

**MEMO# 31021**

January 11, 2018

## **Draft ICI Response to European Commission Consultation on Asset Managers' Use of ESG Factors (Your Comments Requested by January 18)**

[31021]

January 11, 2018 TO: ICI Global Regulated Funds Committee  
SEC Rules Committee

Small Funds Committee RE: Draft ICI Response to European Commission Consultation on Asset Managers' Use of ESG Factors (Your Comments Requested by January 18)

The European Commission recently published a consultation and impact assessment that consider whether the Commission should clarify through EU legislation asset managers' and institutional investors' duties to integrate ESG factors into the investment process.[\[1\]](#)

**ICI's draft response is attached for your review and summarized briefly below. If you have any comments on the draft response, please send them to Linda French at [linda.french@ici.org](mailto:linda.french@ici.org) by close of business on Thursday, January 18. We plan to file our comments with the Task Force on Monday, January 22.**

Our response urges the Commission to avoid prescribing a uniform ESG investing mandate. We argue that this type of approach would compromise the ability of asset managers to act in the best interest of clients, stifle financial and market innovation, and drive away investment from EU asset managers and markets. We ask the Commission instead to encourage continued competition and market innovation in the realm of sustainable investment. A market-driven approach allows asset managers to respond to growing investor demand for product offerings and investment strategies that incorporate ESG related factors. We also recommend EU policymakers consider implementing measures that facilitate an asset manager's ability to respond to market demand for ESG investing.

Linda M. French  
Assistant General Counsel

## [Attachment](#)

### **endnotes**

[1] European Commission, Consultation: Institutional investors and asset managers' duties regarding sustainability, available at [https://ec.europa.eu/info/sites/info/files/2017-investors-duties-sustainability-consultation-document\\_en.pdf](https://ec.europa.eu/info/sites/info/files/2017-investors-duties-sustainability-consultation-document_en.pdf); European Commission, Inception Impact Assessment: Institutional investors and asset managers' duties regarding sustainability, available at [http://ec.europa.eu/info/law/better-regulation/initiatives/ares-2017-5524115\\_en](http://ec.europa.eu/info/law/better-regulation/initiatives/ares-2017-5524115_en).

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