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Press Release

Taking back control of EU data **Financial and ESG data providers have to comply with EU law**

The European Union (EU) is currently facing three main challenges: boosting the post-pandemic economic activity to support jobs and investment, ensuring domestic and European policies are on track for the continent to be climate-neutral by 2050, and establishing an open strategic autonomy amid a more competitive global economy.

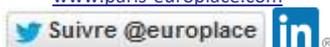
As a representative body gathering corporates, financial sector players and authorities, **Paris EUROPLACE considers financial and non-financial (ESG) data is at the crossroad of these three objectives**. Since the 2008-2009 financial crisis, the EU significantly strengthened its regulatory framework regarding transparency, reporting and disclosure requirements towards both supervisors and investors. **However, the similar requirements applying to data and index providers surprisingly lack in precision and ambition**.

Paris EUROPLACE and its members, with the specific contribution of AFG and France Invest, lay out the following recommendations:

1. Address the EU's dependency towards non-EU data providers, as this issue has never been more urgent

Investors and capital markets participants increasingly rely on data. Beyond financial data, ESG data is increasingly important for investors and citizens notably to address climate change challenges. However, although the EU sets ambitious goals and intermediate targets in the Green Deal to reach carbon-neutrality by 2050, this trajectory will largely rely on data provided by non-EU data providers. In our view, this dependency is highly questionable when, in parallel, the EU pushes great ambitions to define an open strategic autonomy. **Therefore, we call European policy makers to address this issue of over-reliance on non-EU data providers, notably through initiatives promoting European players and standards.**

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2. Increase the quality of financial and ESG data provided to financial markets and used by investors, as it is frequently highly disputable in terms of transparency and robustness

The current EU legislative framework is lacking precision and appropriateness in terms of scope and requirements for data providers. Indeed, large discrepancies and gaps remain between the various legislations applicable to the various categories of actors – not mentioning the important loopholes. Therefore, **we call for a comprehensive and clear regulatory framework** to be rapidly adopted by EU authorities, that would apply to all data and index providers. This holistic regulation should notably ensure that **all data and index providers are subject to the same rules in terms of transparency, accountability and supervisory requirements**, ensuring accessible and high-quality ESG and financial data for all users.

3. Establish fair competition practices within the EU, as solving the current non-EU players oligopoly will lead to fairer prices and a level playing field for the benefit of retail investors

To that aim, we call notably for establishing **FRANDT (fair, reasonable, non-discriminatory, and transparent) principles in the commercial relationships between data / index providers and their clients, and a global level playing field in terms of regulations** between the various jurisdictions to preserve European competitiveness.