

## Foreword

Dear readers,

We wish you a pleasant reading,

The BEAMA team.



## “The sunny summer (at least in the financial markets)”

Editorial by Marc Van de Gucht

I ask my son, a young teenager who attends football academy during the summer holidays, what he learned today. He talks about the dribble and scissors movement, panenka, panna and cross pass, ...

I wonder what his financial literacy would be like. Not too good I guess because he hasn't had any economics or finance classes at school yet. So, it's high time to take my responsibility. I encourage him to surf to the website of “club beleg” [\[01\]](#). This website and the associated information campaign, in which BEAMA's services have extensively participated, was launched at the beginning of the summer. In it, Kamal Kharmach (Dutch) and Christopher Calice (French) explain in a comprehensible way, through short movies, what the different investment options are.

Will I be able to resist the urge to ask my son about his acquired knowledge afterwards? Wouldn't it even be better to take the first real steps in the investment world together with him, with some savings he has already been able to put aside. Given his long-term investment horizon, this should not pose a problem. Financial education, you can't start early enough.

### Financial literacy

*People need to become familiar with investing from an early age, so that they can fully benefit from the cumulative effects of investments over time, building on the expected long-term returns and the long-term effects of inflation on purchasing power. It is important for BEAMA to promote investing as a sensible way to manage personal finances and not as ‘playing the stock market’.*

Of course, I also must explain him the taxation regime having an impact on the dividends and interest that he will receive in the future, just like certain taxes on certain funds ... and that, of course, in contrast to the withholding tax exemption on the interest on his savings account, even though they're minimal for the time being. There are so many fiscal rules without too much logic ... At least I won't have to give him an explanation about one of them, the securities tax 2.0.

## Content

Leader	1
Legislation	2
Current activities at BEAMA	4
Current issues	4
BEAMA news	12
Colophon	13
List of hyperlinks	13

## Legislation

### Europe

#### Directives & Regulations

**22/03/2021:** Commission Delegated Regulation supplementing Regulation (EU) 2019/1238 of the European Parliament and of the Council with regard to regulatory technical standards specifying the requirements on information documents, on the costs and fees included in the cost cap and on risk-mitigation techniques for the pan-European Personal Pension Product [02].

**21/04/2021:** Commission Delegated Directive on integration of sustainability risks and sustainability factors by UCITS [03].

**21/04/2021:** Commission Delegated Directive as regards the integration of sustainability factors into the product governance obligations [04].

**21/04/2021:** Commission Delegated Regulation on integration of sustainability risks and sustainability factors by AIFs [05].

**21/04/2021:** Commission Delegated Regulation as regards the integration of sustainability factors, risks and preferences into certain organizational requirements and operating conditions for investment firms [06].

**15/06/2021:** Commission Implementing Regulation with regard to the creation and maintenance of the central database on cross-border marketing of AIFs and UCITS [07].

#### Guidelines, reports & Q&A — ESMA

**30/03/2021:** ESMA updates AIFMD Q&A's [08].

**16/07/2021:** ESMA updates UCITS and AIFMD Q&A's [09].

(Continued on page 3)

#### Tax neutrality

*The current Belgian tax treatment of savings and investments could be adjusted on several points to create a real level playing field. Savings and investment products should be treated as equally as possible for tax purposes. Starting point for a better financial tax treatment could be the application of a real level playing field between all forms of savings and investments offered in Belgium, in accordance with the general interest of society.*

Seeing all the natural disasters both close by (rain and flooding) and a little further from us (forest fires), and as a responsible citizen who wants to limit my ecological footprint on this planet as much as possible together with a teenager who is already more committed to the environment than my generation (even though I already collected used paper with the youth movement when I was younger), the importance of sustainability in his investments will also be discussed. Because portfolio return and sustainability can indeed go hand in hand... .

#### Sustainability

*Spurred by the public's growing commitment to environmental sustainability and other social and governance-related needs, the introduction of sustainability goals into corporate culture has increased significantly in recent years. This has also created the need to embed environmental, social and governance (ESG) principles in global capital investments. Asset managers channel "savings" into sustainable investments and thus play a prominent role in Europe's efforts for a sustainable planet (cf. the Green Deal). BEAMA will monitor ways to improve process efficiency and sufficiency in this strategy for a sustainable future.*

If he's a little older, for example in his early twenties, and has been able to build up some knowledge of investing and the various investment instruments, I would certainly also like to discuss the advantages and disadvantages of less liquid investments with him. After all, in times of very low to negative interest rates, it can also be interesting for ordinary retail investors with a long-term horizon to include less liquid assets in their portfolio either directly (think of private equity) or indirectly (through a fund). Even though this can certainly mean added value for a limited part of the portfolio, the legislator does not make it easy for the (retail) investor (just think of MiFID or the regulator that places a strong emphasis on the liquidity of investment products). Let's hope that by then the circumstances will make this possible for him.

#### Alternative asset classes

*The investors that increase their participation in alternative asset classes, driven by the low interest rate environment, are mainly institutional investors, especially pension funds, as well as family offices and "qualified investors". It is our role as an organization to properly guide and inform this very specific group of investors who do not fall under the standard "retail customer" and have a clear need for customised portfolios. They are open to being informed about the opportunities and the risks of these specific alternative asset classes.*

*The challenge is to package these alternative asset classes in such a way that they appeal to a large group of retail investors. It is about finding the right way, directly or*

**02/08/2021:** ESMA Guidelines on marketing communications under the Regulation on cross-border distribution of funds [10].

