

PRESS RELEASE

ESMA issues No Action Letter on the new ESG disclosure requirements under the Benchmarks Regulation

The European Securities and Markets Authority (ESMA), the EU's securities markets regulator, is issuing a [No Action Letter](#) to promote coordinated action by National Competent Authorities (NCAs) regarding the new environmental, social and governance (ESG) disclosure requirements for benchmark administrators under the Benchmarks Regulation (BMR). It is also issuing an [Opinion](#) to the European Commission (EC) on the need for prompt adoption of the relevant Delegated Acts.

ESMA and NCAs are aware of the difficulties encountered by administrators in fulfilling the new requirements in the BMR on ESG-related disclosures for benchmarks prior to the application of the related Delegated Acts. The new requirements are due to apply on 30 April 2020 and require benchmark administrators to include details of how ESG factors are reflected in their methodology documents and benchmark statements.

ESMA considers that it is necessary for NCAs to address the absence of the Delegated Acts through consistent risk-based supervisory and enforcement practices.

Opinions to NCAs and European Commission

ESMA's two opinions are:

1. a No Action Letter to NCAs, provides ESMA's opinion that NCAs should not prioritise supervisory or enforcement action against administrators regarding these new requirements until the Delegated Acts apply; and
2. an Opinion addressed to the EC providing ESMA's view that any delay in the adoption of the Delegated Acts should be avoided.

On 8 April 2020, the EC published the draft Delegated Acts for a one-month consultation period. Following their adoption by the EC, the Delegated Acts will be subject to a scrutiny period by the European Parliament and by the Council before they enter into force.

ESG Requirements for Benchmark Administrators

The new ESG-related disclosure requirements oblige benchmark administrators, by 30 April, to include:

- in their methodology document an explanation of how the key elements of the methodology reflect ESG factors for each benchmark or family of benchmarks; and
- in their benchmark statement an explanation of how ESG factors are reflected in each benchmark or family of benchmarks provided and published.

Notes for editors

1. [ESMA41-137-1300 Opinion to National Competent Authorities](#)
2. [ESMA41-137-1299 Opinion to the European Commission](#)
3. [Regulation \(EU\) 2016/1011 - Benchmarks Regulation](#)
4. [Regulation \(EU\) 2019/2089 of the European Parliament and of the Council of 27 November 2019 amending Regulation \(EU\) 2016/1011 as regards EU Climate Transition Benchmarks, EU Paris-aligned Benchmarks and sustainability-related disclosures for benchmarks;](#)
5. ESMA is the European Union's securities markets regulator. Its mission is to enhance investor protection and promote stable and orderly financial markets.
6. It achieves these objectives through four activities:
 - i. assessing risks to investors, markets and financial stability;
 - ii. completing a single rulebook for EU financial markets;
 - iii. promoting supervisory convergence; and
 - iv. directly supervising specific financial entities.
7. ESMA achieves its mission within the European System of Financial Supervision (ESFS) through active cooperation with the European Banking Authority (EBA), the European Insurance and Occupational Pensions Authority (EIOPA), the European Systemic Risk Board, and with national authorities with competencies in securities markets (NCAs).

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