

## Central Bank Clarifies Fast Track Process for Level 2 of SFDR

The Central Bank of Ireland (“CBI”) has provided an update in relation to its streamlined filing process for prospectus updates in relation to level 2 requirements of the Sustainable Finance Disclosure Regulation (“SFDR”) and certain other permitted updates.

### Background

As part of the European Action Plan on Sustainable Finance, Financial Market Participants (“FMPs”) including UCITS and AIFMs, were required to comply with Level 1 of the SFDR, which came into effect on March 10th, 2021. The SFDR Level 2 requirements, which will result in updates to pre-contractual documentation (the prospectus and supplements) for UCITS, RIAIFs and QIAIFs will come into effect from January 1st, 2023. The European Supervisory Authorities (“ESAs”) published a final report on draft Regulatory Technical Standards on October 22nd, 2021 providing greater clarity on the details pertaining to the Level 2 requirements.

### Implementation of the Level 2 Requirements

To facilitate the orderly implementation of the Level 2 requirements, the CBI has established a fast-track filing process for updates based on the Level 2 requirements, under which both UCITS management companies and AIFMs will be required to certify compliance with the requirements via an attestation. The relevant manager will ultimately be responsible for ensuring compliance with the applicable requirements.

A Responsible Person must certify that the amendments to the documents that need to be filed with the CBI are made in accordance with the following:

- SFDR Level 2 requirements;
- Amendments to the investment policies and strategies to ensure consistency with the disclosures in the Annex. This includes changes to disclosures made to comply with SFDR Level 1 and Taxonomy Regulation requirements, which must

now be updated to be consistent with SFDR Level 2 disclosures;

- Product level PAI disclosures that are required under Article 7(1)(a) for Article 6 funds;
- Prospectus/supplement amendments to reflect European Commission Q&As on SFDR, relevant ESMA supervisory briefings and amendments to reflect other clarifications published by the ESAs or the CBI in relation to the SFDR Level 2 requirements.

### Fast-track Process

The fast-track process is only obtainable for SFDR Level 2 requirements and other matters flagged above. If other changes are included the filing must follow the usual CBI review process applicable to the relevant fund and, where relevant, should be submitted with enough time for consideration, which is particularly relevant in the context of UCITS.

If an SFDR-related name change is required, the submission should be made through the CBI’s online filing Portal as usual. In such cases, the CBI will use a streamlined process, provided the submission includes the attestation mentioned above. However, a rationale must be included if a reclassification is required. Likewise, if a new fund/sub-fund application is submitted to the CBI, it will not qualify for the fast-track process and any SFDR Level 2 disclosures will be reviewed.

The fast-track process will be available until January 1st, 2023. As a result, if a submission is made to the Central Bank after this date, which is the SFDR Level 2 Deadline, the disclosures will be reviewed and may be subject to comment.

Please contact us for further information.



**Mark Browne**  
Partner  
Email: [markbrowne@clerkinlynch.com](mailto:markbrowne@clerkinlynch.com)  
Phone: 01 611 4400



**Megan Giblin**