



Plenary sitting

A9-0156/2022

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*****I**
REPORT

on the proposal for a regulation of the European Parliament and of the Council
on European green bonds
(COM(2021)0391 – C9-0311/2021 – 2021/0191(COD))

Committee on Economic and Monetary Affairs

Rapporteur: Paul Tang

Symbols for procedures

- * Consultation procedure
- *** Consent procedure
- ***I Ordinary legislative procedure (first reading)
- ***II Ordinary legislative procedure (second reading)
- ***III Ordinary legislative procedure (third reading)

(The type of procedure depends on the legal basis proposed by the draft act.)

Amendments to a draft act

Amendments by Parliament set out in two columns

Deletions are indicated in ***bold italics*** in the left-hand column. Replacements are indicated in ***bold italics*** in both columns. New text is indicated in ***bold italics*** in the right-hand column.

The first and second lines of the header of each amendment identify the relevant part of the draft act under consideration. If an amendment pertains to an existing act that the draft act is seeking to amend, the amendment heading includes a third line identifying the existing act and a fourth line identifying the provision in that act that Parliament wishes to amend.

Amendments by Parliament in the form of a consolidated text

New text is highlighted in ***bold italics***. Deletions are indicated using either the **■** symbol or ~~strikeout~~. Replacements are indicated by highlighting the new text in ***bold italics*** and by deleting or striking out the text that has been replaced.

By way of exception, purely technical changes made by the drafting departments in preparing the final text are not highlighted.

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DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

**on the proposal for a regulation of the European Parliament and of the Council on European green bonds
(COM(2021)0391 – C9-0311/2021 – 2021/0191(COD))**

(Ordinary legislative procedure: first reading)

The European Parliament,

- having regard to the Commission proposal to Parliament and the Council (COM(2021)0391),
 - having regard to Article 294(2) and Article 114 of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C9-0311/2021),
 - having regard to Article 294(3) of the Treaty on the Functioning of the European Union,
 - having regard to the opinion of the European Central Bank of 5 November 2021¹,
 - having regard to the opinion of the European Economic and Social Committee of 8 December 2021²,
 - having regard to Rule 59 of its Rules of Procedure,
 - having regard to the opinions of the Committee on Budgets and the Committee on Committee on the Environment, Public Health and Food Safety,
 - having regard to the report of the Committee on Economic and Monetary Affairs (A9-0156/2022),
1. Adopts its position at first reading hereinafter set out;
 2. Calls on the Commission to refer the matter to Parliament again if it replaces, substantially amends or intends to substantially amend its proposal;
 3. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

¹ OJ C 27, 19.1.2022, p. 4.

² OJ C 152, 6.4.2022, p. 105.

Amendment 1

AMENDMENTS BY THE EUROPEAN PARLIAMENT*

to the Commission proposal

2021/0191(COD))

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

on European green bonds

(Text with EEA relevance)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 114 thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Central Bank,

Having regard to the opinion of the European Economic and Social Committee³,

Acting in accordance with the ordinary legislative procedure,

Whereas:

- (1) The transition to a ***climate neutral***, sustainable, ***energy and*** resource-efficient, circular and fair economy is key to ensuring the long-term competitiveness of the economy of the Union and the well-being of its peoples. In 2016, the Union concluded the Paris Agreement⁴. Article 2(1), point (c), of the Paris Agreement sets out the objective of strengthening the response to climate change by, among other means, making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development.
- (2) The European Green Deal Investment Plan of 14 January 2020⁵ envisages the establishment of a standard for environmentally sustainable bonds to further increase investment opportunities and facilitate the identification of environmentally sustainable investments through a clear label. In its December 2020 conclusions, the European Council invited the Commission to put forward a legislative proposal for a green bond

* Amendments: new or amended text is highlighted in bold italics; deletions are indicated by the symbol **■**.

³ OJ C , , p. .

⁴ Council Decision (EU) 2016/1841 of 5 October 2016 on the conclusion, on behalf of the European Union, of the Paris Agreement adopted under the United Nations Framework Convention on Climate Change (OJ L 282, 19.10.2016, p. 4).

⁵ COM(2020) 21 final.

standard⁶. *In its resolution of 29 May 2018 on sustainable finance⁷ and of 13 November 2020 on the Sustainable Europe Investment Plan — How to finance the Green Deal⁸, the European Parliament underlined the need for a European green bond standard.*

- (3) Environmentally sustainable bonds are one of the main instruments for financing investments related to low-carbon technologies, energy and resource efficiency as well as sustainable transport infrastructure and research infrastructure. Financial or non-financial undertakings or sovereigns can issue such bonds. Various existing initiatives for environmentally sustainable bonds do not ensure common definitions of environmentally sustainable economic activities. This prevents investors from easily identifying bonds the proceeds of which are aligned with, or are contributing to environmental objectives as laid down in the Paris Agreement.
- (3a) *The European Central Bank (ECB) adopted, on 8 July 2021, a climate roadmap in order to further incorporate climate change considerations into its monetary policy framework and its operations in the areas of disclosure, risk assessment, collateral framework, and corporate sector asset purchases. The European green bond standard can be a very useful tool in that regard, allowing the ECB to integrate better climate risks in its prudential and collateral framework, for example by reducing the haircut when taking European green bonds as collateral or by looking at the green asset ratio when determining Pillar 2 capital requirements.*
- (4) Diverging rules on the disclosure of information, on the transparency and accountability of external reviewers reviewing environmentally sustainable bonds, and on the eligibility criteria for eligible environmentally sustainable projects, impede the ability of investors to identify, trust, and compare environmentally sustainable bonds, and the ability of issuers to use environmentally sustainable bonds to transition their activities towards more environmentally sustainable business models.
- (5) In ensuring alignment with the objectives of the Paris agreement, and given the existing divergences and absence of common rules, it is likely that Member States will adopt diverging measures and approaches, which will have a direct negative impact on, and create obstacles to, the proper functioning of the internal market, and be detrimental to issuers of environmentally sustainable bonds. The parallel development of market practices based on commercially driven priorities that produce divergent results causes market fragmentation and risks further exacerbating inefficiencies in the functioning of the internal market. Divergent standards and market practices make it difficult to compare different bonds, create uneven market conditions for issuers, cause additional barriers within the internal market, and risk **greenwashing and** distorting investment decisions.
- (6) The lack of harmonised rules for the procedures used by external reviewers to review environmentally sustainable bonds and the diverging definitions of environmentally sustainable activities make it increasingly difficult for investors to effectively compare bonds across the internal market with respect to their environmental objectives. The market for environmentally sustainable bonds is inherently international, with market participants trading bonds and making use of external review services from third party providers across borders. Action at Union level could reduce the risk of fragmentation

⁶ EUCO 22/20.

⁷ OJ C 76, 9.3.2020, p. 23.

⁸ OJ C 415, 13.10.2021, p. 22.

of the internal market for environmentally sustainable bonds and bond-related external review services, and ensure the application of Regulation (EU) 2020/852 of the European Parliament and of the Council⁹ in the market for such bonds.

- (7) A uniform set of specific requirements should therefore be laid down for bonds issued by financial or non-financial undertakings or sovereigns that voluntarily wish to use the designation ‘European green bond’ or ‘EuGB’ for such bonds. Specifying quality requirements for European green bonds in the form of a Regulation should ensure that there are uniform conditions for the issuance of such bonds by preventing diverging national requirements that could result from a transposition of a Directive, and should also ensure that those conditions are directly applicable to issuers of such bonds. Issuers that voluntarily use the designation ‘European green bond’ or ‘EuGB’ should follow the same rules **■**, to increase market efficiency by reducing discrepancies and thereby also reducing the costs of assessing those bonds for investors. ***To facilitate comparison and prevent greenwashing, minimum sustainability disclosure requirements should apply to bonds marketed as environmentally sustainable and sustainability-linked bonds in the Union.***
- (7a) ***The International Capital Markets Association (ICMA) has defined uniform requirements for sustainability-linked bonds according to which such bonds include any type of bond instrument for which the financial and/or structural characteristics can vary depending on whether the issuer achieves predefined sustainability/ environmental, social and governance (ESG) objectives. Since this Regulation only covers environmental sustainability, the application of the ICMA definition is adjusted to reflect the narrower scope of this Regulation, so that the only sustainability-linked bonds included are those whose financial or structural characteristics vary depending on whether the issuer achieves predefined environmental sustainability objectives.***
- (7b) ***Article 10(2) of Regulation (EU) 2020/852 distinguishes environmentally sustainable activities from transitional economic activities for which there are no technologically and economically feasible low-carbon alternatives. That distinction should also be made in the disclosures relating to European green bonds. Issuers should indicate what share of their European green bonds is allocated to transitional economic activities referred to in Article 10(2) of Regulation (EU) 2020/852. In addition, transparency in the proportion of proceeds allocated to transitional economic activities should be guaranteed, with specific transparency requirements for nuclear energy and fossil gas related activities, in the event that those activities are covered by Commission Delegated Regulation (EU) .../... [the Taxonomy Regulation].***
- (8) In accordance with Article 4 of Regulation (EU) 2020/852, and in order to provide investors with clear, quantitative, detailed and common definitions, the requirements set out in Article 3 of that Regulation should be used to determine whether an economic activity qualifies as environmentally sustainable. Proceeds of bonds that use the designation ‘European green bond’ or ‘EuGB’ should **■** be used to fund economic activities that either are environmentally sustainable and are thus aligned with the environmental objectives set out in Article 9 of Regulation (EU) 2020/852, or to

⁹ Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (OJ L 198, 22.6.2020, p. 13).

contribute to the transformation of activities *so that they can meet those requirements and thereby* become environmentally sustainable. *Issuers should be allowed to deduct costs directly linked to the issuance of European green bonds, as further specified by the Commission by means of a delegated act.* The bonds can however be used both to finance such environmentally sustainable activities directly through the financing of assets and expenditures that relate to economic activities that meet the requirements set out in Article 3 of Regulation (EU) 2020/852, or, *under certain conditions*, indirectly through financial assets that finance economic activities that meet those requirements. It is therefore necessary to specify the categories of expenditures and assets that can be financed with the proceeds of bonds that use the designation ‘European green bond’ or ‘EuGB’.

- (9) The proceeds of European green bonds should be used to finance economic activities that have a lasting positive impact on the environment. Such lasting positive impact can be attained in several ways. Since fixed assets are long-term assets, a first way is to use the proceeds of such European green bonds to finance fixed tangible or fixed intangible assets that are not financial assets, provided that those fixed assets relate to economic activities that meet the requirements for environmentally sustainable economic activities set out in Article 3 of Regulation (EU) 2020/852 (‘taxonomy requirements’). Since financial assets can be used to finance economic activities with a lasting positive impact on the environment, a second way is to use those proceeds to finance *a portfolio of financial assets or financial assets created no later than three years after the issuance of the European green bond*, provided that the proceeds from those financial assets are allocated to economic activities that meet the taxonomy requirements. Since the assets of households can also have a long-term positive impact on the environment, those financial assets should also include the assets of households. Since capital expenditure and selected operating expenditure can be used to acquire, upgrade, or maintain fixed assets, a third way is to use the proceeds of such bonds to finance capital and operating expenditures that relate to economic activities that meet the taxonomy requirements or that will meet those requirements within a reasonably short period from the issuance of the bond concerned, which can be extended however where duly justified *in a CapEx plan referred to in Annex I to Commission Delegated Regulation (EU) 2021/2178^{9a} (‘CapEx plan’)*, by the specific features of the economic activities and investments concerned. For the reasons outlined above, the capital and operating expenditures should also include the expenditures of households.
- (10) Sovereigns are frequent issuers of *bonds marketed as* environmentally sustainable and should therefore also be allowed to issue ‘European green bonds’, provided that the proceeds of such bonds are used to finance either assets or expenditure that meet the taxonomy, or assets or expenditure that will meet those requirements within a reasonably short period from the issuance of the bond concerned, which can be extended however where duly justified *in a CapEx plan*, by the specific features of the economic activities and investments concerned.
- (11) Article 4 of Regulation (EU) 2020/852 requires Member States and the Union to apply the criteria set out in Article 3 of that Regulation to determine whether an economic

^{9a} *Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of information to be disclosed by undertakings subject to Articles 19a or 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities, and specifying the methodology to comply with that disclosure obligation (OJ L 443, 10.12.2021, p. 9).*

activity qualifies as environmentally sustainable for the purposes of any measure setting out requirements for financial market participants or issuers in respect of financial products or corporate bonds that are made available as environmentally sustainable. It is therefore logical that the technical screening criteria referred to in Article 3, point (d), of Regulation (EU) 2020/852 should determine which fixed assets, expenditures and financial assets can be financed by the proceeds of European green bonds. In view of the expected technological progress in the field of environmental sustainability, the delegated acts adopted pursuant to Articles 10(3), 11(3), 12(2), 13(2), 14(2) or 15(2) of Regulation (EU) 2020/852 are likely to be reviewed and amended over time. Regardless of such changes, in order to provide legal certainty to issuers and investors and prevent amendments to the technical screening criteria from having a negative impact on the price of European green bonds that have already been issued, issuers should be able to apply the technical screening criteria applicable at the moment the European green bond was issued when allocating the proceeds of such bonds to eligible fixed assets or expenditures, until maturity of the bond. To ensure legal certainty for European green bonds whose proceeds are allocated to financial assets, it is necessary to clarify that the underlying economic activities funded by those financial assets should comply with the technical screening criteria applicable at the moment the financial assets were created. Where the relevant delegated acts are amended, the issuer should allocate proceeds by applying the amended delegated acts within five years *or, in the case of financial claims, ten years. Previously allocated proceeds should not be required to be reallocated following an amendment to the relevant delegated acts.*

- (12) The time needed to transform an asset to align the economic activity to which it relates with the taxonomy requirements should reasonably not exceed five years, except in certain circumstances where it may take up to ten years. For that reason, eligible capital expenditure should relate to economic activities that meet or will meet the taxonomy requirements within five years from the issuance of the bond, unless a longer period of up to ten years is *duly* justified by the specific features of the economic activities and investments concerned, *and documented in a CapEx plan. The list of economic activities and investments eligible for the application of an extended period should be established by the Commission by means of a delegated act.*
- (12a) *Issuers of European green bonds that are located in countries on the EU list of non-cooperative jurisdictions for tax purposes or, in the case of sovereign issuers, that facilitate tax avoidance through their jurisdiction, shall not be authorised to use the European green bond designation.*
- (12b) *Civil liability provisions should apply to issuers of European green bonds in relation to damages incurred by investors due to an infringement of the taxonomy-aligned allocation of proceeds.*
- (12c) *Union institutions and bodies should adhere to Union standards in the pursuit of sustainability objectives, including those defined by Regulation (EU) 2020/852. They should thus use the European green bond standard for any issuance of a use of proceeds bond that has environmental sustainability as its objective. As a leading global issuer of green bonds, the European Investment Bank has already committed to aligning its green bond programme with the European green bond standard.*
- (12d) *To facilitate the use of European green bonds by third country issuers and to encourage the development of high quality sustainable taxonomies in third-country jurisdictions, bond proceeds allocated in a third country should be able to use a*

sustainable taxonomy from that third country provided that that taxonomy has been deemed 'equivalent' to the EU taxonomy, in particular as regards the environmental objectives, criteria for significant harm and substantial contribution and minimum safeguards in the field of human rights. However, the use of proceeds should not be allocated to economic activities not covered by the delegated acts adopted pursuant to Articles 10(3), 11(3), 12(2), 13(2), 14(2) and 15(2) of Regulation (EU) 2020/852. Equivalence should be established through a delegated act based on the opinion of the Platform on Sustainable Finance established under Article 20 of Regulation (EU) 2020/852.

- (13) Investors should be provided with all information necessary to evaluate the environmental impact of European green bonds, and to compare such bonds with each other. For that purpose, specific and standardised disclosure requirements need to be set out which provide transparency about how the issuer intends to allocate the bond proceeds to eligible fixed assets, expenditures and financial assets and how those proceeds have actually been allocated. Such transparency can best be achieved by means of European green bond factsheets and annual allocation reports. To strengthen the comparability of European green bonds and to facilitate the localisation of relevant information, it is necessary to lay down templates for the disclosure of such information. ***With the exception of portfolios of European green bonds, factsheets and annual allocation reports should relate to one individual bond.***
- (13a) ***Investors should also be provided with the necessary information to compare and evaluate the environmental impact of other bonds marketed as environmentally sustainable or sustainability-linked bonds in the Union, which do not use the designation 'European green bonds' or 'EuGB'. Minimum disclosure requirements should therefore apply to issuers of bonds marketed as environmentally sustainable or sustainability-linked bonds in the Union. Those requirements include the publication of a statement on due diligence policies with respect to principal adverse impacts of investment decisions on sustainability factors, taking due account of their and the nature and scale of their activities. This should mirror existing requirements for financial products other than green bonds falling under the scope of Regulation (EU) 2019/2088 of the European Parliament and of the Council^{9b}. The content, methodologies and presentation of the statement should be further developed by means of regulatory technical standards. Issuers of bonds marketed as environmentally sustainable in the Union should also disclose specific information in pre-contractual disclosures and annual periodic reports, which should be subject to the same standard of external verification as that applying to European green bonds.***
- (14) Investors should benefit from cost-effective access to reliable information about the European green bonds. Issuers of European green bonds should therefore contract ***independent*** external reviewers to provide a pre-issuance review of the European green bond factsheet, post-issuance reviews of European green bond annual allocation reports ***and reviews of European green bond impact reports.***

^{9b} *Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (OJ L 317, 9.12.2019, p. 1).*

- (15) Issuers of European green bonds should abide by their commitments to investors and allocate the proceeds of their bonds within a reasonably short time after issuance. At the same time, issuers should not be penalised for allocating bond proceeds to economic activities that do not yet meet the taxonomy requirements, but will do so within the five year period (or extended ten year period). ***In that case, issuers should set out in CapEx plans the details of when and by what means those activities will meet the taxonomy requirements and how alignment will be guaranteed. CapEx plans should include annual intermediary steps that are to be verified by an external reviewer in the allocation reports. Where CapEx plans relate to transitional economic activities within the meaning of Article 10(2) of Regulation 2020/852, such activities should meet the relevant taxonomy criteria within a period of time not exceeding two years.*** Issuers should in any case allocate all proceeds of their European green bonds before the maturity of each bond.
- (16) Unlike issuers that are financial or non-financial undertakings, issuers that are sovereigns can use the proceeds of European green bonds to indirectly finance economic activities that are aligned with the taxonomy requirements through the use of programmes of tax expenditures or programmes of transfers, including subsidies. In such cases, sovereigns ensure that economic activities funded by such programmes comply with the terms and conditions of those programmes. For that reason, when providing pre- and post-issuance reviews of European green bonds issued by sovereigns and the proceeds of which are allocated to tax expenditures or subsidies in accordance with terms and conditions that are aligned with taxonomy requirements, external reviewers should not be required to assess the taxonomy-alignment of each economic activity funded by such programmes. Where that is the case, it should be sufficient for external reviewers to assess the alignment of the terms and conditions of the funding programmes concerned with the taxonomy requirements. ***Those funding programmes should however be subject to an ex ante impact assessment by an independent third party to assess the impact and cost-efficiency of the programme, as well as an ex post assessment of the effectiveness of the programme to be reviewed by the state auditors or other relevant public entity of the Member State concerned.***
- (17) Certain financial undertakings that have a portfolio of European green bonds may not be able to identify, for each European green bond, the distinct financial assets to which the proceeds of said bond have been allocated. This is due to a mismatch between, on the one hand, the time to maturity and the volume of funding of those bonds, and on the other hand the time to maturity and volume of the financial assets on the balance sheet of the financial undertaking. Financial undertakings should in such cases be required to disclose the allocation of the aggregate proceeds of their portfolio of European green bonds to a portfolio of environmentally sustainable financial assets on the undertaking's balance sheet. Those financial undertakings should then demonstrate in annual allocation reports that the related environmentally sustainable financial assets complied with the taxonomy requirements at the time they were created. In order to ensure that all proceeds of European green bonds are allocated to environmentally sustainable economic activities, the financial undertakings should also demonstrate that the amount of those environmentally sustainable financial assets exceeds or equals the amount of European green bonds that have not yet matured. To ensure that the information provided remains complete and up to date, an external reviewer should review the annual allocation reports each year. That external reviewer should in particular focus

on those financial assets that were not on the issuer's balance sheet in the previous year's allocation report.

