Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability#related disclosures in the financial services sector (Text with EEA relevance)

REGULATION (EU) 2019/2088 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

of 27 November 2019

on sustainability#related disclosures in the financial services sector

(Text with EEA relevance)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 114 thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee[(1)],

Acting in accordance with the ordinary legislative procedure[(2)],

Whereas:

(1) On 25 September 2015, the UN General Assembly adopted a new global sustainable development framework: the 2030 Agenda for Sustainable Development (the '2030 Agenda'), which has at its core the Sustainable Development Goals (SDGs). The Commission Communication of 22 November 2016 on the next steps for a sustainable European future links the SDGs to the Union policy framework to ensure that all Union actions and policy initiatives, both within the Union and globally, take the SDGs on board at the outset. In its conclusions of 20 June 2017, the Council confirmed the commitment of the Union and its Member States to the implementation of the 2030 Agenda in a full, coherent, comprehensive, integrated and effective manner, and in close cooperation with partners and other stakeholders.

(2) The transition to a low#carbon, more sustainable, resource#efficient and circular economy in line with the SDGs is key to ensuring long#term competitiveness of the economy of the Union. The Paris Agreement adopted under the United Nations Framework Convention on Climate Change (the 'Paris Agreement'), which was approved by the Union on 5 October 2016[(3)] and which entered into force on 4 November 2016, seeks to strengthen the response to climate change by, inter alia, making finance flows consistent with a pathway towards low greenhouse gas emissions and climate#resilient development.

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(3) In order to reach the objectives of the Paris Agreement and significantly reduce the risks and impacts of climate change, the global target is to hold the increase in the global average temperature to well below 2 °C above pre#industrial levels and to pursue efforts to limit the temperature increase to 1,5 °C above pre#industrial levels.

(4) Directives 2009/65/EC[(4)], 2009/138/EC[(5)], 2011/61/EU[(6)], 2013/36/EU[(7)], 2014/65/EU[(8)], (EU) 2016/97[(9)], (EU) 2016/2341[(10)] of the European Parliament and of the Council, and Regulations (EU) No 345/2013[(11)], (EU) No 346/2013[(12)], (EU) 2015/760[(13)] and (EU) 2019/1238[(14)] of the European Parliament and of the Council share the common objective of facilitating the uptake and pursuit of the activities of undertakings for collective investment in transferable securities (UCITS), credit institutions, alternative investment fund managers (AIFMs) which manage or market alternative investment funds, including European long#term investment funds (ELTIFs), insurance undertakings, investment firms, insurance intermediaries, institutions for occupational retirement provision (IORPs), managers of qualifying venture capital funds (EuVECA managers), managers of qualifying social entrepreneurship funds (EuSEF managers) and providers of pan#European personal pension products (PEPPs). Those Directives and Regulations ensure the more uniform protection of end investors and make it easier for them to benefit from a wide range of financial products, while at the same time providing rules that enable end investors to make informed investment decisions.

(5) Disclosures to end investors on the integration of sustainability risks, on the consideration of adverse sustainability impacts, on sustainable investment objectives, or on the promotion of environmental or social characteristics, in investment decision# making and in advisory processes, are insufficiently developed because such disclosures are not yet subject to harmonised requirements.

(6) The exemption from this Regulation for financial advisers which employ fewer than three persons should be without prejudice to the application of the provisions of national law transposing Directives 2014/65/EU and (EU) 2016/97, in particular the rules on investment and insurance advice. Therefore, although such advisers are not required to provide information in accordance with this Regulation, they are required to consider and factor in sustainability risks in their advisory processes.

(7) Entities covered by this Regulation, depending on the nature of their activities, should comply with the rules on financial market participants where they manufacture financial products and should comply with the rules on financial advisers where they provide investment advice or insurance advice. Therefore, where such entities carry out activities of both financial market participants and financial advisers concurrently, such entities should be deemed to be financial market participants where they act in the capacity of manufacturers of financial products, including portfolio management, and should be deemed to be financial advisers where they provide investment or insurance advice.

(8) As the Union is increasingly faced with the catastrophic and unpredictable consequences of climate change, resource depletion and other sustainability#related issues, urgent action is needed to mobilise capital not only through public policies but also by the financial services sector. Therefore, financial market participants and

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financial advisers should be required to disclose specific information regarding their approaches to the integration of sustainability risks and the consideration of adverse sustainability impacts.

