

Delegated Regulations  
Incorporating ESG  
Preferences into  
Suitability Assessments  
Regulatory Tracker

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## Background

In May 2018, as part of its [Action Plan on Financing Sustainable Growth](#) (the Action Plan), the European Commission (Commission) proposed Delegated Regulations on suitability assessments. These would amend level 2 measures already in place under

- MiFID2 and
- the Insurance Distribution Directive.

## Summary

The Commission's proposals would require investment advisers to ask about, and then respond to, the preferences of retail investors regarding the sustainable impact of their investments, as a routine component of financial advice. This would involve clarifying an investor's environmental, social and governance (ESG) preferences by means of a questionnaire.

## Where are we in the process?

The Commission submitted its proposed draft Delegated Regulations to the European Parliament (EP) and to the Council of the EU (Council) for their approval. At the same time, the Commission opened a public consultation on its proposals.

The consultation period for both proposed Delegated Regulations closed on 21 June 2018.

On 04 January 2019, the Commission published updated draft Delegated Regulations, which can be viewed [here](#) and [here](#). The Commission also noted that the Delegated Regulations could only be officially adopted once provisions under the Disclosures Regulation have been agreed upon at EU level.

For more details on the Disclosure Regulation, see our tracker [here](#).

## Key stages in development of Level 1 text

Date	Level 1 Text
24 May 2018	Draft Commission Proposal amending MiFID2
24 May 2018	Draft Commission Proposal amending the Insurance Distribution Directive
04 January 2019	Updated draft Commission Proposal amending MiFID2
04 January 2019	Updated draft Commission Proposal amending the Insurance Distribution Directive