

30 July 2021

Request for Information on operational and compliance readiness

The purpose of the Survey is to gauge assess the level of readiness in relation to the Sustainable Finance Disclosure Regulation (SFDR) and the level of preparedness of the market on sustainable finance.

N.B: Entities are required to answer all the questions. The N/A option can **only** be used if the specific question doesn't relate to the type of licence holder which is compiling the questionnaire. For instance, where the entity is both a Financial Market Participant and a Financial Advisor, the entity would be required to compile all of the questions. If the entity is either a Financial Market Participant or a Financial Advisor, it would solely be required to compile the questions relevant to the said entity and would be allowed to use N/A for the rest of the questions.

Deadline for submission: **10th September 2021.**

PART A: INFORMATION ON THE ENTITY

1. Name of the entity:

2. Name and position within the entity of the person compiling the questionnaire:

3. The entity I am representing is:

- (a) an insurance undertaking which makes available an insurance-based investment product (IBIP);
- (b) an investment firm which provides portfolio management;
- (c) an institution for occupational retirement provision (IORP);
- (d) a manufacturer of a pension product;
- (e) an alternative investment fund manager (AIFM);
- (f) a pan-European personal pension product (PEPP) provider;
- (g) a manager of a qualifying venture capital fund registered in accordance with Article 14 of Regulation (EU) No 345/2013;
- (h) a manager of a qualifying social entrepreneurship fund registered in accordance with Article 15 of Regulation (EU) No 346/2013;
- (i) a management company of an undertaking for collective investment in transferable securities (UCITS management company); or
- (j) a credit institution which provides portfolio management;
- (k) an insurance intermediary which provides insurance advice with regard to IBIPs;

- (l) an insurance undertaking which provides insurance advice with regard to IBIPs;
 - (m) a credit institution which provides investment advice
 - (n) an investment firm which provides investment advice;
 - (o) an AIFM which provides investment advice in accordance with point (b)(i) of Article 6(4) of Directive 2011/61/EU; or
 - (p) a UCITS management company which provides investment advice in accordance with point (b)(i) of Article 6(3) of Directive 2009/65/EC;
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4. How many individuals are currently employed with the entity:

- 1-2
- 3-10
- 11-50
- 51-100
- 101-250
- 251-500
- 500+

4. a) Considering that you chose 1-2 above, please explain how does the entity intend to make the necessary arrangements to consider and factor in sustainability risks in its advisory processes?

5. Kindly indicate how many employees currently work on sustainable finance related matters within the entity:

6. Has the entity made, or plans to make, an assessment of specific training needed in the context of sustainable finance for the entity's employees?

- Yes
- No

6. a) Considering you chose "Yes" in the question above, can you indicate the name of any training which staff of the entity has already attended, and the subject matter of the said training (for instance training on marketing, labelling, taxonomy).

Where the entity has not attended any such training, can you indicate any future plans in this respect.

PART B – OPERATIONAL READINESS WITH THE SUSTAINABLE FINANCE DISCLOSURE REGULATION

7. Have you updated the entity's policies to integrate sustainability risks in your investment decision making process?

- Yes
- No
- 0-3 months
- 3-6 months
- More than 6 months

7. a) Considering you chose "No" in the question above, do you plan to conduct such amendments?

8. Has the information about policies on the integration of sustainability risks in the entity's investment decision-making process been published on entity's website?

- Yes
- No

8. a) Considering you chose "Yes", please provide the link.

8. b) Considering you chose "No", please explain and provide the timeline for compliance if relevant.

9. Does the entity consider principal adverse impacts of investment decisions on sustainability factors at an entity level?

- Yes
- No
- N/A

9. a) Considering you chose "Yes", please provide the link to relevant disclosures made under Article 4(1) of SFDR.

9. b) Considering you chose "No", please provide clear reasons as to whether and when the entity intends to consider such adverse impacts.

10. Have the entity's remuneration policies been brought in line with the integration of sustainability risks?

- Yes
- No
- N/A

10. a) Considering you chose "Yes" in the question above, has the information on remuneration policies been published on Entity's websites?

- Yes
- No

10. a) i) Considering you chose "Yes" under question 10 a) please provide link.

10. b) Considering that you chose "No" in question 10, please provide reasons/any actions planned and the timeline for compliance, if relevant.

11. In respect of each financial product and/or financial advice (as applicable), has the entity complied with the provisions of Article 6 of SFDR?

- Yes
- No
- N/A

11. a) Considering you chose "No" in the question above, please provide reasons/any actions planned and the timeline for compliance.

12. Has the entity encountered any demand for sustainability related products?

- Yes
- No

12. a) Considering you chose "Yes" in the question above, have you conducted market research or do you intend to do so?

- Yes
- No
- Intend to do so

12. a) i) Considering you chose "Yes" in the question above, what percentage would you say makes up this demand?

13. Will the entity be manufacturing or distributing sustainability related products which do not fall under Article 8 and Article 9 of the SFDR?

