

MEMO# 33779

September 21, 2021

ICI Response to CFA Institute Exposure Draft of Verification Procedures for ESG Disclosure Standards

[33779]

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TO: ICI Members
ICI Global Members
ESG Advisory Group
EU ESG Disclosure Regulation Working Group
Global Regulated Funds Committee
Global Regulated Funds Committee - Asia
SEC Rules Committee SUBJECTS: Disclosure
ESG
International/Global RE: ICI Response to CFA Institute Exposure Draft of Verification Procedures for ESG Disclosure Standards

ICI submitted a response to the CFA Institute's Exposure Draft of Verification Procedures for CFA Institute ESG Disclosure Standards for Investment Products (Verification Procedures Exposure Draft).[\[1\]](#) The attached document provides ICI's response to questions raised in the Exposure Draft.

In response to the last question posed in the Verification Procedures Exposure Draft,[\[2\]](#) we reiterated the following points that we made in response to the CFA Standards Exposure Draft:[\[3\]](#)

- We oppose the adoption of the CFA Standards because they merely offer different, but not materially improved, standards in comparison to a plethora of existing standard-setting efforts and would impose undue and unnecessary burdens on investment managers, with questionable benefit to investors; and
- In light of the significant oversight that already exists for regulated funds and their investment advisers, we strongly urge the CFA Institute to revise the recommendation for an independent verification to exclude circumstances when an investment product is regulated and already subject to extensive legal requirements and regulatory review and examination.

endnotes

[1] For a summary of the Verification Procedures Exposure Draft, see Memorandum No. 33717 (Aug. 6, 2021), available at <https://www.ici.org/memo33717>. The Verification Procedures Exposure Draft is available at <https://www.cfainstitute.org/-/media/documents/code/esg-standards/exposedraftverificationprocedurescfainstituteesgdisclosurestandardsforinvestmentproducts.ashx>.

[2] The list of questions posed in the Verification Procedures Exposure Draft is included in Memorandum No. 33717 (Aug. 6, 2021), available at <https://www.ici.org/memo33717>.

[3] For a summary of ICI's response to the CFA Standards Exposure Draft, see Memorandum No. 33687 (Jul. 14, 2021), available at <https://www.ici.org/memo33687>.