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| 5 November 2020 |

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| Response form for the Consultation Paper on the Draft advice to European Commission under Article 8 of the Taxonomy Regulation |
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| Date: 5 November 2020 |

**Responding to this paper**

ESMA invites responses to the questions set out throughout this Consultation Paper and summarised in Annex II. Responses are most helpful if they:

* respond to the question stated and indicate the specific question to which they relate;
* contain a clear rationale; and
* describe any alternatives ESMA should consider.

ESMA will consider all comments received by **4 December 2020**.

All contributions should be submitted online at [www.esma.europa.eu](http://www.esma.europa.eu) under the heading ‘Your input - Consultations’.

**Instructions**

In order to facilitate analysis of responses to the Consultation Paper, respondents are requested to follow the steps below when preparing and submitting their response:

* Insert your responses to the consultation questions in the form “Response form\_Consultation Paper on TR Article 8 advice”, available on ESMA’s website alongside the present Consultation Paper ([www.esma.europa.eu](http://www.esma.europa.eu) → ‘Your input – Open consultations’ → ‘Consultation on advice under Taxonomy Regulation Article 8’).
* Please do not remove tags of the type <ESMA\_QUESTION\_TRART8\_1>. Your response to each question has to be framed by the two tags corresponding to the question.
* If you do not wish to respond to a given question, please do not delete it but simply leave the text “TYPE YOUR TEXT HERE” between the tags.
* When you have drafted your response, name your response form according to the following convention: ESMA\_TRART8\_nameofrespondent\_RESPONSEFORM. For example, for a respondent named ABCD, the response form would be entitled ESMA\_TRART8\_ABCD\_RESPONSEFORM.
* Upload the form containing your responses, in Word format, to ESMA’s website ([www.esma.europa.eu](http://www.esma.europa.eu) under the heading ‘Your input – Open consultations’ → ‘Consultation on advice under Taxonomy Regulation Article 8’).

**Publication of responses**

All contributions received will be published following the close of the consultation, unless you request otherwise. If you do not wish for your response to be publicly disclosed, please clearly indicate this by ticking the appropriate box on the website submission page. A standard confidentiality statement in an email message will not be treated as a request for non-disclosure. A confidential response may be requested from us in accordance with ESMA’s rules on access to documents. We may consult you if we receive such a request. Any decision we make not to disclose the response is reviewable by ESMA’s Board of Appeal and the European Ombudsman.

**Data protection**

Information on data protection can be found at [www.esma.europa.eu](http://www.esma.europa.eu) under the heading ‘[Data protection](https://www.esma.europa.eu/about-esma/data-protection)’.

**Who should read this paper?**

This Consultation Paper may be of particular interest to non-financial undertakings and asset managers covered by Article 8 of Regulation (EU) 2020/852 (the ‘Taxonomy Regulation’) as well as to investors and other users of non-financial information

# General information about respondent

|  |  |
| --- | --- |
| Name of the company / organisation | CFA Institute |
| Activity | Other |
| Are you representing an association? |  |
| Country/Region | Europe |

# Introduction

Please make your introductory comments below, if any:

<ESMA\_COMMENT\_TRART8\_1>

CFA Institute is pleased to have the opportunity to provide comments to the ESMA draft advice to the European Commission on article 8 under the Taxonomy Regulation.

CFA Institute is the global association of investment professionals that sets the standard for professional excellence and credentials. The organisation is a champion of ethical behaviour in investment markets and a respected source of knowledge in the global financial community. Our aim is to create an environment where investors’ interests come first, markets function at their best, and economies grow. There are more than 178,000 CFA® Charterholders worldwide in 162 markets. CFA Institute has nine offices worldwide and 159 local member societies.

Overall, CFA Institute supports the ESMA draft advice. We are impressed with the technical level and the scope of the document related to non-financial undertakings. The ESMA proposed approach on the definition of the KPIs, the methodology for their preparation, and their presentation is appropriate. We agree that clarity in the definition of these KPIs, and their constituent elements would help non-financial organisations to disclose more comparable information, which would be more helpful to investors.

