

# CSSF thematic review on the implementation of the sustainability-related provisions in the investment funds industry

On 3 August 2023, the CSSF published a [Thematic Review](#) on the implementation of the sustainability-related provisions in the investment funds industry ("**Thematic Review**").

This review of SFDR<sup>1</sup>, SFDR RTS<sup>2</sup>, Taxonomy Regulation<sup>3</sup> and the ESMA supervisory briefing on sustainability risks and disclosures in the area of investment management is part of its ongoing supervisory work.

In its Thematic Review, the CSSF shares its observations and expectations (section 3) across the five following aspects:

- organisational arrangements of Investment Fund Managers (IFMs), including the integration of sustainability risks by IFMs;
- compliance of precontractual disclosures, including product website disclosures;
- compliance of periodic disclosure information;
- fund documentation and marketing communications;
- portfolio analysis.

The CSSF reminds IFMs that (i) the correct implementation of the sustainability-related requirements in the investment fund industry is part of the CSSF's supervisory priorities in the area of sustainable finance as communicated to the industry on 6 April 2023 and that (ii) the Supervisory Briefing on sustainability risks and disclosures in the area of investment management published by ESMA in May 2022 provides guidance to national competent authorities regarding the supervision of sustainability-related disclosures and the integration of sustainability risks.

This Thematic Review has also to be seen in the context of the launch of ESMA's Common Supervisory Action ("**CSA**") with National Competent Authorities ("**NCA**s") on sustainability-related disclosures and the integration of sustainability risks on 6 July 2023. This is expected to start in Luxembourg in the second half of this year and the CSSF's heightened scrutiny as part of its ongoing supervision of all aspects SFDR can therefore be anticipated.

- 1 Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector.
- 2 Commission Delegated Regulation (EU) of 2022/1288 of 6 April 2022 supplementing Regulation (EU) 2019/2088 of the European Parliament and of the Council with regard to regulatory technical standards on SFDR.
- 3 Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment.

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The information contained herein is not intended to be a comprehensive study or to provide legal advice and should not be treated as a substitute for specific legal advice concerning particular situations.

We undertake no responsibility to notify any change in law or practice after the date of this newsletter.