



[View this email in your browser](#)

Sustainability Regulation

Of particular interest to: all firms

In a little over a year from now (**10 March 2021**) most of the Sustainability Regulation (2019/2088) will apply to a variety of firms which the Regulation refers to as a 'financial market participant' (**FMP**) and/or a 'financial adviser' (**FA**). Such firms will include, but not be limited to:

- Alternative Investment Fund Managers
- UCITS Management Companies
- MiFID firms

Whether a firm is an FMP or an FA will be determined by its activities, and a firm can be **both**. By way of example, a MiFID firm undertaking portfolio management will be deemed to be an FMP whilst it will be an FA when providing investment advice.

The obligations arising under the Regulation centre around disclosures – both at entity level and financial product level – on matters such as the integration of '**sustainability risks**' in a firm's decision-making or advice process and the impact, if any, on '**sustainability factors**'. A firm's **remuneration policy** will also need to explain how that policy is consistent with the integration of sustainability risks.

For the avoidance of doubt, reference to a '**financial product**' under the Regulation extends beyond 'a fund' and will also capture e.g. a managed account, a pension scheme etc.

Enhanced disclosure is required when the financial product has a '**green label**', such as one that promotes environmental or social characteristics or has an objective of sustainable investment.

Regulatory Technical Standards on the content, presentation etc. of the information that needs to be disclosed have yet to be developed – the Regulation provides for the European Supervisory Authorities to present **draft standards** to the European Commission by **30 December 2020**.

Optima has prepared a summary of the Regulation which can be accessed [here](#).

If you have any comments on this article, or any questions in general, then please speak to your usual Optima consultant or contact us at info@optimapartners.com

To stop all marketing communications from us, please click unsubscribe below.
[unsubscribe from this list](#)

Copyright © 2020 Optima Partners, All rights reserved.

Our mailing address is:
Terminal House, 1st Floor, 52 Grosvenor Gardens, Belgravia, London SW1W 0AU