♦♦♦

## Belgium

### Laws and Royal Decrees

**25/02/2021:** Law introducing an annual tax on securities accounts [11].

**09/07/2021:** Law of 27 June 2021 containing various financial provisions [12].

### Publication of the Federal Public Service Finance

**10/06/2021:** Administrative Circular number 2021/C/56 regarding the Belgian tax on savings income - article 19bis of the Belgian Income Tax Code - of certain bond funds in the case of funds of funds [13].

### FSMA communications

**02/03/2021:** MiFID work programme for product governance [14].

**09/03/2021:** Communication of the entry into force of European Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (also known as the 'Disclosure Regulation' or 'SFDR') [15].

**01/04/2021:** Q&A about advertisements for investment instruments when offered to the public, admission to trading and commercialization to non-professional clients [16].

**17/06/2021:** Feedback statement on the conclusions of a qualitative audit of PRIIP's KIDs [17].

**20/08/2021:** Guidelines for stress test scenario's for money market funds - application by FSMA [18].

*indirectly, to combine more investments with longer holding periods to improve the return on your initial savings. BEAMA should also consider how to bring these interesting investments (especially in times of very low interest rates) directly or indirectly to retail clients.*

And when he enters the labour market later, it would certainly be wise to invest part of his savings in a pension savings product because the government will fail to meet the expectations in purchasing power and lifestyle for the current generation of young people once they have reached retirement age. My mother, in her eighties, has it a little easier in that regard. She has been able to retire early. Finding her way in the digital banking (investment) world, on the other hand, is much more difficult.

### Access

*Various steps in the asset management value chain are affected by the digital change process, such as the "investment process" of the managed portfolios, the "operational processes" involved in fund administration and transaction processing and their reporting, and finally the "distribution channels" for approaching existing and potential clients.*

*The elderly are at risk of not always being included in the rapid process of digitised communication tools. Separately adapted initiatives should be set up to reach them. The same message applies to young people from less privileged households.*

*The lesson that people should start participating in pension schemes when they enter the labour market carries significant weight. After all, the existing national pension scheme will not be able to meet participants' expectations of maintaining their purchasing power and lifestyle, once they reach retirement age.*

But don't let me get too far ahead of the future. Now I have to think about how my son can best monitor his investments. This is quite easy with all the existing applications. If I see how he can already handle the different existing apps on his mobile, this will not be a problem. Nevertheless, I will have to make sure that he keeps the necessary distance and not follow the price movements every few seconds. After all, investing remains something that requires a long-term horizon.

### Transparency

*Transparency should create sufficient trust among savers to shift (part of) their savings into investments. Transparency should cover all areas of reporting: cost reporting (ex-ante and ex-post), performance reporting, product scoring (e.g. energy label methodology). The goal should be to have investor information that is easy to understand.*

In the course of 2021, the BEAMA Board of Directors has determined the themes that it wishes to focus on in the coming years (see document: BEAMA, areas of focus 2021 – 2023 [19]). These main themes are included in the boxes above. In summary, they relate to:

- Access;

## Current activities at BEAMA

### The need for financial education remains very high

The average small investor has too little financial knowledge and thus client guidance / education remains needed.

The mandate of the FSMA includes a contribution to the financial education of the public. Financial literacy is an essential part of investor empowerment, because it facilitates investors to understand:

- How to (self)manage their finances in everyday life;
- How to plan their (future) financial resources;
- How to avoid unnecessary risk, excessive debt and potential financial exclusion.

It also enables people to better understand the options of the financial markets available to them, and allow them to become better decision-makers about their own budget and assets.

“Wikifin Lab” opened at the beginning of September 2020. This Lab is an interactive experience centre for financial education, designed for secondary-school students. “Wikifin Lab” aims to improve insight into basic financial mechanisms using hands-on experience to gain a better understanding of money matters, providing an interactive and digital trajectory, using budget management as the common thread with a link to learning outcomes in school curricula.

*(Continued on page 5)*

- Transparency;
- Sustainability;
- Tax neutrality;
- Financial literacy;
- Alternative asset classes.

As you can read above, these themes don't come out of the blue ....

The new working year starts with a briefcase full of good intentions and notebooks that still have to be written. Let's start by including the above-mentioned focus points.

As BEAMA's new Director General, I will therefore commit myself, together with my team, to help achieve those action points. We cannot do this alone, so we hope to be able to continue to count on you in the different working groups in the future. Because together we keep the sector alive (even in less favourable weather conditions)!

Marc Van de Gucht, Director General - BEAMA

## Current Issues

### BEAMA webinar on the future of the Belgian asset management sector

Following the annual general meeting, BEAMA held a virtual panel discussion in which the current and future status of the Belgian asset management sector has been examined. Due to the Covid-19 crisis, this webinar was a substitute event of the annual members meeting with cocktail, lunch and speakers.



Keynote speaker was Deputy Prime Minister & Minister of Finance Vincent Van Peteghem. In his speech the Minister outlined the core elements of his policy and the general recovery measures in response to the Corona crisis.

Afterwards a panel debate took place. Johan Lema, Chairman of BEAMA, explained the policy lines that he wishes to set out for the asset management sector together with the Board of Directors of BEAMA. In the broad context of economy & society, Koen Van Loo, Chief Executive Officer at The Federal Holding and Investment Company,



### Technology as a driving force for the asset management sector

Technology is a driving force for refinement. For asset managers, technology can mean:

- A broadening of the types of opportunities;
- A shift from advisors choosing from a range of investment funds to a situation where asset managers are more involved in portfolio construction;
- More competition between products (as seen between ETFs and actively managed funds).

Technology will expand the range of instruments that are needed to manage a portfolio, (both in terms of asset classes and fund structure).

Various steps in the asset management value chain are affected by this change process, such as:

- The investment process of the managed portfolios;
- The operational process involved in fund administration and transaction processing and their reporting;
- The distribution channels for approaching existing and potential clients.