(9) In the absence of harmonised Union rules on sustainability#related disclosures to end investors, it is likely that diverging measures will continue to be adopted at national level and different approaches in different financial services sectors might persist. Such divergent measures and approaches would continue to cause significant distortions of competition because of significant differences in disclosure standards. In addition, the parallel development of market#based practices that are based on commercially#driven priorities that produce divergent results currently causes further market fragmentation and might even further exacerbate inefficiencies in the functioning of the internal market in the future. Divergent disclosure standards and market#based practices make it very difficult to compare different financial products, create an uneven playing field for such products and for distribution channels, and erect additional barriers within the internal market. Such divergences could also be confusing for end investors and could distort their investment decisions. In ensuring compliance with the Paris Agreement, there is a risk that Member States adopt divergent national measures which could create obstacles to the smooth functioning of the internal market and be detrimental to financial market participants and financial advisers. Furthermore, the lack of harmonised rules relating to transparency makes it difficult for end investors to effectively compare different financial products in different Member States with respect to their environmental, social and governance risks and sustainable investment objectives. It is therefore necessary to address existing obstacles to the functioning of the internal market and to enhance the comparability of financial products in order to avoid likely future obstacles.

(10) This Regulation aims to reduce information asymmetries in principal#agent relationships with regard to the integration of sustainability risks, the consideration of adverse sustainability impacts, the promotion of environmental or social characteristics, and sustainable investment, by requiring financial market participants and financial advisers to make pre#contractual and ongoing disclosures to end investors when they act as agents of those end investors (principals).

(11) This Regulation supplements the disclosure requirements laid down in Directives 2009/65/EC, 2009/138/EC, 2011/61/EU, 2014/65/EU, (EU) 2016/97, (EU) 2016/2341, and Regulations (EU) No 345/2013, (EU) No 346/2013, (EU) 2015/760 and (EU) 2019/1238 as well as in national law governing personal and individual pension products. To ensure the orderly and effective monitoring of compliance with this Regulation, Member States should rely on the competent authorities already designated under those rules.

(12) This Regulation maintains the requirements for financial market participants and financial advisers to act in the best interest of end investors, including but not limited to, the requirement of conducting adequate due diligence prior to making investments, provided for in Directives 2009/65/EC, 2009/138/EC, 2011/61/EU, 2013/36/EU, 2014/65/EU, (EU) 2016/97, (EU) 2016/2341, and Regulations (EU) No 345/2013 and

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(EU) No 346/2013, as well as in national law governing personal and individual pension products. In order to comply with their duties under those rules, financial market participants and financial advisers should integrate in their processes, including in their due diligence processes, and should assess on a continuous basis not only all relevant financial risks but also including all relevant sustainability risks that might have a relevant material negative impact on the financial return of an investment or advice. Therefore, financial market participants and financial advisers should specify in their policies how they integrate those risks and publish those policies.

(13) This Regulation requires financial market participants and financial advisers which provide investment advice or insurance advice with regard to insurance#based investment products (IBIPs), regardless of the design of the financial product and the target market, to publish written policies on the integration of sustainability risks and ensure the transparency of such integration.

(14) A sustainability risk means an environmental, social or governance event or condition that, if it occurs, could cause a negative material impact on the value of the investment, as specified in sectoral legislation, in particular in Directives 2009/65/EC, 2009/138/EC, 2011/61/EU, 2013/36/EU, 2014/65/EU, (EU) 2016/97, (EU) 2016/2341, or delegated acts and regulatory technical standards adopted pursuant to them.

(15) This Regulation should be without prejudice to the rules on the risk integration under Directives 2009/65/EC, 2009/138/EC, 2011/61/EU, 2013/36/EU, (EU) 2016/97, (EU) 2016/2341, and Regulations (EU) No 345/2013 and (EU) No 346/2013 and as well as under national law governing personal and individual pension products, including but not limited to the relevant applicable proportionality criteria such as size, internal organisation and the nature, scope and complexity of the activities in question. This Regulation seeks to achieve more transparency regarding how financial market participants and financial advisers integrate sustainability risks into their investment decisions and investment or insurance advice. Where the sustainability risk assessment leads to the conclusion that there are no sustainability risks deemed to be relevant to the financial product, the reasons therefor should be explained. Where the assessment leads to the conclusion that those risks are relevant, the extent to which those sustainability risks might impact the performance of the financial product should be disclosed either in qualitative or quantitative terms. The sustainability risk assessments and related pre# contractual disclosures by financial market participants should feed into pre#contractual disclosures by financial advisers. Financial advisers should disclose how they take sustainability risks into account in the selection process of the financial product that is presented to the end investors before providing the advice, regardless of the sustainability preferences of the end investors. This should be without prejudice to the application of provisions of national law transposing Directives 2014/65/EU and (EU) 2016/97, in particular the obligations on financial market participants and financial advisers as regards product governance, assessments of suitability and appropriateness, and the demands#and#needs test.