- (18) To improve transparency, issuers should also disclose the environmental impact of their bonds by means of the publication of impact reports, which should be published at least **twice** during the lifetime of the bond. In order to provide investors with all information relevant to assess the environmental impact of European green bonds, impact reports should clearly specify the metrics, methodologies and assumptions applied in the assessment of the environmental impacts. To strengthen the comparability of European green bonds and to facilitate the localisation of relevant information, it is necessary to lay down templates for the disclosure of such information. ***With the exception of portfolios of European green bonds, impact reports should relate to one individual bond. To ensure the accuracy of impact reports and to protect investors from greenwashing, impact reports should be able to be subject to scrutiny by external reviewers.***
- (18a) ***European green bonds and sustainability-linked bonds are aimed at helping companies finance their transition to becoming sustainable. Issuers of European green bonds or sustainability-linked bonds that are subject to an obligation to publish non-financial information pursuant to Article 19a or Article 29a of Directive 2013/34/EU of the European Parliament and of the Council^{9c}, should therefore have a transition plan in place pursuant to those provisions, and receive a positive opinion by an auditor in accordance with that Directive. Such non-financial information should be disclosed in the factsheet and impact reports for European green bonds or pre-contractual disclosures and sustainability impact reports for sustainability-linked bonds. In particular, the issuers should provide information on how and to what extent the issuance of the European green bond or sustainability-linked bonds increases its proportion of entity-level taxonomy alignment, as required to be disclosed under Article 8 of Regulation (EU) 2020/852, or reduces its environmental impact in view of the targets set out in the transition plan, as required to be disclosed under Article 19a or Article 29a of Directive 2013/34/EU [as amended by the Corporate Sustainability Reporting Directive].***
- (19) State auditors, or any other public entity that is mandated by a sovereign to assess whether the proceeds of the European green bonds are indeed allocated to eligible fixed assets, expenditures and financial assets, are statutory entities with responsibility for and expertise in the oversight over public spending, and typically have legally guaranteed independence. Sovereigns that issue European green bonds should therefore be allowed to make use of such state auditors or entities for the purposes of the external review of bonds issued by such sovereigns. ***While*** state auditors or entities should not be registered or supervised according to this Regulation, ***non-Union state auditors or entities should obtain approval from ESMA.***
- (20) To ensure the efficiency of the market for European green bonds, issuers should publish on their websites ***and, where applicable, on the website of the trading venues where the admission to trading is sought,*** details about the European green bonds they issue. To ensure the reliability of information and investor confidence, they shall also publish

^{9c} ***Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC (OJ L 182 29.6.2013, p. 19).***

the pre-issuance review, any post-issuance reviews, **any impact report reviews as well as, if applicable, the CapEx plan and the transition plan, as required to be disclosed under Article 19a or Article 29a of Directive 2013/34/EU [as amended by the Corporate Sustainability Reporting Directive]. Those publications should be accessible, with clearly displayed dates of publication that allow the user to identify the changes from one review to another.**

- (20a) **National competent authorities should supervise compliance with the transparency and external review requirements by issuers of European green bonds and sustainability linked bonds or other bonds marketed as environmentally sustainable in the Union. National competent authorities should have the power to prohibit an issuer from issuing a bond, in the event of a failure to comply with its obligations on a single occasion, or from issuing bonds for a defined period of time not exceeding one year, in the case of repeated temporary suspensions.**
- (21) To improve transparency on how external reviewers reach their conclusions, to ensure that external reviewers have adequate qualifications, professional experience, and independence, and to reduce the risk of potential conflicts of interests, and thus to ensure adequate investor protection, issuers of European green bonds should only make use of external reviewers, including from third-countries, that have been registered and are subject to ongoing supervision by the European Securities and Markets Authority (ESMA).
- (22) To strengthen transparency towards investors on how the alignment of bond proceeds with the taxonomy requirements is assessed, external reviewers should disclose to users of pre-issuance, **post-issuance and impact report** reviews the methodologies and key assumptions they use in their external review activities in sufficient detail, whilst taking due account of the protection of proprietary data and intellectual property.
- (23) External reviewers should have in place arrangements for their own sound corporate governance to ensure that their pre- and post-issuance reviews are independent, objective and of good quality. The senior management of external reviewers should therefore have sufficient expertise in financial services and environmental matters and ensure that a sufficient number of employees with the necessary knowledge and experience perform the external review. For the same reason, the compliance function should be able to report its findings to either a supervisory organ or an administrative organ.
- (24) To ensure the independence of external reviewers **and safeguard high standards of transparency and ethical conduct**, external reviewers should **comply with organisational requirements and rules of conduct to mitigate and avoid situations of actual or potential conflict of interest or manage those conflicts adequately when they are unavoidable. External reviewers should not be entitled to conduct an external review in the case of a conflict of interest that cannot be properly addressed.** External reviewers should therefore disclose **any** conflicts of interest in a **transparent and** timely manner. They should also keep records of all significant threats to their independence, to that of their employees, **shareholders or any** other persons involved in the external review process. They should also keep records of the safeguards applied to mitigate those threats.
- (25) It is necessary to avoid divergent applications of this Regulation by national competent authorities. At the same time, it is necessary to lower transaction and operational costs of external reviewers, to strengthen investor confidence and to increase legal certainty.

It is therefore appropriate to give ESMA general competence for the registration and ongoing supervision of registered external reviewers in the Union. Entrusting ESMA with the exclusive responsibility for those matters should ensure a level playing field in terms of registration requirements and on-going supervision and eliminate the risk of regulatory arbitrage across Member States. At the same time, such exclusive responsibility should optimise the allocation of supervisory resources at Union level, thus making ESMA the centre of expertise and enhancing the efficiency of supervision.

- (25a) *In order to support ESMA's activity in the exercise of its general competence for the registration and ongoing supervision of registered external reviewers in the Union, the national competent authorities should cooperate, in a loyal and effective way, with ESMA, with exchange of information mechanisms that guarantees a transparent, credible and effective process of registration and supervision. To that end, ESMA should be provided with sufficient resources.***
- (26) ESMA should be able to require all information necessary to carry out its supervisory tasks effectively. It should therefore be able to demand such information from external reviewers, persons involved in external review activities, reviewed entities and related third parties, third parties to whom the external reviewers have outsourced operational functions and persons otherwise closely and substantially related or connected to external reviewers or external review activities.
- (27) To enable ESMA to perform its supervisory tasks, and in particular to compel external reviewers to put an end to an infringement, to supply complete and correct information or to comply with an investigation or an on-site inspection, ESMA should be able to impose penalties or periodic penalty payments.
- (28) Issuers of European green bonds may seek access to the services of third country external reviewers. It is therefore necessary to lay down a third-country regime for external reviewers on the basis of an equivalence assessment, recognition or endorsement under which third country external reviewers may provide external review services.
- (29) In order to facilitate access for third country external reviewers in the absence of an equivalence decision, it is necessary to lay down a process for the recognition by ESMA of external reviewers located in a third country.
- (30) In order to facilitate the provision of services by third-country external reviewers to issuers of European green bonds, an endorsement regime should be laid down, allowing, under certain conditions, registered external reviewers located in the Union to endorse services provided by a third country external reviewer. An external reviewer that has endorsed services provided by a third country external reviewer should be fully responsible for such endorsed services and for ensuring that such third country external reviewer complies with the requirements laid down in this Regulation.
- (31) In accordance with Article 290 TFEU, power should be delegated to the Commission to specify the procedure for the exercise of the power to impose fines or periodic penalty payments, including provisions on rights of defence, temporal provisions, the collection of fines or periodic penalty payments, and detailed rules on the limitation periods for the imposition and enforcement of penalties and the type of fees, the matters for which fees are due, the amount of the fees, and the manner in which those fees are to be paid. ***Power should also be delegated to the Commission to supplement this Regulation by listing the economic activities that qualify for the application of the extended period***

of up to ten years for meeting the taxonomy requirements in relation to allocation of the use of proceeds and by authorising that the use of proceeds of an EuGB can be allocated partially or fully in accordance with an equivalent third country taxonomy.

It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making¹⁰. In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council should receive all documents at the same time as Member States' experts, and their experts should systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts.

- (32) As a body with highly specialised expertise, it would be efficient and appropriate to entrust ESMA with the development of draft regulatory and implementing technical standards that do not involve policy choices for submission to the Commission.
- (32a) ESMA should be mandated to develop draft regulatory technical standards to further specify the definition and scope of the costs directly linked to issuances of European green bonds.**
- (32b) ESMA should be mandated to develop draft regulatory technical standards to further specify the content, methodologies and presentation of information disclosed by issuers of bonds marketed as environmentally sustainable in the Union.**
- (33) ESMA should be mandated to develop draft regulatory technical standards to further specify the criteria on which it can assess an application for registration by an external reviewer and the provision of information by that external reviewer to determine its level of compliance with the requirements of this Regulation. █
- (33a) ESMA should be mandated to develop draft regulatory technical standards to further specify the requirements on external reviewers to avoid conflicts of interest from arising. ESMA should develop those standards in response to market developments generating risks of conflicts of interest or following cases where conflicts of interest occurred.**
- (34) In order to ensure uniform conditions for the implementation of this Regulation, implementing powers should be conferred on the Commission. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council¹¹.
- (35) ESMA should be mandated to develop draft implementing technical standards to specify the standard forms, templates and procedures for the provision of the information for the registration of external reviewers. The Commission should be empowered to adopt those implementing technical standards by means of an implementing act pursuant to

¹⁰ OJ L 123, 12.5.2016, p. 1.

¹¹ Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by the Member States of the Commission's exercise of implementing powers (OJ L 55, 28.2.2011, p. 13).

Article 291 TFEU and in accordance with Article 15 of Regulation (EU) No 1095/2010 of the European Parliament and of the Council¹².

- (36) In order to encourage external reviewers to provide their services to the issuers of European green bonds as of the entry into application of this Regulation, this Regulation sets out a transitional regime for the first 30 months following the entry into force of this Regulation. ***Sustainability-linked bonds and bonds marketed as sustainable in the Union already issued at the date of entry into application of this Regulation are not required to comply with this Regulation as regards disclosure requirements and the use of external reviewers.***
- (36a) ***The application of this Regulation should be reviewed by the Commission five years after its entry into force, and every three years thereafter, on the basis of the input from the Platform on Sustainable Finance. Two years after the entry into force of this Regulation, the Commission should also produce an impact assessment to report on whether the European green bond standard should become mandatory. In the case of a proposed revision of Regulation (EU) 2020/852, in particular to extend its scope, the Commission should assess the merits of reviewing this Regulation.***
- (36b) ***Since this Regulation creates a framework that allows for the designation of government debt as environmentally sustainable, financial undertakings should disclose their exposure to environmentally sustainable government debt within their green asset ratio as provided for in Delegated Regulation (EU) 2021/2178. To integrate sovereign exposures in the nominator and denominator of the green asset ratio, Regulation (EU) 2020/852 should be amended.***
- (37) The objectives of this Regulation are ***threefold***. ***First***, it aims to ensure ***the comparison of bonds marketed as environmentally sustainable in the Union***. ***Second***, it lays down uniform requirements ***for*** the use of the designation of ‘European green bond’ or ‘EuGB’. ***Third***, it aims to establish a simple registration system and supervisory framework for external reviewers by entrusting a single supervisory authority with the registration and supervision of external reviewers in the Union. ***Those*** aims should facilitate capital raising for projects that pursue environmentally sustainable objectives, ***ensure the integrity of environmental claims made by issuers of European green bonds, and increase the transparency of the environmental performance of other bonds marketed as environmentally sustainable***. Since those objectives cannot be sufficiently achieved by the Member States but can be better achieved at Union level, the Union may adopt measures in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve those objectives,

HAVE ADOPTED THIS REGULATION:

¹² 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 (OJ L 331, 15.12.2010, p. 84).

Title I

Subject matter and definitions

Article 1 **Subject matter**

This Regulation lays down uniform requirements for issuers of bonds that wish to use the designation ‘European green bond’ or ‘EuGB’ for their environmentally sustainable bonds, ***provides minimum sustainability disclosure requirements for other bonds marketed as environmentally sustainable or as sustainability-linked bonds in the Union***, and establishes a registration system and supervisory framework for external reviewers of European green bonds.

Article 2 **Definitions**

For the purposes of this Regulation, the following definitions apply:

- (1) ‘issuer’ means any entity that issues bonds;
- (2) ‘financial undertaking’ means an AIFM as defined in Article 4(1), point (b), of Directive 2011/61/EU of the European Parliament and of the Council¹³, a UCITS management company as defined in Article 2, point (10), of Regulation (EU) 2019/2088 of the European Parliament and of the Council¹⁴, a credit institution as defined in Article 4(1), point (1), of Regulation (EU) No 575/2013 of the European Parliament and of the Council¹⁵, an investment firm as defined in Article 4(1), point (2) of Regulation (EU) No 575/2013, an insurance undertaking as defined in Article 13, point (1), of Directive 2009/138/EC of the European Parliament and of the Council¹⁶ or a reinsurance undertaking as defined in Article 13, point (4), of Directive 2009/138/EC;
- (3) ‘sovereign’ means any of the following:
 - (a) Euratom, the Union and any of their agencies;
 - (b) any State, including a government department, an agency, or a special purpose vehicle of such State;
 - (c) in the case of a federal State, a member of the federation ***including a government department, an agency, or a special purpose vehicle of such member***;
 - (d) a regional or municipal entity;

¹³ Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010 (OJ L 174, 1.7.2011, p. 1).

¹⁴ Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (OJ L 317, 9.12.2019, p. 1).

¹⁵ Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (OJ L 176, 27.6.2013, p. 1).

¹⁶ Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II) (OJ L 335, 17.12.2009, p. 1).

- (e) a collective undertaking of several States in the form of an organisation or a special purpose vehicle;
- (4) ‘taxonomy requirements means the requirements set out in Article 3 of Regulation (EU) 2020/852;
- (5) ‘regulated market’ means a regulated market as defined in Article 4(1), point (21), of Directive 2014/65/EU of the European Parliament and of the Council¹⁷.
- (5a) *‘bond marketed as environmentally sustainable’ means a bond whose issuer provides investors with a commitment or any form of pre-contractual claim that the bond proceeds are allocated to economic activities that contribute to an environmental objective;*
- (5b) *‘marketed in the Union’ means a direct or indirect offering or placement to or with investors domiciled, or with a registered office, in the Union;*
- (5c) *‘use of proceeds bond’ means a bond where the proceeds are allocated to specific economic activities;*
- (5d) *‘sustainability-linked bond’ means a bond whose financial or structural characteristics vary depending on the achievement by the issuer of predefined environmental sustainability objectives;*
- (5e) *‘sustainability factors’ mean sustainability factors as defined in Article 2, point (24), of Regulation (EU) 2019/2088;*
- (5f) *‘home Member State’ means:*
- (a) *for European green bonds subject to the obligation to draw up a prospectus pursuant to Regulation (EU) 2017/1129, a home Member State as defined in Article 2, point (m), of that Regulation;*
- (b) *for European green bonds that are not subject to the obligation to draw up a prospectus pursuant to Regulation (EU) 2017/1129 and that are issued by entities having their registered office in the Union, the Member State where the issuer has its registered office; and*
- (c) *for European green bonds other than those referred to in points (a) and (b), the Member State where the European green bonds are offered to the public for the first time or, in the absence of an offer to the public within the Union, the Member State where the European green bonds are admitted to trading on a trading venue for the first time;*
- (5g) *‘host Member State’ means a host Member State as defined in Article 2, point (n), of Regulation (EU) 2017/1129;*
- (5h) *‘external reviewer’ means a legal entity registered to provide assessment activities in accordance with this Regulation;*
- (5i) *‘reviewed entity’ means any entity receiving a review of its bond issuance from an external reviewer in accordance with this Regulation.*

¹⁷ Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (OJ L 173, 12.6.2014, p. 349).

Title II

Conditions for the use of the designation ‘European green bond’ or ‘EuGB’ and sustainability disclosure requirements for other environmentally sustainable bonds and sustainability-linked bonds marketed in the Union

Chapter I

Bond-related requirements

Article 3

Designation of ‘European green bond’ or ‘EuGB’

The designation ‘European green bond’ or ‘EuGB’ shall only be used for bonds that comply with the requirements set out in this Title until their maturity.

Article 4

Use of the proceeds of European green bonds

1. Before maturity of the bond, the proceeds of European green bonds shall, ***after deducting costs directly linked to issuance***, be exclusively and fully allocated **█** to the following, or a combination thereof:
 - (a) fixed assets, including those of households, that are not financial assets;
 - (b) capital expenditures, including those of households;
 - (c) operating expenditures that were incurred more recently than three years prior to the issuance of the European green bond;
 - (d) financial assets as referred to in Article 5, ***on the condition that either the bond allocates its proceeds to a portfolio of financial assets, or alternatively that those assets were created no later than three years after the issuance of the European green bond;***

For the purposes of this paragraph, capital expenditures shall mean either additions to fixed tangible and fixed intangible assets during the financial year considered before depreciation, amortisation and any re-measurements, including the additions resulting from revaluations and impairments for the financial year concerned, and excluding fair value or any additions to fixed tangible and fixed intangible assets resulting from business combinations.

For the purposes of this paragraph, operating expenditures shall mean direct non-capitalised costs which relate to research and development, education and training, building renovation measures, short-term lease, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of fixed tangible or fixed intangible assets of property, plant and equipment that are necessary to ensure the continued and effective functioning of such assets.

- 1a. ESMA shall develop draft regulatory technical standards specifying the definition***

and scope of the costs directly linked to issuances as referred to in paragraph 1 of this Article.

ESMA shall submit those draft regulatory standards to the Commission by ... [12 months after the date of entry into force of this Regulation].

Power is delegated to the Commission to supplement this Regulation by adopting the regulatory technical standards referred to in the first subparagraph of this paragraph in accordance with Articles 10 to 14 of Regulation (EU) No 1095/2010.

2. By way of derogation from paragraph 1, a sovereign may also allocate the proceeds of European green bonds it has issued to the following, or any combination thereof:
 - (a) fixed assets referred to in point 7.22 of Annex A to Regulation (EU) No 549/2013 of the European Parliament and of the Council¹⁸;
 - (b) non-produced non-financial assets referred to in point 7.24 of Annex A to Regulation (EU) No 549/2013;
 - (c) tax relief referred to in point 20.167 of Annex A to Regulation (EU) No 549/2013 that was granted more recently than three years prior to the issuance of the European green bond;
 - (d) subsidies referred to in point 4.30 of Annex A to Regulation (EU) No 549/2013 that were transferred more recently than three years prior to the issuance of the European green bond;
 - (e) capital expenditures referred to in point 20.104 of Annex A to Regulation (EU) No 549/2013.

Article 5 *Financial assets*

1. Financial assets as referred to in Article 4(1), point (d), shall mean any of the following assets, or any combination thereof:
 - (a) *a financial claim*;
 - (b) equity *instrument of another entity*.
2. The proceeds of the financial assets referred to in paragraph 1 shall only be allocated to fixed assets that are not financial assets as referred to in Article 4(1), point (a), capital expenditures as referred to in Article 4(1), point (b), or operating expenditures as referred to in Article 4(1), point (c).
3. By way of derogation from paragraph 2, the proceeds of the financial asset referred to in paragraph 1 may be allocated to other financial assets provided that the proceeds from those financial assets are allocated according to paragraph 2 ***and provided that such allocation does not hamper the ability of external reviewers to effectively review the final allocation of proceeds.***

¹⁸ Regulation (EU) No 549/2013 of the European Parliament and of the Council of 21 May 2013 on the European system of national and regional accounts in the European Union (OJ L 174, 26.6.2013, p. 1).

Article 6

Taxonomy-alignment of use of proceeds

1. The use of proceeds referred to in Article 4 shall ***be allocated to the issuance costs of the bond and*** economic activities that meet the taxonomy requirements, or that will meet the taxonomy requirements within a defined period of time as set out in a ***CapEx plan as defined in the second subparagraph of point 1.1.2.2 of Annex I to Delegated Regulation (EU) 2021/2178.***

■ The period referred to in the first subparagraph shall not exceed five years from bond issuance, unless a longer period of up to ten years is ***duly*** justified by the specific features of the economic activities concerned as documented in a ***CapEx plan. By ... [one year after the entry into force of this Regulation], the Commission shall adopt a delegated act in order to supplement this Regulation by listing the economic activities that qualify for the application of the extended period of up to ten years.***

Power is conferred on the Commission to supplement this Article by adopting the delegated act referred to in the second subparagraph of this paragraph in accordance with Article 60.

CapEx plans relating to transitional economic activities within the meaning of Article 10(2) of Regulation (EU) 2020/852 shall meet the taxonomy requirements within a period of time that does not exceed two years.

2. Where proceeds from a European green bond are allocated by means of financial assets either to capital expenditures as referred to in Article 4(1), point (b), or to operating expenditures as referred to in Article 4(1), point (c), the defined period of time referred to in paragraph 1, first subparagraph, shall start from the moment of the creation of the financial asset.
- 2a. ***The European green bond allocation reports referred to in Article 9 shall include information on the progress made in the implementation of the CapEx plan and shall be subject to external review. Where those annual intermediate steps are not achieved on two consecutive occasions, the issuer shall announce on its website and inform the relevant trading venue that the bond concerned no longer complies with the requirements for the use of the designation ‘European green bond’ or ‘EuGB’.***

Article 6a

Use of proceeds in cases of securitisation

Where a European green bond is used for securitisation purposes, the requirements of Article 6 shall apply to the entity from which the issuance economically originates.