### Strengthening the competitiveness of fund & asset management so that it better meets the needs of the next generation of investors

BEAMA wants to continue to play a leading role in strengthening cooperation between the sector and its stakeholders. We can do this by developing guidelines to (even) better meet the needs of our sector's clients:

- By facilitating access to funds and asset management solutions, including pension planning;
- By ensuring transparency in performance and costs;
- By promoting the range of - and transparency about - available sustainable investments;

discussed aspects of the recovery plan Belgium-Europe for the restart of the economy post-corona crisis. Jean-Paul Servais, Chairman of the FSMA, gave his outlook as supervisor on the evolution of the asset management sector. The Vice-Presidents of BEAMA, Caroline Tubeuf and Koen Van de Maele, also participated in the panel discussion.



### Impact of the Covid-19 crisis on the asset management sector

No significant risks have been identified in connection with asset management and non-bank financial intermediation that threaten financial stability.

During the Covid-19 crisis, the FSMA closely monitored the asset management sector and collected additional data on Belgian public UCIs. These additional analyses showed that, in general, Belgian public UCIs held up well during the Covid-19 crisis and the stress in the markets. Moreover, by implementing Liquidity Management Tools on a large scale, Belgian public UCIs followed a specific recommendation of the initial report.

The Covid-19 pandemic illustrates that the asset management sector experiences a big "digital leap".

Due to the impact of Covid-19 on the financial markets, financial regulators are reactivating a number of revisions to existing Directives (e.g. revision of the AIFMD). They are also placing new emphasis on certain aspects of portfolio and risk management functions within asset management companies.

### Extension CIS reporting

In light of the introduction of Liquidity Management Tools on a large scale by Belgian public funds, the FSMA was interested in obtaining additional data so as to be able to closely monitor funds' liquidity and prematurely spot any potential illiquidity issues.

Currently, the FSMA is making use of a temporary data inquiry solution that asset managers regularly have to fill out and transfer to the FSMA.

Yet, at the end of 2020, the FSMA also contacted BEAMA and its members to discuss the extension of the CIS-reporting with a new table, named CIS\_SUP\_3. This new table is intended to provide the FSMA with all necessary data elements to follow up funds liquidity.

During the Spring of 2021, the template of the CIS\_SUP\_3 table was discussed with BEAMA and its members. Our few questions were clarified during a technical meeting with the FSMA.

The only outstanding question on behalf of the FSMA was linked to the frequency with which this CIS\_SUP\_3 table should be provided to her. The options were to send the new table either always weekly or in normal circumstances monthly but in situations of market stress (à la Covid-19) weekly.

- By enabling a broad and diversified fund range for professional investors (some of whom are also distributors);
- By enabling tax neutrality of investment products.

The development of these five guidelines will improve the offer of investment solutions.

### “Pan-European Personal Pension Product (PEPP)”

When it comes to promoting ways to finance the economy in a sustainable way, BEAMA strongly supports the introduction and promotion of the Pan-European Personal Pension Product (PEPP). The PEPP is based on a voluntary agreement between the individual saver and the provider. This product is oriented towards longer term investments and is well suited to integrate the transitional vision on e.g. infrastructure projects required by the climate plan reforms.

On 22 March 2021, the Regulatory Technical Standards specifying the requirements on information documents (provision of the PEPP KID in an electronic format), on the costs and fees included in the cost cap, on risk-mitigation techniques for the PEPP and on the presentation and layout of the PEPP benefit statement were published in the Official Journal of the European Union. This could potentially allow the first PEPP to start in 2022.

During the spring of 2021, EIOPA conducted a survey on the potential offering of the PEPP. EIOPA would like to know:

- Whether potential providers will consider offering a PEPP;
- What are the reasons that would prevent potential providers from entering the PEPP market;
- What are the main considerations or issues that would need to be overcome or require clarification for potential providers to decide to offer a PEPP.

Based on the preference of our members, BEAMA informed the FSMA that for the funds in scope of the CIS\_SUP\_3 table our members preferred the second option, thus: normally on a monthly basis, which could be increased to on a weekly basis in situations of market stress.

The FSMA informed BEAMA that the draft texts for the Regulations and the Circular on the CIS\_SUP\_3 table will be submitted to the FSMA's management committee during the summer. After approval of the draft texts by the FSMA management committee, the FSMA will quickly inform all the stakeholders.

BEAMA will also follow up the next steps of the extension of the CIS\_SUP\_3 table and see that all its members get notified in due time.

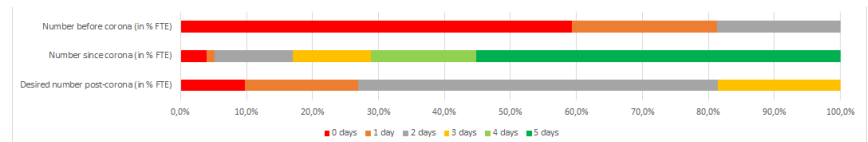
## BEAMA survey: impact of corona on teleworking

While teleworking was already in use in Belgium and by some of the BEAMA members before the outbreak of the Covid-19 crisis, this survey aims to measure the impact the massive shift to telework had on our members' policies.

This BEAMA survey gives a clear picture on how BEAMA members (MANCO of UCITS / AIF, companies for asset management & investment advice and stockbroking firms) reacted to the new circumstances that heavily impact daily life regarding physical and IT infrastructures, well-being and management issues.