(16) Investment decisions and advice might cause, contribute to or be directly linked to effects on sustainability factors that are negative, material or likely to be material.

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(17) To ensure the coherent and consistent application of this Regulation, it is necessary to lay down a harmonised definition of 'sustainable investment' which provides that the investee companies follow good governance practices and the precautionary principle of 'do no significant harm' is ensured, so that neither the environmental nor the social objective is significantly harmed.

(18) Where financial market participants, taking due account of their size, the nature and scale of their activities and the types of financial products they make available, consider principal adverse impacts, whether material or likely to be material, of investment decisions on sustainability factors, they should integrate in their processes, including in their due diligence processes, the procedures for considering the principal adverse impacts alongside the relevant financial risks and relevant sustainability risks. The information on such procedures might describe how financial market participants discharge their sustainability#related stewardship responsibilities or other shareholder engagements. Financial market participants should include on their websites information on those procedures and descriptions of the principal adverse impacts. In that respect, the Joint Committee of the European Banking Authority established by Regulation (EU) No 1093/2010 of the European Parliament and of the Council[(15)] (EBA), the European Insurance and Occupational Pensions Authority established by Regulation (EU) No 1094/2010 of the European Parliament and of the Council[(16)] (EIOPA) and the European Securities and Markets Authority established by Regulation (EU) No 1095/2010 of the European Parliament and of the Council[(17)] (ESMA) (the 'Joint Committee'), and financial market participants and financial advisers should consider the due diligence guidance for responsible business conduct developed by the Organisation for Economic Co#operation and Development (OECD) and the United Nations#supported Principles for Responsible Investment.

(19) The consideration of sustainability factors in the investment decision#making and advisory processes can realise benefits beyond financial markets. It can increase the resilience of the real economy and the stability of the financial system. In so doing, it can ultimately impact on the risk#return of financial products. It is therefore essential that financial market participants and financial advisers provide the information necessary to enable end investors to make informed investment decisions.

(20) Financial market participants which consider the principal adverse impacts of investment decisions on sustainability factors should disclose in the pre#contractual information for each financial product, concisely in qualitative or quantitative terms, how such impacts are considered as well as a statement that information on the principal adverse impacts on sustainability factors is available in the ongoing reporting. Principal adverse impacts should be understood as those impacts of investment decisions and advice that result in negative effects on sustainability factors.

(21) Sustainable products with various degrees of ambition have been developed to date. Therefore, for the purposes of pre#contractual disclosures and disclosures in periodical reports, it is necessary to distinguish between the requirements for financial products which promote environmental or social characteristics and those for financial products which have as an objective a positive impact on the environment and society.

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As a consequence, as regards the financial products with environmental or social characteristics, financial market participants should disclose whether and how the designated index, sustainability index or mainstream index, is aligned with those characteristics and where no benchmark is used, information on how the sustainability characteristics of the financial products are met. As regards financial products which have as an objective a positive impact on the environment and society, financial market participants should disclose which sustainable benchmark they use to measure the sustainable performance and where no benchmark is used, explain how the sustainable objective is met. Those disclosures by means of periodic reports should be carried out annually.

(22) This Regulation is without prejudice to the rules on remuneration or the assessment of the performance of staff of financial market participants and financial advisers under Directives 2009/65/EC, 2009/138/EC, 2011/61/EU, 2013/36/EU, 2014/65/EU, (EU) 2016/97, (EU) 2016/2341, and Regulations (EU) No 345/2013 and (EU) No 346/2013, or to implementing acts and national law governing personal and individual pension products, including but not limited to the relevant applicable proportionality criteria such as size, internal organisation and the nature, scope and complexity of the activities in question. It is, however, appropriate to achieve more transparency, in qualitative or quantitative terms, on the remuneration policies of financial market participants and financial advisers, with respect to their investment or insurance advice, that promote sound and effective risk management with respect to sustainability risks whereas the structure of remuneration does not encourage excessive risk#taking with respect to sustainability risks and is linked to risk#adjusted performance.

(23) To enhance transparency and inform end investors, access to information on how financial market participants and financial advisers integrate relevant sustainability risks, whether material or likely to be material, in their investment decision making processes, including the organisational, risk management and governance aspects of such processes, and in their advisory processes, respectively, should be regulated by requiring those entities to maintain concise information about those policies on their websites.

