



PRESS RELEASE

ESMA publishes a report on short-termism within the framework of sustainable finance initiatives

The European regulatory and supervisory authority for financial markets (ESMA) has published a [report](#) on the undue pressure that the financial sector can exert against the development of a long-term corporate vision, in response to the request of the European Commission.

The assessment of the factors that can contribute to short-termism and disregard long-term risks and opportunities as well is taken into account by ESMA's work on sustainable finance. This initiative is included among the various initiatives projected by the European Commission in its Action Plan related to financing sustainable growth.

On the basis of the evidence gathered by stakeholders ESMA assesses, among other things, the extent to which short-termism can be mitigated or intensified by current legislation about non-financial disclosure, the accounting methods (fair value), the commitment of institutional shareholders, the remuneration of fund managers and company management, as well as the use of credit default swaps by investment funds.

In the aforementioned opinion ESMA recommends to the European Commission some policy actions which could help to promote a long-term vision in economic-financial activities, to strengthen the commitment of institutional investors, to favor more responsible investment decisions and a higher quality and comparability as well in non-financial disclosure.

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