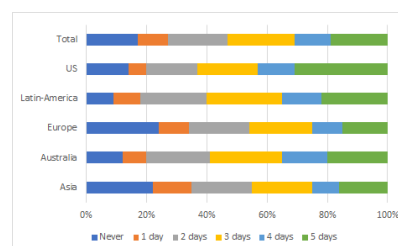
### Key findings:

#### Number of teleworking days per week in your company



Source: BEAMA

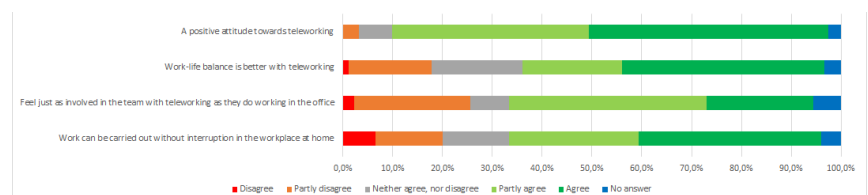
#### International comparison: How many days do employees want to work from home (in % of respondents)



Source: Reimagine work 2020—2021

When asked how many days people want to work from home, worldwide most of them said that 2 to 3 days is ideal.

#### Attitude of the employees towards teleworking during corona



Source: BEAMA

It will be interesting to analyse the results of this survey and the conclusions and possible follow-up actions that EIOPA will take from that.

### Belgian third pillar pension-saving funds

On a quarterly basis, BEAMA publishes a dashboard on the third pillar pension-saving funds which is available on the BEAMA website. The objective of this dashboard is to give an instant visual representation of the key figures regarding the third pillar pension-saving funds.

In Belgium, there are two ceiling amounts on pension savings for which an annual tax benefit in personal income tax applies:

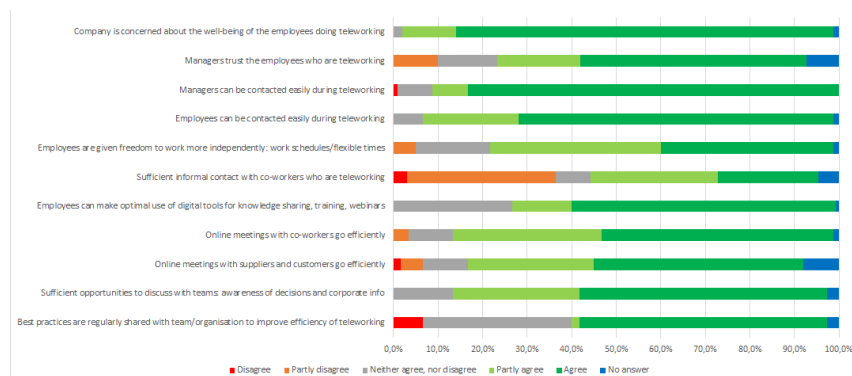
- The tax reduction amounts to 30 % for the deposits that amount to a maximum of 990 euros;
- For deposits higher than 990 euros and up to a maximum of 1.270 euros a tax reduction of 25 % is granted. The explicit agreement of the taxable person to exceed the ceiling of 990 euros must be renewed every year.

At the end of 2020, the Federal Government decided not to index a number of tax ceilings for the income years 2020 to 2023. The maximum amounts for tax reduction will remain the same as in 2019 during those four years. The annual indexation will take place again from the income year 2024. However, an exception is made for the third pillar of pension savings. Therefore, the freeze will only start in 2021. In other words, it is possible to save up to 990 euros in pension savings in 2020 with a 30 percent tax reduction and a maximum of 1.270 euros with a 25 percent tax reduction.

### Review of the Alternative Investment Fund Managers Directive

As the Alternative Investment Fund Directive (AIFMD) came into force in 2011, it has as two

### Management of teleworking during corona and post-corona



Source: BEAMA

The Covid-19 crisis has demonstrated that full-time teleworking is temporary possible for almost all functions. However, the biggest challenge is to make it sustainable in the long run.

### Advertising for investment instruments

The [Belgian Financial Services and Markets Authority \(FSMA\)](#) has published on April 1 2021 [Frequently Asked Questions](#) (available in French or Dutch) about advertisements for investment instruments when they are offered to the public, admitted to trading and distributed to retail clients. The FSMA held open consultations for these FAQs at the end of 2020 in which BEAMA participated.

Advertisements for investment instruments in conjunction with these operations must meet European requirements. Thus, the information in the advertisements may not be inaccurate or misleading. The advertisements may not give an imbalanced image of the information in the prospectus.

The FSMA's FAQs set out good practices that contribute to compliance with these requirements. The aim is to help make the FSMA's actions predictable and to contribute to a level playing field.

On June 2, 2021, the Belgian House of Representatives published a [Draft law transposing Directives and implementing European Regulations in the financial sector](#). Among other things, this bill aims to ensure the partial transposition into Belgian law of Directive (EU) 2019/1160 with regard to cross-border distribution of collective investment undertakings. This transposition and the compliance of Belgian law with Regulation 2019/1156 require the amendment of the law of 3 August 2012 on UCITS and the law of 19 April 2014 on AIFM. The entire legislation on collective management is therefore affected.

On May 27, 2021, the [European Securities and Markets Authority \(ESMA\)](#) has published the [final report on its Guidelines under the Regulation on cross-border distribution of funds](#) specifying the requirements that funds' marketing communications must meet.

The Regulation (EU) 2019/1156 of 20 June 2019 on facilitating cross-border distribution of collective investment undertakings (the "Regulation") specifies that AIFMs, EuVECA managers, EuSEF managers and UCITS management companies shall ensure that

main objectives: at first to provide a secure regulatory framework for the management of alternative investment fund and secondly to ensure the mitigation of systemic risks associated with the management of alternative assets.

