

Consultation Paper

Guidelines on the endorsement regime under Article 11 of the ESG Rating Regulation



Table of Contents

1	Executive Summary	3
2	Introduction	4
3	Approach of Guidelines on Endorsement	4
4	Information Requirements	4
	Question 1 – Information Requirements for Application	7
5	On-going Requirements	7
	Question 2 – Ongoing Requirements for Supervision	8
6	Next Steps.....	8
7	Annexes	9
7.1	Annex I - List of Questions	9
7.2	Annex II - Draft Guidelines	10

1 Executive Summary

Reasons for Publication

1. The ESG Rating Regulation¹ entered into force on 1 January 2025 and will apply from 2 July 2026. It is from this date that entities will have one month to notify ESMA of their intention to apply for authorisation, registration or recognition under the Regulation. For those entities that apply for authorisation there is the possibility to also apply to endorse ESG ratings from a legal entity established outside of the European Union. The requirements to endorse are set out in Article 11(1) and 11(2) of the ESG Rating Regulation.
2. The purpose of these Guidelines is to complement these legal requirements with guidance on the type of documentation that ESMA expects to be provided by applicants as part of their application to endorse, in addition to guidance on the processes that ESMA would expect to be demonstrated after authorisation to endorse has been granted.

Contents

3. This Consultation Paper is split into two parts; information requirements, and ongoing requirements. For each section respondents are invited to provide their view on the appropriateness of the proposed guidance.

Next Steps

4. Following a 4-week period of consultation ESMA will finalise the Guidelines and publish the Final Report on its website. The Guidelines will then be published on ESMA's website and should be used by applicants to inform their applications for authorisation.

¹ [REGULATION \(EU\) 2024/3005 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 27 November 2024 on the transparency and integrity of Environmental, Social and Governance \(ESG\) rating activities, and amending Regulations \(EU\) 2019/2088 and \(EU\) 2023/2859](#)

2 Introduction

5. The purpose of these guidelines is to ensure that ESG rating providers understand ESMA's expectations in respect of the application of Article 11(1) of the ESG Rating Regulation. They further seek to explain what information should be provided as part of an ESG Rating Providers request for authorisation to endorse ESG ratings and how this information should be provided as part of Annex IV of the RTS on Authorisation and Recognition².

3 Approach of Guidelines on Endorsement

6. The approach of these Guidelines is to follow the sequence of Article 11(1) of ESGRR. For each of the provisions of Article 11(1) the Guidelines outline ESMA's expectations, either for the information to be provided or for what an ESG rating provider would need to demonstrate to ESMA on an ongoing basis.
7. In this regard, the Guidelines are intended to support an ESG rating provider when it is assembling the information for its authorisation application. This application for authorisation can be submitted either as part of the initial application for authorisation or later following the authorisation.
8. In either case, whether the application is submitted at initial authorisation or later, ESMA considers that in the interests of consistency and simplicity it is beneficial that Annex IV of [RTS on Authorisation and Recognition] should be used to submit the application.

4 Information Requirements

9. Before an ESG rating provider can begin to endorse ESG ratings it must first seek authorisation from ESMA. This information can be provided as part of the initial authorisation application, or at a later date, following the authorisation of the ESG Rating Provider.
10. The Guidelines aim to ensure that applicants (i) understand what information and documentation should be provided to demonstrate that the requirements of Articles 11(1) are met and (ii) under which part of Annex IV of the [RTS on Authorisation and Recognition] this information should be included.
11. The following table illustrates how the Guidelines complement these requirements and sets out the documentation that ESMA expects would be provided for each item. This table follows the sequence of the provisions under Article 11(1) and shows where that information should be provided within Annex IV application, and what documentation should be provided to evidence the requirement.

² Please note that references in this Consultation Paper to the RTS on Authorisation and Recognition refer to the draft RTS published in ESMA's [Final Report on Technical Standards under the ESG Rating Regulation](#), Section 5.2.1, pg. 34.

