

ESMA submits technical advice on Sustainable Finance to the European Commission

The two final reports contain technical advice to the EC on the integration of sustainability risks and factors, relating to environmental, social and good governance considerations with regards to investment firms and investment funds, into the Markets in Financial Instruments Directive II (MiFID II) ([investment services](#)), the Alternative Investment Fund Managers Directive (AIFMD) and the Undertakings in Collective Investment in Transferable Securities (UCITS) Directive ([investment funds](#)).

ESMA ran a public consultation and [hearing](#) on its technical proposals and conducted a cost-benefit-analysis and has taken into account the opinion of the Securities Markets Stakeholder Group (SMSG).

ESMA, to ensure consistency, has developed its final report in cooperation with the European Insurance and Occupational Pensions Authority (EIOPA), which has received a similar mandate regarding Solvency II and the Insurance Distribution Directive (IDD).

Next steps

ESMA's initial consultation contained a separate paper on guidelines for disclosure requirements applicable to credit ratings, including the consideration of environmental, social and governance factors. The final report of this paper is expected to be published by the end of July.