

Regulatory News Alert

Sustainable finance

13 March 2018

Commission's action plan for sustainable finance

On 8 March 2018, the European Commission published its [action plan for a greener and cleaner economy](#). It sets out a roadmap for further work combining legislative and non-legislative actions for the financial sector to support the transition to the low-carbon economy.

The proposed action plan from the European Commission includes a series of upcoming key actions covering the financial system such as:

- The establishment of an **EU sustainability taxonomy**, harmonizing the language for sustainable finance across the European Union.
- The creation of **standards and labels for green financial products**.
- The clarification of **institutional investors and asset managers' duties** to make sure that they appropriately consider environmental, social, and governance issues in their investment decision process.
- The incorporation of **sustainability in prudential requirements**.
- Strengthening **sustainability disclosure** and improving **accounting rule-making**.

The action plan also includes a timetable for all actions that will be introduced by Q2 2019, such as:

- **In Q2 2018**, the Commission will **amend** Markets in Financial Instruments Directive (**MIFID II**) and the Insurance Distribution Directive (**IDD**) delegated acts to enhance sustainability in suitability assessment.
- In Q2 2019, the Commission will publish its fitness check of EU legislations on public corporate reporting and amend its non-binding guidelines on non-financial reporting. The Commission will also adopt a delegated act on the content of the **prospectus for green bond** issuances and publish a comprehensive study on sustainability ratings and research.
- The Commission will create **EU Ecolabels for financial products** and explore possible measures to incorporate climate and environmental risks into prudential requirements in line with the EU taxonomy.



How can Deloitte help?

In this rapidly evolving crossroads between regulations, Deloitte can help you to stay ahead of the game with its Kaleidoscope Regulatory Watch services, which monitors and analyses forthcoming changes.

Deloitte's advisory experts will also help you design and implement your renewed business strategy and support your reorganization in light of this new environment. Our team can assist you with any of your operation lifecycle through our wide range of services:

- Management company operating model definition
- Service Provider Selection & Due Diligence
- Gap analysis
- KPIs definition and dashboard implementation
- Marketing & Commercial strategy
- CSSF License Application and substance requirement
- IT Strategy
- Market research & analysis

Deloitte's advisers have in-depth experience in regulatory and organizational projects including UCITS V, AIFMD, and various other regulations, as well as in business processes or digital enabled solutions to help you meet the challenges of the new environment.

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