

MEMO# 33373

March 24, 2021

ESAs Publish Consultation on Taxonomy for Article 8 & 9 Product Disclosure RTS

[33373]

March 24, 2021 TO: ESG Task Force

EU ESG Disclosure Regulation Working Group

ICI Global Regulated Funds Committee RE: ESAs Publish Consultation on Taxonomy for Article 8 & 9 Product Disclosure RTS

The three European Supervisory Authorities (EBA, EIOPA and ESMA – ESAs) launched the consultation^[1] seeking input on draft Regulatory Technical Standards (RTS) for taxonomy-related disclosure for Article 8 and 9 products that contribute to environmental objectives. The deadline for response is 12 May 2021, and we plan to respond. In the coming days, we will provide a summary of the consultation and hold a call to discuss our consultation response.

The proposed draft RTS aim to:

- facilitate disclosures to end investors regarding the investments of financial products in environmentally sustainable activities; and
- create a single rulebook for sustainability disclosures under the SFDR and the Taxonomy Regulation. The ESAs plan to accomplish this by amending the [draft RTS under the SFDR](#), to minimise overlapping or duplicative requirements between the two regulations.

As a reminder, Art 8 and 9 products have to disclose (through their pre-contractual and periodic reporting), the Taxonomy objectives to which their underlying investments contribute to, as well as to what extent they are invested in Taxonomy compliant activities. The ESAs' proposal on how and to what extent activities funded by the product are taxonomy-aligned, consist of two elements:

- a graphical representation of the taxonomy-alignment of investments of the financial product and a key performance indicator calculation for that alignment; and
- a statement that the activities funded by the product that qualify as environmentally sustainable, are compliant with the detailed criteria of the Taxonomy Regulation.

The ESAs propose to standardise the presentation of the disclosures by amending the templates for the pre-contractual and periodic disclosures proposed in the draft RTS under the SFDR, by adding a new section that includes the disclosures required under the

Taxonomy Regulation.

The ESAs will conduct a consumer testing exercise on the amended templates in April in the Netherlands and in Poland. Following the consultation period, the draft RTS will be finalised and submitted to the European Commission.

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endnotes

[1] See <https://www.eba.europa.eu/esas-consult-taxonomy%E2%80%93related-product-disclosures>.

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