In order to assess the efficiency in reaching these objectives, article 69 of the AIFMD indicates that a review should be started on the application and scope of this Directive. As a first step of this review process, a public consultation was launched by the European Commission and the interested stakeholders could respond by 29 January 2021. BEAMA, as the representative of the Belgian asset management sector, answered to this consultation, highlighting the following key points:

- A passporting regime is required for the marketing of AIF's;
- The existing delegation framework should be preserved;
- In order to ensure consistency across national rules, BEAMA supports a greater convergence between NCA's;
- While BEAMA supports convergence between UCITS and AIFMD frameworks with regard to reporting and market activities, BEAMA is however not in favour of a full merger of the two Directives.

#### Tax on securities accounts 2.0

The law of 17 February 2021 introducing an annual tax on securities accounts was published in the Belgian Official Gazette of 25 February 2021.

The law entered into force the day following the publication, with the exception for the general anti-abuse rule and the irrebuttable presumptions which apply retroactively till 30 October 2020.

The tax on securities accounts is an annual tax on the holding of a securities account irrespective of the number of and type of account holders (natural persons, corporates,

marketing communications addressed to investors are identifiable as such and describe the risks and rewards of purchasing units or shares of an AIF or units of a UCITS in an equally prominent manner, and that all information included in marketing communications is fair, clear and not misleading. The Regulation provides that ESMA shall develop Guidelines on the application of these requirements for marketing communications, taking into account the on-line aspects of such marketing communications.

This Final Report provides an overview of the feedback received through the public consultation on the proposed draft Guidelines and explains how ESMA took this feedback into account. It also contains the final set of Guidelines on marketing communications.

The ESMA Guidelines on marketing communications under the Regulation on cross-border distribution of funds (dated 2 August 2021) are published on ESMA's website in the different EU languages. These Guidelines apply 6 months after the date of their publication on ESMA's website in all EU official languages. National competent authorities must notify ESMA whether they comply or intend to comply with the Guidelines, with reasons for non-compliance, within two months of the date of publication by ESMA. In the absence of a response by this deadline, national competent authorities will be considered as non-compliant.

BEAMA has not (yet) received any information that the FSMA is working on the impact of these Guidelines on the future Belgian regulatory framework. This is further monitored by BEAMA. The aim is to arrive at best practices for streamlined digital advertising.

On June 15, 2021, the [Commission Implementing Regulation \(EU\) 2021/955](#) of 27 May 2021 was published laying down implementing technical standards for the application of Regulation (EU) 2019/1156 of the European Parliament and of the Council with regard to the forms, templates, procedures and technical arrangements for the publications and notifications of marketing rules, fees and charges, and specifying the information to be communicated for the creation and maintenance of the central database on cross-border marketing of AIFs and UCITS, as well as the forms, templates and procedures for the communication of such information.

#### Sustainable Finance Regulation

By the end of 2019, the European Green Deal provided the framework to transform the EU into a modern, resource-efficient and competitive economy. In July 2021 - in the context of recovery from the impact of the Covid-19 crisis - the European Commission published its renewed sustainable finance strategy in order to provide the policy tools to ensure that financial system genuinely supports the transition of businesses towards sustainability.

This renewed sustainable finance strategy has as main goals to support the flow of private finance towards sustainable economic activities and to make the transition to a carbon neutral economy possible by 2050. The three foundational elements of this strategy can be schematized as follow:



legal entities,...). The tax will be levied at the rate of 0,15 percent on the average value of the account in excess of 1 million euros.

Shares of undertakings for collective investment (UCI) are on the investor's securities account. If that account is larger than 1 million euros, it will be taxed. Securities accounts held exclusively for their own account by UCIs are exempt from the tax on securities accounts. The pension-saving funds are also exempt from this tax.

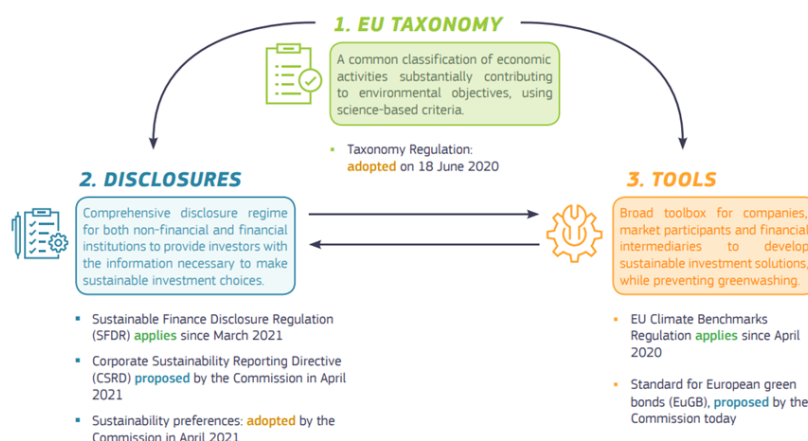
BEAMA has not drawn up any substantive legal interpretation for the sector on the application of the tax on securities accounts. BEAMA has joined Febelfin, which has focused on clarifying technical-operational aspects by means of a FAQ. According to the sector, legal and practical clarifications are needed via Royal Decrees and Circulars (FAQ of the Administration) yet to be published.

#### Publication of the Federal Public Service Finance

On 10 June 2021, the Belgian tax administration has issued the Administrative Circular number 2021/C/56 (available in French [20] or Dutch [21]) regarding the Belgian tax on savings income - article 19bis of the Belgian Income Tax Code - of certain bond funds in the case of funds of funds. This Circular describes the modalities of application of the tax on savings with regard to the scope of that measure and the determination of the tax base in the specific case of UCIs investing in debt claims through other underlying UCIs (UCIs of the fund of funds type).

#### Application of Stock Exchange Tax on share classes of funds

Stock Exchange Tax rates depend on whether the UCIs (sub-funds) are public or not. Practice shows that there is sometimes discussion about the application of rates for non-public share classes in public sub-funds. This Circular clarifies the application.



