

JFSC consults on Environmental, Sustainable and Socially Responsible Investing for Funds

News - 11/06/2020

In response to international reforms in relation to ESG, the Jersey Financial Services Commission has issued a consultation on proposals to enhance disclosure and governance requirements for investment funds committing to sustainable investments.

The consultation document can be downloaded [here](#).

The proposals which aim to combat the risk of 'greenwashing', require funds with environmental, sustainable or socially responsible investments to put in place policies and procedures to support the credentials of the fund's investments. The requirements include:

- the issuance of a public statement (such as a prospectus) in respect of sustainable investments;
- the implementation of an investment management process to (i) verify and document the ESG credentials of the investment in the due diligence process by way of recognised taxonomy and; (ii) undertake an annual review to ensure the continued ESG credentials of the investment; and
- the adoption of the appropriate corporate governance and organisational structure to implement and monitor the investment management process, including access to resources with appropriate skills and experience and putting in place appropriate reporting lines.

The requirements will be contained in relevant Codes of Practice and guides issued by the JFSC and will potentially affect and impose new obligations on (i) Jersey private funds, collective investment funds and unregulated funds, as well as foreign funds with Jersey service providers, which make commitments in relation to ESG investing; and (ii) investment advisers registered in the conduct of investment business under the Financial Services (Jersey) Law 1998 and which advise on funds with ESG investment strategies.

Ogier is preparing a response to the consultation and we are happy to collate responses from

clients and other contacts wishing to engage in this process. The consultation period closes on 30 September 2020.

Please contact Emily Haithwaite for further information.

[View the consultation page on the Jersey Financial Services Commission website](#)

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