Article 7

Application of the taxonomy requirements

1. Issuers shall allocate bond proceeds to the uses set out in Article 4(1) points (a), (b) and (c), Article 4(2), or the equity ***instrument of another entity*** referred to in Article 5(1), point (b) by applying the delegated acts adopted pursuant to Articles 10(3), 11(3), 12(2), 13(2), 14(2) or 15(2) of Regulation (EU) 2020/852 applicable at the point in time when the bond was issued.

Where the delegated acts adopted pursuant to Articles 10(3), 11(3), 12(2), 13(2), 14(2) or 15(2) of Regulation (EU) 2020/852 are amended following the issuance of the bond, the issuer shall allocate bond proceeds to the uses referred to in the first subparagraph by applying the amended delegated acts within five years after their entry into application. ***Allocated bond proceeds shall not be required to be reallocated following an amendment to the delegated acts.***

2. When allocating bond proceeds to the ***financial claim*** referred to in Article 5(1), point (a), issuers shall apply the delegated acts adopted pursuant to Articles 10(3), 11(3), 12(2), 13(2), 14(2) or 15(2) of Regulation (EU) 2020/852 applicable at the point in time when the debt was created.

Where, at the time of the creation of the ***financial claim*** referred to in ***Article 5(1) point(a)***, no delegated acts adopted pursuant to Articles 10(3), 11(3), 12(2), 13(2), 14(2) or 15(2) of Regulation (EU) 2020/852 were in force, issuers shall apply the first delegated acts that were adopted pursuant to Articles 10(3), 11(3), 12(2), 13(2), 14(2) or 15(2) of Regulation (EU) 2020/852.

Where the delegated acts adopted pursuant to Articles 10(3), 11(3), 12(2), 13(2), 14(2) or 15(2) of Regulation (EU) 2020/852 are amended following the creation of the ***financial claim*** referred to in the first subparagraph, the issuer shall allocate bond proceeds to the ***financial claim*** referred to in the first subparagraph by applying the amended delegated acts within ***10*** years after their entry into application.

Article 7a

Exclusion of non-cooperative jurisdictions for tax purposes

1. ***Non-sovereign issuers and any of their related third parties that are located in jurisdictions listed in Annex I or II to the EU list of non-cooperative jurisdictions for tax purposes shall not be authorised to use the designation ‘European green bond’ or ‘EuGB’, unless they demonstrate real economic activity in the listed jurisdiction.***

Sovereign issuers that are listed in Annex I or II to the EU list of non-cooperative jurisdictions for tax purposes shall not be authorised to use the designation ‘European green bond’ or ‘EuGB’.

2. ***Issuers shall disclose adherence to this requirement in the European green bond factsheet laid down in Annex I.***

Article 7b

Transition plans

1. ***Before issuing a European green bond or a sustainability-linked bond, issuers of such bonds that are subject to an obligation to create transition plans pursuant to Article 19a(2a) or Article 29a(2a) of Directive 2013/34/EU [as amended by the CSRD] shall be required to have received a positive opinion by an auditor on the alignment of the transition plan with the objective to achieve climate neutrality by 2050 at the latest, as set out in Regulation (EU) 2021/1119.***

2. ***Issuers of sustainability-linked bonds in the Union that are subject to an obligation to disclose information on sustainability matters pursuant to Article 19a or Article 29a of Directive 2013/34/EU [as amended by the CSRD] shall include the information outlined in point 3 of Annex I to this Regulation in their pre-contractual disclosures and the***

information outlined in point 2 of Annex III to this Regulation in an annual periodic report.

3. The pre-contractual disclosures and annual periodic reports referred to in the paragraph 2 shall be reviewed by external reviewers that are registered in accordance with Articles 14 to 17, that meet the requirements of Titles II and III and that are subject to supervision pursuant to Title IV, Chapter III, of this Regulation.

Article 7c

Disclosures for bonds marketed as environmentally sustainable

1. Issuers of bonds marketed in the Union as environmentally sustainable and of sustainability-linked bonds that are marketed in the Union, shall publish and maintain on their websites a statement on due diligence policies with respect to principal adverse impacts of investment decisions on sustainability factors, taking due account of their size and the nature and scale of their activities.

2. The ESAs shall develop, through the Joint Committee, draft regulatory technical standards in accordance with Articles 10 to 14 of Regulations (EU) No 1093/2010, (EU) No 1094/2010 and (EU) No 1095/2010 on the content, methodologies and presentation of information referred to in the first subparagraph.

When preparing the draft regulatory technical standards referred to in the first subparagraph, the ESAs shall, where relevant, seek input from the European Environment Agency and the Joint Research Centre of the European Commission.

The ESAs shall submit those draft regulatory standards to the Commission by [12 months after the date of entry into force of this Regulation].

Power is delegated to the Commission to supplement this Regulation by adopting the regulatory technical standards referred to in the first subparagraph of this paragraph in accordance with Articles 10 to 14 of Regulations (EU) No 1093/2010, (EU) No 1094/2010 and (EU) No 1095/2010.

3. Issuers of bonds marketed as environmentally sustainable in the Union that do not use the designation ‘European green bonds’ or ‘EuGB’ shall disclose in their pre-contractual disclosures:

(a) a clear and reasoned explanation of how the bond takes account of principal adverse impacts on sustainability factors;

(b) information on how the environment characteristics of the bond are met, including the information outlined in Annex I.3;

(c) information about the intended allocation of bond proceeds, including the information outlined in Annex I.4;

(d) information about the percentage of expected taxonomy-alignment of the use of proceeds of the bond.

4. Issuers of bonds marketed as environmentally sustainable in the Union that do not use the designation ‘European green bonds’ or ‘EuGB’ shall include a description in annual periodic reports of the extent to which environmental characteristics are met, including the information as outlined in point 3 of Annex II.

5. The ESAs may develop, through the Joint Committee, draft regulatory technical standards to specify the details of the content and presentation of information referred

to in paragraphs 3 and 4.

Power is delegated to the Commission to supplement this Regulation by adopting the regulatory technical standards referred to in the first subparagraph of this paragraph in accordance with Articles 10 to 14 of Regulations (EU) No 1093/2010, (EU) No 1094/2010 and (EU) No 1095/2010.

6. *The pre-contractual disclosures and annual periodic reports shall be reviewed by external reviewers that are registered in accordance with Articles 14 to 17, that meet the requirements of Titles II and III and that are subject to supervision pursuant to Title IV, Chapter III, of this Regulation.*

Article 7d

Use of the European green bond standard by Union institutions and bodies

Union institutions and bodies shall use the European green bond standard and apply the criteria of Articles 4 to 7a to any issuance of use of proceeds bond that has environmental sustainability as its objective.

Article 7e

Taxonomy equivalence

1. *Where a third country has in place a taxonomy to facilitate sustainable investment which is substantially equivalent to the EU taxonomy, the Commission shall, following a positive recommendation from the Platform on Sustainable Finance established under Article 20 of Regulation (EU) 2020/852, adopt delegated acts in accordance with Article 60 in order to supplement this Regulation by authorising that the use of proceeds of an EuGB can be allocated in accordance with that third-country taxonomy. The use of proceeds shall not be allocated to economic activities not covered by the delegated acts adopted pursuant to Articles 10(3), 11(3), 12(2), 13(2), 14(2) and 15(2) of Regulation 2020/852. As a minimum the third-country taxonomy shall have equivalent environmental objectives and equivalent criteria for significant harm and substantial contribution to each of those environmental objectives, and shall require minimum safeguards in the field of human rights equivalent to those laid down in Article 18 of Regulation (EU) 2020/852.*
2. *The delegated acts referred to in paragraph 1 shall allow for the use of an equivalent third-country taxonomy when allocating proceeds of European green bonds to projects in the third country concerned. That third-country taxonomy shall be allowed to be used to complement the EU taxonomy for a part of the proceeds of the European green bond, or to fully allocate the proceeds of the European green bond. The equivalent third-country taxonomy shall not be used for projects taking place in the Union or in a different third country.*

Chapter II

Transparency and external review requirements

Article 8

European green bond factsheet and pre-issuance review of the European green bond factsheet

1. Prior to issuing a European green bond, issuers shall:
 - (a) complete the European green bond factsheet laid down in Annex I;
 - (b) ensure that the completed European green **bond** factsheet has been subject to a pre-issuance review with a positive opinion by an external reviewer.
2. ***Each*** European green bond factsheet ***shall*** relate to one ***individual bond***. ***Several factsheets may be published jointly.***
- 2a. ***By way of derogation from paragraph 2, a European green bond factsheet concerning an allocation of a portfolio of European green bonds to a portfolio of financial assets referred to in Article 5 may relate to several European green bond issuances.***
3. The pre-issuance review of the factsheet referred to in paragraph 1, point (b) shall contain all of the following:
 - (a) an assessment of whether the completed **European** green bond factsheet complies with Articles 4 to **7b** of this Regulation and Annex I to this Regulation;
 - (b) the elements set out in Annex IV.

Article 9

Allocation reports and post-issuance review of allocation reports

1. Every year and until the full allocation of the proceeds of the European green bond concerned, issuers of European green bonds shall draw up a European green bond allocation report by using the template laid down in Annex II, demonstrating that the proceeds of any European green bonds concerned from their issuance date and until the end of the year the report refers to have been allocated in accordance with Articles 4 to 7.
2. A European green bond allocation report ***shall*** relate to one ***individual bond***. ***Several allocation reports may be published jointly.***
- 2a. ***By way of derogation from paragraph 2, a European green bond allocation report concerning an allocation of a portfolio of European green bonds to a portfolio of financial assets referred to in Article 5 may relate to several European green bond issuances.***

3. Issuers of European green bonds shall obtain a post-issuance review by an external reviewer of the allocation report drawn up after the full allocation of the proceeds of the European green bond in accordance with Articles 4 to **7b**.
4. Where, following the publication of the allocation report in accordance with Article 13(1), point (c), the allocation of proceeds is corrected, issuers of the European green bonds concerned shall amend the allocation report and obtain a post-issuance review by an external reviewer of that amended allocation report.
5. By way of derogation from paragraph 3, every allocation report from issuers ■ that allocate proceeds from a portfolio of several European green bonds to a portfolio of financial assets as referred to in Article 5 shall be subject to a post-issuance review by an external reviewer. The external reviewer shall pay particular attention to those financial assets that were not included in any previously published allocation report.
- 5a. *By way of derogation from paragraph 3, every allocation report from issuers that allocate proceeds in accordance with a CapEx plan under Article 6 shall be subject to a post-issuance review by an external reviewer. The external reviewer shall in particular take into consideration whether the issuers continue to adhere to the CapEx plan.***
6. Issuers of European green bonds shall provide the allocation reports referred to in paragraph 3, 4, and 5 to an external reviewer within **90** days following the end of the year to which the allocation reports refer. The post-issuance review must be made public within 90 days following the receipt of the allocation report.
7. The post-issuance review referred to in paragraphs 3, 4, and 5 shall contain all of the following:
 - (a) an assessment of whether the issuer has allocated the proceeds of the bond in compliance with Articles 4 to **7c** based on the information provided to the external reviewer;
 - (b) an assessment of whether the issuer has complied with the intended use of proceeds set out in the green bond factsheet based on the information provided to the external reviewer;
 - (c) the elements set out in Annex IV.
8. Where bond proceeds are allocated to tax relief as referred to in Article 4(2), point (c) or subsidies as referred to in Article 4(2), point (d), the post-issuance review shall only assess compliance with Articles 4 to 7 of the terms and conditions under which those expenditures or transfers have been disbursed. ***Those allocations of proceeds shall be subject to an ex ante impact assessment by an independent third party that gives a positive assessment of the impact and cost-efficiency of such allocations. The effectiveness of an allocation of proceeds shall also be reviewed ex post by the state auditors or other relevant public entity of the Member State concerned.***

Article 10

European green bond impact report

1. Issuers of European green bonds shall, after the full allocation of the proceeds of such bonds and at least **twice** during the lifetime of the bond, draw up a European green bond impact report on the ■ impact of the use of the bond proceeds by using the template laid down in Annex III.

2. *Each impact report shall relate to one individual bond. Several impact reports may be published jointly.*
- 2a. *By way of derogation from Article 10(2), a European green bond allocation report concerning an allocation of a portfolio of European green bonds to a portfolio of financial assets as referred to in Article 5 may relate to several European green bond issuances.*
- 2b. *Issuers of European green bonds may obtain a review by an external reviewer of the impact report. That impact report review shall contain all of the following:*
 - (a) *an assessment of whether the bond issuance aligns with the broader sustainability strategy of the issuer;*
 - (b) *an assessment of the indicated sustainability impact of the bond proceeds;*
 - (c) *the elements set out in Annex IV.*

Article 11

Sovereigns as issuer

An issuer that is a sovereign may obtain pre-issuance, post-issuance **and impact report** reviews from an external reviewer, or from a state auditor or any other public entity that is mandated by the sovereign to assess compliance with this Regulation. **State auditors or other public entities that are mandated by non-Union sovereign issuers shall be required to obtain an approval from ESMA in accordance with Title III Chapter 1.**

Article 12

Prospectus for European green bonds

1. Where a prospectus is to be published pursuant to Regulation (EU) 2017/1129, that prospectus shall clearly state, where required to provide information on the use of proceeds, that the European green bond is issued in accordance with this Regulation.
2. **■** The information contained in the European green bond factsheet referred to in Article 8(1), point (a) of this Regulation **shall be fully integrated in the prospectus referred to in paragraph 1 of this Article by using the standardised template laid down in Annex I.**

Article 12a

Civil liability

1. **Member States shall ensure that responsibility for the taxonomy-aligned allocation of proceeds provided for in Articles 4 to 7 attaches to the issuer or its administrative, management or supervisory bodies.**
2. **Member States shall ensure that their laws, regulations and administrative provisions on civil liability apply to those persons responsible for any damages incurred by investors due to an infringement of Articles 4 to 7 of this Regulation.**

Article 13

Publication on the issuer's website and notification to ESMA and national competent authorities

1. Issuers of European green bonds shall publish on their website ***and, where applicable, on the website of trading venues where the admission to trading is sought***, in a distinct ***and accessible*** section titled 'European green bonds' and make available free of charge until at least the maturity of the bonds concerned, all of the following:
 - (a) the completed European green bond factsheet referred to in Article 8, before the issuance of the bond;
 - (b) the pre-issuance review related to the European green bond factsheet referred to in Article 8, before the issuance of the bond;
 - (c) the European green bond annual allocation reports referred to in Article 9, every year until the full allocation of the proceeds of the European green bond concerned, no later than three months following the end of the year it refers to;
(ca) where applicable, the CapEx plan referred to in Article 6;
 - (d) the post-issuance reviews of the European green bond allocation reports referred to in Article 9;
 - (e) the European green bond impact report referred to in Article 10.
(ea) where applicable, the impact report review of the European green bond impact report referred to in Article 10;
(eb) where applicable, the information referred to in Article 7b;
2. The information contained in the documents referred to in paragraph 1, points (a), (c) and (e), shall be provided in the following language or languages:
 - (a) where the European green bonds are offered to the public or are listed on a market in only one Member State, in a language accepted by the competent authority, as referred to in Article 36 of this Regulation, of that Member State;
 - (b) where the European green bonds are offered to the public or are listed on a market in two or more Member States, either in a language accepted by the competent authority, as referred to in Article 37 of this Regulation, of each Member State, or in a language customary in the sphere of international finance, at the choice of the issuer.
3. By way of derogation from paragraph 2, where a prospectus for the European green bond is to be published in accordance with Regulation (EU) 2017/1129, the information contained in the documents referred to in paragraph 1, points (a), (c) and (e), shall be provided in the language or languages of that prospectus.
4. Issuers of European green bonds shall notify the National Competent Authority referred to in Article 36 of the publication of all the documents referred to in paragraph 1 without undue delay.
5. Issuers of European green bonds shall notify ESMA of the publication of all the documents referred to in paragraph 1 within 30 days.

Title III

External reviewers for European Green Bonds

Chapter I

Conditions for taking up activities as external reviewer for European green bonds

Article 14 **Registration**

1. External reviewers for European green bonds shall, before taking up their activities, register with ESMA.
2. External reviewers registered with ESMA shall meet the conditions for registration laid down in Article 15(2) at all times.
3. State auditors and other public entities mandated by sovereign issuers to assess compliance with this Regulation shall not be subject to Title III and Title IV of this Regulation.

Article 15 **Application for registration as an external reviewer for European Green Bonds**

1. An application for registration as an external reviewer for European green bonds shall contain all of the following information:
 - (a) the full name of the applicant, the address of the registered office within the Union, the applicant's website and, where available, the legal entity identifier (LEI);
 - (b) the name and contact details of a contact person;
 - (c) the legal status of the applicant;
 - (d) the ownership structure of the applicant;
 - (da) a document containing information on the business plans and corporate governance arrangements of the applicant;**
 - (e) the identity of the members of the senior management **and the board** of the applicant **with their curriculum vitae showing at least** their level of qualification, experience and training;
 - (f) the number of the analysts, employees and other persons directly involved in assessment activities, and their level of experience and training **gained prior to and while** working for the applicant **in the provision of external review or similar services**;
 - (g) a description of the procedures and methodologies implemented by the applicant to issue pre-issuance reviews as referred to in Article 8, post-issuance reviews as referred to in Article 9 **and impact report reviews as referred to in Article 10**;

- (h) the policies or procedures implemented by the applicant identify, *eliminate or manage*, and disclose *in a transparent manner any actual or potential* conflicts of interests as referred to in Article 27;
 - (i) where applicable, documents and information related to any **■** outsourcing arrangements for activities of the external reviewer covered by this Regulation, including information on entities assuming outsourcing functions;
 - (j) where applicable, information about other activities carried out by the applicant.
2. ESMA shall only register an applicant as an external reviewer where all of the following conditions are met:
- (a) the senior management *and the board* of the applicant *are*:
 - (i) of sufficiently good repute, *as demonstrated by, among other matters, legal records and the absence of occurrences of professional negligence*;
 - (ii) sufficiently skilled to ensure that the applicant can perform the tasks required of external reviewers pursuant to this Regulation;
 - (iii) *with* sufficient professional qualifications;
 - (iv) experienced in *a range of the following activities*: quality assurance, quality control, the performance of pre, post-issuance *and impact report* reviews, *the provision of second party alignment opinions* and financial services;
 - (b) the number of analysts, employees and other persons directly involved in assessment activities, and their level of experience and training, are sufficient to perform the tasks required from external reviewers pursuant to this Regulation;
 - (c) the internal arrangements implemented to ensure compliance with the requirements of Chapter II of this Section are appropriate and effective.
3. ESMA shall assess whether the application is complete within 20 working days after its receipt.
- Where the application is not complete, ESMA shall notify the applicant thereof and set a deadline by which the applicant is to provide additional information. ***ESMA shall assess whether the application is complete within 20 working days after the receipt of that additional information.***
- Where the application is complete, ESMA shall notify the applicant thereof.
4. ESMA shall register or refuse to register an applicant within 45 working days after receipt of the complete application.
- ESMA may extend the period referred to in the first subparagraph by 15 working days where the applicant intends to use outsourcing to perform *some of* its activities as an external reviewer.
- ESMA shall notify in writing an applicant of his or her registration as an external reviewer, or of its refusal to register an applicant. The decision to register or the refusal to register shall provide reasons and take effect on the fifth working day following its adoption.
5. ESMA shall develop draft regulatory technical standards specifying the criteria referred to in paragraph 2, points (a) and (b).

ESMA shall submit those draft regulatory technical standards to the Commission by [*PO: Please insert date 12 months after the date of entry into force*].

Power is delegated to the Commission to supplement this Regulation by adopting the regulatory technical standards referred to in the first subparagraph in accordance with Articles 10 to 14 of Regulation (EU) No 1095/2010.

6. ESMA shall develop draft implementing technical standards to specify the standard forms, templates and procedures for the provision of the information referred to in paragraph 1.

When developing the draft implementing technical standards, ESMA shall take into account digital means of registration.

ESMA shall submit those draft implementing technical standards to the Commission by [*PO: Please insert date 12 months after the date of entry into force*].

Power is conferred on the Commission to adopt the implementing technical standards referred to in the first subparagraph of this paragraph in accordance with Article 15 of Regulation (EU) No 1095/2010.

Article 16

Material changes relevant for the registration

1. An external reviewer shall notify ESMA of any material changes in the information provided in accordance with Article 15(1) or in the facts concerning the information referred to in Article 15(1) before such changes are implemented

ESMA shall analyse those material changes. Where ESMA objects to such material changes, it shall inform the external reviewer within **45 working days** of the notification of those changes and shall state the reasons for the objection. The changes referred to in the first subparagraph may only be implemented provided that ESMA does not object to those changes within that period.

2. ESMA shall develop draft implementing technical standards to specify the standard forms, templates and procedures for the provision of the information referred to in paragraph 1.

When developing the draft implementing technical standards ESMA shall take into account digital means of registration.

ESMA shall submit those draft implementing technical standards to the Commission by [*PO: Please insert date 24 months after the date of entry into force*].

Power is conferred on the Commission to adopt the implementing technical standards referred to in the first subparagraph of this paragraph in accordance with Article 15 of Regulation (EU) No 1095/2010.

