

**MEMO# 34075**

March 15, 2022

# **IOSCO Publishes Sustainable Finance Work Plan for 2022**

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TO: ICI Members

ICI Global Members

ESG Task Force

Global Regulated Funds Committee

Global Regulated Funds Committee - Asia SUBJECTS: ESG

International/Global RE: IOSCO Publishes Sustainable Finance Work Plan for 2022

On 14 March 2022, the International Organization of Securities Commissions (IOSCO) announced details of its 2022 work plan to develop sustainable finance, covering topics on corporate reporting, assurance standards, carbon markets, and IOSCO's sustainability recommendations on asset management<sup>[1]</sup> and ESG ratings and data providers.<sup>[2]</sup> IOSCO stresses the importance of mitigating greenwashing and enabling reliable information on sustainability impacts for investors.<sup>[3]</sup>

Below is a brief overview of IOSCO's 2022 work plan on sustainable finance:

- Review disclosure requirements to be proposed by the International Sustainability Standards Board (ISSB). IOSCO is planning an in-depth analysis of the draft corporate climate and general sustainability disclosure standards expected soon from the ISSB. If IOSCO endorses the final ISSB standards, it will encourage its members to adopt them at a national level and assist them in the implementation of these standards.
- Promote development of assurance standards. IOSCO will push forward the work to develop assurance standards to assess the quality of corporates' sustainability disclosures. It has identified independent assurance of the quality of corporate reporting of sustainability information as a key element of building trust in sustainability reporting.
- Encourage implementation of IOSCO's sustainability-related recommendations. IOSCO will step up its engagement with both national regulators and market participants to promote the implementation of its recommendations addressed to asset management, and ESG ratings and data providers. It will also develop a training program to assist its members in developing the skills for regulating and supervising ESG-related asset management obligations and the activities of ESG ratings and data providers.

- Review of carbon markets. IOSCO will conduct an in-depth review to identify the vulnerabilities in the voluntary carbon markets, as well as transparency and integrity in the functioning of carbon markets from the perspectives of financial regulation. It will seek to promote transparency, integrity, and liquidity in the carbon markets.

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#### **endnotes**

[1] See FR08/21 Final Report on Recommendations on Sustainability-Related Practices, Policies, Procedures and Disclosure in Asset Management (November 2021), available at <https://www.iosco.org/library/pubdocs/pdf/IOSCOPD688.pdf>. Also See ICI Memorandum [33905], dated 17 November 2021, available at <https://www.ici.org/memo33905>.

[2] See FR09/21 Final Report on Environmental, Social and Governance (ESG) Ratings and Data Products Providers, November 2021, available at <https://www.iosco.org/library/pubdocs/pdf/IOSCOPD690.pdf>. Also See ICI Memorandum [33922], dated 24 November 2021, available at <https://www.ici.org/memo33922>.

[3] See IOSCO's 2022 Sustainable Finance work plan strengthens the organization's commitment to increasing transparency and mitigating greenwashing, dated 14 March 2022, available at <https://www.iosco.org/news/pdf/IOSCONEWS635.pdf>.