



NEWSFLASH

ESG RATINGS REGULATION: ENTRY INTO FORCE AND NEW SFDR OBLIGATIONS FOR LUXEMBOURG FUND MANAGERS



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2 July 2026 marks a decisive milestone for the sustainable finance ecosystem, with the full application of **Regulation (EU) 2024/3005** on the transparency and integrity of ESG rating activities. The text establishes a harmonised framework enhancing the reliability, comparability and transparency of ESG ratings across the Union. For Luxembourg fund managers, this date activates new disclosure obligations through a targeted amendment to the **SFDR**.

WHAT CHANGES: THE AMENDMENT TO ARTICLE 13(3) SFDR

Article 49 of Regulation 2024/3005 amends **Article 13 SFDR**. Financial market participants (FMPs) and financial advisers that issue or disclose an ESG rating in their **marketing communications** must now comply with two requirements:

- **Website publication:** publish the detailed methodological information required under point 1 of Annex III to Regulation 2024/3005.
- **Direct link in marketing:** any communication referring to an ESG rating must include a hyperlink to those disclosures.

The aim is to give investors direct access to the assumptions, data sources and methodologies underlying the displayed rating, thereby limiting greenwashing risks.

Expert insight – the “safety-net” effect: Regulation 2024/3005 excludes from its scope ESG ratings produced by a regulated entity for purely internal use or embedded in its own products. The amendment to Article 13 SFDR acts as a backstop: as soon as such a rating including a proprietary one is used in a marketing communication, the transparency obligation applies. The “internal use” / “commercial use” boundary therefore becomes decisive.

In practice, a distinction must be drawn: for a proprietary rating, the manager publishes its own methodology (Annex III, point 1); for a third-party rating, it must be able to link to the provider's disclosures — hence the value of securing these elements contractually.

SCOPE: MARKETING VS REGULATORY DOCUMENTS

The Article 13(3) obligation is strictly limited to **marketing communications**:

- **In scope:** commercial brochures, fund factsheets and any promotional material.
- **Out of scope:** pre-contractual documents (SFDR annexes), the fund prospectus and the Key Information Document (KID).

These documents remain governed by their own regimes (SFDR RTS, PRIIPs, UCITS). The obligation also adds to without replacing the principle of Article 13(1) SFDR (marketing communications must not contradict information disclosed under SFDR) and the requirements of Regulation (EU) 2019/1156 (communications must be identifiable as such, fair, clear and not misleading).

CSSF POSITION AND EXPECTATIONS

In its communication of 1 July 2026, the **CSSF** confirmed that the ESG Ratings Regulation applies from 2 July 2026 and that it expects financial market participants and financial advisers in scope to duly comply with the article 13(3) SFDR obligations from that date. Aware of the framework's complexity and the forthcoming developments linked to SFDR 2.0, the CSSF stated it will continue to monitor regulatory developments and adopt a **proportionate supervisory approach in its supervisory practices**: the intensity of its supervisory actions taking into account remaining uncertainties and the potential evolution

of the regulatory landscape,. Proportionality does not mean exemption a good-faith compliance effort remains expected.

TRANSITIONAL REGIME FOR RATING PROVIDERS

The regime for existing rating providers runs in two distinct steps, both of which should be tracked — not only the final deadline:

- **Step 1 – Notification (by 2 August 2026):** ESG rating providers already active in the EU before 2 January 2025 must notify ESMA of their intention to continue operating, to be placed on ESMA's temporary public register.
- **Step 2 – Full application (by 2 November 2026):** having notified, those providers must submit their full application for authorisation or recognition within four months of 2 July 2026, i.e. by 2 November 2026 at the latest. Providers that have neither notified nor obtained a temporary registration lose the benefit of the transitional regime.

During this window, managers (as third-party distributors) may continue to use and distribute the ratings of providers that have completed Step 1, per the ESMA public statement referenced above. Providers that

fail to apply by 2 November 2026 must cease EU activity, so the ESMA public register should be checked shortly before that date for any provider used in marketing materials.

A separate, extended notification track exists under **Article 5** for small ESG rating providers — relevant mainly if any delegate or third-party provider in scope qualifies as such; worth a one-line check with the provider rather than assumed.

For third-country providers, access to the European market runs through the recognition, endorsement or equivalence mechanisms to be checked on a case-by-case basis.

KEY DATES

2 JANUARY 2025	Entry into force of Regulation (EU) 2024/3005
2 JULY 2026	Application date + new Article 13(3) SFDR obligation takes effect
2 AUGUST 2026	Deadline for existing providers to notify ESMA of intention to continue (temporary registration)
2 NOVEMBER 2026	Deadline for notified providers to submit full application to ESMA for authorisation/recognition

RECOMMENDED ACTIONS FOR MANAGERS

1. **Identify** all ESG ratings external and public proprietary ones used in promotional materials.
2. **Verify** that the corresponding methodologies (Annex III, point 1) are published on the website.
3. **Insert** the required hyperlinks across all marketing communications.
4. **Check** third-party providers' status on the ESMA temporary register (notification by 2 August 2026) and their subsequent application status ahead of 2 November 2026.
5. **Secure** access to third-party providers' Annex III methodological disclosures, ideally by contract.
6. **Document** the approach and adapt marketing validation procedures ahead of CSSF supervision.

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