1	2	3
Requirement as set out in Regulation EU 2024/3005	Relevant Section of [RTS on Authorisation and Recognition]	How can this be demonstrated by the ESG Rating Provider in its application or an on ongoing basis
11(1)(a)	Annex IV Point (a)	The name, and where available, LEI, of the legal entities from which ratings will be endorsed
11(1)(b)(i)	Annex IV Point (d)	<p>A valid certificate of registration or incorporation issued by the relevant authority to prove legal establishment in a Member State.</p> <p>Proof of the existence of own premises or premises for exclusive use in a Member State, including through a lease or purchase agreement</p>
11(1)(b)(ii)	Annex IV Point (d)	Copies of bank statements or official correspondence from a bank confirming the existence and ownership of the account.
11(1)(b)(iii)	Annex IV Point (d)	<p>A reasoned analysis which should explain how its presence in the Union is sufficient to ensure the effective performance, oversight, and accountability as regards the ESG ratings it intends to endorse.</p> <p>It should, where relevant, address:</p> <ol style="list-style-type: none"> a. the allocation of analytical and decision-making functions between staff located in the Union and those in third countries; b. the role and level of responsibility of staff in the Union in relation to the endorsement process, internal review, quality assurance, and compliance; and c. how governance and reporting lines ensure that key decisions related to the

		endorsed ESG ratings are effectively taken within the Union
11(1)(d)	Annex IV Point (d)	Confirmation that it has verified that the issuance and distribution of ESG ratings are subject to requirements that are at least as stringent as the requirements of ESGRR, and a description of how any divergences between EU requirements and third country rules have been addressed
11(1)(e)	Annex IV Point (b)	Confirmation that the provider has the necessary expertise among staff to monitor the endorsed ESG ratings and any associated risks
11(1)(e)	Annex IV Point (d)	Details of the information sharing agreements in place within the group to enable the ESG rating provider to monitor the ESG ratings provided by the ESG rating provider established outside the EU.
11(1)(f)	Annex IV Point (c)	<p>Identification and explanation of the objective reason(s) why the ESG ratings issued by the third-country ESG rating provider need to be endorsed for use in the Union.</p> <p>The objective reason(s) may be based on one or more of the factors listed in Article 11(1)(f) of the ESGRR. The ESG rating provider may also rely on other objective reasons, provided that such reasons are clearly identified and supported by evidence demonstrating their relevance and necessity for the endorsement of ESG ratings within the Union.</p>
11(1)(g)	Annex IV Point (d)	<p>Evidence of arrangements and procedures that enable it to provide to ESMA in a timely, complete and reliable manner information that ESMA may request to assess compliance with the ESGRR, as needed.</p> <p>Such arrangements may include, as appropriate:</p> <ul style="list-style-type: none"> internal policies or group-wide procedures governing the exchange of information between the Union entity and the third-country ESG rating provider;

		<ul style="list-style-type: none"> contractual clauses or service-level arrangements ensuring that information can be provided promptly, accurately and in the format requested by ESMA; and clearly defined points of contact and communication channels to facilitate the collection and transmission of data, documents or explanations relevant to the endorsed ESG ratings
11(1)(h)	Annex IV Point (d)	Verification that cooperation arrangements are in place between ESMA and any relevant supervisory authority of the third country of its establishment outside the Union

Question 1 – Information Requirements for Application

Q1: Do you agree with the suggested documentation to be provided under Column 3 of the table?

If you do not agree, please list which item you do not agree with providing supporting rationale and recommending alternative or additional documentation.

5 On-going Requirements

12. A smaller number of the Guidelines, specifically those relating to Article 11(1)(d) and 11(1)(f) of the ESG Rating Regulation, entail an ongoing requirement for the ESG Rating Provider to either provide ESMA with information upon request or to notify ESMA if there have been any changes to the objective reasons for endorsing an ESG rating.

13. Here, the Guidelines elaborate how ESMA would expect an ESG Rating Provider to be able to demonstrate on an ongoing basis after it had been authorised to endorse ESG ratings.