Article 17

Language regime

An external reviewer shall submit the application for registration referred to in Article 15 in any of the official languages of the institutions of the Union. The provisions of Regulation No 1 of 15 April 1958 determining the languages to be used by the European Economic

Community¹⁹ shall apply mutatis mutandis to any other communication between ESMA and the external reviewers and their staff.

Chapter II

Organisational requirements, processes and documents concerning governance

Article 18 **General principles**

1. External reviewers shall employ appropriate systems, resources and procedures to comply with their obligations under this Regulation.
2. External reviewers shall monitor and evaluate the adequacy and effectiveness of their systems, resources and procedures established in accordance with this Regulation at least annually and take appropriate measures to address any deficiencies.
3. ESMA shall develop draft regulatory technical standards specifying the criteria to assess the appropriateness, adequacy, and effectiveness of the systems, resources, mechanisms, and procedures of external reviewers referred to in paragraphs 1 and 2.

ESMA shall submit those draft regulatory technical standards to the Commission by [PO: Please insert date **36 months after the date of entry into force**].

Power is delegated to the Commission to supplement this Regulation by adopting the regulatory technical standards referred to in the first subparagraph of this paragraph in accordance with Articles 10 to 14 of Regulation (EU) No 1095/2010.

Article 19 **Senior management**

1. The senior management **and the board** of the external reviewer shall ensure **or oversee** all of the following:
 - (a) the sound and prudent management of the external reviewer;
 - (b) the independence of assessment activities;
 - (c) that **any actual or potential** conflicts of interest are properly identified, **eliminated or** managed, and disclosed **in a transparent manner**;
 - (d) that the external reviewer complies with the requirements of this Regulation at all times.
2. ESMA shall develop draft regulatory technical standards specifying the criteria to assess the sound and prudent management of the external reviewer referred to in paragraph 1, point (a) **and (c)**.

ESMA shall submit those draft regulatory technical standards to the Commission by [PO: Please insert date **12 months after the date of entry into force**].

¹⁹ OJ 17, 6.10.1958, p. 385/58.

Power is delegated to the Commission to supplement this Regulation by adopting the regulatory technical standards referred to in the first subparagraph of this paragraph in accordance with Articles 10 to 14 of Regulation (EU) No 1095/2010.

Article 20

Analysts and employees of external reviewers

1. External reviewers shall ensure that their analysts and employees, and any other natural person whose services are placed at their disposal or under their control and are involved in assessment activities, have the necessary knowledge and experience for the duties assigned.
2. External reviewers shall ensure that the persons referred to in paragraph 1 are not allowed to initiate or participate in negotiations regarding fees or payments with any assessed entity, related third party or any person directly or indirectly linked to the assessed entity by control.
3. ESMA shall develop draft regulatory technical standards specifying the criteria to assess the appropriateness of the knowledge and experience of the persons referred to in paragraph 1.

ESMA shall submit those draft regulatory technical standards to the Commission by [PO: Please insert date 12 months after the date of entry into force].

Power is delegated to the Commission to supplement this Regulation by adopting the regulatory technical standards referred to in the first subparagraph of this paragraph in accordance with Articles 10 to 14 of Regulation (EU) No 1095/2010.

Article 21

Compliance function

1. External reviewers shall establish and maintain a permanent and effective compliance function ***which operates independently. The compliance function shall monitor, advise and report on the compliance of the external reviewer and its employees with the external reviewer's obligations*** under this Regulation.
2. External reviewers shall ensure that the compliance function:
 - (a) has the ***authority*** to discharge its responsibilities properly and independently;
 - (b) has the necessary resources and expertise and access to all relevant information;
 - (c) does not monitor or assess its own activities;
 - (d) is not compensated in relation to the business performance of the external reviewer.
3. The findings of the compliance function shall be made available to either a supervisory organ or, where applicable, an administrative organ of the external reviewer.
4. ESMA shall develop draft regulatory technical standards specifying the criteria to assess whether the compliance function has the ***authority*** to discharge its responsibilities properly and independently as referred to in paragraph 2, point (a), and the criteria to assess whether the compliance function has the necessary resources and expertise and has access to all relevant information as referred to in paragraph 2, point (b).

ESMA shall submit those draft regulatory technical standards to the Commission by [PO: Please insert date 24 months after the date of entry into force].

Power is delegated to the Commission to supplement this Regulation by adopting the regulatory technical standards referred to in the first subparagraph of this paragraph in accordance with Articles 10 to 14 of Regulation (EU) No 1095/2010.

Article 22

Internal policies and procedures

1. External reviewers shall adopt and implement internal due diligence policies and procedures that ensure their business interests do not impair the independence or accuracy of the assessment activities.
2. External reviewers shall adopt and implement sound administrative and accounting procedures, internal control mechanisms, and effective control and safeguard arrangements for information processing systems.
3. ESMA shall develop draft regulatory technical standards specifying the criteria to assess the sound administrative and accounting procedures, internal control mechanisms, and effective control and safeguard arrangements for information processing systems referred to in paragraph 2.

ESMA shall submit those draft regulatory technical standards to the Commission by [PO: Please insert date 24 months after the date of entry into force].

Power is delegated to the Commission to supplement this Regulation by adopting the regulatory technical standards referred to in the first subparagraph of this paragraph in accordance with Articles 10 to 14 of Regulation (EU) No 1095/2010.

Article 23

Assessment methodologies and information used for the pre-issuance, post-issuance or impact report reviews

1. External reviewers shall adopt and implement measures to ensure that their pre-issuance reviews as referred to in Article 8, their post-issuance reviews as referred to in Article 9 ***and their impact report reviews referred to in Article 10*** are based on a thorough analysis of all the information that is available to them and that, according to their ***transparent and public*** methodologies, is relevant to their analysis.
 - 1a. ***External reviewers shall make publicly available the following:***
 - (a) ***the methodologies that they use in their assessment activities for their pre-issuance reviews as referred to in Article 8;***
 - (b) ***their post-issuance reviews as referred to in Article 9; and***
 - (c) ***their impact report reviews as referred to in Article 10.***
2. External reviewers shall use information of sufficient quality and from reliable sources when providing pre-issuance, post-issuance ***or impact report*** reviews.

3. ESMA shall develop draft regulatory technical standards specifying the criteria to assess whether the information referred to in paragraph 2 is of sufficient quality and whether the sources referred to in paragraph 2 are reliable.

ESMA shall submit those draft regulatory technical standards to the Commission by [PO: Please insert date 24 months after the date of entry into force].

Power is delegated to the Commission to supplement this Regulation by adopting the regulatory technical standards referred to in the first subparagraph of this paragraph in accordance with Articles 10 to 14 of Regulation (EU) No 1095/2010.

Article 24

Errors in assessment methodologies or in their application

1. External reviewers that become aware of errors in their assessment methodologies or in their application that have a material impact on a pre-issuance review as referred to in Article 8 or a post-issuance review as referred to in Article 9 ***or an impact report review as referred to in Article 10*** shall immediately notify and explain those errors to ESMA and the issuers of the affected European green bonds.
2. External reviewers shall ***address errors in a timely manner and*** publish the errors referred to in paragraph 1 on their websites, together with, where relevant, a revised ***and corrected*** pre-issuance, post-issuance ***or impact report*** review ***as soon as possible***. The revised documents shall state the reasons for the changes.

Article 25

Outsourcing

1. External reviewers that outsource ***part of*** their assessment activities to third party service providers shall ensure that any such third party service provider has the ability and the capacity to perform those assessment activities reliably and professionally. Those external reviewers shall also ensure that the outsourcing does not materially impair the quality of their internal control and the ability of ESMA to supervise the compliance of those external reviewers with this Regulation.
2. ***A decision by external reviewers to outsource part of their assessment activities as referred to in paragraph 1 shall be duly motivated.*** External reviewers shall not outsource ***all of their assessment activities or outsource*** their compliance function.
3. External reviewers shall notify ESMA about those of its assessment activities which are to be outsourced, including a specification of the level of human and technical resources needed to carry out each of those activities. ***ESMA shall, within 30 days of the date of receipt of the notification referred to in the first subparagraph, approve or reject the outsourcing arrangements. ESMA shall reject the outsourcing arrangements if it considers that the external reviewer does not comply with paragraphs 1, 2 or 4.***
4. External reviewers that outsource assessment activities shall ensure that such outsourcing does not reduce or impair their ability to perform their function or roles as members of the external reviewer's senior management or management body.
5. External reviewers shall ensure that third party service providers cooperate ***effectively and comply fully*** with ***any supervisory requests from*** ESMA in connection with any outsourced assessment activities.

6. External reviewers shall remain responsible for any outsourced activity and shall adopt organisational measures to ensure the following:
- (a) that they assess whether third party service providers are carrying out outsourced assessment activities effectively and in compliance with applicable Union and national laws and regulatory requirements and adequately addresses identified failures;
 - (b) the identification of any potential risks in relation to outsourced assessment activities;
 - (c) adequate periodic monitoring of the outsourced assessment activities;
 - (d) adequate control procedures with respect to outsourced assessment activities, including effective supervision of the outsourced assessment activities and of any potential risks within the third party service provider;
 - (e) adequate business continuity of outsourced assessment activities.

For the purposes of point (e), external reviewers shall obtain information about the business continuity arrangements of third party service providers, assess their quality, and request improvements to such arrangements where necessary.

7. ESMA shall develop draft regulatory technical standards specifying:
- (a) the criteria to assess the ability and the capacity of third party service providers to perform the assessment activities reliably and professionally;
 - (b) the criteria to ensure that the performance of assessment activities does not materially impair the quality of the external reviewers' internal control or the ability of ESMA to supervise the external reviewers' compliance with this Regulation, ***including potential limits on the assessment activities that are to be outsourced.***

ESMA shall submit those draft regulatory technical standards to the Commission by [PO: Please insert date 12 months after the date of entry into force].

Power is delegated to the Commission to supplement this Regulation by adopting the regulatory technical standards referred to in the first subparagraph of this paragraph in accordance with Articles 10 to 14 of Regulation (EU) No 1095/2010.

Article 26

Record-keeping requirements

1. External reviewers shall keep adequate records of all of the following:
- (a) the identity of the persons participating in the determination and approval of the pre-issuance reviews referred to in Article 8, the post-issuance reviews referred to in Article 9 ***and impact report reviews referred to in Article 10***, and the date on which the decisions to approve the pre-issuance, post-issuance ***and impact report*** reviews were taken;
 - (b) the documentation for the established procedures and methodologies used by the external reviewers to carry out and draw up the pre-issuance, post-issuance reviews ***and impact report***;

- (c) the internal documents, including non-public information and work papers, used to form the basis of any published pre-issuance, post-issuance **or impact report** review;
 - (d) records of the procedures and measures implemented by the external reviewers to comply with this Regulation;
 - (e) copies of internal and external communications that relate to assessment activities, including electronic communications, received and sent by the external reviewer and its employees, that relate to assessment activities.
2. The records and documents referred to in paragraph 1 shall be kept for five years and shall be made available upon request to ESMA.
 3. Where ESMA has withdrawn the registration of an external reviewer in accordance with Article 51(1), that external reviewer shall ensure that the records and documents are kept for an additional five years. Records and documents which set out the respective rights and obligations of the external reviewer and the issuer of the European green bond under an agreement to provide assessment services shall be retained for the duration of the relationship with that issuer.

Article 27

Conflicts of interest and confidentiality of information

1. External reviewers shall identify, eliminate, manage and disclose in a transparent manner any actual or potential conflicts of interest, irrespective of whether that conflict of interest concerns their analysts or employees, **shareholders**, any person that is contractually related to the external reviewers and that is directly involved in assessment activities, or persons approving pre-issuance reviews, post-issuance reviews **and impact report reviews**.

For the purposes of this Regulation, the term ‘shareholder’ includes beneficial owners as defined in Article 3, point (6), of Directive (EU) 2015/849 of the European Parliament and of the Council²⁰.

2. Fees charged by external reviewers for assessment services shall **be agreed by the reviewer and the issuer prior to the pre-issuance, post-issuance or impact report review and shall** not depend on the result of the pre-issuance, post-issuance **or impact report** review, or on any other result or outcome of the work performed.
3. Analysts, employees of the external reviewer and any other person contractually related to the external reviewers and directly involved in assessment activities shall be bound by the obligation of professional secrecy.
4. External reviewers shall ensure that their analysts and employees or any other natural person contractually related to the external reviewers and directly involved in assessment activities:

²⁰ ***Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending Regulation (EU) No 648/2012 of the European Parliament and of the Council, and repealing Directive 2005/60/EC of the European Parliament and of the Council and Commission Directive 2006/70/EC (OJ L 141 5.6.2015, p. 73).***

- (a) take all reasonable measures to protect property and records in the possession of the external reviewer from fraud, theft or misuse, taking into account the nature, scale and complexity of their business and the nature and range of their assessment activities;
- (b) do not disclose any information about pre-issuance, post-issuance *or impact report reviews*, possible future pre-issuance, post-issuance *or impact report reviews*, to any parties other than the issuers that have requested the assessment by the external reviewer
- (c) do not use or share confidential information for any other purpose than assessment activities.

4a. An external reviewer shall not issue a review in any of the following circumstances:

- (a) the external reviewer, or any person referred to in paragraph 1, directly or indirectly owns financial instruments of the reviewed entity or a related third party or has any other direct or indirect ownership interest in that entity or party, other than holdings in diversified collective investment schemes, including managed funds such as pension funds or life insurance;**
- (b) a shareholder or member of the external reviewer holding 10 % or more of either the capital or the voting rights of that reviewer or being otherwise in a position to exercise significant influence on the business activities of the reviewer, holds 10 % or more of either the capital or the voting rights of the reviewed entity or of a related third party, or of any other ownership interest in that reviewed entity or third party, excluding holdings in diversified collective investment schemes and managed funds such as pension funds or life insurance that do not put that shareholder or member of the external reviewer in a position to exercise significant influence on the business activities of the scheme;**
- (c) the external review concerns a reviewed entity or a related third party directly or indirectly linked to the external reviewer by control;**
- (d) the external review concerns a reviewed entity or a related third party which holds 10 % or more of either the capital or the voting rights of the external reviewer;**
- (e) a person referred to in paragraph 1 is a member of the administrative or supervisory board of the reviewed entity or a related third party;**
- (f) a shareholder or member of an external reviewer holding 10 % or more of either the capital or the voting rights of that external reviewer or being otherwise in a position to exercise significant influence on the business activities of the external reviewer, is a member of the administrative or supervisory board of the reviewed entity or a related third party; or**
- (g) a rating analyst who participated in determining a review outcome, or a person who approved a review, has had a relationship with the reviewed entity or a related third party which might cause a conflict of interests.**

An external reviewer shall immediately notify ESMA where any of the circumstances set out in the first subparagraph apply to an existing review.

Article 28
Provision of other services

External reviewers that provide services other than assessment activities shall ensure that those other services do not create conflicts of interest with their assessment activities concerning European green bonds. Such external reviewers shall disclose in their pre-issuance, post-issuance **and impact report** reviews any other services provided for the assessed entity or any related third party.

The assessment activities referred to in the first paragraph shall be considered to be non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 of the European Parliament and of the Council²¹. Such assessment activities shall not fall within the scope of the derogations in respect of the provision of certain non-audit services provided for in Article 5(3) of that Regulation.

Chapter III

Pre-issuance, post-issuance *and impact report* reviews

Article 29
References to ESMA or other competent authorities

In their pre-issuance, post-issuance **or impact report** reviews, external reviewers shall not refer to ESMA or any competent authority in a way that could indicate or suggest that ESMA or any competent authority endorses or approves that review or any assessment activities of the external reviewer.

Article 30
Publication of pre-issuance, post-issuance and impact report reviews

1. External reviewers shall publish and make available free of charge on their websites **and on the website of the trading venue to which admission is sought by the issuer** all of the following:
 - (a) in a separate section titled ‘European green bond standard - Pre-issuance reviews’ pre-issuance reviews that it issued;
 - (b) in a separate section titled ‘European green bond standard - Post-issuance reviews’ post-issuance reviews that it issued;
 - (c) ***in a separate section titled ‘European green bond standard - Impact report reviews’ impact report reviews that it issued.***

2. The pre-issuance reviews referred to in paragraph 1, point (a), shall be made available to the public within a reasonable period of time prior to the beginning of the offer to the public or the admission to trading of the European green bond concerned.

²¹ ***Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC (OJ L 158, 27.5.2014, p. 77).***

3. The post-issuance reviews referred to in paragraph 1, point (b), shall be made available to the public without delay following the assessment of the allocation reports by the external reviewer.
- 3a. *The impact report reviews referred to in paragraph 1, point (c), shall be made available to the public without delay following the assessment of the impact reports by the external reviewer.***
4. The pre-issuance reviews referred to in paragraph 1, point (a), the post-issuance reviews referred to in paragraph 1, point (b), **and the impact report reviews referred to in paragraph 1, point (c)**, shall remain publicly available until at least the maturity of the bond after their publication on the website of the external reviewer.
5. External reviewers that decide to discontinue providing a pre-issuance post-issuance **or impact report** review shall provide information about the reasons for that decision in the sections referred to in paragraph 1, points (a) (b) **and (c)**, without delay following such decision.

Chapter IV

Provision of services by third-country external reviewers

Article 31

General provisions

1. A third-country external reviewer may provide its services in accordance with this Regulation to issuers that issue European green bonds where that third-country external reviewer is registered in the register of third-country external reviewers kept by ESMA in accordance with Article 59.
 - 1a. *ESMA may extend the period referred to in the first subparagraph by 15 working days in cases where the applicant third-country external reviewer intends to use outsourcing to perform its activities as an external reviewer.***
2. ESMA shall register a third-country external reviewer that has applied for the provision of external reviewer services in accordance with this Regulation throughout the Union in accordance with paragraph 1 only where the following conditions are met:
 - (a) the Commission has adopted a decision in accordance with Article 32(1);
 - (b) the third-country external reviewer is registered or authorised to provide the external review services to be provided in the Union and is subject to effective supervision and enforcement ensuring full compliance with the requirements applicable in that third country;
 - (c) cooperation arrangements have been established pursuant to Article 32(3).
3. Where a third-country external reviewer is registered in accordance with this Article, no additional requirements on the third-country external reviewer in respect of matters covered by this Regulation shall be imposed.
4. The third-country external reviewer referred to in paragraph 1 shall submit its application to ESMA after the adoption by the Commission of the decision referred to in Article 32 determining that the legal and supervisory framework of the third country

in which the third-country external reviewer is registered or authorised is equivalent to the requirements described in Article 32(1).

5. The third-country external reviewer shall submit its application referred to in the first paragraph by using the forms and templates referred to in Article 15.
6. The applicant third-country external reviewer shall provide ESMA with all information necessary for its registration.
7. Within 20 working days of receipt of the application, ESMA shall assess whether the application is complete. Where the application is not complete, ESMA shall set a deadline by which the applicant third-country external reviewer is to provide additional information.
8. The registration decision shall be based on the conditions set out in paragraph 2.
9. Within 45 working days of the submission of a complete application, ESMA shall inform the applicant third-country external reviewer in writing with a fully reasoned explanation whether the registration has been granted or refused.
10. Third-country external reviewers providing services in accordance with this Article shall, before providing any service in relation to issuers of European green bonds established in the Union, offer to submit any disputes relating to those services to the jurisdiction of a court or arbitral tribunal in a Member State.

Article 32

Equivalence decision

1. The Commission may adopt a decision in relation to a third country stating that the legal and supervisory arrangements of that third country ensure that external reviewers registered or authorised in that third country comply with legally binding organisational and business conduct requirements which have equivalent effect to the requirements laid down in this Regulation and in the implementing measures adopted pursuant to this Regulation and that the legal framework of that third country provides for an effective equivalent system for the recognition of external reviewers registered or authorised under third-country legal regimes.
2. The organisational and business conduct framework of a third country may be considered to have equivalent effect where that framework fulfils all the following conditions:
 - (a) entities providing external review services in that third country are subject to registration or authorisation and to effective supervision and enforcement on an ongoing basis;
 - (b) entities providing external review services are subject to adequate organisational requirements in the area of internal control functions; and
 - (c) entities providing external review services are subject to appropriate conduct of business rules.
3. ESMA shall establish cooperation arrangements with the relevant competent authorities of third countries whose legal and supervisory frameworks have been recognised as effectively equivalent in accordance with paragraph 1. Such arrangements shall specify all of the following:

- (a) the mechanism for the exchange of information between ESMA and the competent authorities of the third countries concerned, including access to all information regarding the third-country external reviewers registered or authorised in third countries that is requested by ESMA;
 - (b) the mechanism for prompt notification to ESMA where a third-country competent authority deems that a third-country external reviewer that it is supervising and ESMA has registered in the register referred to in Article 59 infringes the conditions of its registration or authorisation or other law to which it is obliged to adhere;
 - (c) the procedures concerning the coordination of supervisory activities including, where appropriate, on-site inspections.
4. A third-country external reviewer established in a country whose legal and supervisory framework has been recognised to be effectively equivalent in accordance with paragraph 1, and which is registered in the register referred to in Article 59, shall be able to provide the services covered under the registration to issuers of European green bonds throughout the Union.
5. A third-country external reviewer shall no longer use the rights under Article 31 where the Commission withdraws its decision under paragraph 1 of this Article in relation to that third country.