However, we have some reservation on the proposed content of the KPI for asset managers.

First, derivative instruments should absolutely be considered in the calculation of this KPI as the overall calculation of the indicators should be based on the real exposure (including also the exposure deriving from the use of derivatives), and not on the data recognised on the balance sheet. Derivatives can impact on the price of the underlying security, and affect indirectly entities that are aligned with the Taxonomy.

Second, the proposed approach of combining equity and fixed investments in the KPI for asset managers could generate unintended consequences as it may encourage non-sustainable behaviour from asset managers, which could decide to invest more in sustainable fixed income securities and invest less in non-sustainable equity instruments. Under the proposed approach, this behaviour could be considered to be compatible with the Taxonomy.

Third, we do not support the proposal of considering sovereign bonds as eligible investments under the Taxonomy. We believe that this approach may lead to the production of an inaccurate KPI as investing in a sovereign security does not always mean investing in a “green” security. Moreover, sometimes, the management of such securities (for example, in an ETF) is not completely sustainable.

The last point that we would like to remark is that asset managers are expected to incur increasing on-going costs related to collection, tracking and analysis of the information necessary for the disclosure of the proposed KPIs. Nevertheless, such costs should not be significant for some additional disclosures. For instance, the reporting of Capex and Opex-derived figures for Taxonomy alignment is expected to impose minimal costs for asset managers as these data can be taken from the same data source as the turnover. Moreover, we believe that it would be possible to lighten the on-going costs by requiring the use of an online platform whereby investee companies should publish data in a standardised manner.

Finally, we would like to express our concern as regards the tight timeline for the application of the transparency obligations on non-financial information at a time when ESG data is still rarely available. The recent CFA Institute “[Future of Sustainability in Investment Management](https://www.cfainstitute.org/-/media/documents/survey/future-of-sustainability.ashx)” report shows that ESG data (in particular, climate information) is still missing (78% of our practitioner global survey respondents want at least one type of climate information that is not available). This lack of data makes it difficult for entities, and those that are required to provide non-financial information under the scope of the Taxonomy Regulation, to publish this information. Hence, we would prefer that the timeline match the availability of the required ESG data in order to allow a swifter transition for entities and financial market participants making available financial products.

<ESMA\_COMMENT\_TRART8\_1>

1. For this KPI, do you agree with the proposed approach to defining turnover (bullet a in the draft advice)?

<ESMA\_QUESTION\_TRART8\_1>

Yes, we agree with the approach of requiring non-financial undertakings to use the definition of net turnover in Article 2(5) of the Accounting Directive as the reference point to calculate turnover. We recognise the challenges when dealing with firms that use different accounting standards..

<ESMA\_QUESTION\_TRART8\_1>

1. For this KPI, do you agree with the proposed approach to when turnover can be counted (bullet b in the draft advice)?

<ESMA\_QUESTION\_TRART8\_2>

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<ESMA\_QUESTION\_TRART8\_2>

1. For this KPI, do you agree with the proposed approach to defining CapEx (bullet a in the draft advice)?

<ESMA\_QUESTION\_TRART8\_3>

Yes, we agree with the approach requiring non-financial undertakings applying IFRS, or national GAAP, to define CapEx as the change that occurred during the reporting year in the amount of fixed tangible and intangible assets, before any depreciation and amortisation charges for the year. We recognise that challenges arise when dealing with firms that use different accounting standards, but a consistent approach to the definition would allow investors to make their own adjustments if needed.

<ESMA\_QUESTION\_TRART8\_3>

1. For this KPI, do you agree with the proposed approach to when CapEx can be counted, including the definition of ‘plan’ (bullet b in the draft advice)?

