

# Overview SFDR Regulation

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# Where do we stand?

- **Taxonomy Regulation (EU) 2020/852**
- **Sustainable Finance Disclosure Regulation**
  - Disclosure obligation
  - Amending taxonomy regulation
  - Applicable from 10 March 2021
  - For periodic disclosure applicable from 1 January 2022
  - Transparency of adverse sustainability impact on product level applicable by 30 December 2022
- **RTS on content, methodologies and presentation of disclosures under the SFDR**
  - Single set of templates for each type of disclosure, i.e. one template for all types financial products
  - Majority of provisions applicable from 1 January 2022



# Scope of Disclosure Regulation

## Financial Market Participants

### Financial services sector

- Investment firms/credit institutions which provide portfolio management
- Undertakings for collective investment in transferable securities (**UCIT**) management company
- Alternative investment fund managers
- Managers of qualifying venture capital funds/social entrepreneurship fund

### Insurance sector

- Insurance undertakings which make available insurance-based investment products (**IBIPs**)
- Institutions for occupational retirement provision (**IORP**)
- Manufacturers of pension products
- Pan-European Personal Pension Product (**PEPP**) provider

## Financial Advisors

- Insurance intermediary/insurance undertaking which provide **insurance advice** with regard to IBIPs
- Credit institutions/investment firm, AIFM or UCIT management company which provide **investment advice**

## Financial Product

- **Financial services:** managed portfolio, AIF, UCIT,
- **Insurance sector:** IBIPs, pension product, pension scheme, PEPPs

# Entity level disclosure

	Financial Market Participants	Financial Advisor	Disclosure Type	Level II
<b>Sustainability risk policies (Art. 3 SFDR)</b> <ul style="list-style-type: none"> <li>Integration of sustainability risk</li> </ul>	X	X	Website	
<b>Adverse sustainability impacts (Art. 4 SFDR)</b> <ul style="list-style-type: none"> <li>Comply or explain for smaller entities and financial advisors (mandatory for financial market participants above 500 employees)</li> </ul>	X	X	Website	Art. 4 to Art. 12 RTS
<b>Remuneration (Art. 5 SFDR)</b> <ul style="list-style-type: none"> <li>Consistency of remuneration policies with sustainability risks</li> </ul>	X		Website	
<b>Integration of sustainability risks into investment decisions (Art. 6 SFDR)</b>	X	X	Pre-contractual	

# Product level disclosure

	Financial Market Participants	Financial Advisor	Disclosure Type	Level II
<b>Adverse sustainability impact (Art 7 SFDR)</b> <ul style="list-style-type: none"> <li>Statement on how the financial product considers principal adverse impacts on sustainability factors</li> </ul>	x		Pre-contractual	
<b>Promotion of environmental/social characteristics (Art. 8)</b> <ul style="list-style-type: none"> <li>Explanation of how objectives are met</li> <li>In case of a reference index, explanation of how the index is consistent with the promoted characteristics</li> </ul>	x	x	Pre-contractual	Art. 13 RTS
<b>Sustainability investments (Art. 9 SFDR)</b> <ul style="list-style-type: none"> <li>Explanation of why the reference index is aligned with the</li> </ul>	x	x	Pre-contractual	Art. 20 to Art. 27 RTS
<b>Promotion of environmental/social &amp; of sustainable investments (Art. 10 and Art. 11 SFDR)</b>	x		Website / periodic reports	Art. 31 to 57 and Art. 58 to 73 RTS

(Adverse sustainability impacts by 30 December 2022)

# Template Disclosure Document




Product name/legal identifier: [complete]

## Environmental and/or social characteristics

- This product:    Promotes environmental or social characteristics, but does not have as its objective a sustainable investment
- It does not invest in sustainable investments *[tick when relevant]*
  - It invests partially in sustainable investments *[tick when relevant]*
- Has sustainable investment as its objective. Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

Has a reference benchmark been designated for the purpose of attaining the environmental or social characteristics promoted by the financial product? *[tick relevant box]*

- Yes  
 No

①  What environmental and/or social characteristics are promoted by this financial product?

- What sustainability indicators are used to measure the attainment of the environmental or social characteristics promoted by this financial product?

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

②  What investment strategy does this financial product follow?

- What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?
- How is that strategy implemented in the investment process on a continuous basis?
- What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy? *[include question where there is a commitment to reduce the scope of investments by a minimum rate]*
- What is the policy to assess good governance practices of the investee companies?
- Where can I find further details on the investment strategy?

Investment strategies guide investment decisions based on factors such as investment objectives and risk tolerance.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

# Questions?



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# Thank you

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