Article 33

Withdrawal of registration of third country external reviewer

1. ESMA shall withdraw the registration of a third-country external reviewer in the register established in accordance with Article 59 where one or more of the following conditions are met:
- (a) ESMA has well-founded reasons based on documented evidence to believe that, in the provision of the services in the Union, the third-country external reviewer is acting in a manner which is clearly prejudicial to the interests of investors or the orderly functioning of markets;
 - (b) ESMA has well-founded reasons based on documented evidence to believe that, in the provision of services in the Union, the third-country external reviewer has seriously infringed the provisions applicable to it in the third country and on the basis of which the Commission has adopted the decision in accordance with Article 32(1).
- 1a. Where one or more of the conditions set out in the first subparagraph are met, ESMA shall refer the matter to the third-country competent authority. If the third-country competent authority has not taken the appropriate measures needed to protect investors and the proper functioning of the markets in the Union or has failed to demonstrate that the third-country external reviewer concerned complies with the requirements applicable to it in the third country, ESMA shall withdraw the registration of the third-country external reviewer at the latest 30 days after having notified the third-country competent authority of its intention to withdraw the registration.***
2. ESMA shall inform the Commission of any measure adopted in accordance with paragraph 1 without delay and shall publish its decision on its website.

3. The Commission shall assess whether the conditions under which a decision in accordance with Article 32(1) has been adopted continue to persist in relation to the third country concerned.

Article 34

Recognition of an external reviewer located in a third country

1. Until such time as an equivalence decision in accordance with Article 32(1) is adopted, a third country external reviewer may provide its services in accordance with this Regulation provided that the third country external reviewer acquires prior recognition from ESMA in accordance with this Article.
2. A third country external reviewer intending to obtain prior recognition as referred to in paragraph 1 shall comply with the requirements laid down in Articles 15 to 30 and Articles 47 to 49.
3. A third country external reviewer intending to obtain prior recognition referred to in paragraph 1 shall have a legal representative located in the Union. That legal representative shall:
 - (a) be responsible, together with the third country external reviewer, for ensuring that the provision of services under this Regulation by the third country external reviewer meets the requirements referred to in paragraph 2 and shall in that respect be accountable to ESMA for the conduct of the third country external reviewer in the Union;
 - (b) act on behalf of the third country external reviewer as the main point of contact with ESMA and any other person in the Union with regard to the external reviewer's obligations under this Regulation;
 - (c) have sufficient knowledge, expertise and resources to fulfil its obligations under this paragraph.
4. An application for prior recognition from ESMA as referred to paragraph 1 shall contain all information necessary to satisfy ESMA that the third country external reviewer has implemented all the necessary arrangements to meet the requirements referred to in paragraphs 2 and 3 and shall, where applicable, indicate the competent authority responsible for its supervision in the third country.
5. ESMA shall assess whether the application for prior recognition from ESMA is complete within **30** working days after receipt of the application.

Where the application is not complete, ESMA shall notify the applicant thereof and set a deadline by which the applicant is to provide additional information.

Where the application is complete, ESMA shall notify the applicant thereof.

Within **60** working days of receipt of the complete application referred to in the first subparagraph of this paragraph, ESMA shall verify that the conditions laid down in paragraphs 2 and 3 are fulfilled.

ESMA shall notify an applicant of its recognition as a third country external reviewer or of its refusal. The decision to recognise or the refusal to recognise shall provide reasons and take effect on the fifth working day following its adoption.

6. ESMA shall suspend or, where appropriate, withdraw the recognition granted in accordance with paragraph 5 where it has well-founded reasons, based on documented evidence, to consider that the third country external reviewer is acting in a manner which is clearly prejudicial to the interests of users of its services or the orderly functioning of markets or the third country external reviewer has seriously infringed the relevant requirements set out in this Regulation, or that the third country external reviewer made false statements or used any other irregular means to obtain the recognition.
7. ESMA shall develop draft regulatory technical standards specifying the information and the form and content of the application referred to in paragraph 4.
ESMA shall submit those draft regulatory technical standards to the Commission by [*PO: Please insert date 24 months after the date of entry into force*].
Power is delegated to the Commission to supplement this Regulation by adopting the regulatory technical standards referred to in the first subparagraph of this paragraph in accordance with Articles 10 to 14 of Regulation (EU) No 1095/2010.

Article 35

Endorsement of services under this Regulation provided in a third country

1. An external reviewer located in the Union registered in accordance with Article 15 and entered in the register in accordance with Article 59, may apply to ESMA to endorse the services provided by a third country external reviewer on an ongoing basis in the Union, provided that all of the following conditions are fulfilled:
 - (a) the endorsing external reviewer has verified and is able to demonstrate on an ongoing basis to ESMA that the provision of services under this Regulation by the endorsed third country external reviewer fulfils, on a mandatory or on a voluntary basis, requirements which are at least as stringent as the requirements of this Regulation;
 - (b) the endorsing external reviewer has the necessary expertise to monitor effectively the activity of the provision of services under this Regulation by that third country external reviewer and to manage the associated risks;
 - (c) the third country external reviewer is relied upon for any of the following objective reasons:
 - i. Specificities of the underlying markets or investments;
 - ii. Proximity of the endorsed reviewer to third country markets, issuers or investors;
 - iii. Expertise of the third country reviewer in providing the services of external review or in specific markets or investments.
2. An external reviewer that makes an application for endorsement as referred to in paragraph 1 shall provide all information necessary to satisfy ESMA that, at the time of application, all the conditions referred to in that paragraph are fulfilled.
3. ESMA shall assess whether the application for endorsement referred to in paragraph 1 is complete within 20 working days after receipt of the application.

Where the application is not complete, ESMA shall notify the applicant thereof and set a deadline by which the applicant is to provide additional information.

Where the application is complete, ESMA shall notify the applicant thereof.

Within 45 working days of receipt of the complete application, ESMA shall examine the application and adopt a decision either to authorise the endorsement or to refuse it.

ESMA shall notify an applicant of its decision regarding endorsement referred to in paragraph 1. The decision shall provide reasons and take effect on the fifth working day following its adoption.

4. Services provided under this Regulation by an endorsed third country external reviewer shall be considered to be services provided by the endorsing external reviewer. The endorsing external reviewer shall not use the endorsement with the intention of avoiding the requirements of this Regulation.
5. An external reviewer that has endorsed services provided under this Regulation by a third country external reviewer shall remain fully responsible for such services and for compliance with the obligations under this Regulation.
6. Where ESMA has well-founded reasons to consider that the conditions laid down under paragraph 1 of this Article are no longer fulfilled, it shall have the power to require the endorsing external reviewer to cease the endorsement.
7. An external reviewer that endorses services provided under this Regulation by a third country external reviewer shall publish the information referred to in Article 13 on its website.
8. An external reviewer that endorses services provided under this Regulation by a third country external reviewer shall report to ESMA annually on the services it has endorsed in the previous twelve months.

Title IV

Supervision by competent authorities and ESMA

Chapter 1

Competent authorities

Article 36

Supervision by competent authorities

Competent authorities designated in accordance with Article 31 of Regulation (EU) 2017/1129 shall ensure that Articles 8 to 13 of this Regulation are applied.

Article 37

Powers of competent authorities

1. In order to fulfil their duties under this Regulation, competent authorities shall have, in accordance with national law, the following supervisory and investigatory powers:
 - (a) to require issuers to include the information referred to in Annex I in the European green bond factsheet;
 - (b) to require issuers to publish yearly allocation reports or include in yearly allocation reports the information about all the elements referred to in Annex II;
 - (c) to require issuers to publish an impact report or include in the impact report the information about all the elements referred to in Annex III;
 - (c a) to require issuers to adhere to the requirements stipulated in Article 7b(2);***
 - (c b) to require issuers to adhere to the requirements stipulated in Article 7c;***
 - (d) to require auditors and senior management of the issuer to provide information and documents;
 - (e) to suspend an offer of European green bonds for a maximum of 10 consecutive working days on any single occasion where there are reasonable grounds for suspecting that Articles 8 to 13 of this Regulation have been infringed;
 - (f) to prohibit or suspend advertisements or require issuers of European green bonds or financial intermediaries concerned to cease or suspend advertisements for a maximum of 10 consecutive working days on any single occasion where there are reasonable grounds for believing that Articles 8 to 13 of this Regulation have been infringed;
 - (f a) to prohibit an offer of European green bonds on any single occasion for as long as Articles 8 to 13 continue to be infringed;***
 - (g) to make public the fact that an issuer of European green bonds is failing to comply with its obligations under Articles 8 to 13 ***and to require the issuer to publish that information on its website and inform investors in the bond of that failure to comply;***

- (g a) to make public the fact that an issuer of sustainability-linked bonds marketed in the Union or bonds marketed as environmentally sustainable in the Union is failing to comply with its obligations under Articles 7b and 7c and to require the issuer to publish that information on its website and inform investors in the bond of that failure to comply;*
- (g b) to prohibit an issuer from issuing European green bonds for a period of time not exceeding one year in the event of repeated suspensions of an offer of European green bonds as provided for in point (e) or of advertisements as provided for in point (f);*
- (h) to carry out on-site inspections or investigations at sites other than the private residences of natural persons, and for that purpose to enter premises in order to access documents and other data in any form, where a reasonable suspicion exists that documents and other data related to the subject-matter of the inspection or investigation may be relevant to prove an infringement of this Regulation.

Where necessary under national law, the competent authority may ask the relevant judicial authority to decide on the use of the powers referred to in the first subparagraph.

2. Competent authorities shall exercise their functions and powers referred to in paragraph 1 in any of the following ways:
 - (a) directly;
 - (b) in collaboration with other authorities;
 - (c) under their responsibility by delegation to such authorities;
 - (d) by application to the competent judicial authorities.
3. Member States shall ensure that appropriate measures are in place so that competent authorities have all the supervisory and investigatory powers, *as well as the adequate resources*, that are necessary to fulfil their duties.
4. A person making information available to the competent authority in accordance with this Regulation shall not be considered to be infringing any restriction on disclosure of information imposed by contract or by any legislative, regulatory or administrative provision, and shall not be subject to liability of any kind related to such notification.

Article 38

Cooperation between competent authorities

1. Competent authorities shall cooperate with each other for the purposes of this Regulation. They shall exchange information without undue delay and cooperate in investigation, supervision and enforcement activities.

Member States that have chosen, in accordance with Article 41(3), to lay down criminal sanctions for infringements of this Regulation shall ensure that appropriate measures are in place so that competent authorities have all the necessary powers to liaise with judicial authorities within their jurisdiction to receive specific information related to criminal investigations or proceedings commenced for possible infringements of this Regulation and provide the same to other competent authorities

to fulfil their obligation to cooperate with each other for the purposes of this Regulation.

2. A competent authority may refuse to act on a request for information or a request to cooperate with an investigation only in any of the following exceptional circumstances:

- (a) where complying with the request is likely to adversely affect its own investigation, enforcement activities or a criminal investigation;
- (b) where judicial proceedings have already been initiated in respect of the same actions and against the same persons before the authorities of the Member State addressed;
- (c) where a final judgment has already been delivered in relation to such persons for the same actions in the Member State addressed.

3. The competent authority may request assistance from the competent authority of another Member State with regard to on-site inspections or investigations.

Where a competent authority receives a request from a competent authority of another Member State to carry out an on-site inspection or an investigation, it may do any of the following:

- (a) carry out the on-site inspection or investigation itself;
- (b) allow the competent authority which submitted the request to participate in an on-site inspection or investigation;
- (c) allow the competent authority which submitted the request to carry out the on-site inspection or investigation itself;
- (d) appoint auditors or experts to carry out the on-site inspection or investigation;
- (e) share specific tasks related to supervisory activities with the other competent authorities.

4. The competent authorities may refer to ESMA situations where a request for cooperation, in particular to exchange information, has been rejected or has not been acted upon within a reasonable time. Without prejudice to Article 258 TFEU, ESMA may, in the situations referred to in the first sentence of this paragraph, act in accordance with the power conferred on it under Article 19 of Regulation (EU) No 1095/2010.

5. ESMA is empowered to develop draft regulatory technical standards to specify the information to be exchanged between competent authorities in accordance with paragraph 1.

Power is delegated to the Commission to adopt the regulatory technical standards referred to in the first subparagraph in accordance with Articles 10 to 14 of Regulation (EU) No 1095/2010.

6. ESMA may develop draft implementing technical standards to establish standard forms, templates and procedures for the cooperation and exchange of information between competent authorities.

Power is conferred on the Commission to adopt the implementing technical standards referred to in the first subparagraph in accordance with Article 15 of Regulation (EU) No 1095/2010.

Article 39

Professional secrecy

1. All information exchanged between the competent authorities under this Regulation that concerns business or operational conditions and other economic or personal affairs shall be considered to be confidential and shall be subject to the requirements of professional secrecy, except where the competent authority states at the time of communication that such information may be disclosed or such disclosure is necessary for legal proceedings.
2. The obligation of professional secrecy shall apply to all persons who work or who have worked for the competent authority or for any third party to whom the competent authority has delegated its powers. Information covered by professional secrecy may not be disclosed to any other person or authority except by virtue of provisions laid down by Union or national law.

Article 40

Precautionary measures

1. A competent authority of the host Member State that has clear and demonstrable grounds for believing that irregularities have been committed by an issuer of an European green bond or that it has infringed its obligations under this Regulation shall refer those findings to the competent authority of the home Member State and to ESMA.
2. Where, despite the measures taken by the competent authority of the home Member State, an issuer of an European green bond persists in infringing this Regulation, the competent authority of the host Member State, after informing the competent authority of the home Member State and ESMA, shall take all appropriate measures to protect investors and shall inform the Commission and ESMA thereof without undue delay.
3. A competent authority that disagrees with any of the measures taken by another competent authority pursuant to paragraph 2 may bring the matter to the attention of ESMA. ESMA may act in accordance with the powers conferred on it under Article 19 of Regulation (EU) No 1095/2010.

Article 41

Administrative sanctions and other administrative measures

1. Without prejudice to the supervisory and investigatory powers of competent authorities under Article 37, and the right of Member States to provide for and impose criminal sanctions, Member States shall, in accordance with national law, provide for competent authorities to have the power to impose administrative sanctions and take appropriate other administrative measures which shall be effective, proportionate and dissuasive. Those administrative sanctions and other administrative measures shall apply to:
 - (a) infringements of Articles 8 to 13;

(aa) infringements of Articles 7b or 7c;

- (b) failure to cooperate or comply in an investigation or with an inspection or request covered by Article 37.

Member States may decide not to lay down rules for administrative sanctions as referred to in the first subparagraph where the infringements referred to in point (a), **point (aa)** or point (b) of that subparagraph are already subject to criminal sanctions in their national law by [date of application of this Regulation]. Where they so decide, Member States shall notify, in detail, to the Commission and to ESMA, the relevant parts of their criminal law.

By [date of application of this Regulation], Member States shall notify, in detail, the rules referred to in the first and second subparagraph to the Commission and to ESMA. They shall notify the Commission and ESMA without delay of any subsequent amendment thereto.

2. Member States shall, in accordance with national law, ensure that competent authorities have the power to impose the following administrative sanctions and other administrative measures in relation to the infringements listed in paragraph 1, point (a) **and (aa)**:

- (a) a public statement indicating the natural person or the entity responsible and the nature of the infringement in accordance with Article 37(1), point (g);
- (b) an order requiring the natural person or entity responsible to cease the conduct constituting the infringement;

(ba) an order prohibiting the natural person or entity responsible from issuing European green bonds for a period of time not exceeding one year;

- (c) maximum administrative pecuniary sanctions of at least twice the amount of the profits gained or losses avoided because of the infringement where those can be determined;
- (d) in the case of a legal person, maximum administrative pecuniary sanctions of at least EUR [500 000], or, in the Member States whose currency is not the euro, the corresponding value in the national currency on [please add entry into force], or 0.5 % of the total annual turnover of that legal person according to the last available financial statements approved by the management body.
- (e) in the case of a natural person, maximum administrative pecuniary sanctions of at least EUR [50 000], or, in the Member States whose currency is not the euro, the corresponding value in the national currency on [date of entry into force of this Regulation].

For the purposes of point (d), where the legal person is a parent undertaking or a subsidiary of a parent undertaking which is required to prepare consolidated financial accounts in accordance with Directive 2013/34/EU of the European Parliament and of the Council²², the relevant total annual turnover shall be the total annual turnover or the corresponding type of income in accordance with the relevant Union law in the

²² Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC (OJ L 182, 29.6.2013, p. 19).

area of accounting according to the last available consolidated accounts approved by the management body of the ultimate parent undertaking.

3. Member States may provide for additional sanctions or measures and for higher levels of administrative pecuniary sanctions than those provided for in this Regulation.

Article 42

Exercise of supervisory powers and powers to impose sanctions

1. Competent authorities, when determining the type and level of administrative sanctions and other administrative measures, shall take into account all relevant circumstances including, where appropriate:
 - (a) the gravity and the duration of the infringement;
 - (b) the degree of responsibility of the person responsible for the infringement;
 - (c) the financial strength of the person responsible for the infringement, as indicated by the total turnover of the responsible legal person or the annual income and net assets of the responsible natural person;
 - (d) the impact of the infringement on retail investors' interests;
 - (e) the importance of the profits gained, losses avoided by the person responsible for the infringement or the losses for third parties derived from the infringement, insofar as they can be determined;
 - (f) the level of cooperation of the person responsible for the infringement with the competent authority, without prejudice to the need to ensure disgorgement of profits gained or losses avoided by that person;
 - (g) previous infringements by the person responsible for the infringement;
 - (h) measures taken after the infringement by the person responsible for the infringement to prevent its repetition.
2. In the exercise of their powers to impose administrative sanctions and other administrative measures under Article 41, competent authorities shall cooperate closely to ensure that the exercise of their supervisory and investigative powers and the administrative sanctions and other administrative measures that they impose are effective and appropriate under this Regulation. They shall coordinate their action in order to avoid duplication and overlaps when exercising their supervisory and investigative powers and when imposing administrative sanctions and other administrative measures in cross-border cases.

Article 43

Right of appeal

Member States shall ensure that decisions taken under this Regulation are properly reasoned and subject to a right of appeal before a tribunal.

Article 44

Publication of decisions

1. A decision imposing an administrative sanction or other administrative measure for infringement of this Regulation shall be published by competent authorities on their

official websites immediately after the person subject to that decision has been informed of that decision. The publication shall include information on the type and nature of the infringement and the identity of the persons responsible. That obligation shall not apply to decisions imposing measures that are of an investigatory nature.

2. Where the publication of the identity of the legal entities, or identity or personal data of natural persons, is considered by the competent authority to be disproportionate following a case-by-case assessment conducted on the proportionality of the publication of such data, or where such publication would jeopardise the stability of financial markets or an on-going investigation, Member States shall ensure that the competent authorities do one of the following:
 - (a) defer the publication of the decision to impose a sanction or a measure until the moment where the reasons for non-publication cease to exist;
 - (b) publish the decision to impose a sanction or a measure on an anonymous basis in a manner which is in conformity with national law, where such anonymous publication ensures an effective protection of the personal data concerned;
 - (c) not publish the decision to impose a sanction or measure in the event that the options laid down in points (a) and (b) are considered to be insufficient to ensure:
 - (i) that the stability of financial markets would not be put in jeopardy;
 - (ii) the proportionality of the publication of such decisions with regard to measures which are deemed to be of a minor nature.

In the case of a decision to publish a sanction or measure on an anonymous basis, as referred to in point (b) of the first subparagraph, the publication of the relevant data may be deferred for a reasonable period where it is expected that within that period the reasons for anonymous publication shall cease to exist.

3. Where the decision to impose a sanction or measure is subject to appeal before the relevant judicial or other authorities, competent authorities shall also publish, immediately, on their official website such information and any subsequent information on the outcome of such appeal. Moreover, any decision annulling a previous decision to impose a sanction or a measure shall also be published.
4. Competent authorities shall ensure that any publication in accordance with this Article shall remain on their official website for a period of at least five years after its publication. Personal data contained in the publication, ***shall be limited to what is necessary for the purposes of the specific case***, shall be kept on the official website of the competent authority only for the period which is necessary in accordance with the applicable data protection rules.

Article 45

Reporting sanctions to ESMA

1. The competent authority shall, on an annual basis, provide ESMA with aggregate information regarding all administrative sanctions and other administrative measures imposed in accordance with Article 41. ESMA shall publish that information in an annual report.

Where Member States have chosen, in accordance with Article 41(3), to lay down criminal sanctions for the infringements of the provisions referred to in that paragraph,

their competent authorities shall provide ESMA annually with anonymised and aggregated data regarding all criminal investigations undertaken and criminal sanctions imposed. ESMA shall publish data on criminal sanctions imposed in an annual report.