(24) The current disclosure requirements set out in Union law do not require the disclosure of all the information necessary to properly inform end investors about the sustainability# related impact of their investments in financial products with environmental or social characteristics or financial products which pursue sustainability objectives. Therefore, it is appropriate to set out more specific and standardised disclosure requirements with regard to such investments. For instance, the overall sustainability#related impact of financial products should be reported regularly by means of indicators relevant for measuring the chosen sustainable investment objective. Where an appropriate index has been designated as a reference benchmark, that information should also be provided for the designated index as well as for a broad market index to allow for comparison. Where EuSEF managers make available information on the positive social impact that is the objective of a given fund, on the overall social outcome achieved and on the related methods used in accordance with Regulation (EU) No 346/2013, they might,

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where appropriate, use such information for the purposes of the disclosures under this Regulation.

(25) Directive 2013/34/EU of the European Parliament and of the Council[18] imposes transparency obligations as regards environmental, social and corporate governance matters in non#financial reporting. However, the form and presentation required by that Directive is not, always suitable for direct use by financial market participants and financial advisers when dealing with end investors. Financial market participants and financial advisers should have the option to use information in management reports and non#financial statements for the purposes of this Regulation in accordance with that Directive, where appropriate.

(26) To ensure the reliability of information published on the websites of financial market participants and financial advisers, such information should be kept up to date, and any revisions or changes to such information should be clearly explained.

(27) Even though this Regulation does not cover national social security schemes covered by Regulations (EC) No 883/2004 and (EC) No 987/2009, in view of the fact that Member States increasingly open up parts of the management of compulsory pension schemes within their social security systems to financial market participants or other entities under private law, and as such schemes are exposed to sustainability risks and might consider adverse sustainability impacts, promote environmental or social characteristics or pursue sustainable investment, Member States should have the option to apply this Regulation with regard to such schemes in order to mitigate information asymmetries.

(28) This Regulation should not prevent a Member State from adopting or maintaining in force more stringent provisions on the publication of climate change adaptation policies and on additional disclosures to end investors regarding sustainability risks provided that the affected financial market participants and financial advisers, have their head offices in its territory. However, such provisions should not impede the effective application of this Regulation or the achievement of its objectives.

(29) Under Directive (EU) 2016/2341, IORPs are already required to apply governance and risk#management rules to their investment decisions and risk assessments in order to ensure continuity and regularity. Investment decisions and the assessment of relevant risks, including environmental, social and governance risks, should be made in such a manner as to ensure compliance with the interests of members and beneficiaries of IORPs. EIOPA should issue guidelines specifying how investment decisions and risk assessments by IORPs are to take into account environmental, social and governance risks under that Directive.

(30) EBA, EIOPA and ESMA (collectively, the ‘ESAs’) should be mandated, through the Joint Committee, to develop draft regulatory technical standards to further specify the content, methodologies and presentation of information in relation to sustainability indicators with regard to climate and other environment#related adverse impacts, to social and employee matters, to respect for human rights, and to anti#corruption and anti#bribery matters, as well as to specify the presentation and content of the information with regard to the promotion of environmental or social characteristics and sustainable investment objectives to be disclosed in pre#contractual documents, annual

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reports and on websites of financial market participants in accordance with Articles 10 to 14 of Regulations (EU) No 1093/2010, (EU) No 1094/2010 and (EU) No 1095/2010. The Commission should be empowered to adopt those regulatory technical standards by means of delegated acts pursuant to Article 290 of the Treaty on the Functioning of the European Union (TFEU) and in accordance with Articles 10 to 14 of Regulations (EU) No 1093/2010, (EU) No 1094/2010 and (EU) No 1095/2010.

(31) The ESAs should be mandated, through the Joint Committee, to develop draft implementing technical standards to determine the standard presentation of information on the promotion of environmental or social characteristics and sustainable investments in marketing communications. The Commission should be empowered to adopt those implementing technical standards by means of an implementing act pursuant to Article 291 TFEU and in accordance with Article 15 of Regulations (EU) No 1093/2010, (EU) No 1094/2010 and (EU) No 1095/2010.

(32) Since annual reports in principle summarise business results for complete calendar years, the provisions of this Regulation regarding the transparency requirements for such reports should not apply until 1 January 2022.

(33) The disclosure rules contained in this Regulation should supplement the provisions of Directives 2009/65/EC, 2009/138/EC, 2011/61/EU, 2014/65/EU, (EU) 2016/97 and (EU) 2016/2341, and Regulations (EU) No 345/2013, (EU) No 346/2013, (EU) 2015/760 and (EU) 2019/1238.

(34) This Regulation respects fundamental rights and observes the principles recognised in particular by the Charter of the Fundamental Rights of the European Union.

