



EUROPEAN COMMISSION

Directorate-General for Financial Stability, Financial Services and Capital Markets Union

Director General

Brussels, 02. 10. 2019
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Per e-mail:
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Dear Madams, Sirs,

Thank you for your letter dated 19 September 2019 (Ares(2019)5861346) in which you express concerns about the timeframes for the development of regulatory technical standards laid down by Regulation on the sustainability-related disclosures in the financial services sector, agreed on 6 March 2019, and potential compliance challenges for the financial services industry.

As no doubt you are aware, due to the recess of the preceding European Parliament, the Regulation will only be formally adopted and published in the Official Journal in forthcoming weeks and will only then enter into force.

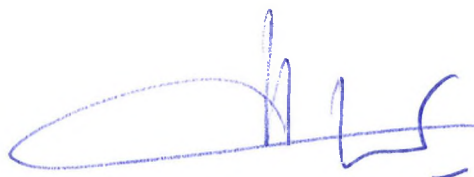
To meet the statutory deadlines, the three European Supervisory Authorities have been benefiting from this additional grace period and have already triggered the preparatory works that do not require a formal entry into force of the Regulation. As part of the preparatory process, the European Supervisory Authorities will need to, among others, launch and consider responses to a public consultation to help them in finalising the draft regulatory technical standards. We are confident that this up-front planning, accompanied by a public consultation, can resolve the timing and compliance issues that you are concerned about.

The urgency and acuteness of the challenges arising from climate change and degradation of environment and other sustainability matters require strong action and increased efforts from all actors, including the financial services sector. In order to mobilise investors, we need to make it easier to identify adverse impacts of investments on sustainability. We also need to ensure credibility of sustainable investments and increase the awareness about the presence of sustainability risks. The Regulation is a crucial milestone towards achieving this. In this context, it is critical that we do not delay the application of this important piece of legislation.

Since some disclosure requirements laid down by the Regulation would involve adaptations to internal processes of financial entities, we would like to take this opportunity to inquire as to which steps your trade associations have taken to support the implementation efforts of financial entities and as to whether you intend to share best practices in this regard. We were advised that some financial entities currently phase in and intend to voluntarily comply with the requirements of the Regulation as of 2020. I count on your support to accelerate the efforts of all financial market actors to achieve tangible positive impacts on the society, climate and environment.

The Commission and the European Supervisory Authorities stand, of course, ready to assist the financial services sector along the way.

Yours sincerely,

A handwritten signature in blue ink, consisting of a large, sweeping initial 'O' followed by several vertical strokes and a final horizontal stroke.

Olivier Guersent

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