

## Information release

### **CNMV to monitor ‘sustainable’ investment funds to protect investors from misleading information**

**The Comisión Nacional del Mercado de Valores (CNMV) notifies the European Securities and Markets Authority (ESMA) of compliance with the Guidelines on fund names using the term ESG or other sustainability-related terms.**

Madrid, 24 October 2024. The Comisión Nacional del Mercado de Valores (CNMV) warns that it will begin to consider the guidelines of the European Securities and Markets Authority (ESMA) for authorising funds that use the term ESG (environmental, social and governance) or other sustainability-related terms. Once the European Securities and Markets Authority (ESMA) has been notified that it will start complying with these guidelines, the CNMV will start taking them into account in its authorisation, registration and supervisory procedures.

The aim of the new rules is to stop funds from using terms related to ESG or sustainability that may be unfair, unclear or misleading. To this end, common standards are set for fund managers when they promote Undertakings for Collective Investment in Transferable Securities (UCITS) and Alternative Investment Funds (AIFs) by using a transition, impact, ESG or sustainability-related term in their name, thereby increasing harmonisation at European level and investor protection.

Therefore, from now on, common European guidelines are established to ensure that managers comply with their obligation to act honestly and fairly in the conduct of their business, as well as with the obligation that all information included in marketing communications is fair, clear and not misleading.

In addition, the guidelines will apply to both fund documentation and marketing communications to investors or potential investors in UCITS and AIFs, including where they have been established as the European Venture Capital Fund (EuVECA), the European Social Entrepreneurship Fund (ESEF), the European Long-Term Investment Fund (ELTIF) and the Money Market Fund (MMF).

The new guidelines will apply from 21 November next. This means that any new fund set up after this date will have to apply them immediately. Older funds will have an additional six months, i.e. until 21 May 2025, to adapt to the new rules.

Source of information: [CNMV](#).