

Final opportunity to shape SFDR's future in European Commission's Call for Evidence

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On 2 May 2025, the European Commission launched its '[Call for Evidence](#)' on the review of the Sustainable Finance Disclosure Regulation (**SFDR**).

The European Commission aims to review the SFDR to simplify the framework, enhance usability, and prevent greenwashing. Stakeholders are invited to submit general feedback rather than answer specific questions, in contrast to the European Commission's 2023 SFDR consultations. This is an important opportunity for asset managers and other stakeholders to provide their views on the future of the European Union's sustainable finance disclosure regime. The European Commission has confirmed there will be no further public consultation following this Call for Evidence, although it may carry out targeted outreach to specific stakeholders or their representatives.

There is a general momentum in the European Union to streamline sustainability reporting, as seen under the 'Omnibus' initiative on corporate sustainability reporting and due diligence requirements. The Call for Evidence notes that the SFDR review will aim for greater alignment and to strengthen the coherence of SFDR with the sustainability reporting requirements for companies under the Omnibus amendments to the Corporate Sustainability Reporting Directive (**CSRD**). This could be particularly relevant in relation to developments on the principal adverse impact indicators (PAIs) present in both CSRD and SFDR.

The Call for Evidence states that, generally, SFDR has been effective in increasing transparency and giving investors access to detailed ESG information. Nevertheless, the European Commission notes concerns about the lack of legal clarity on key concepts, the limited relevance of certain disclosure requirements, overlaps and inconsistencies with other parts of the sustainable finance framework, and data availability concerns. As a result, there is a risk of greenwashing and an "unwarranted exclusion of some sectors because of how some rules are applied in practice," according to the European Commission.

Of particular note for private markets clients is that the Call for Evidence suggests that an objective and policy option should be to consider different investor groups and types of financial products, as well as the international reach and exposures of investments. Feedback submitted could explore retaining the flawed but flexible Article 8, SFDR fund categorisation with the promotion of environmental and/or social characteristics or the merits of a more prescriptive new labelling regime, as envisaged by the Sustainable Finance Platform, which we reported on [here](#).

The deadline for feedback is 30 May 2025, with the European Commission confirming that its revision of SFDR is in its work programme for Q4 2025 (coinciding with the CSRD Omnibus updates). After a lengthy wait, it seems it is now full pace ahead for a revised SFDR.

For further information or support with your feedback to the Call for Evidence, please reach out to ukreg@proskauer.com.

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