

COMMENT LETTER

July 5, 2023

ICI Global Response to ESAs Proposed Amendments to SFDR RTS

ICI Global appreciates the opportunity to provide feedback on the European Supervisory Authorities (ESAs) joint consultation on the review of the Sustainable Finance Disclosure Regulation (SFDR) Delegated Regulation regarding principal adverse impacts (PAI) and financial product disclosures (“Consultation Paper”). ICI Global carries out the international work of the Investment Company Institute, the leading association representing regulated investment funds. With total assets of €35.5 trillion, ICI’s membership includes mutual funds, exchange-traded funds (ETFs), closed-end funds, and unit investment trusts (UITs) in the United States, and UCITS and similar funds offered to investors in Europe, Asia and other jurisdictions. ICI’s mission is to strengthen the foundation of the asset management industry for the ultimate benefit of the long-term individual investor. ICI Global members invest on behalf of millions of retail investors around the world choosing funds to save for retirement, education, and other important financial goals, and therefore have a significant interest in regulatory requirements for funds that incorporate environmental, social, and governance (ESG) considerations into the investment process.

Since its inception, the SFDR has been in a continual state of flux, resulting in significant challenges for financial market participants and national supervisors. The recent progress report of the European Securities and Markets Authority (ESMA) on greenwashing risks pointed to the unstable nature of the EU sustainable finance regulatory framework, noting that regulators “need to develop new expertise and skills and to absorb a wide range of new obligations stemming from a regulatory framework that is not yet stabilised.”

Read more in the [comment letter](#).