



FIA EPTA response to the FCA Consultation Paper on Extending the Sustainability Disclosure Requirements (SDR) regime to Portfolio Management (CP24/8)**

The FIA European Principal Traders Association ([FIA EPTA](#)) welcomes the opportunity to respond to the Financial Conduct Authority (FCA) [Consultation Paper](#) on Extending the Sustainability Disclosure Requirements (SDR) regime to Portfolio Management (CP24/8**).

FIA EPTA represents Europe's leading Principal Trading Firms. Our members are independent market makers and providers of liquidity and risk transfer for markets and end-investors across Europe. FIA EPTA works constructively with policy-makers, regulators and other market stakeholders to ensure efficient, resilient and trusted financial markets in Europe. FIA EPTA's members are based in the Czech Republic, Germany, Ireland, The Netherlands, and the UK (~70% of our members have been licensed by the FCA).

FIA EPTA members welcome the actions and responsibilities taken by the FCA, FIA EPTA members believe that the sustainability disclosure requirements are important and needed to build trust in ESG/Sustainable products and help (end)investors make meaningful investment decisions.

- **Question 1: Do you agree with the proposed scope of our regime? If not, what alternative scope would you prefer and why?**

FIA EPTA members agree with the proposed scope set out by the FCA in the consultation paper, FIA EPTA members believe that using the same definition of portfolio management as introduced by the FCA in their TCFD-aligned disclosure rules creates a coherent and clear regime. FIA EPTA members believe that the transparency of the methodology and objectives of the Sustainability Disclosures are important and need to be straightforward.

In addition, FIA EPTA members believe that when Sustainable/ESG-aligned disclosures are not clear and transparent, they can become a risk to the orderly markets as trust in products is key, especially with Sustainable/ESG-aligned products.

- **Question 2: Do you agree with the proposed implementation timeline? If not, what alternative timeline would you prefer and why?**

FIA EPTA members agree with the proposed implementation timeline.

- **Question 3: Do you agree with our approach to labelling portfolios, including the threshold and assessment requirements? If not, what alternatives do you suggest and why?**

FIA EPTA members agree with the approach to labelling portfolios and believe it is very rational to create a consistent approach and create a level playing field. (End)-investors need to have clear and transparent disclosures to make investment decisions, the 4 labels the FCA is proposing have clear objectives to help (end)investors with making investment decisions.

- **Question 4: Do you agree with our approach to naming and marketing? If not, what alternative approach would you suggest and why?**

FIA EPTA members agree with the approach to naming and marketing. FIA EPTA members believe, especially that especially for retail investors it is key to have clear and transparent disclosures around sustainability claims, trust in sustainable/ESG-aligned products is key.

- **Question 5: Do you agree with our proposed approach to disclosures, including the tiered structure? If not, what alternative do you suggest and why?**

FIA EPTA members agree with the proposed approach to disclosures.

- **Question 6: Do you agree with our proposals for distributors? If not, what alternatives do you suggest and why?**

FIA EPTA members agree with the proposal for distributors.

- **Question 7: Do you agree with the proposed cost-benefit analysis set out in Annex 2. If not, we welcome feedback in relation to the one-off and ongoing costs you expect to incur and the potential benefits you envisage.**

N/A.