<ESMA\_QUESTION\_TRART8\_4>

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<ESMA\_QUESTION\_TRART8\_4>

1. For this KPI, do you agree with the proposed approach to defining OpEx (bullet a in the draft advice)?

<ESMA\_QUESTION\_TRART8\_5>

Similarly to our response to question 3, we agree with the approach, which requires non-financial undertakings to count within OpEx all items of expense that arise from the undertaking’s main business activities, and relate to neither to the investment nor financing categories (and therefore included in the amounts reported as operating result). We recognise that challenges arise when dealing with firms that use different accounting standards, but a consistent approach to the definition would allow investors to make their own adjustments if needed.

<ESMA\_QUESTION\_TRART8\_5>

1. For this KPI, do you agree with the proposed approach to when OpEx can be counted, including the definition of ‘plan’ (bullet b in the draft advice)? With reference to the TEG’s inclusion of the words “if relevant” in relation to OpEx, in which situations should it be possible to count OpEx as Taxonomy-aligned?

<ESMA\_QUESTION\_TRART8\_6>

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<ESMA\_QUESTION\_TRART8\_6>

1. Do you believe that any of the suggested approaches covered in questions 1 to 6 above will impose additional costs on non-financial undertakings? If yes, please specify the type of those costs, including whether they are one-off or ongoing, and provide your best quantitative estimate of their size.

<ESMA\_QUESTION\_TRART8\_7>

Yes, we believe that inevitably more data collection will impose additional costs on these companies.

<ESMA\_QUESTION\_TRART8\_7>

1. Do you agree that sectoral specificities should not be addressed in the advice, as proposed in Section 3.2.3?

<ESMA\_QUESTION\_TRART8\_8>

We argue that sector guidance would be the best way to specify the disclosures. This is the appeal of a standard like SASB that allows investors to use tools that are specific to a given sector. A one size fits all approach is less useful.

<ESMA\_QUESTION\_TRART8\_8>

1. Do you agree with the requirements for accompanying information which ESMA has proposed for the three KPIs?

<ESMA\_QUESTION\_TRART8\_9>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_TRART8\_9>

1. Do you consider that the requirement to refer to the relevant line item(s) in the financial statements for each KPI ensures sufficient integration between the KPIs and the financial statements?

<ESMA\_QUESTION\_TRART8\_10>

Yes, we agree that this requirement would provide enough integration between the KPIs and the financial statements.

<ESMA\_QUESTION\_TRART8\_10>

1. Do you agree with ESMA’s suggestion to permit compliance by reference, so that non-financial undertakings may present the accompanying information elsewhere in the non-financial statement than in the immediate vicinity of the KPIs, as long as they provide a hyperlink to the location of the accompanying information?

<ESMA\_QUESTION\_TRART8\_11>

Yes, we support ESMA’s suggestion to allow compliance by reference, and the possibility to provide a hyperlink to the location of the accompanying information.

<ESMA\_QUESTION\_TRART8\_11>

1. Do you consider there are additional topics that should be considered by ESMA in order to specify the content of the three KPIs? If yes, please elaborate and explain the relevance of these topics.

<ESMA\_QUESTION\_TRART8\_12>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_TRART8\_12>

1. Do you believe that providing the suggested accompanying information will impose additional costs on non-financial undertakings? If yes, please specify the type of those costs, including whether they are one-off or on-going, and provide your best quantitative estimate of their size.

<ESMA\_QUESTION\_TRART8\_13>

Yes, the provision of the suggested accompanying information would certainly impose additional costs. The on-going costs on non-financial undertakings are expected to rise as these firms would collect and analyse an increasing amount of information.

<ESMA\_QUESTION\_TRART8\_13>

1. Do you agree that non-financial undertakings should provide the three KPIs per economic activity and also provide a total of the three KPIs at the level of the undertaking / group? If not, please provide your reasons and address the impact of your proposal to financial market participants along the investment chain.

<ESMA\_QUESTION\_TRART8\_14>

Yes, we agree that these firms should provide the three KPIs per economic activity and also disclose the total of the three KPIs at the undertaking/group level.

