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Texas Bans Barclays From Participating in Bond Market Due to ESG Commitments.

Texas AG Ken Paxton says Barclays didn't respond to requests for information regarding its net zero carbon emissions policies

Texas has banned Barclays from participating in the state's municipal bond market due to concerns about its environmental, social and governance policies.

State Attorney General Ken Paxton said on Friday the ban was prompted by Barclays failure to respond to requests for information regarding its net zero carbon emissions policies.

A spokesperson for Barclays declined to comment.

Barclays was previously identified as a potential "fossil fuel boycotter" under Texas law. The bank subsequently opted not to respond to questions about its ESG commitments, Paxton's office said.

The Attorney General's Public Finance Division ruled that "we will not approve any public security issued on or after today's date in which Barclays purchases or underwrites the public security or is otherwise a party to a covered contract relating to the public security."

The initial letter from the attorney general's office in November identified several banks as subjects of the review including Bank of America, JP Morgan Chase, Morgan Stanley and Wells Fargo. None of the other banks under review have said they would be unable to respond to the state's inquiries, the division said.

The move by Texas officials is the state's latest action against a bank for concerns about its policies related to social issues.

Paxton's office last year barred Citigroup from underwriting most municipal bonds in Texas after concluding the bank "discriminates" against the gun industry.

The Wall Street Journal

By Ben Glickman

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