To this day, the Level 1 provisions of the Regulation regarding the Sustainable Finance Disclosures Regulation (SFDR) apply to asset managers.

### “Towards Sustainability”-label – state of affairs

Since the winter of 2020, the Central Labelling Agency (CLA) started her workings for the biannual review of the Quality Standard for sustainable financial products (QS). Financial products adhering to the principles of this Quality Standard can obtain the “Towards Sustainability”-label (TS).

#### Background information:

*The CLA is an independent non-profit organisation that manages the TS-label. BEAMA only has a supervisory role in the Board of Directors of the CLA and does not have a decisive vote in it.*

Obtaining the TS-label is of relevance on the Belgian market since multiple distributors will use this TS-label as an independent check to determine whether they could market a financial product as being sustainable or not.

BEAMA was involved in all the consecutive consultation exercises of the CLA during the past months and provided her in depth remarks at each occasion.

The key concerns that BEAMA mentioned on the consultation text of 5 April were:

- Too descriptive and overly complex criteria, especially for government bonds (including emerging markets);
- Huge data availability issues;
- De facto creation of two labels;
- Too much focus on broad exclusions (irrespective of the underlying ESG analysis);
- The fact that some SFDR article 9 products might not be eligible to obtain the TS-label;
- The governance of the biannual review process.

BEAMA has contributed to the Febelfin Circular, more specifically with regard to:

- The treatment of UCIs that are Tracker on their own and of UCIs that are not Tracker on their own but contain share classes that are Tracker;
- Making a clearer distinction between UCIs under Belgian law and UCIs under foreign law.

The aim is to arrive at a uniform method of the Stock Exchange Tax application at share class level for the entire sector.

### DAC6

BEAMA drew up interpretation guidelines for DAC6 for the UCI sector and submitted them to the Belgian Administration and Cabinet of Finance. It deals with principles and concepts in the context of UCIs - that are not arrangements and are therefore out of scope - as well as the hallmarks. In particular, the role and treatment of the different actors in the value chain of the UCI sector are described. Indicative examples are given.

This document is coherent with the DAC6 Guidance drawn up by Febelfin from the perspective of the Belgian banking sector. These Guidances will not be validated by the Belgian Administration of Finance. The Federal Public Service Finance published its own DAC6 Circular mid-2020 and has answered a number of general questions.

BEAMA has prepared several documents for members enabling them in taking a position on their individual files:

- Vision document on Sole proprietorship Institutional Sicav;
- Concerning DAC6: sector position regarding a Luxembourg (institutional) investor investing in a Belgian "Sicav institutionnelle/dédiée" vs. a Luxembourg "Sicav institutionnelle/dédiée" on wealth tax;
- BEAMA has drawn up an internal consensus document on the application

End May, the CLA published the revised version of the Quality Standard on her website [22]. This revised version takes some of our remarks into account.

Given that:

- On 10 March 2021, the European Regulation (EU 2019/2088, "Sustainable Finance Disclosure Regulation" - SFDR) took effect; and
- On 9 March 2021, the FSMA published a communication (FSMA\_2021\_06: French version [23] - Dutch version [24]) informing companies of the implementation of this European Regulation.

BEAMA is of the opinion that this European Regulation is immediately and directly applicable to the asset managers and their products.

Consequently, BEAMA takes a neutral stance on the "Towards Sustainability"-label, as we communicated to our members on July 9. As a result, it is up to each individual BEAMA member to determine its own position on the TS-label and whether or not to use it.

BEAMA will continue to follow the evolution of the TS-label and inform its members about it periodically.

The most recent information related to the revised QS is the timing of new application requests in accordance with the revised QS. More concretely:

- **1 October 2021 for initial applications** → applies to products which have not obtained the TS-label in the previous application cycles. For **initial applications**, the **whole application package** should be **submitted to the CLA by 1 October 2021**. This application package consists, among others, of: an application letter, the conformity matrix, any supporting documents (such as the prospectus, policy documents, ...);
- **1 October 2021 for renewal applications** → applies to products which have obtained the TS-label in a previous application cycle and would like to reapply for the TS-label in line with the revised QS requirements.

For **renewal applications**:

- ◆ A **list of products** for which the producer/distributor wants to **renew the TS-label** should be **submitted to the CLA by 1 October 2021**.
- ◆ The **whole application package** should be **submitted to the CLA by 1 January 2022**. These application packages should contain all the core substance elements the verifier would require to perform an in depth analysis.  
Remark: the application package may consist of draft documents for example still waiting the approval of the supervisor, yet everything should ultimately be approved the moment the TS-label is granted (or else the TS-label is postponed).
- **Between 1 January 2022 – 30 June 2022:** the verifier will perform an in depth verification of the applications and pass on its findings to the CLA. The CLA will decide which products can obtain the TS-label based on the verifier's analysis, supplemented with expert advice in case of deliberation cases.

of the Tax on securities accounts 2.0 for institutional funds, with the necessary references to the current legal and tax Regulations.

- **30 June 2022: the TS-labels are awarded to the QS compliant products.** Up till then, all labelled products are stated to be (at least) compliant with the original QS.

BEAMA advises its members, that would like to apply for the TS-label for new or existing products, to adhere very strictly to the above timing. After all, the CLA itself uses the strict deadline of 30 June 2022, which coincides with the entry into force of the SFDR Regulatory Technical Standards, on which it will announce the list of products that meet the revised Quality Standard.

Furthermore, BEAMA was informed by the CLA that in the course of September 2021 a Q&A would be made available in relation to the revised Quality Standard. This Q&A contains guidelines that could be useful when preparing the application packages.

