

MEMO# 30581

February 10, 2017

ICI Response to FSB Task Force Consultation on Climate-Related Disclosure

[30581] February 10, 2017 TO: ICI Members

Investment Company Directors

ICI Global Members

Closed-End Investment Company Committee

ICI Global Regulated Funds Committee

ICI Global Steering Committee

International Committee

SEC Rules Committee

Small Funds Committee SUBJECTS: Disclosure

Fund Governance

International/Global

Investment Advisers RE: ICI Response to FSB Task Force Consultation on Climate-Related Disclosure

On February 10, ICI submitted a response to a consultation from the FSB-convened Task Force on Climate-related Financial Disclosure. The Task Force's consultation accompanied a report setting out recommendations for voluntary climate-related financial disclosures with the aim of addressing "the need for better information to support informed investment, lending, and insurance underwriting decisions to improve understanding and analysis of climate-related risks and opportunities, and over time, to help promote a smooth rather than an abrupt transition to a lower-carbon economy."

ICI's response is attached and summarized briefly below. The response consists of a cover letter and a separate document containing responses to specific consultation questions in the format required for submission through the Task Force consultation's online portal. Our response highlights three significant concerns with the Task Force's recommendations:

1. They are premised on a link between climate-related disclosure and risk to global financial stability, for which the Task Force provides no supporting data or analyses;
2. They are unnecessary in light of existing disclosure requirements; and
3. They are not feasible for funds to implement.

The response questions the Task Force's assumption of a link between its recommended disclosures and global financial stability. Our response then emphasizes that IOSCO and

national securities regulators—not the FSB—are the appropriate organizations to evaluate any need for new climate-related disclosure. Our response makes clear that it does not intend to express any particular view on global climate change. The response also recognizes that many of ICI's members already incorporate environmental, social, and governance (ESG) criteria into their investment process, and that many reports indicate that interest in ESG investing will continue to increase.

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[Attachment No. 1](#)

[Attachment No. 2](#)

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