(35) Since the objectives of this Regulation, namely to strengthen protection for end investors and improve disclosures to them, including in cases of cross#border purchases by end investors, cannot be sufficiently achieved by the Member States but can rather, by reason of the need to lay down uniform disclosure requirements, be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve those objectives,

HAVE ADOPTED THIS REGULATION:

Modifications etc. (not altering text)

C1 Regulation: power to modify conferred (11.7.2023) by Financial Services and Markets Act 2023 (c. 29), ss. 3, 86(3), **Sch. 1 Pt. 1**; S.I. 2023/779, reg. 2(d)

Article 1

Subject matter

This Regulation lays down harmonised rules for financial market participants and financial advisers on transparency with regard to the integration of sustainability risks

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and the consideration of adverse sustainability impacts in their processes and the provision of sustainability#related information with respect to financial products.

Article 2

Definitions

For the purposes of this Regulation, the following definitions apply:

(1) 'financial market participant' means:

(a) an insurance undertaking which makes available an insurance#based investment product (IBIP);

(b) an investment firm which provides portfolio management;

(c) an institution for occupational retirement provision (IORP);

(d) a manufacturer of a pension product;

(e) an alternative investment fund manager (AIFM);

(f) a pan#European personal pension product (PEPP) provider;

(g) a manager of a qualifying venture capital fund registered in accordance with Article 14 of Regulation (EU) No 345/2013;

(h) a manager of a qualifying social entrepreneurship fund registered in accordance with Article 15 of Regulation (EU) No 346/2013;

(i) a management company of an undertaking for collective investment in transferable securities (UCITS management company); or

(j) a credit institution which provides portfolio management;

(2) 'insurance undertaking' means an insurance undertaking authorised in accordance with Article 18 of Directive 2009/138/EC;

(3) 'insurance#based investment product' or 'IBIP' means:

(a) an insurance#based investment product as defined in point (2) of Article 4 of Regulation (EU) No 1286/2014 of the European Parliament and of the Council[(19)]; or

(b) an insurance product which is made available to a professional investor and which offers a maturity or surrender value that is wholly or partially exposed, directly or indirectly, to market fluctuations;

(4) 'alternative investment fund manager' or 'AIFM' means an AIFM as defined in point (b) of Article 4(1) of Directive 2011/61/EU;

(5) 'investment firm' means an investment firm as defined in point (1) of Article 4(1) of Directive 2014/65/EU;

(6) 'portfolio management' means portfolio management as defined in in point (8) of Article 4(1) of Directive 2014/65/EU;

(7) 'institution for occupational retirement provision' or 'IORP' means an institution for occupational retirement provision authorised or registered in accordance with Article

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9 of Directive (EU) 2016/2341 except an institution in respect of which a Member State has chosen to apply Article 5 of that Directive or an institution that operates pension schemes which together have less than 15 members in total;

(8) ‘pension product’ means:

(a) a pension product as referred to in point (e) of Article 2(2) of Regulation (EU) No 1286/2014; or

(b) an individual pension product as referred to in point (g) of Article 2(2) of Regulation (EU) No 1286/2014;

(9) ‘pan#European Personal Pension Product’ or ‘PEPP’ means a product as referred to in point (2) of Article 2 of Regulation (EU) 2019/1238;

(10) ‘UCITS management company’ means:

(a) a management company as defined in point (b) of Article 2(1) of Directive 2009/65/EC; or

(b) an investment company authorised in accordance with Directive 2009/65/EC which has not designated a management company authorised under that Directive for its management;

(11) ‘financial adviser’ means:

(a) an insurance intermediary which provides insurance advice with regard to IBIPs;

(b) an insurance undertaking which provides insurance advice with regard to IBIPs;

(c) a credit institution which provides investment advice;

(d) an investment firm which provides investment advice;

(e) an AIFM which provides investment advice in accordance with point (b)(i) of Article 6(4) of Directive 2011/61/EU; or

(f) a UCITS management company which provides investment advice in accordance with point (b)(i) of Article 6(3) of Directive 2009/65/EC;

(12) ‘financial product’ means:

(a) a portfolio managed in accordance with point (6) of this Article;

(b) an alternative investment fund (AIF);

(c) an IBIP;

(d) a pension product;

(e) a pension scheme;

(f) a UCITS; or

(g) a PEPP;

(13) ‘alternative investment funds’ or ‘AIFs’ means AIFs as defined in point (a) of Article 4(1) of Directive 2011/61/EU;

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(14) 'pension scheme' means a pension scheme as defined in point (2) of Article 6 of Directive (EU) 2016/2341;

(15) 'undertaking for collective investment in transferable securities' or 'UCITS' means an undertaking authorised in accordance with Article 5 of Directive 2009/65/EC;