<ESMA\_QUESTION\_TRART8\_14>

1. Do you agree that where an economic activity contributes to more than one environmental objective, non-financial undertakings should explain how they allocated the turnover / CapEx / OpEx of that activity across environmental objectives and where relevant the reasons for choosing one objective over another?

<ESMA\_QUESTION\_TRART8\_15>

Yes, we agree that non-financial organisations should explain how they have allocated the turnover/CapEx/OpEx of the firm’s economic activity contributing to more than one environmental objective under the Taxonomy, and why they have chosen one objective over another.

<ESMA\_QUESTION\_TRART8\_15>

1. Do you agree that non-financial undertakings should provide information on enabling and transitional activities?

<ESMA\_QUESTION\_TRART8\_16>

Yes, we agree with the proposal of requiring non-financial companies to also disclose information on enabling and transitional activities.

<ESMA\_QUESTION\_TRART8\_16>

1. Do you agree that the three KPIs should be provided per environmental objective as well as a total at undertaking or group level across all objectives? If not, please provide your reasons and address the impact of your proposal to financial market participants along the investment chain.

<ESMA\_QUESTION\_TRART8\_17>

Yes, the three KPIs should be calculated both per environmental objective and as a total at the company or group level across all objectives.

<ESMA\_QUESTION\_TRART8\_17>

1. Do you agree that non-financial undertakings should be required to provide the three KPIs for economic activities which are covered by the Taxonomy, economic activities which are covered by the Taxonomy but for which the relevant criteria are not met and therefore are not Taxonomy-aligned as well as for economic activities which are not covered by the Taxonomy?

<ESMA\_QUESTION\_TRART8\_18>

We believe that the best approach would be to just stick with the provision of the three KPIs for economic activities that are covered by the Taxonomy

<ESMA\_QUESTION\_TRART8\_18>

1. Do you agree with the proposal not to require retroactive disclosure concerning the four environmental objectives relating to the financial year 2021?

<ESMA\_QUESTION\_TRART8\_19>

Yes, we agree that this retroactive disclosure should not be required. However, this could be encouraged when applicable as it may provide interesting trend data.

<ESMA\_QUESTION\_TRART8\_19>

1. Do you consider that there are specific elements in ESMA’s draft advice which are not in line with the information needed by financial market participants in order to comply with their own obligations under the Taxonomy Regulation and the SFDR? If yes, please specify in your answer.

<ESMA\_QUESTION\_TRART8\_20>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_TRART8\_20>

1. Are there points that should be addressed in ESMA’s advice in order to facilitate compliance of financial market participants across the investment chain? If yes, please specify.

<ESMA\_QUESTION\_TRART8\_21>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_TRART8\_21>

1. Do you believe that ESMA’s detailed proposals under Section 3.3 will impose additional costs on non-financial undertakings? If yes, please specify the type of those costs, to which specific proposal they relate including whether they are one-off or on-going, and provide your best quantitative estimate of their size.

<ESMA\_QUESTION\_TRART8\_22>

Yes, on-going costs related to collection and tracking of information will lead to additional costs.

<ESMA\_QUESTION\_TRART8\_22>

1. Do you consider there are additional topics that should be considered by ESMA in order to specify the methodology that non-financial undertakings should follow? If yes, please elaborate and explain the relevance of these topics.

<ESMA\_QUESTION\_TRART8\_23>

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<ESMA\_QUESTION\_TRART8\_23>

1. Do you agree that in order to ensure the comparability of the information disclosed under Article 8(2) of the Taxonomy Regulation and as such facilitate its usage, ESMA should propose the use of a standardised table?

<ESMA\_QUESTION\_TRART8\_24>

Yes, disclosing the required information in a standardised table would in time be helpful for investors to better compare data across companies. Moreover, such a table would become a more familiar disclosure standard that investors are comfortable with.

