



## Is the ESG carriage being pulled by horses running at different speeds?

April 2021 ...quick read version

### Sustainable Finance Disclosure Regulation and the Taxonomy Regulation

There has been a lot to get to grips with on the ESG disclosure front and sometimes it is difficult to see how the Taxonomy Regulation (TR), Sustainable Finance Disclosure Regulation (SFDR) and the various regulatory technical standards (RTS) fit together. Space does not permit us to set out all the details but we hope this quick note and our [longer article](#) of the same title, will help you to get an overview

#### Re the Carriage and Horses question, the answer by the way, is “yes”.

This is because the terminology, timetables and requirements are similar but not identical and this means that it is necessary to keep track of all the requirements. This has been recognised by the three ESAs which issued a [supervisory statement on 25 February 2021](#) on the implementation of the SFDR. Within that supervisory statement is a useful timetable of the various deadlines.

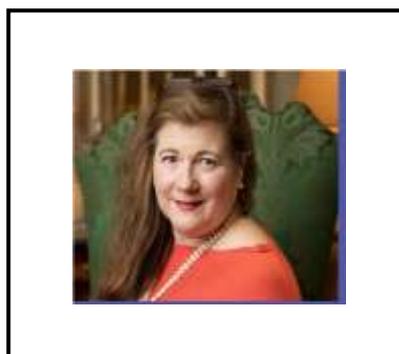
#### What do I need to do?

- Be aware that there are different timetables for different ESG disclosure requirements depending on whether they are TR or SFDR derived and that there are separate RTS.
- For UK firms, be aware that the UK is not necessarily going to follow the EU position and to keep up-to-date on the UK government and FCA positions on ESG and disclosure requirements
- Become familiar with the SFDR, TR and RTS – there is a lot of detail and further changes are to be made later in 2021.
- Ensure that your firm’s pre-contractual, periodic information and product documentation is up-to-date and compliant for both TR and SFDR and the RTS, as applicable.
- Check your firm’s application of the draft screening criteria, where applicable.
- Check that you know the relevant applicable deadlines for each separate set of requirements.

#### How can Merlys help?

- Provide advice on the application and implementation of the TR, SFDR and RTS for UK, EU and non-EU firms.
- Undertake reviews of relevant documentation to support in-house teams and prevent those teams from being diverted from important day-to-date business activities.
- Draft revised, up-to-date, documentation.
- Support product teams carrying out analytical work on classifying / identifying products where this has not yet been completed.

We are happy to discuss, give advice or support on any aspect arising from this article and for all things regulatory.



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*This briefing note is intended to act as general guidance and is not intended to offer specific legal advice.*