commission's report is *available at* <https://op.europa.eu/en/publication-detail/-/publication/d7d85036-509c-11eb-b59f-01aa75ed71a1/language-en/format-PDF/source-183474104>.

^[3] The AMF and AFM's paper is *available at* <https://www.amf-france.org/en/news-publications/amfs-eu-positions/french-and-dutch-financial-market-authorities-call-european-regulation-esg-data-ratings-and-related>.