



**\*\*\* Draft RTS on sustainability disclosures get delayed – no time to relax though \*\*\***

Recently, the interest in sustainability in the financial sector has grown exponentially, with the European Union adopting, among others, a Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector in late 2019. The regulation, supported by draft regulatory technical standards developed by the EU supervisory authorities, was set to apply from 10 March 2021, and requires entities producing, managing and advising on sustainable investment products (such as AIFMs, UCITS management companies, investment firms, and financial advisers) to include certain sustainability-related disclosures on their websites, pre-contractual and marketing documents, prospectuses, and annual reports.



With hindsight, the set timeframe has appeared to be overly-ambitious for the EU supervisory authorities to finalize the draft regulatory technical standards in time due to unsettling effects of the covid-19 outbreak. Nonetheless, according to the EU Commission, this delay will not postpone the application date of the regulation and, even without the full regulatory technical standards, the concerned entities must comply with the requirements of the regulation from 10 March 2020 as planned.