<ESMA\_QUESTION\_TRART8\_24>

1. Do you consider that the standard table provided in Annex III of this Consultation Paper is fit for purpose? Do you think the standard table provides the right information, taking into account the burden on non-financial undertakings of compiling the data versus the benefit to users of receiving the data? If not, please explain and provide alternative suggestions to promote the standardisation of the disclosure obligations pursuant to Article 8 of the Taxonomy Regulation.

<ESMA\_QUESTION\_TRART8\_25>

Yes, the suggested standard table would provide the right information and be fit for purpose.

<ESMA\_QUESTION\_TRART8\_25>

1. Do you agree that the disclosure in the three standard tables should comply with the formatting rules mentioned in Table 5?

<ESMA\_QUESTION\_TRART8\_26>

Yes, we agree with the proposed set of rules for a standardised numerical arrangement, such as ISO 20022.

<ESMA\_QUESTION\_TRART8\_26>

1. Do you believe that ESMA’s detailed proposals under Section 3.4 will impose additional costs on non-financial undertakings? If yes, please specify the type of those costs, to which specific proposal they relate including whether they are one-off or on-going, and provide your best quantitative estimate of their size.

<ESMA\_QUESTION\_TRART8\_27>

Yes, these proposed disclosures would increase the on-going costs related to tracking the information for the presentation of KPIs.

<ESMA\_QUESTION\_TRART8\_27>

1. Do you agree that a share of investments is an appropriate KPI for asset managers? If you do not, what other KPI could be appropriate, please justify.

<ESMA\_QUESTION\_TRART8\_28>

Yes, a share of investments would be an appropriate KPI for asset managers. However, to dissuade firms to artificially inflate these indicators, robust reporting and standards should also be in place.

<ESMA\_QUESTION\_TRART8\_28>

1. This advice focuses on the collective portfolio management activities of asset managers. Should this advice also cover potentially any other activities that asset managers may have a license for, such as individual portfolio management, investment advice, safekeeping and administration or reception and transmission of orders (‘RTO’)?

<ESMA\_QUESTION\_TRART8\_29>

While we believe that the proposed focus is appropriate, a potential extension could concern discretionary accounts that are directly managed by the asset manager. Members from CFA Society France suggest that also assets that are under investment advice should be covered by this advice.

<ESMA\_QUESTION\_TRART8\_29>

1. Do you agree that for the numerator of the KPI the asset manager should consider a weighted average of the investments exposed to investee companies based on the share of turnover derived from Taxonomy-aligned activities of the investee companies? If not please propose and justify an alternative.

<ESMA\_QUESTION\_TRART8\_30>

Yes, this approach is fine and consistent with TCFD recommendation regarding weighted average carbon intensity. However, these numbers need to be audited to ensure they are correct and not simply marketing material

<ESMA\_QUESTION\_TRART8\_30>

1. Do you agree that in addition to a main turnover-derived Taxonomy-alignment KPI, there is merit in requiring the disclosure of CapEx and OpEx-derived figures for Taxonomy-alignment of an asset managers’ investments?

<ESMA\_QUESTION\_TRART8\_31>

Yes, the additional disclosure of Capex and Opex-derived figures for Taxonomy alignment would provide more information and be helpful to those organisations that are still in the beginning phase of the transition and, in this case, may not see their efforts recognised in the revenue calculation. In addition, the marginal costs of adding such numbers would be irrelevant for the asset manager as this information is obtained by looking at the same data source. Members from CFA Society Italy add that it would be reasonable to also include future green revenues as presented in the latest Ecolabel draft.

<ESMA\_QUESTION\_TRART8\_31>

1. Do you think sovereign exposures, such as sovereign bonds (but excluding green bonds complying with the EU Green Bond Standard) should be considered eligible investments and if so under what methodology?

<ESMA\_QUESTION\_TRART8\_32>

We are concerned that by introducing this approach, every sovereign instrument would also be considered as a green instrument. This is not always the case. Members from CFA Society France believe that we should avoid adding sovereign bonds that seem to be fine to be eligible when their management is not appropriate.

