

**MEMO# 35413**

August 22, 2023

# ICI Global Responds to MAS Proposed Code of Conduct for ESG Ratings and Data Providers

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TO: ICI Global Members

Asia Regulatory and Policy Committee SUBJECTS: ESG

International/Global RE: ICI Global Responds to MAS Proposed Code of Conduct for ESG Ratings and Data Providers

ICI Global submitted the attached response to the Monetary Authority of Singapore (MAS) proposed code of conduct for ESG ratings and data providers.[\[1\]](#)

The proposed code of conduct largely tracks the recommendations of the International Organization of Securities Commissions (IOSCO),[\[2\]](#) with additional Singapore-specific requirements (e.g., disclosure on any consideration of forward-looking elements in the ESG ratings and data products). The adoption of the code of conduct would be on a voluntary basis by way of a "comply or explain" approach, supported by a self-attestation checklist regarding the progress on adopting the code of conduct. MAS will monitor the implementation of the code of conduct and observe global developments before taking further steps to formalize a local regulatory regime for ESG ratings and data providers.

ICI Global broadly welcomes MAS' approach in developing a voluntary industry code of conduct as a first step toward improving transparency by ESG ratings and data product providers, and the recognition of the importance of interoperability of Singapore's code of conduct with similar initiatives in other jurisdictions.

However, we are concerned that the proposed code of conduct is not clear regarding its potential applicability to ESG ratings and data produced by asset managers solely for internal use. In this regard, ICI Global's response to the consultation recommends that MAS add language to explicitly clarify that the scope of the code of conduct excludes ESG ratings and data solely produced for internal or intra-group use and not provided or marketed to third parties on a commercial basis (e.g., for a fee).

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#### Notes

[1] MAS Proposes Code of Conduct for Providers of ESG Ratings and ESG Data Products, June 28, 2023, available at <https://www.mas.gov.sg/news/media-releases/2023/mas-proposes-code-of-conduct-for-providers-of-esg-ratings-and-esg-data-products>.

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

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