(16) 'investment advice' means investment advice as defined in point (4) of Article 4(1) of Directive 2014/65/EU;

(17) 'sustainable investment' means an investment in an economic activity that contributes to an environmental objective, as measured, for example, by key resource efficiency indicators on the use of energy, renewable energy, raw materials, water and land, on the production of waste, and greenhouse gas emissions, or on its impact on biodiversity and the circular economy, or an investment in an economic activity that contributes to a social objective, in particular an investment that contributes to tackling inequality or that fosters social cohesion, social integration and labour relations, or an investment in human capital or economically or socially disadvantaged communities, provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance;

(18) 'professional investor' means a client who meets the criteria laid down in Annex II to Directive 2014/65/EU;

(19) 'retail investor' means an investor who is not a professional investor;

(20) 'insurance intermediary' means an insurance intermediary as defined in point (3) of Article 2(1) of Directive (EU) 2016/97;

(21) 'insurance advice' means advice as defined in point (15) of Article 2(1) of Directive (EU) 2016/97;

(22) 'sustainability risk' means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment;

(23) 'European long#term investment fund' or 'ELTIF' means a fund authorised in accordance with Article 6 of Regulation (EU) 2015/760;

(24) 'sustainability factors' mean environmental, social and employee matters, respect for human rights, anti#corruption and anti#bribery matters.

[F1] *Article 2a*

Principle of do no significant harm

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Textual Amendments

F1 Art. 2a omitted (31.12.2020) by virtue of The Securities Financing Transactions, Securitisation and Miscellaneous Amendments (EU Exit) Regulations 2020 (S.I. 2020/1385), regs. 1(3), **77**

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[X1] *Article 3*

Transparency of sustainability risk policies

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Editorial Information

X1 This provision does not form part of domestic law under European Union (Withdrawal) Act 2018 (c. 16), **s. 3**, since it only applies from a date after IP completion day by virtue of Art. 20

Article 4

Transparency of adverse sustainability impacts at entity level

[X2]1 . . . . . .

[X2]2 . . . . . .

[X2]3 . . . . . .

[X2]4 . . . . . .

[X2]5 . . . . . .

[F2]6 . . . . . .

[F2]7 . . . . . .

Editorial Information

X2 This provision does not form part of domestic law under European Union (Withdrawal) Act 2018 (c. 16), **s. 3**, since it only applies from a date after IP completion day by virtue of Art. 20

Textual Amendments

F2 Art. 4(6)(7) omitted (31.12.2020) by virtue of The Financial Services (Miscellaneous Amendments) (EU Exit) Regulations 2020 (S.I. 2020/628), regs. 1(4), **22**

[X3] *Article 5*

Transparency of remuneration policies in relation to the integration of sustainability risks

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Editorial Information

X3 This provision does not form part of domestic law under European Union (Withdrawal) Act 2018 (c. 16), **s. 3**, since it only applies from a date after IP completion day by virtue of Art. 20

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[X4] *Article 6*

Transparency of the integration of sustainability risks

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Editorial Information

X4 This provision does not form part of domestic law under European Union (Withdrawal) Act 2018 (c. 16), **s. 3**, since it only applies from a date after IP completion day by virtue of Art. 20

[X5] *Article 7*

Transparency of adverse sustainability impacts at financial product level

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Editorial Information

X5 This provision does not form part of domestic law under European Union (Withdrawal) Act 2018 (c. 16), **s. 3**, since it only applies from a date after IP completion day by virtue of Art. 20

Article 8

Transparency of the promotion of environmental or social characteristics in pre-contractual disclosures

[X6]1 . . . . . .

[X6]2 . . . . . .

[X6]2a . . . . . .

[F3]3 . . . . . .

[F4]4 . . . . . .

Editorial Information

X6 This provision does not form part of domestic law under European Union (Withdrawal) Act 2018 (c. 16), **s. 3**, since it only applies from a date after IP completion day by virtue of Art. 20

Textual Amendments

F3 Art. 8(3) omitted (31.12.2020) by virtue of The Financial Services (Miscellaneous Amendments) (EU Exit) Regulations 2020 (S.I. 2020/628), regs. 1(4), **22**

F4 Art. 8(4) omitted (31.12.2020) by virtue of The Securities Financing Transactions, Securitisation and Miscellaneous Amendments (EU Exit) Regulations 2020 (S.I. 2020/1385), regs. 1(3), **77**

Changes to legislation: *Regulation (EU) 2019/2088 of the European Parliament and of the Council is up to date with all changes known to be in force on or before 16 September 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Article 9

Transparency of sustainable investments in pre#contractual disclosures

[X7]1 . . . . . .

