

Overview

Joint ESAs CP on SFDR Delegated Regulation

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Consumer Protection and Financial Innovation



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Joint SFDR Consultation Paper – background

The SFDR aims to:

- Enhance comparability of products
- Create level playing field for products/distribution channels
- Reduce information asymmetries
- Tackle “greenwashing”

Joint SFDR Consultation Paper – mandate

On 28 April 2022 Commission mandated ESAs to amend SFDR DR with regard to:

1. Expansion and streamlining of SFDR principal adverse impact (PAI) indicators
2. Financial product disclosure of decarbonisation targets

In addition the ESAs made proposals related to other provisions.

- Publication joint consultation paper on **12 April 2023**
- Public hearing today **6 June 2023**
- Deadline for comment: **4 July 2023**



PAI framework

Expansion of social PAI indicators

Technical revision of PAI framework

Financial products: Templates & disclosures on products with underlying investment options

Simplification of financial product templates

Complemented the provisions for financial products with underlying investment options (includes MOPs)

DNSH review

Enhanced disclosure of DNSH for sustainable investments: transparency on thresholds used

GHG emissions reduction targets

Three levels of GHG emissions reduction target disclosure



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Next steps

- Public hearing today
- Consumer testing in some Member States during consultation period
- Consultation ends 4 July 2023
- Final report estimated submission to Commission: end October 2023