### Belgian asset management sector – some sustainability figures

On 16 June 2021 the FSMA published a press release [\[25\]](#) in relation to the Belgian public funds and their SFDR classification.

The FSMA conducted an investigation into how managers apply the new SFDR Regulation. On 21 May 2021, the FSMA was in possession of the data of 706 funds and their sub-funds for this purpose. They represent more than 95 % of Belgian public funds. The FSMA's conclusion is that slightly more than half of the assets of Belgian public funds have sustainability features or are invested sustainably.

The breakdown into SFDR categories based on numbers looks as follows:

- Article 6: 68 percent;
- Article 8: 25 percent;
- Article 9: 3 percent.

*Source: FSMA*

The breakdown into SFDR categories based on the invested capital looks as follows:

- Article 6: 46 percent;
- Article 8: 50 percent;
- Article 9: 4 percent.

*Source: FSMA*

The investigated funds and sub-funds represent 187 billion euros in assets. Just over half of this, or 100 billion euros, belongs to the SFDR categories of Article 8 and Article 9 and has thus ESG characteristics or is invested sustainably.

BEAMA comes to the equivalent results based on her own statistical analysis.

In addition to the above FSMA figures, BEAMA also has some figures about how sustainability is integrated into the asset management process in Belgium.

## BEAMA news

**04/10/2021 - 10/10/2021:** 5<sup>th</sup> edition of IOSCO's World Investor Week, various world-wide initiatives taken by the supervisory authorities in the field of the promotion of education and protection of investors [26].

**05/10/2021:** AGEFI AM Tech Day 2021, in Paris [27].

**17/11/2021:** Trends Investment Summit, Skyhall Brussels Airport [28].

**18/11/2021 - 19/11/2021:** 27<sup>th</sup> edition of EFAMA's Investment Management Forum. The event will be held virtually [29].

**22/11/2021:** Febelfin Connect [30].

**29/11/2021 - 05/12/2021:** European Retirement Week organised by a group of nine European associations of which EFAMA. The event will be held virtually [31].

**30/11/2021:** Fund Insiders Forum organised by De Tijd | L'Echo for fund professionals, in Brussels [32].

### New board member (since June 2021)

Gregory Swolfs (Capfi Delen Asset Management) has officially joined the board of BEAMA in June 2021, in succession of Katrin Eyckmans.

### EFAMA Fact Book

The 2021 edition of the EFAMA Fact Book, "Trends in European Investment Funds", was published on July 1.

The Fact Book provides an extensive analysis of key developments in the investment industry, inside and outside Europe and long time series data on net assets, sales and the number of funds domiciled in Europe [33].

The total amount of assets managed from within Belgium stands at 346,5 billion euros end 2020 (latest statistical BEAMA annual report: French version [34] – Dutch version [35]). These assets under management can be broken down as follows:

- Collective portfolio management → 190,9 billion euros, of which 174,6 billion euros in investment funds;
- Individual portfolio management → 102,0 billion euros;
- Advisory portfolio management → 53,6 billion euros.

During its latest statistical analysis regarding the assets under management in Belgium, BEAMA introduced two new data elements into the inquiry, namely: the degree of ESG incorporation at firm level and the degree of ESG voting for public equity.

These new data elements allow us to make the following findings/analysis:

	Investment funds	Individual portfolio management	Advisory portfolio management
ESG incorporation at firm level	60,0 %	42,9 %	18,6 %
ESG voting for public equity	48,6 %	40,1 %	5,4 %
Sample size	> 95 %	> 90 %	> 85 %
	> 80 %	> 75 %	

Source: BEAMA

Investment funds managed from within Belgium apply ESG incorporation at firm level on 60 % of the managed assets and apply ESG voting on almost half of all the public shares they hold.

Those figures are a little lower in case of individual portfolio management, being 43 % and 40 % respectively.

For advisory portfolio management, those figures are the lowest, as is to be expected.

In absolute figures, of the 276,5 billion euros that are managed in Belgium either in investment funds or via individual portfolio management:

- 148,4 billion euros are passed through an ESG filter at firm level.
- 115,7 billion euros are invested in public shares.
  - ◆ For these public shares, ESG voting is applied on 46,7 % of the assets which is equivalent to 54,0 billion euros.

## Colophon

*“BEAMA vzw/asbl was established on 13 November 2014 and is the legal successor to the former unincorporated association of the same name.*

*The aim of BEAMA vzw/asbl is to represent the ‘Asset Management’ profession, to develop the ‘Asset Management’ activities in Belgium and to improve the image of this association and its members, without jeopardizing the autonomy of its members.*

*For further information on the organisation, please visit the BEAMA website [36].”*

### Board of Directors

Johan Lema (Chairman)  
KBC Asset Management

Caroline Tubeuf (Vice-Chairman)  
Degroof Petercam Asset Management  
Koen Van de Maele (Vice-Chairman)  
Candriam Belgium

Marnix Arickx  
BNP Paribas Asset Management Belgium

Thibaut de Saint Moulin  
RBC Investor Services Belgium

Katrien Pottie  
Amundi Asset Management Belgium

Cedric September  
BELFIUS Investment Partners

Chris Sterckx, co-opted member  
KBC Asset Management

Gregory Swolfs  
Capfi Delen Asset Management

Marc Van de Gucht  
BEAMA vzw/asbl (Director General)

### Team

Marc Van de Gucht  
✉ marc.van.de.gucht@beama.be

Marc Leroux  
✉ marc.leroux@beama.be

Andy Vangenck  
✉ andy.vangenck@beama.be

### Contact

Boulevard du Roi Albert II - 19  
B-1210 Brussels, Belgium  
🌐 www.beama.be  
☎ 02/507 68 72  
✉ info@beama.be