- Yes
 - No
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14. Does the entity have under its management, financial products that promote ESG characteristics in accordance with Article 8 of SFDR?

- Yes
- No
- N/A

14. a) Considering you answered "Yes" above, is the entity abiding by the pre-contractual disclosure requirements laid down under Article 8 of the SFDR?

- Yes
- No

14. a) i) Please provide the list of Article 8 products with an indication, if any of them is being managed on a cross-border basis.

14. b) Considering you chose "No" in the question above, is the entity considering to target such products in the next 12 - 24 months?

- Yes
- No

15. Does the entity have under its management, financial products that have sustainable investment as an objective in line with Article 9 of SFDR?

- Yes
- No
- N/A

15. a) Considering you chose "Yes" in the question above, is the entity abiding by the pre-contractual disclosure requirements laid down under Article 9 of the SFDR?

- Yes
- No

15. a) i) Please provide a list of Article 9 products, and whether any such products are being managed on a cross-border basis, and/or whether an index has been designated as a reference benchmark for such products?

15. b) Considering you chose "No" in the question above, is the entity considering targeting such products in the next 12 - 24 months?

- Yes
 - No
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16. Article 11 of the SFDR provides for the requirement to submit periodic reporting of disclosures under Articles 8 and 9 starting from 1 July 2022. Does the entity foresee any challenges with providing such reporting?

- Yes
- No
- N/A

16. a) Considering you chose "Yes" in the above question, please elaborate on the particular challenges you may encounter.

17. In the case that your entity offers sustainable investment products, does the product also make use of a labelling regime established in another jurisdiction?

- Yes
- No

17. a) Considering you chose "Yes" above, kindly elaborate on the scope of such a labelling regime, the nature of the products being labelled and the name of the said jurisdiction within which it has been established.

18. The disclosure of information foreseen by the SFDR requires the entity to solicit and source high quality data. In this respect, has the entity encountered any issues regarding the quality of data gathered for the fulfilment of the sustainable finance requirements laid down in the SFDR?

- Yes
- No

18. a) Considering you chose "Yes" above, please provide us with the type of issues encountered.

PART C – OPERATIONAL PREPAREDNESS IN RELATION TO THE DRAFT REGULATORY TECHNICAL STANDARDS

19. In light of the draft Regulatory Technical Standards published jointly by the ESAs, is the entity preparing itself to comply with these requirements (for instance by setting up IT systems)?

Draft Regulatory Technical Standards can be accessed through this link :

https://www.eba.europa.eu/sites/default/documents/files/document_library/Publications/Draft%20Technical%20Standards/2021/962778/JC%202021%2003%20-%20Joint%20ESAs%20Final%20Report%20on%20RTS%20under%20SFDR.pdf

Yes

No

19. a) Considering you chose "Yes" in the above question, please provide the detail of what you have prepared so far and identify any issues which the entity has encountered.

19. b) Considering you chose "No" in the above question, when is the entity expecting to start preparing itself? Did the entity encounter any issues to prepare itself for compliance with the draft Regulatory Technical Standards?

20. The SFDR may bring about an overhaul of the entity's documentation (IPIDs, KIDs, Commercial client agreement, D&Ns, S&A, Website and databases, etc.). Has the entity considered the impact of the new disclosures?

Yes

No

20. a) Considering you chose "Yes" in the above question, has the entity started preparing itself?

20. b) Considering you chose "No" in the above question, what challenges are you envisaging in complying with the requirements in the RTSs and ITSs?

PART D: OPERATIONAL PREPAREDNESS IN LIGHT THE AMENDING DELEGATED ACTS

Amending Delegated Acts can be accessed through this link: https://ec.europa.eu/info/publications/210421-sustainable-finance-communication_en

On the 21st of April 2021, the European Commission adopted six amending Delegated Acts on fiduciary duties, investment and insurance advice which aim to ensure that entities include sustainability in their procedures and their investment and insurance advice to clients. The Delegated Acts are expected to start applying from around October 2022. Refer to:

https://ec.europa.eu/info/sites/default/files/business_economy_euro/banking_and_finance/documents/sustainable-finance-communication-factsheet_en.pdf

21. What steps has the entity taken to start preparing for the implementation of the provisions of the Delegated Acts indicated above?

22. Does the entity plan to consider sustainability related risks when developing the entity's overall risk management and risk appetite?

Yes

No

22. a) Considering you chose "Yes" in the above question, please specify below.

23. For those entities that are making use of or intend to make use of ESG related products, is the entity preparing to incorporate consideration of client ESG preferences into its client suitability assessments and product selection process?

Yes

No

23. a) Considering you chose "Yes" in the above question, please specify below.

24. Does the entity plan to incorporate sustainability factors in its Product Governance framework including amongst other matters the consideration of ESG preferences in the product target market assessment?

Yes

No

24. a) Considering you chose "Yes" in the above question, please specify below.
