Progress on UK SDR and anti greenwashing rule

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Plans should be well advanced by UK authorised firms for implementing the anti-greenwashing rule and by UK authorised fund managers in considering any plans for investment labels for UK based funds.

The Briefing Paper focusses on two important recent FCA publications:

- ***the extension of UK SDR to portfolio management which, as you will expect, follows on closely from the approach taken for funds which has already been finalised, and***
- ***Guidance on the anti-greenwashing rule which in turn is much as one would expect, taking a high level principled approach. It effectively follows the long established requirement for all communications to be fair, clear and not misleading.***

These publications should be helpful in enabling firms to progress their planning for the UK ESG related initiatives for asset management.

UK authorised firms should already be focussed on the new UK SDR: the anti-green washing rule comes into effect on 31 May 2024 and other parts of the UK SDR regime will be phased in, with firms able to use the investment labels regime for UK funds from 31 July 2024; and naming and marketing requirements must be met by 2 December 2024, with further disclosure requirements phased in over the next two years.

With the aim of achieving some sort of consistency and level playing field across products marketed to retail investors, the FCA's Consultation Paper 24/8 sets out proposals to help consumers navigate the sustainable investment market by extending the SDR labelling regime, naming and marketing rules and disclosure requirements to portfolio managers.

We also now have the FCA's Finalised Guidance (FG 24/3) published in April 2024 on the anti-greenwashing rule.

In this Briefing Paper we consider the implications of the two new papers and also provide some updates on initiatives relevant to UK SDR and ESG discussions more generally.

Extension of UK SDR to portfolio management

We reported on our Briefing Paper on the new UK SDR and investment labels regime consequent upon the issue of PS 23/16 which contained a package of measures for fund managers. In the FCA's new Consultation Paper CP 24/8 published in April 2024, proposals are set out to extend these measures to portfolio management services.

- **Portfolio management**

  By portfolio management, the FCA refer to a service provided to a client which comprises either:

  - managing investments or
  - private equity or other private market activities consisting of either advising on investments or managing investments on a recurring or ongoing basis in connection with an arrangement, the predominant purpose of which is investment in unlisted securities.

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All forms of portfolio management service will be included, including where there are model portfolios, customised portfolios and/or bespoke portfolio management services tailored to a client's needs and preferences.

The FCA recognise that some funds that are already in scope of the regime are structured similarly to model portfolios and so the FCA propose to include those portfolios in scope of the regime to promote a level playing field.

- **Portfolio management for professional clients**

  Firms offering portfolio management services to professional clients or institutional investors – referred to as "clients" in the Consultation (rather than "consumers" which term covers retail investors) – can opt in to the labelling regime.

  Firms offering portfolio management services to professional clients can opt into the labelling regime so that portfolio managers can be held to the same high standards when offering sustainable investments to both retail and professional clients. However, if the portfolio manager wants to use a label, the FCA's rules will require the portfolio manager to take responsibility for ensuring the labelling criteria are met on an ongoing basis, including where the client has a prominent role in investment decisions. The FCA ask for views on whether there is appetite for portfolio managers to use labels for professional clients and any other challenges which might arise. A firm offering portfolio management services to professional clients will not however be subject to the naming and marketing requirements and associated disclosures – as the FCA does not consider it proportionate at this stage. The anti-greenwashing rule will though still apply.

- **Timeline**

  Final rules are expected in the second half of 2024.

  The proposed timeline indicated by the FCA means that:

  – portfolio managers can begin to use labels, with accompanying disclosures from, and naming and marketing rules come into force on 2 December 2024;

  – firms will need to start producing ongoing product level disclosures from one year later – 2 December 2025;

  – firms with Assets Under Management of greater than £50 billion will need to produce entity level disclosures by 2 December 2025; and

  – firms with AUM greater than £5 billion will need to start producing entity level disclosures by 2 December 2026.

  This will align the remaining implementation dates with those for funds - ongoing product-level disclosures and entity-level disclosures for the largest firms from 2 December 2025, and entity-level disclosures for smaller firms with over £5 billion in AUM one year later. The original proposal to give portfolio managers 18 months has been dropped. Stakeholders have indicated that portfolio managers want to move quickly to introduce the new rules, given some portfolios are structured similarly to funds, and so the timeline has been adjusted accordingly.

- **Overseas funds**

  Overseas funds remain out of scope of the SDR and labelling regime.

