

Deloitte.
Legal

Alert
SFDR Regulation
starts to apply

New sustainability disclosure
requirements in the financial
services sector



Team Compliance CSR ESG
ItDeloitteLegal@deloitte.it

Starting from March 10, 2021 most of the provisions of Regulation (EU) no. 2019/2088 on sustainability-related disclosures in the financial services sector (“SFDR”) will be applicable.

For a broad range of **financial market participants (“FMPs”)** and **financial advisors (“FAs”)**, this will mean facing a set of new and thorough **sustainability disclosure requirements.**



Alert Compliance

SFDR Regulation starts to apply

SFDR sets out transparency rules

both at

- **entity level**, with regard to the integration of **sustainability risks** and consideration of **adverse sustainability impacts** in the processes of the entity and
- **product level**, requiring the provision of **sustainability-related information** with respect to the financial products made available.



Alert Compliance

SFDR Regulation starts to apply

SFDR disclosure requirements shall be fulfilled by providing **detailed and updated information** either on the **websites** of the FMPs and FAs or by means of **pre-contractual documentation** or **periodic reports**.

Further guidance may be found in the draft **regulatory technical standards** issued by the EU Supervisory Authorities.

Alert Compliance

SFDR Regulation starts to apply

On March 4, 2021 **CONSOB** issued an information notice in order to point out to FMPs and FAs the **forthcoming application of SFDR**.

CONSOB has underlined that **SFDR's sustainability disclosure requirements are additional** to the disclosure obligations already provided for in existing financial product and service regimes.



Alert Compliance

SFDR Regulation starts to apply

Such new European rules may result of burdensome application for FMPs and FAs and require **significant compliance efforts**, given:

- the uncertainties about the interpretation of some provisions and
- the need to integrate such new sustainability disclosure requirements with those already existing under other regimes.

Alert Compliance

SFDR Regulation starts to apply

Resorting to a legal advisor of proven expertise on **compliance activities in connection to ESG concerns in the financial sector** would allow to:

- quickly identify and resolve any issue of compliance with SFDR as well as
- adequately and effectively adapt internal procedures,

always ensuring a **proper fulfillment, customized to fit the specific business features of an entity.**

Alert Compliance

SFDR Regulation starts to apply

Team

Josephine Romano
Gioacchino Amato

Sonia Margherita Belloli
Nicola Pierotti

Alert Compliance

SFDR Regulation starts to apply

