

MEMO# 32847

October 20, 2020

ICI Submits Response to CFA ESG Consultation

[32847]

October 20, 2020 TO: ICI Members

ICI Global Members

ESG Task Force (Global)

ESG Working Group (US)

ICI Global Regulated Funds Committee

SEC Rules Committee SUBJECTS: Disclosure

ESG

International/Global RE: ICI Submits Response to CFA ESG Consultation

We filed the attached response today to the CFA Institute's consultation on its work to develop a voluntary, global industry standard that will establish disclosure requirements for investment products with ESG-related features.

We very much appreciate all of your feedback and help in getting this submission over the finish line. Our response makes the following major points:

- **Our submission opposes the proposed standard on the basis that we do not believe it is possible for the CFA Institute to drive convergence around a global standard at this time, given the already crowded field of legislative and regulatory initiatives developing simultaneously in different jurisdictions.** We noted that the CFA Institute's initiative faces intense policymaker interest in this space, diverging approaches that different jurisdictions are taking to ESG fund disclosure, and an extremely fast pace of continuing legislative and regulatory developments. We also expressed concern that the proposed standard would duplicate or conflict with the disclosure that asset managers are already legally required to provide or regulators are developing. (See response to Question 1.)
- **We strongly disagree with the proposed requirement for independent examination.** We note that ESG fund disclosure is already subject to extensive legal requirements and periodic regulatory review and examination, and we do not see any benefit in requiring funds to pay a third party to duplicate what regulators are already doing. (See response to Question 10.)
- **We recommend against defining 'ESG Integration' and 'Proxy Voting, Engagement, and Stewardship' as 'ESG-Related Features' covered by the**

CFA Institute's proposed Standard. We explain that this would scope in many products that are not explicitly ESG-focused. (See responses to Questions 16 and 36.)

Next steps: The CFA Institute expects to issue an initial 'Exposure Draft' of the standard in May 2021 for another round of public comment.

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[Attachment](#)

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