  HM Treasury has announced its intention to consult on extending the regime to overseas recognised funds which could include UCITS funds, now expected in Q3 2024. The FCA will continue to engage with HM Treasury to understand the options but any extension to overseas funds is a matter for HM Treasury.

  Whilst overseas funds might remain out of scope of the regime and a label could not be applied to an overseas fund, a portfolio management offering that is in scope of the regime may invest in assets that are either UK and/or overseas funds. Consequently, the portfolio manager would be responsible for assessing those assets and ensuring the labelling criteria are met if it wants to use a label for the portfolio.

Investment labels

As you would expect, there is to be a broadly similar approach for labelling for portfolio managers as already introduced for fund managers, so that there is a level playing field. So the labels, without any hierarchy, are:

- Sustainability Impact;
- Sustainability Focus;
- Sustainability Improvers; and
- Sustainability Mixed Goals.

The FCA propose to apply the same labelling regime as introduced for funds to portfolio management offerings, and so are proposing that at least 70% of the gross value of the portfolio is invested in accordance with the sustainability objective, and other qualifying criteria would need to be met, for it to be considered for a label.

The FCA provide helpful summaries of the attributes of labels and the labelling criteria and considerations for portfolio managers, which are set out in the Appendix to this Briefing Paper.

Portfolio managers will be responsible for ensuring the qualifying criteria are met if they choose to use a label for a portfolio – whether a model portfolio or bespoke portfolio management services.

Naming and marketing rules

The naming and marketing rules will only apply to portfolio management offerings that are marketed to retail investors. Sustainability-related terms can be used in names and marketing if:

- the portfolio uses a label, or
- it does not use a label but complies with the naming and marketing rules.

Under those naming rules, there must be sustainability characteristics and the name must accurately reflect those characteristics, but the terms 'sustainable', 'sustainability', 'impact' and any variation of those terms must not be used. Firms must produce the same types of disclosures as required for labelled products – and also produce a statement to clarify that the offering does not have a label and explain why, and either publish this information, on the relevant digital medium, or provide it to the retail investor.

Under the marketing rules, firms have to ensure that financial promotions are consistent with the label and associated disclosures where relevant. Where not using a label but using sustainability-related terms in financial promotions relating to them, firm must produce the same types of disclosures and statement as those required under the naming rules.

If a portfolio does not use a label but there is investment in some funds that do have labels, the portfolio manager can explain in its marketing that some of the funds within the portfolio are labelled. The portfolio manager should not though imply that the whole portfolio is "sustainable": the marketing and anti-greenwashing rules must be met.

Disclosure requirements

Again, as you would expect, the proposals for portfolio managers' portfolios follow the same approach as for funds:

- **Consumer-facing disclosures** will summarise the key sustainability characteristics for both labelled portfolio management offerings and those that use sustainability-related terms in their names and marketing.

  This disclosure will be a new standalone document, alongside other documents that provide key investor information. No specific template is proposed but the FCA set out the categories of disclosures that firms will be required to make, and it should not exceed two pages, if printed. This disclosure should be reviewed and updated annually as appropriate – for example, for products with labels, updated to reflect progress towards achieving the sustainability objective.

  Consumer-facing disclosures must be made available in a prominent place on the relevant digital medium but, where a portfolio manager does not make information related to portfolio management offerings publicly available, the portfolio manager must provide the information required under these disclosures to their retail investors.

  Where there is publication, it must be easily accessible – no more than one mouse click away from where the label is presented, e.g. by a hyperlink next to or underneath the label.

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- **Product-level disclosures**

  Portfolio management offerings using a label or using sustainability-related terms in their naming and/or marketing without a label must include sustainability information in their pre-contractual disclosures by 2 December 2024. The product level disclosures will include the same information as required under the rules for UK funds. For portfolio management offerings that are not using a label, pre-contractual and ongoing product level disclosures must include information relating to the investment policy and strategy and any relevant metrics – at a minimum.

  Again, there is appreciation that public disclosures may not be relevant. So the FCA is now proposing that firms must make disclosures publicly available in accordance with the timelines or, where firms do not make their offerings publicly available, firms must provide the information to their clients. As portfolio managers are either required to publish information or provide it to clients directly, they are therefore not subject to the on-demand regime.