2. A competent authority that has disclosed administrative sanctions, other administrative measures or criminal sanctions to the public shall simultaneously report those sanctions or measures to ESMA.
3. Competent authorities shall inform ESMA of all administrative sanctions or other administrative measures imposed but not published in accordance with Article 44(2), first subparagraph, point (c), including any appeal in relation thereto and the outcome thereof. Member States shall ensure that competent authorities receive information and the final judgment in relation to any criminal sanction imposed and submit it to ESMA. ESMA shall maintain a central database of sanctions communicated to it solely for the purposes of exchanging information between competent authorities. That database shall be accessible to competent authorities only and it shall be updated on the basis of the information provided by the competent authorities.

Chapter 2

ESMA

Article 46

Exercise of the powers referred to in Articles 47, 48 and 49

The powers conferred on ESMA, any of its officials or any other person authorised by ESMA by Articles 47, 48 and 49 shall not be used to require the disclosure of information or documents that are subject to legal privilege.

Article 47

Requests for information

1. ESMA may by simple request or by decision require the following persons to provide all information that is necessary to carry out its duties under this Regulation:
 - (a) ***employees and all persons conducting*** the business of the external reviewer;
 - (b) members of the supervisory , management or administrative ***boards*** of the external reviewer;
 - (c) members of the senior management of the external reviewer;
 - (d) any person directly involved in assessment activities of the external reviewer;
 - (e) legal representatives and employees of entities to which an external reviewer has outsourced certain functions in accordance with Article 25;
 - (f) persons otherwise closely and substantially related or connected to the process of managing the external reviewer, ***including shareholders and other companies that are part of the external reviewer's corporate group***;
 - (g) anyone that acts like, or pretends to be, an external reviewer, without being registered as such, and any person that performs any of the functions referred to in points (a) to (f) for such person.

2. When sending a simple request for information under paragraph 1, ESMA shall:
 - (a) refer to this Article as the legal basis of that request;
 - (b) state the purpose of the request;
 - (c) specify what information is required;
 - (d) set a time-limit within which the information is to be provided;
 - (e) inform the person from whom the information is requested that there is no obligation to provide the information but that in case of a voluntary reply to the request the information provided must not be incorrect or misleading;
 - (f) indicate the potential fine provided for in Article 52, where the answers to the questions asked are incorrect or misleading.
3. When requiring to supply of information under paragraph 1 by decision, ESMA shall:
 - (a) refer to this Article as the legal basis of that request;
 - (b) state the purpose of the request;
 - (c) specify what information is required;
 - (d) set a time-limit within which the information is to be provided;
 - (e) indicate the periodic penalty payments provided for in Article 53 where the production of the required information is incomplete;
 - (f) indicate the fine provided for in Article 52 where the answers to questions asked are incorrect or misleading;
 - (g) indicate the right to appeal the decision before Board of Appeal accordance with Articles 58 and 59 of Regulation (EU) No 1095/2010 and to have the decision reviewed by the Court of Justice of the European Union in accordance with Articles 60 and 61 of that Regulation.
4. The persons referred to in paragraph 1 or their representatives and, in the case of legal persons or associations having no legal personality, the persons authorised to represent them by law or by their constitution, shall supply the information requested. Lawyers duly authorised to act may supply the information on behalf of their clients. The latter shall remain fully responsible if the information supplied is incomplete, incorrect or misleading.
5. ESMA shall, without delay, send a copy of the simple request or of its decision to the competent authority of the Member State where the persons referred to in paragraph 1 concerned by the request for information are domiciled or established.

Article 48

General investigations

1. In order to carry out its duties under this Regulation, ESMA may conduct necessary investigations of persons referred to in Article 47(1). To that end, the officials and other persons authorised by ESMA shall be empowered to:
 - (a) examine any records, data, procedures and any other material relevant to the execution of its tasks irrespective of the medium on which they are stored;

- (b) take or obtain certified copies of or extracts from such records, data, procedures and other material;
 - (c) summon and ask any person referred to in Article 47(1) or their representatives or staff for oral or written explanations on facts or documents relating to the subject matter and purpose of the inspection and to record the answers;
 - (d) interview any other natural or legal person who consents to be interviewed for the purpose of collecting information relating to the subject matter of an investigation;
 - (e) request records of telephone and data traffic.
2. The officials of and other persons authorised by ESMA for the purposes of the investigations referred to in paragraph 1 shall exercise their powers upon production of a written authorisation specifying the subject matter and purpose of the investigation. That authorisation shall also indicate the periodic penalty payments provided for in Article 53 where the production of the required records, data, procedures or any other material, or the answers to questions asked of the persons referred to in Article 47(1), are not provided or are incomplete, and the fines provided for in Article 52 where the answers to questions asked of the persons referred to in Article 47(1) are incorrect or misleading.
 3. The persons referred to in Article 47(1) shall submit to investigations launched on the basis of a decision of ESMA. The decision shall specify the subject matter and purpose of the investigation, the periodic penalty payments provided for in Article 53, the legal remedies available under Regulation (EU) No 1095/2010 and the right to have the decision reviewed by the Court of Justice of the European Union.
 4. In good time before the investigation, ESMA shall inform the competent supervisory authority referred to in Article 36 of the Member State where the investigation is to be carried out of the investigation and of the identity of the authorised persons. Officials of the competent authority concerned shall, upon the request of ESMA, assist those authorised persons in carrying out their duties. Officials of the competent authority concerned may also attend the investigations upon request.
 5. If a request for records of telephone or data traffic referred to in paragraph 1, point (e) requires a competent authority to be authorised by a judicial authority in accordance with national rules, ESMA shall also apply for such authorisation. ESMA may also apply for such authorisation as a precautionary measure.
 6. Where authorisation as referred to in paragraph 5 is applied for, the national judicial authority shall control that the decision of ESMA is authentic and that the coercive measures envisaged are neither arbitrary nor excessive having regard to the subject matter of the investigations. In its control of the proportionality of the coercive measures, the national judicial authority may ask ESMA for detailed explanations, in particular relating to the grounds ESMA has for suspecting that an infringement of this Regulation has taken place and the seriousness of the suspected infringement and the nature of the involvement of the person subject to the coercive measures. However, the national judicial authority shall not review the necessity for the investigation or demand that it be provided with the information on ESMA's file. The lawfulness of ESMA's decision shall be subject to review only by the Court of Justice following the procedure set out in Article 61 of Regulation (EU) No 1095/2010.

Article 49
On-site inspections

1. In order to carry out its duties under this Regulation, ESMA may conduct all necessary on-site inspections at the business premises, land or property of the legal persons referred to in Article 47(1). Where the proper conduct and efficiency of the inspection so require, ESMA may carry out the on-site inspection without prior announcement.
2. The officials of and other persons authorised by ESMA to conduct an on-site inspection may enter any business premises, land or property of the legal persons subject to an investigation decision adopted by ESMA and shall have all the powers referred to in Article 48(1). They shall also have the power to seal any business premises, property and books or records for the period of, and to the extent necessary for, the inspection.
3. In sufficient time before the inspection, ESMA shall give notice of the inspection to the competent supervisory authority of the Member State where the inspection is to be conducted. ■
4. The officials of and other persons authorised by ESMA to conduct an on-site inspection shall exercise their powers upon production of a written authorisation specifying the subject matter and purpose of the inspection and the periodic penalty payments provided for in Article 53 where the persons concerned do not submit to the inspection. In good time before the inspection, ESMA shall give notice of the inspection to the competent authority of the Member State where the inspection is to be conducted.
5. The persons referred to in Article 47(1) shall submit to on-site inspections ordered by decision of ESMA. The decision shall specify the subject matter and purpose of the inspection, appoint the date on which it is to begin and indicate the periodic penalty payments provided for in Article 53, the legal remedies available under Regulation (EU) No 1095/2010 as well as the right to have the decision reviewed by the Court of Justice of the European Union. ESMA shall take such decisions after consulting the competent authority of the Member State where the inspection is to be conducted.
6. Officials of, as well as those authorised or appointed by, the competent authority of the Member State where the inspection is to be conducted shall, at the request of ESMA, actively assist the officials of and other persons authorised by ESMA. To that end, they shall enjoy the powers set out in paragraph 2. Officials of that competent authority may also attend the on-site inspections upon request.
7. ESMA may also require competent authorities to carry out specific investigatory tasks and on-site inspections as provided for in this Article and in Article 48(1) on its behalf. To that end, competent authorities shall enjoy the same powers as ESMA as set out in this Article and in Article 48(1).
8. Where the officials of and other accompanying persons authorised by ESMA find that a person opposes an inspection ordered pursuant to this Article, the competent authority of the Member State concerned shall afford them the necessary assistance, requesting, where appropriate, the assistance of the police or of an equivalent enforcement authority, to enable them to conduct their on-site inspection.
9. If the on-site inspection provided for in paragraph 1 or the assistance provided for in paragraph 8 requires authorisation by a judicial authority according to the applicable

national rules, ESMA shall also apply for such authorisation. ESMA may also apply for such authorisation as a precautionary measure.

10. Where authorisation as referred to in paragraph 9 is applied for, the national judicial authority shall verify that ESMA's decision is authentic and that the coercive measures envisaged are neither arbitrary nor excessive having regard to the subject matter of the inspection. In its control of the proportionality of the coercive measures, the national judicial authority may ask ESMA for detailed explanations. Such a request for detailed explanations may in particular relate to the grounds ESMA has for suspecting that an infringement of this Regulation has taken place, as well as to the seriousness of the suspected infringement and the nature of the involvement of the person who is subjected to the coercive measures. However, the national judicial authority shall not review the necessity for the investigation or demand that it be provided with the information on ESMA's file. The lawfulness of ESMA's decision shall be subject to review only by the Court of Justice following the procedure set out in Article 61 of Regulation (EU) No 1095/2010.

Article 50

Exchange of information

1. Competent authorities referred to in Article 36, **and** ESMA **█** shall, without undue delay, provide one another with the information required for the purposes of carrying out their duties.
2. Competent authorities referred to in Article 36, ESMA, **█** and other bodies or natural and legal persons receiving confidential information in the exercise of their duties under this Regulation shall use it only in the course of their duties.

Article 51

Supervisory measures by ESMA

1. Where, in accordance with Article 55(8), ESMA finds that a person has committed one of the infringements listed in Article 52(2), it shall take one or more of the following actions:
 - (a) withdraw the registration of an external reviewer
 - (b) withdraw the recognition of an external reviewer located in a third country;
 - (c) temporarily prohibit the external reviewer from pursuing the activities under this Regulation throughout the Union, until the infringement has been brought to an end;
 - (d) adopt a decision requiring the person to bring the infringement to an end;
 - (e) adopt a decision imposing fines pursuant to Article 52;
 - (f) adopt a decision imposing periodic penalty payments pursuant to Article 53;
 - (g) issue public notices.
2. ESMA shall withdraw the registration or the recognition of an external reviewer in the following circumstances:

- (a) the external reviewer has expressly renounced the registration or the recognition or has not made use of the registration or the recognition within 36 months after the registration or the recognition has been granted;
- (b) the external reviewer has obtained the registration or the recognition by making false statements or by any other irregular means;
- (c) the external reviewer no longer meets the conditions under which it was registered or recognised.

Where ESMA withdraws the registration or the recognition of the external reviewer, it shall provide full reasons in its decision. The withdrawal shall have immediate effect.

3. When taking the decisions referred to in paragraph 1, ESMA shall take into account the nature and seriousness of the infringement, having regard to the following criteria:

- (a) the duration and frequency of the infringement;
- (b) whether financial crime has been occasioned, facilitated or otherwise attributable to the infringement;
- (c) whether the infringement has been committed intentionally or negligently;
- (d) the degree of responsibility of the person responsible for the infringement;
- (e) the financial strength of the person responsible for the infringement, as indicated by the total turnover of the responsible legal person or the annual income and net assets of the responsible natural person;
- (f) the impact of the infringement on retail investors' interests;
- (g) the importance of the profits gained, losses avoided by the person responsible for the infringement or the losses for third parties derived from the infringement, insofar as they can be determined;
- (h) the level of cooperation of the person responsible for the infringement with ESMA, without prejudice to the need to ensure disgorgement of profits gained or losses avoided by that person;
- (i) previous infringements by the person responsible for the infringement;
- (j) measures taken after the infringement by the person responsible for the infringement to prevent its repetition.

4. Without undue delay, ESMA shall notify any action taken pursuant to paragraph 1 to the person responsible for the infringement, and shall communicate it to the competent authorities of the Member States and to the Commission. It shall publicly disclose any such action on its website within 10 working days from the date when it was adopted.

The disclosure to the public referred to in the first subparagraph shall include the following:

- (a) a statement affirming the right of the person responsible for the infringement to appeal the decision;
- (b) where relevant, a statement affirming that an appeal has been lodged and specifying that such an appeal does not have suspensive effect;

- (c) a statement asserting that it is possible for ESMA's Board of Appeal to suspend the application of the contested decision in accordance with Article 60(3) of Regulation (EU) No 1095/2010.

Article 52

Fines

1. Where, in accordance with Article 55(8), ESMA finds that an external reviewer and persons referred to in Article 47(1) have, intentionally or negligently, committed one or more of the infringements listed in paragraph 2, it shall adopt a decision imposing a fine in accordance with paragraph 3 of this Article.

An infringement shall be considered to have been committed intentionally if ESMA finds objective factors which demonstrate that a person acted deliberately to commit the infringement.

2. The infringements referred to in paragraph 1 are the following:
- (a) non-compliance with Articles 18 to 30;
 - (b) the submission of false statements when applying for registration as an external reviewer, or the use of any other irregular means to obtain such registration;
 - (c) failure to provide information in response to a decision requiring information pursuant to Article 47 or the provision of incorrect or misleading information in response to a request for information or a decision;
 - (d) the obstruction of or non-compliance with an investigation pursuant to Article 48, paragraph 1, points (a), (b), (c), or (e);
 - (e) non-compliance with Article 49, by not providing an explanation on facts or documents related to the subject matter and purpose of an inspection, or by providing an incorrect or misleading explanation;
 - (f) taking up the activity of external reviewers or pretending to be an external reviewer, without having been registered as an external reviewer.

3. The minimum amount of the fine referred to in paragraph 1 shall be EUR 20 000. The maximum amount shall be EUR 200 000.

When determining the level of a fine pursuant to paragraph 1, ESMA shall take into account the criteria set out in Article 51(3).

4. Where a person has directly or indirectly benefited financially from the infringement, the amount of the fine shall be at least equal to that financial benefit.
5. Where an act or omission constitutes a combination of several infringements, only the fine for the highest fined infringement shall apply.

Article 53

Periodic penalty payments

1. ESMA shall, by decision, impose a periodic penalty payment in order to compel:
- (a) a person to put an end to an infringement, in accordance with a decision taken pursuant to Article 52(1), point (c);
 - (b) a person as referred to in Article 47(1):

- (i) to supply complete information which has been requested by a decision pursuant to Article 47;
 - (ii) to submit to an investigation and in particular to produce complete records, data, procedures or any other material required and to complete and correct other information provided in an investigation launched by a decision pursuant to Article 48;
 - (iii) to submit to an on-site inspection ordered by a decision taken pursuant to Article 49.
2. The periodic penalty payment shall be imposed for each day of delay.
3. The amount of the periodic penalty payments shall be 3% of the average daily turnover in the preceding business year, or, in the case of natural persons, 2% of the average daily income in the preceding calendar year. It shall be calculated from the date stipulated in the decision imposing the periodic penalty payment.
4. A periodic penalty payment shall be imposed for a maximum period of six months following the notification of ESMA's decision. Following the end of the period, ESMA shall review the measure.

Article 54

Disclosure, nature, enforcement and allocation of fines and periodic penalty payments

1. ESMA shall disclose to the public every fine and periodic penalty payment that has been imposed pursuant to Articles 52 and 53, unless such disclosure to the public would seriously jeopardise the financial markets or cause disproportionate damage to the parties involved. Such disclosure shall not contain personal data within the meaning of Regulation (EC) No 45/2001.
2. Fines and periodic penalty payments imposed pursuant to Articles 52 and 53 shall be of an administrative nature.
3. Where ESMA decides to impose no fines or penalty payments, it shall inform the European Parliament, the Council, the Commission, and the competent authorities of the Member State concerned accordingly and shall set out the reasons for its decision.
4. Fines and periodic penalty payments imposed pursuant to Articles 52 and 53 shall be enforceable.

For the purposes of enforcement of fines and periodic penalty payments, ESMA shall apply the rules of civil procedure in force in the Member State or third-country in which it is carried out.

5. The amounts of the fines and periodic penalty payments shall be allocated to the general budget of the Union.

Article 55

Procedural rules for taking supervisory measures and imposing fines

1. Where, in carrying out its duties under this Regulation, ESMA finds that there are serious indications of the possible existence of facts liable to constitute one or more of the infringements listed in Article 52(2), ESMA shall appoint an independent investigating officer within ESMA to investigate the matter. The investigating officer

shall not be involved or have been involved in the direct or indirect supervision or registration process of the external reviewer concerned and shall perform his functions independently from ESMA's Board of Supervisors.

2. The investigating officer shall investigate the alleged infringements, taking into account any comments submitted by the persons subject to investigation, and shall submit a complete file with his findings to ESMA's Board of Supervisors.
3. In order to carry out his tasks, the investigating officer may exercise the power to require information in accordance with Article 47 and to conduct investigations and on-site inspections in accordance with Articles 48 and 49. When using those powers, the investigating officer shall comply with Article 46.
4. Where carrying out his tasks, the investigating officer shall have access to all documents and information gathered by ESMA in its supervisory activities.
5. Upon completion of his investigation and before submitting the file with his findings to ESMA's Board of Supervisors, the investigating officer shall give the persons subject to investigation the opportunity to be heard on the matters being investigated. The investigating officer shall base his findings only on facts on which the persons subject to investigation have had the opportunity to comment.
6. The rights of defence of the persons concerned shall be fully respected during investigations under this Article.
7. Upon submission of the file with his findings to ESMA's Board of Supervisors, the investigating officer shall notify that fact to the persons who are subject to investigations. The persons subject to investigations shall be entitled to have access to the file, subject to the legitimate interest of other persons in the protection of their business secrets. The right of access to the file shall not extend to confidential information affecting third parties.
8. On the basis of the file containing the investigating officer's findings and, when requested by the persons concerned, after having heard those persons in accordance with Article 56, ESMA shall decide if one or more of the infringements listed in Article 52(2) has been committed by the persons subject to investigation, and in such case, shall take a supervisory measure in accordance with Article 51 and impose a fine in accordance with Article 52.
9. The investigating officer shall not participate in the deliberations of ESMA's Board of Supervisors or in any other way intervene in the decision-making process of ESMA's Board of Supervisors.
10. The Commission shall adopt delegated acts in accordance with Article 60 by [*PO: Please insert date 12 months after date of entry into force*] to further specify the procedure for the exercise of the power to impose fines or periodic penalty payments, including provisions on rights of defence, temporal provisions, the collection of fines or periodic penalty payments, and detailed rules on the limitation periods for the imposition and enforcement of penalties.
11. ESMA shall refer matters for criminal prosecution to the relevant national authorities where, in carrying out its duties under this Regulation, it finds that there are serious indications of the possible existence of facts liable to constitute criminal offences. In addition, ESMA shall refrain from imposing fines or periodic penalty payments where a prior acquittal or conviction arising from identical facts, or from facts which are

substantially the same, has acquired the force of *res judicata* as the result of criminal proceedings under national law.

Article 56

Hearing of the persons subject to the proceedings

1. Before taking any decision pursuant to Articles 51 to 53, ESMA shall give the persons subject to the proceedings the opportunity to be heard on ESMA's findings. ESMA shall base its decisions only on findings on which the persons subject to the proceedings have had the opportunity to comment.
2. The first subparagraph shall not apply if urgent action pursuant to Article 51 is needed in order to prevent significant and imminent damage to the financial system. In such a case ESMA may adopt an interim decision and shall give the persons concerned the opportunity to be heard as soon as possible after taking its decision.
3. The rights of defence of the persons subject to the proceedings shall be fully respected during the proceedings. They shall be entitled to have access to ESMA's file, subject to the legitimate interest of other persons in the protection of their business secrets. The right of access to the file shall not extend to confidential information or internal preparatory documents of ESMA.

Article 57

Review by the Court of Justice of the European Union

The Court of Justice of the European Union shall have unlimited jurisdiction to review decisions whereby ESMA has imposed a fine or a periodic penalty payment. It may annul, reduce or increase the fine or periodic penalty payment imposed.

Article 58

Registration, recognition, and supervisory fees

1. ESMA shall charge external reviewers for the expenditure relating to their registration, recognition, and supervision and for any costs that it may incur carrying out work pursuant to this Regulation.
2. Any fee charged by ESMA to an applicant external reviewer or a registered external reviewer or a recognised external reviewer shall cover all administrative costs incurred by ESMA for its activities in relation to that particular applicant or external reviewer. Any fee shall be proportionate to the turnover of the external reviewer concerned.
3. The Commission shall adopt delegated acts in accordance with Article 60 by [PO: *Please insert date 12 months after date of entry into force*] to specify the type of fees, the matters for which fees are due, the amount of the fees, and the manner in which they are to be paid.

