

Submission Date

13/12/2024

ESMA_QA_2373

Status: Answer Published

Additional Information

Level 1 Regulation

Undertakings for Collective Investment in Transferable Securities Directive (UCITS) Directive 2009/65/EC

Level 2 Regulation

UCITS - Directive 2010/43/EU on organisational requirements, conflicts of interest, conduct of business, risk management and content of the agreement between a depositary and a management company

Level 3 Regulation

ESMA Guidelines on funds' names using ESG or sustainability-related terms (ESMA34-1592494965-657)

Topic

Funds' names

Subject Matter

Guidelines on funds' names

Question

Is there a minimum level for investment funds with the term “sustainable” in their name to be considered to be investing “meaningfully” in sustainable investments?

ESMA Answer

13-12-2024

Original language

The third indent of paragraph 18 of the Guidelines foresees that funds using “sustainable” terms should commit to invest meaningfully in sustainable investments referred to in Article 2(17) of the SFDR. While national competent authorities should carry out a case-by-case analysis of how any sustainability-related term is used in the name of a fund, they may find that investment funds with "sustainable" terms in their names investing less than 50% of the proportion of investments in sustainable investments are not "meaningfully investing in sustainable investments". That amount could be higher, subject to the circumstances of the case.