[X7]2 . . . . . .

[X7]3 . . . . . .

[X7]4 . . . . . .

[X7]4a . . . . . .

[F5]5 . . . . . .

[F6]6 . . . . . .

Editorial Information

X7 This provision does not form part of domestic law under European Union (Withdrawal) Act 2018 (c. 16), **s. 3**, since it only applies from a date after IP completion day by virtue of Art. 20

Textual Amendments

F5 Art. 9(5) omitted (31.12.2020) by virtue of The Financial Services (Miscellaneous Amendments) (EU Exit) Regulations 2020 (S.I. 2020/628), regs. 1(4), **22**

F6 Art. 9(6) omitted (31.12.2020) by virtue of The Securities Financing Transactions, Securitisation and Miscellaneous Amendments (EU Exit) Regulations 2020 (S.I. 2020/1385), regs. 1(3), **77**

Article 10

Transparency of the promotion of environmental or social characteristics and of sustainable investments on websites

[X8]1 . . . . . .

[F7]2 . . . . . .

Editorial Information

X8 This provision does not form part of domestic law under European Union (Withdrawal) Act 2018 (c. 16), **s. 3**, since it only applies from a date after IP completion day by virtue of Art. 20

Textual Amendments

F7 Art. 10(2) omitted (31.12.2020) by virtue of The Financial Services (Miscellaneous Amendments) (EU Exit) Regulations 2020 (S.I. 2020/628), regs. 1(4), **22**

***Changes to legislation:** Regulation (EU) 2019/2088 of the European Parliament and of the Council is up to date with all changes known to be in force on or before 16 September 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Article 11

Transparency of the promotion of environmental or social characteristics and of sustainable investments in periodic reports

[X9]1 . . . . . .

[X9]2 . . . . . .

[X9]3 . . . . . .

[F8]4 . . . . . .

[F9]5 . . . . . .

Editorial Information

X9 This provision does not form part of domestic law under European Union (Withdrawal) Act 2018 (c. 16), **s. 3**, since it only applies from a date after IP completion day by virtue of Art. 20

Textual Amendments

F8 Art. 11(4) omitted (31.12.2020) by virtue of The Financial Services (Miscellaneous Amendments) (EU Exit) Regulations 2020 (S.I. 2020/628), regs. 1(4), **22**

F9 Art. 11(5) omitted (31.12.2020) by virtue of The Securities Financing Transactions, Securitisation and Miscellaneous Amendments (EU Exit) Regulations 2020 (S.I. 2020/1385), regs. 1(3), **77**

[X10]Article 12

Review of disclosures

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Editorial Information

X10 This provision does not form part of domestic law under European Union (Withdrawal) Act 2018 (c. 16), **s. 3**, since it only applies from a date after IP completion day by virtue of Art. 20

Article 13

Marketing communications

[X11]1 . . . . . .

[F10]2 . . . . . .

Editorial Information

X11 This provision does not form part of domestic law under European Union (Withdrawal) Act 2018 (c. 16), **s. 3**, since it only applies from a date after IP completion day by virtue of Art. 20

Changes to legislation: *Regulation (EU) 2019/2088 of the European Parliament and of the Council is up to date with all changes known to be in force on or before 16 September 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Textual Amendments

F10 Art. 13(2) omitted (31.12.2020) by virtue of The Financial Services (Miscellaneous Amendments) (EU Exit) Regulations 2020 (S.I. 2020/628), regs. 1(4), **22**

[X12] *Article 14*

Competent authorities

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Editorial Information

X12 This provision does not form part of domestic law under European Union (Withdrawal) Act 2018 (c. 16), **s. 3**, since it only applies from a date after IP completion day by virtue of Art. 20

[X13] *Article 15*

Transparency by IORPs and insurance intermediaries

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Editorial Information

X13 This provision does not form part of domestic law under European Union (Withdrawal) Act 2018 (c. 16), **s. 3**, since it only applies from a date after IP completion day by virtue of Art. 20

[X14] *Article 16*

Pension products covered by Regulations (EC) No 883/2004 and (EC) No 987/2009

. . . . . .

