

# “Meaningfully Investing in Sustainable Investments” Clarified for ESMA ESG Fund Name Guidelines

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On 13 December 2024, the European Securities and Markets Authority (ESMA), the EU’s financial markets regulator and supervisor, has published Q&As with further details on three specific aspects of the practical application of their [Guidelines on funds’ names](#) using ESG or sustainability-related terms (the Guidelines).

The Q&As cover:

- **“meaningfully investing in sustainable investments”** with confirmation that EU regulators should interpret this as follows – funds may not be “meaningfully investing in sustainable investments” if they contain less than **50% of sustainable investments**. This is aligned with the earlier consultation paper by ESMA on the proposed Guidelines but did not make it through to the final Guidelines – it is welcomed clarity;
- **controversial weapons** with the Q&A on this specifying that the reference for the exclusion related to controversial weapons should be the one referred to in the Sustainable Finance Disclosure Regulation principal adverse impact indicator 14; and
- **green bonds** with the relevant Q&A explaining that investment restrictions related to the exclusion of companies do not apply to investments in European Green Bonds. For other green bonds, fund managers may use a look-through approach to assess whether the activities financed are relevant for the exclusions.

ESMA sets out that the objective of the Q&As is to “ensure a smooth application of the Guidelines through common understanding of key concepts”.

The Q&As can be accessed per topic area [here](#).

For further information on the Guidelines, please see our previous publication [ESMA Guidelines on Fund Names – Insights – Proskauer Rose LLP](#) or contact us at [ukreg@proskauer.com](mailto:ukreg@proskauer.com)

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