- **Entity-level disclosures**

  The entity-level disclosures apply to all firms with AUM above £5 billion regardless of whether they use a label or sustainability related terms. All firms with over £5 billion in Assets Under Management will be required to disclose annually:

  – their governance around sustainability-related risks and opportunities;

  – the actual and potential impacts of sustainability-related risks and opportunities on their businesses, strategy and financial planning;

  – how the firm identifies, assesses and manages sustainability-related risks; and

  – the metrics and targets used to assess and manage relevant sustainability-related risks.

  Where there is use of labels or sustainability-related terms in the names and marketing of portfolio management offerings, they must also include details on their resources, governance and organisational arrangements for them.

  Cross-reference may be made to disclosures in group, parent-level or other relevant reports, so long as the information is clearly signposted and the other cross-referencing requirements are met.

Rules for distributors

The requirements for distributors will be the same as under the final rules for UK funds with regards to communicating the labels and consumer-facing disclosures. Distributors must communicate the labels used for portfolio management offerings and provide access to the associated consumer-facing disclosures to retail investors – either on a digital medium or using the channel they would ordinarily use for communications.

Anti-greenwashing rule guidance

As with regulators in other jurisdictions, tackling greenwashing is a specific priority for the FCA.

The aim is

– to protect consumers against greenwashing so they can make informed decisions that are aligned with their sustainability preferences, and

– to create a level playing field for firms in an evolving market, where their products and services generally represent a more sustainable choice and where they are making genuine claims about the products and services' sustainability characteristics.

Nonetheless, there is nothing new about the principle involved, which is that claims about products and services must be fair, clear and not misleading.

The Finalised Guidance on the anti-greenwashing rule, as set out in Chapter 2 of the newly published Finalised Guidance (FG24/3), is mostly as one would expect, such as:

- claims should be correct and capable of being substantiated;
- claims should be clear and presented in a way that can be understood;
- that claims should be complete and they should not omit or hide important information; and
- that comparisons must be meaningful and fair.

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The examples provided of poor and good practice might provide some illumination on expectations. Note though that the examples are not exhaustive. Firms must consider the principles set out in the Guidance as they apply to their business and the claims they are making.

The Guidance is principles based.

The FCA's feedback comments in Chapter 3 perhaps also add some colour:

- The anti-greenwashing rule is supposed to complement existing rules – including that firms should already be fair, clear and not misleading. It is not a substitute for, nor overrides, those existing rules.
- The anti-greenwashing rule applies for references to sustainability characteristics of financial products and services, and financial promotions approved by UK firms for unauthorised persons.
- Firms subject to the naming and marketing rules under UK SDR must comply with those rules in addition to the anti-greenwashing rule.

It is acknowledged by the FCA in the Guidance feedback comments that the anti-greenwashing rule does not introduce a new requirement. Firms should already be ensuring that claims are fair, clear and not misleading under existing FCA requirements. That is one reason why there is no additional transitional period for the Guidance.

All firms need to meet the anti-greenwashing rule when it comes into force on 31 May 2024, and the Guidance comes into force at the same time to provide some clarity on the FCA's expectations.

Other recent developments

Industry guidance

The UK Investment Association has recently published some key pieces of work on UK SDR including:

- Industry Guidance on the Implementation of SDR and the Investment Labels; and
- Guidance on SDR Consumer-Facing Disclosures.

These documents provide some helpful practical comment for firms, for example in relation to how to consider the alignment of funds categorised as Article 6, 8 or 9 with the EU's SFDR regime with any particular label under SDR.

UK Green Taxonomy

In its May 2024 Sustainability Disclosure Requirements: Implementation Update 2024, HM Treasury reiterated its commitment to delivering a UK Green Taxonomy to help mobilise investment into green activities and tackle greenwashing. Its consultation is expected in due course but no timeframe is given. Even post that consultation, the Government expects to introduce a testing period for voluntary disclosures and use for at least two reporting years before exploring mandating disclosures. Note that the Government indicates that it has not yet decided on whether to introduce mandatory disclosures against the Taxonomy.

Labelling of EU funds

Whilst the EU SFDR regime is quite distinct, note that ESMA on 14 May 2024 issued its Final Report on Guidelines on funds' names using ESG or sustainability-related terms. The Guidelines set out guidelines on funds' names using ESG or sustainability-related terms in UCITS and AIF names. These include thresholds as follows:

- Funds using transition – social – and governance related terms should
  - meet an 80% threshold linked to the proportion of investments used to meet environmental or social characteristic or sustainable investment objectives in accordance with the binding elements of the investment strategy, which are to be disclosed in Annexes II and III of CDR (EU) 2022/1288; and
  - exclude investments in companies referred to in Article 12(1)(a)-(c) of CDR (EU) 2020/1818.