Editorial Information

X14 This provision does not form part of domestic law under European Union (Withdrawal) Act 2018 (c. 16), **s. 3**, since it only applies from a date after IP completion day by virtue of Art. 20

[X15] *Article 17*

Exemptions

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***Changes to legislation:** Regulation (EU) 2019/2088 of the European Parliament and of the Council is up to date with all changes known to be in force on or before 16 September 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Editorial Information

X15 This provision does not form part of domestic law under European Union (Withdrawal) Act 2018 (c. 16), **s. 3**, since it only applies from a date after IP completion day by virtue of Art. 20

[X16]*Article 18*

Report

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Editorial Information

X16 This provision does not form part of domestic law under European Union (Withdrawal) Act 2018 (c. 16), **s. 3**, since it only applies from a date after IP completion day by virtue of Art. 20

[X17]*Article 19*

Evaluation

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Editorial Information

X17 This provision does not form part of domestic law under European Union (Withdrawal) Act 2018 (c. 16), **s. 3**, since it only applies from a date after IP completion day by virtue of Art. 20

Article 20

Entry into force and application

1 This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

2 This Regulation shall apply from 10 March 2021.

[[F11]3 By way of derogation from paragraph 2 of this Article:

[F12]a . . . . . .

[F12]b . . . . . .

c Articles 8(2a) and 9(4a) shall apply:

(i) in respect of the environmental objectives referred to in points (a) and (b) of Article 9 of Regulation (EU) 2020/852, from 1 January 2022; and

(ii) in respect of the environmental objectives referred to in points (c) to (f) of Article 9 of Regulation (EU) 2020/852, from 1 January 2023;

d Article 11(1), (2) and (3) shall apply from 1 January 2022.**]**

Changes to legislation: *Regulation (EU) 2019/2088 of the European Parliament and of the Council is up to date with all changes known to be in force on or before 16 September 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Textual Amendments

F11 Substituted by Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (Text with EEA relevance).

F12 Art. 20(3)(a)(b) omitted by Regulation (EU) 2020/852, **Art. 25(5)** (as amended (31.12.2020) by The Securities Financing Transactions, Securitisation and Miscellaneous Amendments (EU Exit) Regulations 2020 (S.I. 2020/1385), regs. 1(3), **78(18)(b)**)

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Changes to legislation: *Regulation (EU) 2019/2088 of the European Parliament and of the Council is up to date with all changes known to be in force on or before 16 September 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

(1) OJ C 62, 15.2.2019, p. 97.

(2) Position of the European Parliament of 18 April 2019 (not yet published in the Official Journal) and decision of the Council of 8 November 2019.

(3) Council Decision (EU) 2016/1841 of 5 October 2016 on the conclusion, on behalf of the European Union, of the Paris Agreement adopted under the United Nations Framework Convention on Climate Change (OJ L 282, 19.10.2016, p. 1).

(4) Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) (OJ L 302, 17.11.2009, p. 32).

(5) Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II) (OJ L 335, 17.12.2009, p. 1).

(6) Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers (OJ L 174, 1.7.2011, p. 1).

(7) Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC (OJ L 176, 27.6.2013, p. 338).

(8) Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (OJ L 173, 12.6.2014, p. 349).

(9) Directive (EU) 2016/97 of the European Parliament and of the Council of 20 January 2016 on insurance distribution (OJ L 26, 2.2.2016, p. 19).

(10) Directive (EU) 2016/2341 of the European Parliament and of the Council of 14 December 2016 on the activities and supervision of institutions for occupational retirement provision (IORPs) (OJ L 354, 23.12.2016, p. 37).

(11) Regulation (EU) No 345/2013 of the European Parliament and of the Council of 17 April 2013 on European venture capital funds (OJ L 115, 25.4.2013, p. 1).

(12) Regulation (EU) No 346/2013 of the European Parliament and of the Council of 17 April 2013 on European social entrepreneurship funds (OJ L 115, 25.4.2013, p. 18).

(13) Regulation (EU) 2015/760 of the European Parliament and of the Council of 29 April 2015 on European long-term investment funds (OJ L 123, 19.5.2015, p.98).

(14) Regulation (EU) 2019/1238 of the European Parliament and of the Council of 20 June 2019 on a Pan-European Personal Pension Product (PEPP) (OJ L 198, 25.7.2019, p. 1).

(15) Regulation (EU) No 1093/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Banking Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/78/EC (OJ L 331, 15.12.2010, p. 12).

(16) Regulation (EU) No 1094/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Insurance and Occupational Pensions Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/79/EC (OJ L 331, 15.12.2010, p. 48).

(17) Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/77/EC (OJ L 331, 15.12.2010, p. 84).

(18) Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC (OJ L 182, 29.6.2013, p. 19).

(19) Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (PRIIPs) (OJ L 352, 9.12.2014, p. 1).

Changes to legislation:
Regulation (EU) 2019/2088 of the European Parliament and of the Council is up to date with all changes known to be in force on or before 16 September 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.
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Changes and effects yet to be applied to :

– Regulation revoked by 2023 c. 29 Sch. 1 Pt. 1