

ESAs issue recommendations on the application of the Regulation on sustainability-related disclosures

NEWS

DATE:

25 Feb 2021

The three European Supervisory Authorities (EBA, EIOPA and ESMA – ESAs) have today published a joint supervisory statement on the effective and consistent application and national supervision of the Regulation on sustainability-related disclosures in the financial services sector (SFDR). The statement aims to achieve an effective and consistent application and national supervision of the SFDR, promoting a level playing field and protecting investors.

In the statement, the three ESAs recommend the draft RTS be used as a reference when applying the provisions of the SFDR in the interim period between the application of SFDR (as of 10 March 2021) and the application of the RTS at a later date.

The ESAs have also set out in an Annex more specific guidance on the application of timelines of some specific provisions of the SFDR, in particular on the application timeline for entity-level principal adverse impact disclosures and for financial products' periodic reporting. In addition, the Annex includes a summary table of the relevant application dates of the SFDR, the Taxonomy Regulation and the related RTS.

Today's statement complements the recently released [Final Report](#) including the draft regulatory technical standards issued by the ESAs Joint Committee on 4 February 2021.

National competent authorities are encouraged to refer financial market participants and financial advisers to the requirements set out in the draft RTS of the final report that has been submitted to the European Commission.

[Download the supervisory statement](#)

Next steps

The European Commission is required to endorse the RTS within 3 months of their publication. Subject to the non-objection by the European Parliament and Council of the European Union - within 3 months following the Commission's endorsement - the RTS will be adopted by the Commission by means of a delegated regulation.

While financial market participants and financial advisers are required to apply most of the provisions on sustainability-related disclosures laid down in the SFDR from 10 March 2021, the application of the RTS will be delayed to a later date according to the European Commission's letter to the ESAs of 20 October 2020 on the application of the SFDR. The ESAs have proposed in the draft RTS that the application date of the RTS should be 1 January 2022.

The ESAs will publish in March a consultation paper on taxonomy-related product disclosures under the Taxonomy Regulation which amends the empowerments in Articles 8(4), 9(6) and 11(5) of the SFDR.