

MEMO# 34175

June 6, 2022

ICI Global Responds to European Commission Consultation on ESG Ratings

[34175]

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TO: ICI Members

ICI Global Members

ESG Advisory Group

ESG Task Force

Global Regulated Funds Committee SUBJECTS: ESG

International/Global RE: ICI Global Responds to European Commission Consultation on ESG Ratings

ICI Global submitted the attached response to selected survey questions from the European Commission's Targeted Consultation on the Functioning of the ESG Ratings Market in the European Union and on the Consideration of ESG Factors in Credit Ratings.[\[1\]](#)

While we do not believe regulatory intervention is appropriate at this time, our responses acknowledge the need to improve transparency from ESG ratings and data providers to users of those products.

We encourage European policymakers to convene industry experts to develop common industry standards or codes of conduct, noting that these principles could be developed using IOSCO's November 2021 recommendations.[\[2\]](#)

The European Commission's consultation follows on the heels of ESMA's February 2022 Call for Evidence on Market Characteristics for ESG Rating Providers in the European Union.[\[3\]](#) Responses to the Commission's consultation will feed into an impact assessment that will evaluate whether a possible policy initiative on ESG ratings and on sustainability factors in credit ratings is needed.

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endnotes

[1] The consultation is available at:
https://ec.europa.eu/info/consultations/finance-2022-esg-ratings_en.

[2] IOSCO's November 2021 recommendations are available at:
<https://www.iosco.org/library/pubdocs/pdf/IOSCOPD690.pdf>. See also ICI Global memo 33922, available at: <https://www.ici.org/memo33922>.

[3] ICI Global's response to ESMA is available at: <https://www.ici.org/memo34073>.

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