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For this purpose, the key terms have the following meanings:

- Transition-related terms encompass any terms derived from the base word “transition”, e.g. “transitioning”, “transitional” etc. and those terms deriving from “improve”, “progress”, “evolution”, “transformation”, “net-zero”, etc.
- Social-related terms means any words giving the investor any impression of the promotion of social characteristics, e.g. “social”, “equality”, etc.
- Governance-related terms means any words giving the investor any impression of a focus on governance, e.g. “governance”, “controversies”, etc.

- Funds using environmental - or impact-related terms should:
  - meet an 80% threshold linked to the proportion of investments used to meet environmental or social characteristic or sustainable investment objectives in accordance with the binding elements of the investment strategy, which are to be disclosed in Annexes II and III of CDR (EU) 2022/1288; and
  - exclude investments in companies referred to in Article 12(1)(a)-(g) of CDR (EU) 2020/1818.

  In relation to the terms used, the explanation of the key terms includes the following:

  - Environmental-related terms means any words giving the investor any impression of the promotion of environmental characteristics, e.g. “green”, “environmental”, “climate”, etc. These terms may also include ESG and SRI abbreviations.
  - Impact-related terms mean any terms derived from the base word “impact”, e.g. “impacting”, “impactful”, etc.

- Funds using sustainability-related terms should:
  - meet an 80% threshold linked to the proportion of investments used to meet environmental or social characteristic or sustainable investment objectives in accordance with the binding elements of the investment strategy, which are to be disclosed in Annexes II and III of CDR (EU) 2022/1288;
  - exclude investments in companies referred to in Article 12(1)(a)-(g) of CDR (EU) 2020/1818; and
  - commit to invest meaningfully in sustainable investments referred to in Article 2(17) of the EU SFDR.

  In the explanation of key terms, note that sustainability-related terms means any terms only derived from the base word “sustainable”, e.g. “sustainably”, “sustainability”, etc.

Note the removal of the previously proposed 50% threshold for sustainable investments – there is now an 80% threshold.

Where a Fund name combines terms from more than one of these paragraphs, the provisions of the paragraphs should apply cumulatively, except for those terms combined with any transition-related terms, where only the first paragraph relating to transition terms should apply. Funds using transition or impact-related terms in their names should also ensure that investments used to meet the thresholds are on a clear and measurable path to social or environmental transition or are made with the objective to generate a positive and measurable social or environmental impact alongside a financial return.

The Guidelines in this Report will be translated into the official EU languages and published on the ESMA website – and this may take a little time. The publication of the translations triggers a two month period during which local regulators must notify ESMA whether they comply or intend to comply with the Guidelines. The Guidelines will apply from three months after the publication of the translations subject to some transitional provisions for managers of funds existing before the date of application. A transitional period of six months is foreseen for existing funds.

This Guidance is not in any way amending AIFMD or UCITS. These Guidelines though are published under new mandates stemming from the recently reviewed AIFMD and UCITS Directive, whose Amending Directive 2024/927 was published in the Official Journal on 26 March 2024 and entered into force on 15 April 2024. The new mandates in Article 23(7) of AIFMD and Article 69(6) of the UCITS Directive request ESMA to develop guidelines specifying the circumstances where the name of an AIF or UCITS is unclear, fair or misleading. The mandates note the new sectoral rules setting standards for fund names or marketing of funds will take precedence over guidelines.

Encouraging international consistency

Whilst clearly UK SDR is quite distinct from EU SFDR even after the introduction of ESMA's Guidelines on fund names, the UK FCA is emphasising that it is seeking to encourage international consistency. This is evident in a speech delivered on 22 May 2024 by Ashley Alder, the FCA's Chair. Whilst his comment delivered in that speech may have been more in relation to trying to ensure an extension of the disclosure and labelling regime to overseas funds because the FCA's focus is on what is marketed to UK investors, hopefully it is indicative of a wider preference for looking at the global picture.

Many fund managers operate on a global basis and would benefit from some consistency in the regulatory frameworks applying to their businesses.