14. The following table illustrates how the Guidelines complement these requirements:

1	2	3
Requirement as set out in	Relevant Section of [RTS on	How can this be demonstrated by the ESG Rating Provider in its application or an ongoing basis

Regulation EU 2024/3005	Authorisation and Recognition]	
11(1)(d)	Annex IV Point (d)	<p>On an ongoing basis, ESMA expects that the ESG rating provider will be capable of demonstrating:</p> <ul style="list-style-type: none"> i. evidence of periodic reviews to confirm that the third-country ESG rating provider continues to meet equivalent standards both in terms of conduct and policies over time; and ii. clear internal policies describing how any identified gaps are addressed, including through additional controls or adaptations by the EU entity prior to endorsement.
11(1)(f)	Annex IV Point (c)	<p>On an ongoing basis, ESMA expects that where the reason(s) cease to apply or cannot be evidenced, the ESG rating provider is expected to inform ESMA without undue delay</p>

Question 2 – Ongoing Requirements for Supervision

Q2: Do you agree with the expectations for ongoing supervision to be demonstrated to ESMA under Column 3 of the table?

If you do not agree, please list which item you do not agree with providing supporting rationale and recommending alternative or additional documentation.

6 Next Steps

15. ESMA will consider the responses to this consultation and finalise the draft Guidelines. The Final Report will be published on ESMA's website. The Guidelines will then be translated into all official languages of the European Union.
16. The Guidelines will apply from three months after the publication of the translations on ESMA's website. ESMA will consider these Guidelines for the purposes of its supervision and ESG Rating Providers applications for authorisation from 2 August 2026.

7 Annexes

7.1 Annex I - List of Questions

Information Requirements for Application

Q1: Do you agree with the suggested documentation to be provided under Column 3 of the table?

If you do not agree, please list which item you do not agree with providing supporting rationale and recommending alternative or additional documentation.

Ongoing Requirements for Supervision

Q2: Do you agree with the expectations for ongoing supervision to be demonstrated to ESMA under Column 3 of the table?

If you do not agree, please list which item you do not agree with providing supporting rationale and recommending alternative or additional documentation.

7.2 Annex II - Draft Guidelines

1 Scope

Who?

2. These guidelines apply to ESG Rating Providers who submit an application for authorisation to endorse ESG ratings in accordance with Article 11(1)(a) of the ESG Rating Regulation.

What?

3. These guidelines apply in relation to Article 11(1) of the ESG Rating Regulation.

When?

4. These guidelines will apply three months after the date of the publication of the guidelines on ESMA's website in all EU official languages.

2 Legislative references, abbreviations and definitions

2.1 Legislative references

ESMA Regulation	Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/77/EC ³
ESG Rating Regulation	Regulation (EU) 2024/3005 of the European parliament and of the Council of 27 November 2024 on the transparency and integrity of Environmental, Social and Governance (ESG) rating activities, and amending Regulations (EU) 2019/2088 and (EU) 2023/2859
RTS on Authorisation and Recognition	Commission Delegated Regulation (EU) No XXX/2026 of the European Parliament and of the Council

³ OJ L 331, 15.12.2010, p. 84.

2.2 Abbreviations

CP	Consultation Paper
ESMA	European Securities and Markets Authority
EU	European Union
ESGRR	ESG Rating Regulation

3 Purpose

1. These guidelines are based on Article 29(2) of the ESGRR and Article 16(1) of the ESMA Regulation. The objective of these guidelines is to ensure the common, uniform and consistent application of Article 11(1) of the ESGRR.

4 Compliance and reporting obligations

4.1 Status of the guidelines

2. In accordance with Article 16(3) of the ESMA Regulation, ESG rating providers must make every effort to comply with these guidelines.
3. ESMA will assess the application of these guidelines by ESG rating providers through its ongoing direct supervision.

4.2 Reporting requirements

4. ESG rating providers are not required to report whether they comply with these guidelines.

5 Guidelines regarding the endorsement regime under Article 11 ESGRR

5.1 General guidelines

5. An ESG rating provider may endorse ESG ratings from a third-country ESG rating provider only after applying for, and receiving, ESMA authorisation pursuant to Article 11(1) point (a) and 11(3) of the ESGRR, respectively.
6. Before submitting their application to ESMA, ESG rating providers should verify its completeness, including by checking against all the elements list included in the Table of Concurrence in Section 5.2. This Table should be considered, irrespective of

whether the application for authorisation of endorsement is submitted together with an application for authorisation pursuant to Article 6 ESGRR or on a subsequent, stand-alone basis.

7. When assessing compliance with the conditions under Article 11(1) ESGRR, ESMA may request additional information or clarifications necessary to verify that the ESG rating provider complies with the ESGRR. ESG ratings providers should reply promptly to such requests.
8. ESG rating providers authorised to endorse ESG ratings should notify ESMA without undue delay should one or more of the relevant conditions for authorisation are no longer fulfilled.