Article 59

ESMA register of external reviewers and third-country external reviewers

1. ESMA shall maintain on its website a publicly accessible register that shall list all of the following:
 - (a) all the external reviewers registered in accordance with Article 15

- (b) those external reviewers that are temporarily prohibited from pursuing their activities in accordance with Article 51;
 - (c) those external reviewers that have had their registration withdrawn in accordance with Article 51;
 - (d) third-country external reviewers allowed to provide services in the Union in accordance with Article 31;
 - (e) third-country external reviewers recognised in accordance with Article 34;
 - (f) external reviewers registered in accordance with Article 15 that endorse services of third country external reviewers in accordance with Article 35;
 - (g) those third-country external reviewers that have had registration withdrawn and that shall no longer use the rights under Article 31 where the Commission adopts a withdrawing decision in relation to that third country referred to in Article 32;
 - (h) third-country external reviewers whose recognition has been suspended or withdrawn and external reviewers registered in accordance with Article 15 that shall no longer endorse services of third country external reviewers.
2. The register shall contain contact details of external reviewers, their websites and the dates by which the decisions of ESMA concerning those external reviewers take effect.
 3. For third-country reviewers, the register shall also contain information on the services that third-country external reviewers may provide and the contact details of the competent authority responsible for their supervision in the third country.

Title V

Delegated Acts

Article 60

Exercise of the delegation

1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.
2. The power to adopt delegated acts referred to in Articles on Procedural rules for taking supervisory measures and imposing fines, Registration, recognition, and supervisory fees, 55(10) and 58(3) shall be conferred on the Commission for an indeterminate period of time from [*PO: Please insert date of entry into force*].
3. The delegation of power referred to in Articles on Procedural rules for taking supervisory measures and imposing fines, Registration, recognition, and supervisory fees may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.
4. Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down in the Inter-institutional Agreement of 13 April 2016 on Better Law-Making.
5. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.
6. A delegated act adopted pursuant to Articles on Procedural rules for taking supervisory measures and imposing fines, Registration, recognition, and supervisory fees shall enter into force only if no objection has been expressed either by the European Parliament or by the Council within a period of [*three months*] of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by [*three months*] at the initiative of the European Parliament or of the Council.

Article 61

Committee procedure

The Commission shall be assisted by the European Securities Committee established by Commission Decision 2001/528/EC²³. That committee shall be a committee within the meaning of Regulation (EU) No 182/2011 of the European Parliament and of the Council²⁴. Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply.

²³ 2001/528/EC: Commission Decision of 6 June 2001 establishing the European Securities Committee

²⁴ Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by Member States of the Commission's exercise of implementing powers

Title VI

Final provisions

Article 62

Transitional provision

1. Any external reviewer that intends to provide services in accordance with this Regulation from its entry into force until [OJ please insert date 30 months after the first application date of this Regulation, thank you], shall only provide such services after having notified ESMA to that effect and having provided the information referred to in Article 15(1).
2. Until [OJ please insert date 30 months after the first application date of this Regulation, thank you] external reviewers referred to in paragraph 1 shall comply with Articles 16 to 30 with the exception of the requirements laid down by the delegated acts referred to in Article 16(2), Article 19(2), Article 20(3), Article 21(4), Article 22(3), Article 23(3) and Article 25(7).
3. After [OJ please insert date one day following 30 months after the first application date of this Regulation, thank you] external reviewers referred to in paragraph 1 shall only provide services in accordance with this Regulation after having being registered in accordance with Article 15 and comply with Articles 14 and Articles 16 to 30 as supplemented by the delegated acts referred to in paragraph 2.
4. After [OJ please insert date one day following 30 months after the first application date of this Regulation, thank you] ESMA shall examine whether external reviewers referred to in paragraph 1, and the services provided by those providers until [OJ please insert date 30 months after the first application date of this Regulation, thank you] comply with the conditions laid down in this regulation.

Where ESMA considers that the external reviewer or the services provided referred to in the first subparagraph do not comply with the conditions laid down in this regulation, ESMA shall take one or more of the actions in accordance with Article 52.

- 4a. Environmentally sustainable bonds and sustainability-linked bonds issued before ... [date of entry into application of this Regulation] shall not be required to fulfil the requirements of this Regulation.***

Article 63

Transitional provision for third country external reviewers

1. Any third country external reviewer that intends to provide services in accordance with this Regulation from its entry into force until [OJ please insert date 30 months after the first application date of this Regulation, thank you], shall only provide such services after having notified ESMA to that effect and having provided the information referred to in Article 15 (1).
2. Third country external reviewers referred to in paragraph 1 shall:

- (a) comply with Articles 16 to 30 with the exception of the requirements laid down by the delegated acts referred to in Article 16(2), Article 19(2), Article 20(3), Article 21(4), Article 22(3), Article 23(3) and Article 25(7).
 - (b) have a legal representative located in the Union that shall comply with Article 34, paragraph 3, points (a) to (c).
3. After [OJ please insert date one day following 30 months after the first application date of this Regulation, thank you] Articles 32, 34 and 35 shall apply.
4. After [OJ please insert date one day following 30 months after the first application date of this Regulation, thank you] ESMA shall examine whether external reviewers referred to in paragraph 1, and the services provided by those providers until [OJ please insert date 30 months after the first application date of this Regulation, thank you] comply with the conditions laid down in this regulation.

Where ESMA considers that the external reviewer or the services provided referred to in the first subparagraph do not comply with the conditions laid down in this Regulation, ESMA shall take one or more of the actions in accordance with Article 52.

Article 63 a *Review*

1. ***By ... [five years after the entry into force of this Regulation] and every three years thereafter, the Commission shall, based on the input from the Platform on Sustainable Finance, submit a report to the European Parliament and to the Council on the application of this Regulation. That report shall evaluate at least the following:***
- (a) ***the uptake of the European green bond standard and its market share, both in the Union and globally;***
 - (b) ***the impact of this Regulation on the transition to a sustainable economy;***
 - (c) ***the functioning of the market of external reviewers, specifying market concentration, the transparency of methodologies and pricing, and the impartiality of external reviewers;***
 - (d) ***the ability of ESMA and national competent authorities to exercise their supervisory duties;***
 - (e) ***the appropriateness of funding of ESMA through recognition, endorsement and supervisory fees;***
 - (f) ***the appropriateness of third-country regimes foreseen in Title III, Chapter IV;***
 - (g) ***the impact of the European green bond standard on closing the yearly gap of additional investments needed to meet the Union climate targets as set out in Regulation (EU) 2021/1119, as well as on redirecting private capital flows away from environmentally harmful activities towards sustainable investments for the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems;***
 - (h) ***the credibility and abuse of sustainability claims in the sustainable bond market;***

- (i) *the functioning of the sustainability- linked bond market, including the credibility and quality of relevant claims;*
 - (j) *the need for further regulatory measures to increase the sustainability of the bond market.*
- 2. *By ... [two years after entry into force of this Regulation] and every three years thereafter the Commission shall, based on an impact assessment, submit a report to the European Parliament and the Council on whether the EuGB standard shall become mandatory and the timeframe of such an approach.*
- 3. *Accompanying any proposed revision of Regulation (EU) 2020/852, the Commission shall assess whether the proposed revision merits a review of this Regulation, specifically when such revisions are related to an extension of the scope of Regulation (EU) 2020/852 in accordance with Article 26(2) of that Regulation.*

Article 63 b

Amendment to Regulation (EU) 2020/852

Article 8 of Regulation (EU) 2020/852 is amended as follows:

- (a) *the following paragraph is inserted:*

‘3a. As from ... [18 months after the date of entry into force of the European green bonds Regulation], financial undertakings shall disclose information pursuant to paragraph 1 of this Article by including exposures to central governments, central banks and supranational issuers.’;

- (b) *paragraph 4 is replaced by the following:*

‘4. The Commission shall adopt a delegated act in accordance with Article 23 to supplement paragraphs 1 and 2 of this Article to specify the content and presentation of the information to be disclosed pursuant to those paragraphs, including the methodology to be used in order to comply with them, taking into account the specificities of both financial and non-financial undertakings and the technical screening criteria established pursuant to this Regulation. The Commission shall adopt that delegated act by 1 June 2021. The Commission shall update that delegated act in accordance with paragraph 3a no later than ... [6 months after the date of entry into force of this Regulation].’.

Article 64

Entry into force

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Strasbourg,

*For the Council For the Parliament
The President The President*

ANNEX I

EUROPEAN GREEN BOND FACTSHEET

The title ‘European green bond factsheet’ shall appear prominently at the top of the first page of the document.

Where the proceeds of the European green bond are intended to be allocated to nuclear energy or fossil gas related activities, the following statement shall appear prominently on the first page of the document: “Bond proceeds are intended to be allocated to taxonomy-aligned [add what applies: nuclear energy and/or fossil gas] related activities in accordance with Article 10(2) and 11(3) of Regulation (EU) 2020/852.”

1. General Information

- [Date of the publication of the European green bond factsheet]
- [The legal name of the issuer] [legal entity identifier (LEI)] [website address providing investors with information on how to get in contact, and a telephone number]
- [Name of the bond assigned by the issuer] [international securities identification numbers (ISIN)]
- [The identity and contact details of the external reviewer, including website address providing investors with information on how to get in contact, and a telephone number]

2. Adhesion to the requirements of the European Green Bonds Regulation

[A statement showing that the issuer of the given bond voluntarily adheres to the requirements of this Regulation]

3. Environmental strategy and rationale

- [Information on how the bond *contributes to* the broader environmental strategy of the issuer, *including*:
 - (a) *Information on the entity-level taxonomy alignment of the issuer, by applying Delegated Regulation (EU) 2021/2178;*
 - (b) *Information on how and to what extent the issuance of the bond is intended to increase the issuer’s proportion of capital and operating expenditure related to, and of its turnover derived from, economic activities that qualify as environmentally sustainable pursuant to Regulation (EU) 2020/852;*
- *[for issuers subject to the obligation to create a transition plan pursuant to [the CSRD], information on how in accordance with Article 7b, the bond contributes to a credible pathway to align with the objective to achieve climate neutrality by 2050 at the latest, as set out in Regulation (EU) 2021/1119, including*
 - (a) *A link to the website where the issuer’s transition plan is published pursuant to Directive 2013/34/EU [as amended by the CSRD] and a positive opinion on this transition plan as provided by an auditor in accordance with Article 34 of that Directive;*
 - (b) *Information on how and to what extent the issuance of the bond is intended to reduce the environmental impact of the issuer in view of the targets set out in the transition plan under Directive 2013/34/EU [as amended by the CSRD]*

- [The environmental objectives referred to in Article 9 of Regulation (EU) 2020/852 pursued by the bond]

4. Intended allocation of bond proceeds

4.1 Estimated Time until full allocation of proceeds

- [The period within which the proceeds are expected to be allocated]
- [The date by which proceeds are expected to be fully allocated]
- [If the date above is more than five years after the date of the issuance of the bond: a justification for the longer period, based on the specific features of the economic activities concerned, accompanied by *the CapEx plan as referred to in Article 6(1)*]

4.2 Process for selecting green projects/portfolios and estimated environmental impact

- [A description of the processes by which the issuer will determine how projects align with the taxonomy requirements]
- [A description of the relevant technical screening criteria referred to in Articles 10 to 15 of Regulation (EU) 2020/852, and a specification of which delegated acts adopted under Articles 10(3), 11(3), 12(2), 13(2), 14(2) and 15(2) of Regulation (EU) 2020/852 are taken into account]
- [Where available: information on the methodology and assumptions to be used for the calculation of key impact metrics in accordance with delegated acts adopted under Articles 10(3), 11(3), 12(2), 13(2), 14(2) and 15(2) of Regulation (EU) 2020/852, and for any additional impact metrics. Where this information is not available, this must be justified.]
- [Where applicable, information on any related standardisation or certification process in project selection]
- [Where available, an estimation of expected positive and adverse environmental impacts in aggregated form. Where this information is not available, this must be justified.]

4.3 Intended qualifying green projects

[Where available to the issuer, the following information shall be provided at project level, unless confidentiality agreements, competitive considerations, or a large number of underlying qualifying projects limit the amount of detail that can be made available, in which case the information shall be provided at least at aggregate level, with an explanation of why project-level information is not given:

For intended qualifying projects:

- Their environmental objectives referred to in Article 9 of Regulation 2020/852
- *Where applicable, whether the bond proceeds are intended to be allocated to finance an economic activity that is a transitional economic activity referred to in Article 10(2) of Regulation (EU) 2020/852*

- ***Where applicable, the amount and proportion of proceeds intended to be allocated to taxonomy-aligned nuclear energy and fossil gas related activities in accordance with Article 10(2) and 11(3) of Regulation (EU) 2020/852***
- Their types, sectors, and the respective NACE codes in accordance with the statistical classification of economic activities established by Regulation (EC) No 1893/2006²⁵
- ***The countries where bond proceeds have been allocated***
- The respective amount to be allocated from bond proceeds, and the percentage of proceeds to be allocated respectively to projects financed after bond issuance and projects financed before bond issuance
- Where the issuer is a sovereign, and bond proceeds are planned to be allocated to the tax relief referred to in Article 4(2), point (c), an estimation of the expected volume of revenue loss associated with eligible tax relief
- ***Where the issuer is a sovereign, and bond proceeds are planned to be allocated to tax relief referred to in Article 4(2), point (c), or to subsidies referred to in Article 4(2), point (d), a link to an ex ante impact assessment by an independent third party that gives a positive assessment of the impact and cost-efficiency of the funding programmes of tax expenditures or subsidies***
- Where a bond co-finances intended qualifying projects, an indication of the proportion financed by the bond
- ***For assets that are concerned by a CapEx plan: the annual intermediate steps, including all actions and expenditures, necessary for the transformation of the economic activity in order to meet the taxonomy requirements within the specified period of time;***
- Where available, links to websites with relevant information
- Where available, links to relevant public documents with more detailed information]

4.4 Unallocated proceeds

[Information on how the temporary use of unallocated proceeds will not affect the delivery of the environmental objectives]

5. Information on reporting

- [A link to the website where allocation reports and impact reports will be published]
- [An indication of whether allocation reports will include project-by-project information on amounts disbursed and the expected positive and negative environmental impacts]

²⁵ Regulation (EC) No 1893/2006 of the European Parliament and of the Council of 20 December 2006 establishing the statistical classification of economic activities NACE Revision 2 and amending Council Regulation (EEC) No 3037/90 as well as certain EC Regulations on specific statistical domains (OJ L 393, 30.12.2006, p. 1).

5a. Information on activities in non-cooperative jurisdictions

- *[An indication of any activity of the issuer in jurisdictions listed in Annex I and Annex II to the EU list of non-cooperative jurisdictions for tax havens and their real economic presence in those jurisdictions in terms of assets, full time employees, sales and taxes paid]*

6. Other relevant information

[Fees and expenses borne by the issuer in relation to the issuance]

ANNEX II

EUROPEAN GREEN BOND ANNUAL ALLOCATION REPORT

[where the allocation report is revised, the title shall reflect this]

1. General Information

- [Date of the publication of the allocation report] [where applicable, date of the publication of the final allocation report or date of the publication of the revised allocation report]
- [The legal name of the issuer] [LEI], [website address providing investors with information on how to get in contact, and a telephone number]
- [Name of the bond assigned by the issuer] [ISIN]
- [where the allocation report has been subject to post-issuance review, the identity and contact details of the external reviewer, including a website address providing investors with information on how to get in contact, and a telephone number]

2. Adhesion to the requirements of the European green bonds Regulation

[A statement showing that proceeds, *from their issuance date and until the end of the year to which the allocation report refers*, have been allocated according to *Articles 4 to 7c* of this Regulation]

3. Allocation of bond proceeds

A. For issuers except those referred to in point B below:

[The following information shall be provided at project level, unless confidentiality agreements, competitive considerations, or a large number of underlying qualifying projects limit the amount of detail that can be made available, in which case the information shall be provided at least at aggregate level, with an explanation of why project-level information is not given:

- The environmental objectives referred to in Article 9 of Regulation 2020/852
- *Where applicable, whether the bond proceeds are intended to be allocated to finance an economic activity that is a transitional economic activity referred to in Article 10(2) of Regulation (EU) 2020/852*
- *Where applicable, the amount and proportion of proceeds allocated to taxonomy-aligned nuclear energy and fossil gas related activities in accordance with Article 10(2) and 11(3) of Regulation (EU) 2020/852*
- The types and sectors of projects, and the respective NACE codes in accordance with the statistical classification of economic activities established by Regulation (EC) No 1893/2006²⁶
- The countries where bond proceeds have been allocated

²⁶ Regulation (EC) No 1893/2006 of the European Parliament and of the Council of 20 December 2006 establishing the statistical classification of economic activities NACE Revision 2 and amending Council Regulation (EEC) No 3037/90 as well as certain EC Regulations on specific statistical domains (OJ L 393, 30.12.2006, p. 1).

- The respective amount allocated from bond proceeds, and the percentage of proceeds allocated respectively to projects financed after bond issuance and projects financed before bond issuance
- Where the issuer is a sovereign, and bond proceeds are allocated to tax relief referred to in Article 4(2), point (c), an estimation of the volume of revenue loss associated with eligible tax relief
- *Where the issuer is a sovereign, and bond proceeds have been allocated to tax relief referred to in Article 4(2), point (c), or to subsidies referred to in Article 4(2), point (d), a link to an ex post evaluation of the funding programme of tax expenditures or subsidies by the state auditors or other relevant public entity of the Member State concerned or an indication of when the results of such an evaluation are expected*
- Where a bond co-finances qualifying projects, an indication of the proportion financed by the bond
- For assets that are concerned by a **CapEx** plan: the progress *made* in the implementation of the plan during the reporting period, and the estimated date of completion;
- Confirmation of compliance with Point (c) of Article 3 of Regulation (EU) 2020/852 (minimum safeguards)
- An indication of which delegated acts adopted in accordance with Articles 10(3), 11(3), 12(2), 13(2), 14(2) or 15(2) of Regulation (EU) 2020/852 were used to determine the taxonomy technical screening criteria, and their application dates]

B. For issuers that are financial undertakings that allocate proceeds from a portfolio of several European green bonds to a portfolio of financial assets as referred to in Article 5:

[The section “Allocation of bond proceeds” shall contain the following information:

- An overview *of* all outstanding European green bonds, indicating their individual and combined value.
- An overview over the eligible financial assets as referred to in Article 5 on the issuer’s balance sheet, indicating:
 - a) their total amortised value,
 - b) the environmental objectives referred to in Article 9 of Regulation (EU) 2020/852,
 - c) their types, sectors and countries,
 - d) where a bond co-finances qualifying projects, an indication of the proportion financed by the bond, where available,
 - da) where applicable, the percentage of assets relating to transitional economic activities referred to in Article 10(2) of Regulation (EU) 2020/852*
 - db) where applicable, the amount and proportion of assets relating to taxonomy-aligned nuclear energy and fossil gas related activities in accordance*

with Article 10(2) and 11(3) of Regulation (EU) 2020/852,

- e) an indication of which delegated acts adopted in accordance with Articles 10(3), 11(3), 12(2), 13(2), 14(2) or 15(2) of Regulation (EU) 2020/852 were used to determine the taxonomy technical screening criteria, at least at sector and country level, and where applicable, at individual asset level,
 - f) where relevant, the value of each asset, or group of assets
- A comparison of the total value of outstanding European green bonds and the total amortised value of eligible financial assets as referred to in Article 5. The comparison shall show that the latter is either equal to or higher than the former.
 - For the purposes of the above comparison, the total outstanding value of European green bonds shall be based on the yearly average of quarter-end values of such bonds issued by that issuer, and the total amortised value of the financial assets shall be based on the yearly average of quarter-end values of such assets on the issuer's balance sheet.]

4. Environmental impact of bond proceeds

[No information is required under this heading for this report]

5. Other relevant information

ANNEX III

EUROPEAN GREEN BOND IMPACT REPORT

[Where the impact report is revised, the title shall reflect this.]