<ESMA\_QUESTION\_TRART8\_32>

1. Do you agree that the denominator should consist of the value of eligible investments in the funds managed by the asset manager or should it be simply the value of all assets in the funds managed by the asset manager?

<ESMA\_QUESTION\_TRART8\_33>

We believe that the value of all assets in the funds managed by the asset manager should be included in the denominator. This would facilitate a fair comparison among asset managers. However, these numbers need to be audited to ensure they are correct and not simply marketing material.

The main issue with the inclusion of the value of only eligible investments is that asset managers that have only few Taxonomy aligned funds and no sustainable criteria for the rest of their managed funds would have an advantage over peers that have decided to include minimum environmental standards for all their products. This would not allow for a fair comparison.

Members from CFA Society Italy stress that in order to have a fair comparison among asset managers, the proposed approach of including only eligible investments in the denominator would also need the disclosure of the absolute figures behind the KPI ratio.

<ESMA\_QUESTION\_TRART8\_33>

1. Do you support restricting the denominator to funds managed by the asset manager with sustainability characteristics or objectives (i.e. governed by Article 8 or 9 of Regulation (EU) 2019/2088)? What are the benefits and drawbacks of such an approach?

<ESMA\_QUESTION\_TRART8\_34>

No, we would prefer to see the value of all assets in the funds that are directly managed by the asset manager in the denominator. Alternatively, two types of ratios may be presented – a ratio based on all AUM and another that is calculated by using only those AUM with sustainability characteristics.

<ESMA\_QUESTION\_TRART8\_34>

1. Is it appropriate to combine equity and fixed income investments in the KPI, bearing in mind that these funding tools are used for different purposes by investee companies? If not, what alternative would you propose?

<ESMA\_QUESTION\_TRART8\_35>

We are concerned that the approach of only disclosing a KPI derived from the combination of equity and fixed income investment could favour greenwashing behaviour by asset managers. Our members from CFA Society France underlined that since debt instruments involve less risks compared to equity instruments, a manager could easily decide to invest more in green debt securities while having a non-sustainable behaviour in his/her equity investments. Combining equity and fixed investments in the calculation of the KPI would encourage this behaviour as it could turn out to be compatible with the Taxonomy if we look at the indicator that has been calculated by combining equity and fixed investments..

Therefore, we argue that it would be better not to combine equity and fixed income investments in the KPI. An alternative approach could be to present investments both in the aggregate (all AUM) and broken out in equity, fixed Income, and any other asset class.

<ESMA\_QUESTION\_TRART8\_35>

1. Do you believe the proposed advice will impose additional costs on asset managers? Please specify the type of those costs, to which specific proposal they relate including whether they are one-off or on-going, and provide your best quantitative estimate of their size.

<ESMA\_QUESTION\_TRART8\_36>

Yes, collecting and tracking this information would significantly increase costs for asset managers. Members from CFA Society Italy suggest that the use of an online platform where investee companies are obliged to input data in a standardised setting would diminish the cost to a negligible amount. They also highlight that the reference date of the denominator would impact the cost. By requiring a denominator value at year end would entail an acceptable cost, while producing a KPI where the nominator and denominator are based on all year figure, such as the average of daily KPIs, would dramatically increase the cost of providing this KPI.

<ESMA\_QUESTION\_TRART8\_36>

1. What are the benefits and drawbacks of limiting Taxonomy-aligned activities to those reported by Non-Financial Reporting Directive companies?

<ESMA\_QUESTION\_TRART8\_37>

The benefits of limiting Taxonomy-aligned activities to those reported by NFRD companies are that the tracking and reporting activities would be more manageable for these firms. This would give rise to more accurate KPIs.

The drawbacks are that these limitations would also reduce the amount of information that are available for investors to make informed investment decisions. Moreover, members from CFA Society Italy remark that investments in SMEs that are not obliged to report and with fewer resources to dedicate to reporting may be disadvantaged

<ESMA\_QUESTION\_TRART8\_37>

1. Do you agree with ESMA’s recommendation that the Commission develop a methodology to allow a sector-coefficient to be assigned for non-reporting investee companies?

