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Additional Information

Level 1 Regulation
ESGR - Regulation (EU) 2024/3005

Topic
Temporary regime for small providers

Subject Matter
Group-affiliated small ESG rating providers

Question
Is a small ESG rating provider that is part of a medium-sized or large group eligible for the temporary regime under Article 5 of Regulation (EU) 2024/3005 when it is operating independently of the group’s resources and consolidated capacity?

ESMA Answer

18-12-2025

Original language

No. Particular attention must be paid to Recital 48, according to which ESMA should ensure that risks of circumvention of the Regulation are avoided, “particularly by preventing small undertakings within medium-sized or large groups according to the criteria laid down in Directive 2013/34/EU from benefitting from the temporary regime”.

The temporary regime was introduced to facilitate the market entry of smaller ESG rating providers by allowing them to benefit from more proportionate requirements for a three-year period.