

**MEMO# 31388**

September 18, 2018

# ICI Global ESG Task Force: Updates on EU & US Developments

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TO: ICI Global Members

Global ESG Task Force SUBJECTS: Disclosure

International/Global

Investment Advisers RE: ICI Global ESG Task Force: Updates on EU & US Developments

This memorandum provides updates on the following items:

1. Invitation to European Commission's Sustainable Finance breakfast roundtable in New York City
2. Engagement with European Parliament on the European Commission's disclosure proposal
3. US proxy-related developments and info on ICI Proxy Working Group call on Friday

## **1. Invitation to European Commission's Sustainable Finance breakfast roundtable in New York City**

The European Commission's Director General for Climate Action, Mauro Petriccione, is holding a breakfast roundtable in New York City on Tuesday, 25 September. Please contact Linda French at [linda.french@iciglobal.org](mailto:linda.french@iciglobal.org) for additional details. The roundtable will discuss the importance of sustainable finance policy for the stability and competitiveness of the global economy and provide an opportunity to engage with financial sector leaders in Europe and the US. Topics will include the role of sustainable finance in the real economy, its role in supporting climate change mitigation and adaptation objectives, and how the international finance community can work together to create a global, sustainable finance system.

## **2. Engagement with European Parliament on the European Commission's disclosure proposal**

As discussed on our last Task Force call, we recently met with members of Parliament from ALDE, ECR, and EPP on suggested amendments to the Commission's disclosure proposal. We also shared our concerns with the rapporteur's draft report. Our engagement has focused on concerns around the scope of the proposal as well as the draft report's amendments on remuneration. Based on the tenor of those meetings, we are optimistic

that Parliament's final amendments will be more moderate than the position taken in the draft report.

The deadline for MEPs to submit amendments was 12 September, and Parliament is scheduled to consider amendments on 18 October. We will circulate the list of amendments they are considering as soon as it becomes available, and we will schedule a Task Force call to discuss. Parliament's Committee on Economic and Monetary Affairs (ECON) is scheduled to vote on final amendments on 5 November.

In the meantime, please feel free to get in touch with any thoughts or questions.

### **3. US proxy-related developments and info on ICI Proxy Working Group call on Friday**

The Division of Investment Management [announced](#) that it has withdrawn the letters that the staff issued in 2004 to Egan-Jones Proxy Services and Institutional Shareholder Services, Inc. regarding advisers' use of proxy advisory firms. These letters permit fund managers to outsource their voting decisions to proxy advisory firms when they have a conflict of interest. The [2014 staff guidance](#) on advisers' use of proxy advisory firms remains in place.

The staff is providing this notice of withdrawal of the letters in order to facilitate discussion at the upcoming [roundtable](#) on proxy issues. The staff looks forward to receiving information and feedback from stakeholders with multiple perspectives at the roundtable, including on the 2014 staff guidance.

ICI will be holding a member call on Friday, 21 September at 2:00 pm ET to facilitate member discussion of the impact. Please email Monique Curtis at [monique.curtis@ici.org](mailto:monique.curtis@ici.org) if you would like to join the call. In the meantime, please feel free to reach out to Dorothy Donohue at [ddonohue@ici.org](mailto:ddonohue@ici.org) to relay the impact on your firm.

Given the increased regulatory attention on proxy issues, ICI is forming a new member working group to examine seven key issues: (i) shareholder proposals; (ii) fund advisers' use of proxy advisory firms; (iii) funds passing through votes on portfolio company proxies to fund shareholders; (iv) reporting under Sections 13 of the Securities Exchange Act; (v) use of universal proxies; (vi) institutional investors other than registered funds being required to disclose proxy votes; and (vii) proxy plumbing issues. This will position the ICI to actively participate in the debate surrounding these issues. Please email Monique Curtis at [monique.curtis@ici.org](mailto:monique.curtis@ici.org) if you or another colleague at your firm are interested in participating in this working group.

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