Appendix:
Attributes of labels and labelling criteria

Attributes of each of the labels

Label	Attributes
Sustainability Focus	• The sustainability objective must be consistent with an aim to invest in assets that are environmentally and/or socially sustainable, determined using a robust, evidence-based standard that is an absolute measure of sustainability.
Sustainability Improvers	• The sustainability objective must be consistent with an aim to invest in assets that have the potential to improve environmental and/or social sustainability over time – determined by their potential to meet a robust, evidence-based standard that is an absolute measure of environmental and/or social sustainability. • Firms will need to identify the period of time by which the product and/or its assets are expected to meet the standard, including short and medium-term targets. They must also obtain robust evidence to satisfy themselves that the assets have the potential to meet the standard. • Firms' investor stewardship strategy supports delivery of the objective and helps to accelerate improvements in sustainability over time.
Sustainability Impact	• The sustainability objective must be consistent with an aim to achieve a pre-defined, positive, measurable impact in relation to an environmental and/or social outcome. • Firms must specify a theory of change setting out how they expect their investment activities and the product's assets to achieve a positive impact. • Firms must specify a robust method for measuring and demonstrating the positive impact of both the assets the product invests in and the firms' investment activities.
Sustainability Mixed Goals	This is for products with a sustainability objective to invest at least 70% in line with a combination of the sustainability objectives for the other labels. Requirements for each of the other labels in which the product invests must be met.

Source: FCA Consultation Paper 24/8, paragraph 3.24

Appendix:
Attributes of labels and labelling criteria

Application of labelling criteria to portfolio managers

	Requirements	Application to portfolio managers
Product requirements		
Sustainability objective	The portfolio must have an explicit sustainability objective as part of its investment objectives that aligns with one of the specific sustainability labels and that is clear, specific, and measurable.	The portfolio manager is responsible for setting the sustainability objective for its portfolio. We have not been prescriptive about whether there are multiple objectives, or parts to the objective, provided that the objectives are clear and specific ie, they build a clear picture of what the portfolio is aiming to achieve.
Investment policy and strategy	The portfolio must have at least 70% of the gross value of its assets invested in line with the sustainability objective. Those assets must be selected with reference to a robust, evidence-based standard that is an absolute measure of environmental and/or social sustainability, as applicable for each of the labels, and any other assets must not conflict with the sustainability objective. There are limited exceptions to the 70% threshold (where products are designed to build their initial portfolio over time, such as an LTAF, and where a firm is carrying out its escalation plan or taking actions to meet the criteria on an ongoing basis). When selecting assets, firms should use a robust, evidence-based standard of sustainability. Firms should select assets using a methodology or approach that is applied in a systematic way, and that can be used to determine both the environmental and/or social sustainability characteristics of the product's assets and the ability of those assets to contribute to positive environmental or social outcomes. The methodology or approach may be based on, or determined by, an authoritative body (eg, a government or regulator), industry practice (eg, a third-party data or analytics service provider) or a proprietary methodology (developed in-house by the firm).	The portfolio manager must ensure that 70% of the gross value of the portfolio is invested in accordance with the sustainability objective. We are proposing to set the threshold at 70% for consistency with the criteria for funds, and based on feedback that 70% would be more feasible for portfolio management offerings. This is the only threshold that we have prescribed within the criteria. Where a portfolio management offering invests in other funds, including those that have sustainable investment labels, the portfolio manager will need to treat those funds as 'assets' and follow the rest of the criteria accordingly. The portfolio's assets must be selected with reference to a robust, evidence-based standard that is an absolute measure of environmental and/or social sustainability. The portfolio manager will need to determine what that standard is (eg, general environmental and/or social criteria such as the minimum threshold for the percentage of revenue associated with sustainability matters; a taxonomy-based standard; or emissions profiles) and at which level it applies eg, it could apply at the level of the fund or the assets within a fund. While some funds in the portfolio may have sustainable investment labels, some may not (eg, those that are domiciled overseas). So, while the information associated with a labelled fund could support its assessment, the portfolio manager is responsible for ensuring all assets (eg, the funds) within its portfolio are in accordance with the criteria. While investing in funds that already have labels will demonstrate that the fund has a sustainability goal and is meeting high standards to deliver on that goal, a label is not an absolute measure of sustainability.

