



**Meeting DATE and PLACE** : 3 February 2021, DG FISMA, Brussels

**Name ORGANISATION(S)/INDIVIDUAL(S)** : EFAMA represented by [REDACTED]

**DG FISMA** [REDACTED]

**Main ISSUES DISCUSSED**

Interpretative queries on Article 8 SFDR

- the main challenges EFAMA members encounter are in relation to the scope of Article 8 and the interpretation of the word “promoting” characteristics;
- products that do sustainability integration/consider sustainability factors from a pure financial perspective should not be considered as Article 8, but fall under Art. 6;
- article 8 products should be those that use ESG claims and “promote” about non-financial values, and these are not incidental and must be substantiated/justified ;
- some exclusion strategies have a social/environmental component are driven by regulatory requirements (for example, in some countries it is not allowed to invest in controversial weapons, tobacco, Shariah funds) but there are no specific requirements/limitation on the products itself and its investments that go further to what the law requires. According to EFAMA, these exclusions are “incidental” and these strategies should not be considered as art. 8 products;
- disclosure at entity level on exclusions strategies based on compliance with national requirements (Shariah funds), hence due to external circumstances may be misleading, risky, have reputational consequences for the AM;
- some issues of compliance with SFDR and confidentiality.

**Abbreviation of the DIRECTORATE/UNIT** : C4

**Name of the AUTHOR of the minutes** : [REDACTED]