

28 June 2022

Clarifications under the Sustainable Finance Disclosure Regulation (SFDR)

The Authority would like to draw your attention that the European Supervisory Authorities (ESAs) published a [statement](#) clarifying the [draft regulatory technical standards](#) (RTS) issued under the Sustainable Finance Disclosure Regulation (SFDR).

The statement is part of the ESAs' efforts to promote a better understanding of the disclosures required under the RTS. Statement provides clarification on key areas of the SFDR such as use of sustainability indicators, principle adverse impact (PAI) disclosures, financial product disclosures, direct and indirect investments, taxonomy-related financial product disclosures, "do not significantly harm" (DNSH) disclosures, and disclosures for products with investment options. **The rules concerning disclosures under the technical standards of the SFDR will begin to apply on 1 January 2023.**

The Authority encourages financial market participants and financial advisors to gather the necessary information and adjust their practices to apply the specific requirements of the forthcoming delegated regulation, including the product-specific disclosures stemming from Regulation (EU) 2020/852 (the Taxonomy Regulation).

In addition, the Authority would like to take the opportunity to inform about the second set of Union law interpretation questions related to the Sustainable Finance Disclosure Regulation (SFDR) and Taxonomy Regulation from the European Commission. The [Q&As](#) relates to (A) SFDR disclosures of principal adverse impacts (PAI), financial advisers, legacy financial products and good governance and (B) the scope of Articles 5-6 of the Taxonomy Regulation.

Separately, on 31 May 2022, the ESMA also published a [Supervisory briefing](#) "Sustainability risks and disclosures in the area of investment management", which provides non-binding guidance to National Competent Authorities ("NCAs") regarding the supervision of sustainability-related disclosures and integration of sustainability risks, with the overall goal to promote common supervisory approaches and practices among NCAs and further to increase transparency for investors as well as avoiding the practice of "greenwashing".

The Authority will continue working with stakeholders, including other national competent Authorities and the European Supervisory Authorities in order to increase awareness and share best practices in this new area of supervision. More information can be found [here](#).