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INVESTMENT COMPANY INSTITUTE

MEMO# 32772

September 23, 2020

Summary of the call with BaFin on the Sustainable Finance Disclosure Regulation

[32772]

September 23, 2020 TO: EU ESG Disclosure Regulation Working Group RE: Summary of the call with BaFin on the Sustainable Finance Disclosure Regulation

We spoke with a team at BaFin on 16 September regarding their views on the implementation of the Sustainable Finance Disclosure Regulation (SFDR), where we shared our views on the SFDR, highlighting implementation challenges, including the compressed timeline for compliance.

They generally were in a listening mode and seem receptive to further conversations, especially as they get further in their thinking on the SFDR implementation. We understand that BaFin is joining a call with other NCAs in early October on the SFDR implementation, and they were open to further contact at that point, as they may be in a better position to receive additional input from the industry.

Some other takeaways.

- They view Taxonomy as the centerpiece of all EU sustainable finance legislation and they hope that various pieces eventually will be in alignment although they acknowledged it may take time.
- Timeline is “very unfeasible.” It does not appear that they have decided whether the 10 March deadline is the date by which prospectuses must be filed for approval or whether it is the deadline by which they must approve the documents. They are interested in other NCAs’ thinking on their approaches.

Although our call pre-dated the release of proposed product-disclosure templates, we understand that there is a split of views at BaFin on the use and the usefulness of templates to end-investors.

Anna Driggs
Director and Associate Chief Counsel
ICI Global

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