Appendix:
Attributes of labels and labelling criteria

	Requirements	Application to portfolio managers
KPIs (Key Performance Indicators)	The portfolio must have KPIs that demonstrate progress towards achieving the sustainability objective. Those KPIs may measure either the performance of the portfolio as a whole and/or individual assets.	Portfolio managers are responsible for selecting KPIs at the level most appropriate for the portfolio – see KPIs under the firm requirements section below.
Firm requirements		
Negative outcomes	The portfolio manager must determine (and disclose) whether any material negative environmental and/or social outcomes may arise in pursuing the sustainability objective.	The portfolio manager may, for example, identify negative outcomes that may arise in pursuing the sustainability objective as part of its risk management and due diligence processes when selecting the portfolio's assets
Investment policy and strategy	The portfolio manager must determine the portfolio's investment policy for achieving the sustainability objective, and investment strategy for what the product invests in, including, where appropriate, the timescales by which the product is expected to be fully invested in assets.	The portfolio manager should develop an investment policy and strategy that provides sufficient information to enable clients and consumers to understand how the portfolio is invested.
Independent assessment	The portfolio manager must obtain or undertake an independent assessment of the robust, evidence-based standard of sustainability to confirm that it is appropriate for selecting the product's assets. The assessment can be obtained from a third party or undertaken by the firm, provided that it is independent from the investment process, and in either case, that the individuals responsible for carrying out the assessment are appropriately skilled. The portfolio manager will need to disclose the basis on which the standard is considered appropriate and the function or third party (not naming individuals) that carried out the assessment.	No specific considerations

Appendix:
Attributes of labels and labelling criteria

	Requirements	Application to portfolio managers
Assets that do not pursue the objective	The portfolio manager must identify (and disclose) assets that the portfolio invests in for reasons other than to pursue the sustainability objective, such as cash and derivatives used for liquidity and risk management purposes. The portfolio must not invest in any assets that conflict with its sustainability objective.	No specific considerations
KPIs	The portfolio manager must identify (and disclose) the KPIs that it will use to measure progress of the portfolio towards meeting its sustainability objective.	We have not been prescriptive as to the level at which KPIs are set ie, aggregated at portfolio level, or at the level of assets within the portfolio. Portfolio managers should consider the appropriate level to demonstrate progress towards the sustainability objective.
Escalation plan	The portfolio manager must have an escalation plan setting out the actions it will take if the assets do not demonstrate sufficient performance against the sustainability objective or KPIs. The plan should set out the anticipated timescales for addressing any matters that may result in insufficient performance against the sustainability objective.	We have not been prescriptive as to what an escalation plan might entail. For example, a portfolio manager's escalation plan may include engagement with fund managers, collective engagement etc.
Resources and governance	The portfolio manager must have appropriate resources, governance, and organisational arrangements, commensurate with the delivery of the sustainability objective. This includes ensuring there is adequate knowledge and understanding of the product's assets and that there is a high standard of diligence in the selection of any data or other information used (including when third-party ESG data or ratings providers are used) to inform investment decisions for the product.	The portfolio manager remains responsible for meeting these requirements for the portfolio. This includes where management of some assets within the portfolio is carried out by a third party.

Appendix:
Attributes of labels and labelling criteria

	Requirements	Application to portfolio managers
Stewardship	The portfolio manager must identify the investor stewardship strategy needed to deliver the sustainability objective. This includes the expected activities and outcomes, and ensuring the strategy and appropriate resources are applied.	We acknowledge that stewardship may take place in different forms. Under our rules, the portfolio manager must identify (and disclose) the strategy that is appropriate for its portfolio. This may, for example, include engagement with managers of funds included in the portfolio.
Meeting the requirements on an ongoing basis		
Ongoing requirements and review	The portfolio manager must ensure the criteria are met on an ongoing basis and may need to take actions if needed to ensure they are being met. The portfolio manager will need to consider whether the use of a label remains appropriate while those actions are being taken, and we would ordinarily only expect minimal deviations from the 70% threshold. Portfolio managers will also need to carry out a review of their use of a label at least every 12 months. If compliance can't be restored in a reasonable period of time and the label is no longer appropriate, the portfolio manager will need to revise or cease to use the label and comply with the relevant notification requirements to clients and to the FCA.	The portfolio manager remains responsible for ensuring the criteria for the portfolio are met on an ongoing basis and may need to consider what actions to take under its escalation plan if assets no longer meet the criteria. We recognise that the threshold may not be at 70% at all times, for example, if there are changes to the assets in the portfolio. In these cases we are proposing the same approach as for UK funds, with limited exceptions to the threshold.
Use of data	The portfolio manager must take reasonable steps to ensure that any data used to meet the labelling requirements is accurate and complete (including through use of proxies and assumptions where appropriate).	No specific considerations

Source: FCA Consultation Paper 24/8, Table 1, paragraph 3.23

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