### List of hyperlinks

01. <https://clubbeleg.be>
02. <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32021R0473&from=EN>
03. [https://ec.europa.eu/finance/docs/level-2-measures/ucits-directive-delegated-act-2021-2617\\_en.pdf](https://ec.europa.eu/finance/docs/level-2-measures/ucits-directive-delegated-act-2021-2617_en.pdf)
04. [https://ec.europa.eu/finance/docs/level-2-measures/mifid-2-delegated-act-2021-2612\\_en.pdf](https://ec.europa.eu/finance/docs/level-2-measures/mifid-2-delegated-act-2021-2612_en.pdf)
05. [https://ec.europa.eu/finance/docs/level-2-measures/aifmd-delegated-act-2021-2615\\_en.pdf](https://ec.europa.eu/finance/docs/level-2-measures/aifmd-delegated-act-2021-2615_en.pdf)
06. [https://ec.europa.eu/finance/docs/level-2-measures/mifid-2-delegated-act-2021-2616\\_en.pdf](https://ec.europa.eu/finance/docs/level-2-measures/mifid-2-delegated-act-2021-2616_en.pdf)
07. [https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv%3AOJ.L\\_.2021.211.01.0030.01.ENG&toc=OJ%3A2021%3A211%3ATOC](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv%3AOJ.L_.2021.211.01.0030.01.ENG&toc=OJ%3A2021%3A211%3ATOC)
08. <https://www.esma.europa.eu/press-news/esma-news/esma-updates-aifmd-qas-1>
09. <https://www.esma.europa.eu/press-news/esma-news/esma-updates-ucits-and-aifmd-qas>
10. [https://www.esma.europa.eu/sites/default/files/library/esma34-45-1272\\_guidelines\\_on\\_marketing\\_communications.pdf](https://www.esma.europa.eu/sites/default/files/library/esma34-45-1272_guidelines_on_marketing_communications.pdf)
11. [http://www.ejustice.just.fgov.be/mopdf/2021/02/25\\_1.pdf#Page7](http://www.ejustice.just.fgov.be/mopdf/2021/02/25_1.pdf#Page7)
12. [http://www.ejustice.just.fgov.be/mopdf/2021/07/09\\_1.pdf#page=467](http://www.ejustice.just.fgov.be/mopdf/2021/07/09_1.pdf#page=467)
13. <https://eservices.minfin.fgov.be/myminfin-web/pages/fisconet/document/9679e25d-958f-4fd0-bfb1-0dea05cb70ad>
14. <https://www.fsma.be/fr/news/programme-de-travail-mifid-concernant-la-gouvernance-des-produits>
15. [https://www.fsma.be/sites/default/files/legacy/content/FR/circ/2021/fsma\\_2021\\_06\\_fr.pdf](https://www.fsma.be/sites/default/files/legacy/content/FR/circ/2021/fsma_2021_06_fr.pdf)
16. [https://www.fsma.be/sites/default/files/legacy/content/FR/circ/2021/fsma\\_2021\\_09\\_fr.pdf](https://www.fsma.be/sites/default/files/legacy/content/FR/circ/2021/fsma_2021_09_fr.pdf)
17. [https://www.fsma.be/sites/default/files/media/files/2021-06/fsma\\_2021\\_13\\_fr.pdf](https://www.fsma.be/sites/default/files/media/files/2021-06/fsma_2021_13_fr.pdf)
18. [https://www.fsma.be/sites/default/files/media/files/2021-08/fsma\\_2021\\_15\\_fr.pdf](https://www.fsma.be/sites/default/files/media/files/2021-08/fsma_2021_15_fr.pdf)
19. <https://www.beama.be/wp-content/uploads/2021/06/BEAMA-Focus-Points-2021-2023.pdf>
20. <https://eservices.minfin.fgov.be/myminfin-web/pages/fisconet/document/9679e25d-958f-4fd0-bfb1-0dea05cb70ad>
21. <https://eservices.minfin.fgov.be/myminfin-web/pages/fisconet/document/b343b48d-6a57-4a16-afc7-71150cd96322>
22. <https://www.towardssustainability.be/en/node/2055>
23. [https://www.fsma.be/sites/default/files/legacy/content/FR/circ/2021/fsma\\_2021\\_06\\_fr.pdf](https://www.fsma.be/sites/default/files/legacy/content/FR/circ/2021/fsma_2021_06_fr.pdf)
24. [https://www.fsma.be/sites/default/files/legacy/content/NL/circ/2021/fsma\\_2021\\_06\\_nl.pdf](https://www.fsma.be/sites/default/files/legacy/content/NL/circ/2021/fsma_2021_06_nl.pdf)
25. <https://www.fsma.be/en/news/belgian-investment-funds-evolve-toward-sustainability>
26. <http://www.worldinvestorweek.org/index.html>
27. [https://amtechday2021.eventmaker.io/index?utm\\_source=am-tech-day&utm\\_medium=2021&utm\\_campaign=partenaires](https://amtechday2021.eventmaker.io/index?utm_source=am-tech-day&utm_medium=2021&utm_campaign=partenaires)
28. <https://investmentsummit.be/>
29. <https://www.efama.eu/>
30. <https://www.febelfin.be/fr>
31. <https://www.efama.org/newsroom/events/european-retirement-week>
32. <https://www.fundinsidersforum.com/fif-2021/>
33. <https://www.efama.org/data-research/research/fact-book>
34. <https://www.beama.be/wp-content/uploads/2021/06/BEAMA-JV-2020-2021-FR-Final-1.pdf>
35. <https://www.beama.be/wp-content/uploads/2021/06/BEAMA-JV-2020-2021-NL-Final.pdf>
36. <https://www.beama.be/fr/statuts/>