5.2 Table of Concurrence

Section	Requirement as set out in Regulation EU 2024/3005	Relevant Section of [RTS on Authorisation and Recognition]	How can this be demonstrated by the ESG Rating Provider in its application or an on ongoing basis
5.1	11(1)(a)	Annex IV Point (a)	The name, and where available, LEI, of the legal entities from which ratings will be endorsed.
5.2	11(1)(b)(i)	Annex IV Point (d)	<p>A valid certificate of registration or incorporation issued by the relevant authority to prove legal establishment in a Member State.</p> <p>proof of the existence of own premises or premises for exclusive use in a Member State, including through a lease or purchase agreement.</p>
5.3	11(1)(b)(ii)	Annex IV Point (d)	Copies of bank statements or official correspondence from a bank confirming the existence and ownership of the account.
5.4	11(1)(b)(iii)	Annex IV Point (d)	<p>A reasoned analysis which should explain how its presence in the Union is sufficient to ensure the effective performance, oversight, and accountability as regards the ESG ratings it intends to endorse.</p> <p>It should, where relevant, address:</p> <ul style="list-style-type: none"> a. the allocation of analytical and decision-making functions between staff located in the Union and those in third countries; b. the role and level of responsibility of staff in the Union in relation to the endorsement process, internal review, quality assurance, and compliance; and

			c. how governance and reporting lines ensure that key decisions related to the endorsed ESG ratings are effectively taken within the Union
5.5	11(1)(c)	N/A	N/A
5.6	11(1)(d)	Annex IV Point (d)	Confirmation that it has verified that the issuance and distribution of ESG ratings are subject to requirements that are at least as stringent as the requirements of ESGRR, and a description of how any divergences between EU requirements and third country rules have been addressed.
5.7	11(1)(d)	Annex IV Point (d)	On an ongoing basis, ESMA expects that the ESG rating provider will be capable of demonstrating: <ul style="list-style-type: none"> i. evidence of periodic reviews to confirm that the third-country ESG rating provider continues to meet equivalent standards both in terms of conduct and policies over time; and ii. clear internal policies describing how any identified gaps are addressed, including through additional controls or adaptations by the EU entity prior to endorsement.
5.8	11(1)(e)	Annex IV Point (b)	Confirmation that the provider has the necessary expertise among staff to monitor the endorsed ESG ratings and any associated risks
5.9	11(1)(e)	Annex IV Point (d)	Details of the information sharing agreements in place within the group to enable the ESG rating provider to monitor the ESG ratings provided by the ESG rating provider established outside the EU.
5.10	11(1)(f)	Annex IV Point (c)	Identification and explanation of the objective reason(s) why the ESG ratings issued by the third-country ESG rating provider need to be endorsed for use in the Union.

			The objective reason(s) may be based on one or more of the factors listed in Article 11(1)(f) of the ESGRR. The ESG rating provider may also rely on other objective reasons, provided that such reasons are clearly identified and supported by evidence demonstrating their relevance and necessity for the endorsement of ESG ratings within the Union.
5.11	11(1)(f)	Annex IV Point (c)	On an ongoing basis, ESMA expects that where the reason(s) cease to apply or cannot be evidenced, the ESG rating provider is expected to inform ESMA without undue delay
5.12	11(1)(g)	Annex IV Point (d)	<p>Evidence of arrangements and procedures that enable it to provide to ESMA in a timely, complete and reliable manner information that ESMA may request to assess compliance with the ESGRR, as needed.</p> <p>Such arrangements may include, as appropriate:</p> <ul style="list-style-type: none"> • internal policies or group-wide procedures governing the exchange of information between the Union entity and the third-country ESG rating provider; • contractual clauses or service-level arrangements ensuring that information can be provided promptly, accurately and in the format requested by ESMA; and • clearly defined points of contact and communication channels to facilitate the collection and transmission of data, documents or explanations relevant to the endorsed ESG ratings
5.13	11(1)(h)	Annex IV Point (d)	Verification that cooperation arrangements are in place between ESMA and any relevant supervisory authority of the third country of its establishment outside the Union