<ESMA\_QUESTION\_TRART8\_38>

Yes, sectorial data would provide additional useful information.

<ESMA\_QUESTION\_TRART8\_38>

1. Should netting be allowed, on the lines of Article 3 of the Short-Selling Regulation?

<ESMA\_QUESTION\_TRART8\_39>

Yes, we agree with the proposal of allowing netting to report the share of investments that are Taxonomy-aligned derived from the methodology used to calculate net short positions in the Short-Selling Regulation. However, we are cautious if the proposal would require firms to disclose more about short-positions than they already do.

<ESMA\_QUESTION\_TRART8\_39>

1. How should derivatives be treated for the calculation purposes? Should futures be considered as potential Taxonomy-aligned investments?

<ESMA\_QUESTION\_TRART8\_40>

Yes, our position is that the calculations should endeavour to include derivatives as they can affect the price of the underlying security, and have an indirect effect on companies that are aligned with the Taxonomy. The issue then becomes how to integrate derivatives and to try and avoid mixing apples and oranges. As we have seen with discussions on the systemic risk of asset management and investment funds (discussions on gross notional exposure), this is not as straight-forward a question as it sounds. Since the denominator in the equation corresponds to a mass of assets under management, one approach could be to adjust the notional exposure of the derivative, retaining the negative or positive sign of the exposure to an underlying asset and finally adjust for some risk measure (to be determined), in order to recognize the probability of occurrence and therefore the economic exposure. One other approach could be to simply recognize the market value of the derivative if it is available or agree a model to derive market value.

<ESMA\_QUESTION\_TRART8\_40>

1. What are the costs and benefits associated with the different options for non-reported activity coverage, netting and derivatives treatment presented above? Please provide a quantitative estimate for each option, distinguishing between one-off and on-going costs.

<ESMA\_QUESTION\_TRART8\_41>

These additional disclosures would increase on-going costs, but, at the same time, they would also provide more useful and detailed information to investors and facilitate fair comparisons.

<ESMA\_QUESTION\_TRART8\_41>

1. Do you have any views on the proposed advice recommending a standardised table for presentation of the KPI for asset managers in Annex IV?

<ESMA\_QUESTION\_TRART8\_42>

The proposed standardised table for presentation of the KPI for asset managers would be an useful resource for investors. To be more complete, and improve transparency and accountability, the table could also include the disclosure of the sources and date of information.

<ESMA\_QUESTION\_TRART8\_42>

1. Do you agree with presenting accompanying information in the vicinity of the standard table?

<ESMA\_QUESTION\_TRART8\_43>

Yes, we agree with the proposal of presenting accompanying information in the vicinity of the standard table.

<ESMA\_QUESTION\_TRART8\_43>

1. Do you agree that there would be merit in including in the accompanying information a link, if relevant, to an asset managers’ entity-level disclosures on principal adverse impacts of investment decisions on sustainability factors?

<ESMA\_QUESTION\_TRART8\_44>

Yes, the inclusion of a link to the disclosures on principal adverse impacts of investment decisions on sustainability factors, which are required under the SFDR, would be helpful to investors and ensure better accountability.

<ESMA\_QUESTION\_TRART8\_44>

1. Do you agree with adopting the same formatting criteria as presented in Section 3.4.2 for the asset manager KPI disclosure?

<ESMA\_QUESTION\_TRART8\_45>

Yes, the adoption of the same formatting criteria would improve consistency.

<ESMA\_QUESTION\_TRART8\_45>

1. What are the one-off and on-going costs of setting up the reporting and disclosure under this obligation? Please clarify the type of costs incurred and provide a quantitative estimation where possible.

<ESMA\_QUESTION\_TRART8\_46>

Increasing disclosure obligations would inevitably increase on-going costs

<ESMA\_QUESTION\_TRART8\_46>