



August 16, 2022

Submitted via SEC's Internet Comment Form at: <https://www.sec.gov/cgi-bin/ruling-comments>

Vanessa A. Countryman
Secretary
Securities and Exchange Commission
100 F Street NE
Washington, DC 20549-1090

Re: File Number S7-17-22

Dear Ms. Countryman:

On behalf of our members, the Insured Retirement Institute (“IRI”)¹ thanks you for the opportunity to comment on the Securities and Exchange Commission’s (“SEC”) proposed rule on ***Enhanced Disclosures by Certain Investment Advisers and Investment Companies About Environmental, Social, and Governance Investment Practices***, RIN 3235-AM96 (“Proposed Rule”)², seeking to amend rules and forms under both the Investment Advisers Act of 1940 (“Advisers Act”)³ and the Investment Company Act of 1940 (“Investment Company Act”)⁴ to require registered investment advisers, certain advisers that are exempt from registration, registered investment companies, and business development companies, to provide additional information regarding their environmental, social, and governance (“ESG”) investment practices⁵. The Proposed Rule recommends amendments to the Advisers Act and Investment Company Act to create a framework for disclosures about a fund or adviser's ESG-related strategies in fund prospectuses, annual reports, and adviser brochures. The Proposed Rule also seeks to enhance the quantitative data for environmentally focused fund strategies, and additional regulatory reporting requirements on ESG investment practices to the SEC⁶.

IRI has reviewed the comments being submitted by the Investment Company Institute (“ICI”) and we are pleased to express our agreement with and support for ICI’s comments and recommendations on the Proposed Rule.

¹ The Insured Retirement Institute (IRI) is the leading association for the entire supply chain of insured retirement strategies, including life insurers, asset managers, broker-dealers, banks, marketing organizations, law firms, and solution providers. IRI members account for 90 percent of annuity assets in the U.S., include the foremost distributors of protected lifetime income solutions, and are represented by financial professionals serving millions of Americans. IRI champions retirement security for all through leadership in advocacy, awareness, research, and the advancement of digital solutions within a collaborative industry community.

² 87 FR 36654 (Jun. 17, 2022).

³ [15 U.S.C. 80b-1](#), *et seq.*, [Pub. L. 111-203](#), 124 Stat. 1376.

⁴ [15 U.S.C. 80a-1](#) *et seq.*

⁵ See *Supra* Note 2.

⁶ SEC Release No. IC- 6034-fact-sheet: Fact Sheet on “*ESG Disclosures for Investment Advisers and Investment Companies*,” available at: <https://www.sec.gov/files/ia-6034-fact-sheet.pdf> (May 25, 2022).

Generally, IRI supports and endorses ICI's substantive comments with respect to its recommendations on how to advance the SEC's stated goals of to mitigate the risk of greenwashing, while promoting investor understanding of ESG funds, facilitating the ability of investors to distinguish between "ESG" funds and "non-ESG" funds, and promoting consistent, comparable, and reliable information about ESG-related investing strategies. Further, IRI agrees with and emphasizes ICI's comments on some key concerns with the Proposed Rule:

- The Proposed Rule is overly complex and prescriptive, thereby creating potential for more versus less investor confusion concerning ESG investments, related services, and products.
- The current regulatory framework supports effective disclosure.
- Any prescribed disclosures for particular investment strategies should be modest and narrowly tailored.
- Narrative discussion, rather than granular, quantitative data, can in many cases be more informative for investors.
- Disclosure obligations imposed on funds should follow appropriate regulatory sequencing.

Additionally, IRI strongly supports and endorses ICI's recommended Modifications to Proposed Fund Disclosure Requirements in Section 2 of ICI's comments. Specifically, IRI agrees with ICI's recommendation that the SEC should refine and reconsider the proposed enhanced disclosures in the Proposed Rule to meet the SEC's regulatory and policy goals and to determine whether a fund's investment objectives or principal investment strategies is an ESG-focused fund or an "Impact Fund,"⁷ along with concerns over the SEC's proposed definitions of "ESG-Focused Funds"⁸ and "Impact Funds."⁹ Further, IRI concurs with ICI that enhanced disclosures be applicable to "ESG-Focused Funds" and not "Integration Funds"⁹ as the latter could potentially mislead or confuse investors regarding the relative importance of ESG factors.

Furthermore, we support and agree with the ICI's recommendations on the Proposed Rule as it relates to the new disclosure requirements by advisers regarding their ESG-related services and strategies to provide parallel information in the Form ADV disclosures. Finally, we agree with ICI on extending the compliance and implementation timeframe from 18 months to 2 years to permit our members to adapt their compliance systems and operations.

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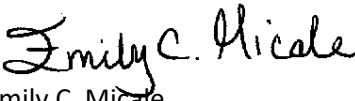
Thank you again for the opportunity to provide these comments. If you have questions about our support of ICI's comments or CAI's comments on the Proposed Rule, or if we can be of any further assistance in connection with this important regulatory effort, please feel free to contact the undersigned at [REDACTED]

⁷ 87 FR 36654 (Jun. 17, 2022) – Definition of "Impact Fund" in Proposed Rule as set forth in Proposed Rule, Section II.A.I.b.(2).

⁸ *Id.* Definition of "ESG-Focused Funds" at 4(a)(2)(i)(B) of Form N-1A [17 CFR 274.11A]; 8.2.e.(1)(B) of Form N-2 [17 CFR 274.11a-1].

⁹ *Id.* Definition of "Integration Funds" at Page 207.

Sincerely,


Emily C. Micale

Director, Federal Regulatory Affairs
Insured Retirement Institute