1. General Information

- [Date of the publication of the impact report] [where applicable, Date of the publication of the revised impact report]
- [The legal name of the issuer] [LEI], [website address providing investors with information on how to get in contact, and a telephone number]
- [Name of the bond assigned by the issuer] [ISIN]
- [where the impact report was assessed by an external reviewer, the identity and contact details of the external reviewer, including website address providing investors with information on how to get in contact, and a telephone number]

2. Environmental strategy and rationale

- [Information on how the bond *contributes to* the broader environmental strategy of the issuer, *including*]

a) Information on the entity-level taxonomy alignment of the issuer, by applying Delegated Regulation (EU) 2021/2178;

b) Information on how and to what extent the issuance of the bond is intended to increase the issuer's proportion of capital and operating expenditure, and of its turnover derived from, related to economic activities that qualify as environmentally sustainable pursuant to Regulation (EU) 2020/852;

[for issuers subject to the obligation to create a transition plan pursuant to [the CSRD] information on how the bond contributes to a credible pathway to align with the objective to achieve climate neutrality by 2050 at the latest, as set out in Regulation (EU) 2021/1119, as referred to in Article 7c, including

c) A link to the website where is published to the issuer's transition plan pursuant to Directive XX (Directive 2013/34/EU as amended by the CSRD) and a positive opinion on this transition plan as provided by an auditor in accordance with Article 34 of that Directive;

d) Information on how and to what extent the issuance of the bond is intended to reduce the environmental impact of the issuer in view of the targets set out in the transition plan under Directive XX]

- [The environmental objectives referred to in Article 9 of Regulation (EU) 2020/852 pursued by the bond]

3. Allocation of bond proceeds

[The following information shall be provided at project level, unless confidentiality agreements, competitive considerations, or a large number of underlying qualifying projects limit the amount of detail that can be made available, in which case the information shall be provided at least at aggregate level, with an explanation of why project-level information is not given:

- The environmental objectives referred to in Article 9 of Regulation 2020/852,
- *Where applicable, whether the bond finances a transitional economic activity in accordance with Article 10(2) of Regulation (EU) 2020/852*
- *Where applicable, the amount and proportion of proceeds allocated to taxonomy-aligned nuclear energy and fossil gas related activities in accordance with Article 10(2) and 11(3) of Regulation (EU) 2020/852*
- The types and sectors of projects, and countries where bond proceeds have been allocated
- The respective amount to allocated from bond proceeds, and the percentage of proceeds to allocated respectively to projects financed after bond issuance and projects financed before bond issuance
- Where the issuer is a sovereign, and bond proceeds are allocated to the tax relief referred to in Article 4(2), point (c), an estimation of the volume of revenue loss associated with eligible tax relief
- *Where the issuer is a sovereign, and bond proceeds are planned to be allocated to tax relief referred to in Article 4(2), point (c), or to subsidies referred to in Article 4(2), point (d), a link to an ex ante impact assessment by an independent third party that gives a positive assessment of the impact and cost-efficiency of the funding programme of tax expenditures or subsidies*
- Where a bond co-finances qualifying projects, an indication of the proportion financed by the bond
- Where applicable, an indication of those assets that were concerned by a **CapEx** plan, the duration of each plan, the date of completion of each asset *and a link to the website where the relevant CapEx plan is published*
- An indication of which delegated acts adopted in accordance with Articles 10(3), 11(3), 12(2), 13(2), 14(2) or 15(2) of Regulation (EU) 2020/852 were used to determine the taxonomy technical screening criteria, and their application date]

4. Environmental impact of bond proceeds

- [An estimation of positive and adverse environmental impacts in aggregated form]
- [Information on the methodology and assumptions used to evaluate the impacts of projects, where the European green bond factsheet of the bond did not include this information]
- [Information about the projects' positive and negative environmental impacts and, where available, related metrics. Where this information is not available at project level, this must be justified]

[Where the issuer seeks to include this, information about whether and how the project has contributed to the Just Transition, such as by providing new jobs, re-skilling and local infrastructure to communities affected by the transitioning of economic activities.]

5. Other relevant information

[An indication of any activity of the issuer in jurisdictions listed in Annex I and Annex II to the EU list of non-cooperative jurisdictions for tax havens and their real economic presence in these jurisdictions in terms of assets, full time employees, sales and taxes paid in those jurisdictions.]

ANNEX IV:

CONTENTS OF PRE-ISSUANCE, POST-ISSUANCE *OR IMPACT REPORT* REVIEWS

The title 'Pre-issuance review', 'Post-issuance review' *or "Impact report review"* shall appear prominently at the top of the first page of the document.

1. General Information

- [Date of the publication of the pre-issuance review, post-issuance review *or impact report review*]
- [The legal name of the issuer]
- [Name of the bond assigned by the issuer] [ISIN]
- [The identity and contact details of the external reviewer, including website address providing investors with information on how to get in contact, and a telephone number]
- [The name and job title of the lead analyst in a given assessment activity]
- [The name and position of the person primarily responsible for approving the pre-issuance review, post-issuance review *or impact report review*]
- [The date on which the pre-issuance review, the post-issuance review *or the impact report review* was first released for distribution and, where relevant, when it was last updated]

2. Introductory statements

[For pre-issuance reviews:

- A statement that an external reviewer has assessed the completed European green bond factsheet laid down in Annex I in accordance with this Regulation;
- A statement that this pre-issuance review represents an independent opinion of the external reviewer;
- A statement that the independent opinion of the external review is to be relied upon only to a limited degree;]

[For post-issuance reviews:

- A statement that an external reviewer has assessed the completed allocation report laid down in Annex II in accordance with this Regulation;
- A statement that this post-issuance review represents an independent opinion of the external reviewer;
- A statement that the independent opinion of the external review is to be relied upon only to a limited degree;]

[For impact report reviews:

- ***A statement that an external reviewer has assessed the completed impact report laid down in Annex III;***
- ***A statement that that impact report review represents an independent opinion of the external reviewer;***

<p>– <i>A statement that the independent opinion of the external review is to be relied upon only to a limited degree;</i></p>
<p>3. Statements on the compliance with the European green bonds Regulation</p> <p>[a statement regarding the compliance of the European green bond with this Regulation, and in particular:</p> <p>(a) where the opinion expressed by the independent reviewer is <i>that the bond adheres to all requirements for use of the designation ‘European green bond’</i>, a statement that the bond meets the requirements of this Regulation and that the designation ‘European green bond’ can be applied to that bond;</p> <p>(b) where the opinion expressed by the independent reviewer is <i>that the bond does not adhere to all requirements for the use of designation ‘European green bond’</i>, a statement that the bond does not meet the requirements of this Regulation and that the designation ‘European green bond’ cannot be applied to that bond <i>indicating which requirements have not been met and whether the information provided by the issuer was accurate</i>;</p> <p>(c) where the opinion expressed by the independent reviewer indicates that the issuer does not intend to comply with Articles 3 to 7c, or will not be able to do so, a statement that the designation ‘European green bond’ can only be used for the bond in question if the necessary steps have been taken to ensure that the bond complies with the requirements of this Regulation]</p>
<p>4. Sources, assessment methodologies, and key assumptions</p> <p>– [Information about the sources relied upon to prepare the pre-issuance review, the post-issuance review <i>or the impact report review</i>, including links to measurement data and the methodology applied, when available]</p> <p>– [An explanation of the assessment methodologies and key assumptions]</p> <p>– [An explanation of the assumptions and taxonomy requirements used, of the limits and uncertainties surrounding the methodologies used and a clear statement that the external reviewer considers the quality of information provided by the issuer a or related third party is sufficient to perform the pre-issuance review, the post-issuance review <i>or the impact report review</i> and the extent to which, if any, the external reviewer has attempted to verify the information so provided]</p>
<p>5. Assessment and opinion</p> <p>[For pre-issuance reviews:</p> <p>– A detailed assessment of whether the completed green bond factsheet complies with Articles 4 to 7 of this Regulation</p> <p>– The opinion of the external reviewer on the assessment mentioned above]</p> <p>[For post-issuance reviews:</p>

- A detailed assessment of whether the issuer has allocated the proceeds of the bond in compliance with Articles 4 to 7 of this Regulation, based on the information provided to the external reviewer
- An assessment of whether the issuer has complied with the intended use of proceeds set out in the green bond factsheet, based on the information provided to the external reviewer
- The opinion of the external reviewer on the two assessments referred to directly above]

[For impact report reviews:

- ***An assessment of whether the bond issuance aligns with the broader sustainability strategy of the issuer;***
- ***An assessment of the indicated sustainability impact of the bond proceeds;***
- ***The opinion of the external reviewer on the two assessments referred to in the first and second indent.]***

6. Any other information

[Any other information that the reviewer may deem relevant to its pre or post-issuance review]

16.3.2022

OPINION OF THE COMMITTEE ON BUDGETS

for the Committee on Economic and Monetary Affairs

on the proposal for a regulation of the European Parliament and of the Council on European Green Bonds
(COM(2021)0391 – C9-0311/2021 – 2021/0191(COD))

Rapporteur for opinion: José Manuel Fernandes

AMENDMENTS

The Committee on Budgets calls on the Committee on Economic and Monetary Affairs, as the committee responsible, to take into account the following amendments:

Amendment 1

Proposal for a regulation

Recital 1

Text proposed by the Commission

(1) The transition to a low-carbon, **more** sustainable, resource-efficient, circular and fair economy is key to ensuring the long-term competitiveness of the economy of the Union and the well-being of its peoples. In 2016, the Union concluded the Paris Agreement. Article 2(1), point (c), of the Paris Agreement sets out the objective of strengthening the response to climate change by, among other means, making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development.

Amendment

(1) The transition to a low-carbon, sustainable, **energy and** resource-efficient, circular, **socially inclusive** and fair economy is key to ensuring the long-term competitiveness of the economy of the Union and **improving** the well-being **and the quality of life** of its peoples. In 2016, the Union concluded the Paris Agreement. Article 2(1), point (c), of the Paris Agreement sets out the objective of strengthening the response to climate change by, among other means, making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development.

Amendment 2

Proposal for a regulation

Recital 1 a (new)

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Text proposed by the Commission

Amendment

(1a) The resolution of the European Parliament of 29 May 2018 on sustainable finance and the final report by the High-Level Expert Group (HLEG) on Sustainable Finance of 31 January 2018 proposed developing a European standard for green bonds.

Amendment 3

Proposal for a regulation

Recital 1 b (new)

Text proposed by the Commission

Amendment

(1b) Sustainability has long been central to the Union project, and the Treaty on European Union and the Treaty on the Functioning of the European Union reflect both its social and environmental dimensions. Action to achieve the Union's environmental and climate objectives, including under this Regulation, needs to be carried out in conjunction and be compatible with the European Pillar of Social Rights. Under Regulation (EU) 2019/2088 of the European Parliament and of the Council, the concept of 'sustainable investment' is defined by reference to environmental and social objectives and includes the requirement that investments should not significantly harm those objectives.

Amendment 4

Proposal for a regulation

Recital 2

Text proposed by the Commission

Amendment

(2) The European Green Deal Investment Plan of 14 January 2020 envisages the establishment of a standard

(2) The European Green Deal Investment Plan of 14 January 2020 envisages the establishment of a standard

for environmentally sustainable bonds to further increase investment opportunities and facilitate the identification of environmentally sustainable investments through a clear label. In its December 2020 conclusions, the European Council invited the Commission to put forward a legislative proposal for a green bond standard.

for environmentally sustainable bonds to further increase investment opportunities and facilitate the identification of environmentally sustainable investments through a clear label ***thus making it possible to combat any risk of greenwashing and tax evasion***. In its December 2020 conclusions, the European Council invited the Commission to put forward a legislative proposal for a green bond standard.

Amendment 5

Proposal for a regulation Recital 3

Text proposed by the Commission

(3) Environmentally sustainable bonds are ***one of the main instruments*** for financing investments related to low-carbon technologies, energy and resource efficiency as well as sustainable transport infrastructure and research infrastructure. Financial or non-financial undertakings or sovereigns can issue such bonds. Various existing initiatives for environmentally sustainable bonds do not ensure common definitions of environmentally sustainable economic activities. This prevents investors from easily identifying bonds the proceeds of which are aligned with, or are contributing to environmental objectives as laid down in the Paris Agreement.

Amendment

(3) Environmentally sustainable bonds are ***an instrument*** for financing investments related to low-carbon technologies, energy and resource efficiency as well as sustainable transport infrastructure and research infrastructure. Financial or non-financial undertakings or sovereigns can issue such bonds. Various existing initiatives for environmentally sustainable bonds do not ensure common definitions of environmentally sustainable economic activities. This prevents investors from easily identifying bonds the proceeds of which are aligned with, or are contributing to environmental objectives as laid down in the Paris Agreement ***and in the United Nations Sustainable Development Goals. A transparent, credible and effective process of defining and labelling such bonds, based on technical, scientific and knowledge-based criteria, is, therefore, important to provide the market and the investors with solid information that aims to facilitate financial flows and investments, in line with the objectives of the Green Deal.***

Amendment 6

Proposal for a regulation

Recital 5

Text proposed by the Commission

(5) In ensuring alignment with the objectives of the Paris agreement, and given the existing divergences and absence of common rules, it is likely that Member States will adopt diverging measures and approaches, which will have a direct negative impact on, and create obstacles to, the proper functioning of the internal market, and be detrimental to issuers of environmentally sustainable bonds. The parallel development of market practices based on commercially driven priorities that produce divergent results causes market fragmentation and risks further exacerbating inefficiencies in the functioning of the internal market. Divergent standards and market practices make it difficult to compare different bonds, create uneven market conditions for issuers, cause additional barriers within the internal market, and risk distorting investment decisions.

Amendment 7

Proposal for a regulation

Recital 6

Text proposed by the Commission

(6) The lack of harmonised rules for the procedures used by external reviewers to review environmentally sustainable bonds and the diverging definitions of environmentally sustainable activities make it increasingly difficult for investors to effectively compare bonds across the internal market with respect to their environmental objectives. The market for environmentally sustainable bonds is inherently international, with market

Amendment

(5) In ensuring alignment with the objectives of the Paris agreement, and given the existing divergences and absence of common rules, it is likely that Member States will adopt diverging measures and approaches, which will have a direct negative impact on, and create obstacles to, the proper functioning of the internal market, ***which could create uncertainties that could lead to greenwashing or tax evasion*** and be detrimental to issuers of environmentally sustainable bonds. The parallel development of market practices based on commercially driven priorities that produce divergent results causes market fragmentation and risks further exacerbating inefficiencies in the functioning of the internal market. Divergent standards and market practices make it difficult to compare different bonds, create uneven market conditions for issuers, cause additional barriers within the internal market, and risk distorting investment decisions.

Amendment

(6) The lack of harmonised rules for the procedures used by external reviewers to review environmentally sustainable bonds and the diverging definitions of environmentally sustainable activities make it increasingly difficult for investors to effectively compare bonds across the internal ***and global*** market with respect to their environmental objectives. The market for environmentally sustainable bonds is inherently international, with market

participants trading bonds and making use of external review services from third party providers across borders. Action at Union level could reduce the risk of fragmentation of the internal market for environmentally sustainable bonds and bond-related external review services, and ensure the application of Regulation (EU) 2020/852 of the European Parliament and of the Council³⁴ in the market for such bonds.

³⁴ Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (OJ L 198, 22.6.2020, p. 13).

participants trading bonds and making use of external review services from third party providers across borders. Action at Union level could ***not only*** reduce the risk of fragmentation of the internal market for environmentally sustainable bonds and bond-related external review services, and ensure the application of Regulation (EU) 2020/852 of the European Parliament and of the Council³⁴ in the market for such bonds, ***but also make the Union the world leader in sustainable finance, thereby strengthening the international role of the Euro.***

³⁴ Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (OJ L 198, 22.6.2020, p. 13).

Amendment 8

Proposal for a regulation Recital 7

Text proposed by the Commission

(7) A uniform set of specific requirements should therefore be laid down for bonds issued by financial or non-financial undertakings or sovereigns that voluntarily wish to use the designation ‘European green bond’ or ‘EuGB’ for such bonds. Specifying quality requirements for European green bonds in the form of a Regulation should ensure that there are uniform conditions for the issuance of such bonds by preventing diverging national requirements that could result from a transposition of a Directive, and should also ensure that those conditions are directly applicable to issuers of such bonds. Issuers that voluntarily use the designation ‘European green bond’ or ‘EuGB’ should follow the same rules across the Union, to

Amendment

(7) A uniform set of specific requirements, should therefore be laid down for bonds issued by financial or non-financial undertakings or sovereigns that voluntarily wish to use the designation ‘European green bond’ or ‘EuGB’ for such bonds, ***with the transparency of the entire process being ensured.*** Specifying quality requirements for European green bonds in the form of a Regulation should ensure that there are uniform conditions for the issuance of such bonds by preventing diverging national requirements that could result from a transposition of a Directive, and should also ensure that those conditions are directly applicable to issuers of such bonds. Issuers that voluntarily use the designation ‘European green bond’ or

increase market efficiency by reducing discrepancies and thereby also reducing the costs of assessing those bonds for investors.

‘EuGB’ should follow the same rules across the Union, to increase market efficiency by reducing discrepancies and thereby also reducing the costs of assessing those bonds for investors.

Amendment 9

Proposal for a regulation Recital 10 a (new)

Text proposed by the Commission

Amendment

(10a) Union institutions and bodies should adhere to Union standards, including in the pursuit of financing sustainability objectives. As part of Next Generation EU, the Commission established a green bond framework with the objective of financing 30 % of Next Generation EU through green bonds and thereby aiming to foster the green bond market, galvanise other issuers and provide investors with more green diversification options. Furthermore, as a leading global issuer of green bonds, the European Investment Bank has committed to aligning its green bond programme with the European green bond standard. Such activities would increase the credibility and uptake of green bonds by other financial and non-financial undertakings or sovereigns, helping to establish best practice in the area of green bond issuance globally.

Amendment 10

Proposal for a regulation Recital 13

Text proposed by the Commission

Amendment

(13) Investors should be provided with all information necessary to evaluate the environmental impact of European green bonds, and to compare such bonds with

(13) Investors should be provided with all information necessary to evaluate the environmental impact of European green bonds, and to compare such bonds with

each other. For that purpose, specific and standardised disclosure requirements need to be set out which provide transparency about how the issuer intends to allocate the bond proceeds to eligible fixed assets, expenditures and financial assets and how those proceeds have actually been allocated. Such transparency can best be achieved by means of European green bond factsheets and annual allocation reports. To strengthen the comparability of European green bonds and to facilitate the localisation of relevant information, it is necessary to lay down templates for the disclosure of such information.

each other. For that purpose, specific and standardised disclosure requirements need to be set out which provide transparency about how the issuer intends to allocate the bond proceeds to eligible fixed assets, expenditures and financial assets and how those proceeds have actually been allocated. ***That information should be based on science-based harmonised, comparable and uniform indicators and be consistent with a harmonised life cycle assessment.*** Such transparency can best be achieved by means of European green bond factsheets and annual allocation reports. To strengthen the comparability of European green bonds and to facilitate the localisation of relevant information, it is necessary to lay down ***a suitable digital framework and*** templates for the disclosure of such information, ***which should be available in all official Union languages.***

Amendment 11

Proposal for a regulation Recital 13 a (new)

Text proposed by the Commission

Amendment

(13a) Disclosure requirements should guarantee high standards of investor protection, transparency and comparability. However, those requirements should not represent an excessive administrative or bureaucratic burden to issuers. Therefore, both the requirements and the templates should be legally certain, accessible and safeguard simple and effective processes to guarantee full compliance.

Amendment 12

Proposal for a regulation Recital 14

Text proposed by the Commission

(14) Investors should benefit from cost-effective access to reliable information about the European green bonds. Issuers of European Green Bonds should therefore contract external reviewers to provide a pre-issuance review of the European green bond factsheet, and post-issuance reviews of European green bond annual allocation reports.

Amendment

(14) Investors should benefit from cost-effective access to reliable ***and reasonably detailed*** information about the European green bonds. Issuers of European Green Bonds should therefore contract external reviewers to provide a pre-issuance review of the European green bond factsheet, and post-issuance reviews of European green bond annual allocation reports.

Amendment 13

Proposal for a regulation Recital 18

Text proposed by the Commission

(18) To improve transparency, issuers should also disclose the environmental impact of their bonds by means of the publication of impact reports, which should be published at least once during the lifetime of the bond. In order to provide investors with all information relevant to assess the environmental impact of European green bonds, impact reports should clearly specify the metrics, methodologies and assumptions applied in the assessment of the environmental impacts. To strengthen the comparability of European green bonds and to facilitate the localisation of relevant information, it is necessary to lay down templates for the disclosure of such information.

Amendment

(18) To improve transparency, issuers should also disclose the environmental impact of their bonds by means of the publication of impact reports, which should be published ***every five years until maturity***. In order to provide investors with all information relevant to assess the environmental impact of European green bonds, impact reports should clearly specify the metrics, methodologies and assumptions applied in the assessment of the environmental impacts. To strengthen the comparability of European green bonds and to facilitate the localisation of relevant information, it is necessary to lay down templates for the disclosure of such information. ***To ensure the accuracy of impact reports and protect investors from green washing, impact reports should be subject to scrutiny by an external reviewer.***

Amendment 14

Proposal for a regulation Recital 20

Text proposed by the Commission

(20) To ensure the efficiency of the market for European green bonds, issuers should publish on their websites details about the European green bonds they issue. To ensure the reliability of information and investor confidence, they shall also publish the pre-issuance review as well as any post-issuance reviews.

Amendment

(20) To ensure the efficiency of the market for European green bonds, issuers should publish on their websites details about the European green bonds they issue. To ensure the reliability of information and investor confidence, they shall also publish the pre-issuance review as well as any post-issuance reviews. ***To ensure high standards of transparency, accessibility and investor protection, those details and pre- and post-issuance reviews should be published in an accessible way on the issuers' websites, with adequate timelines that allow the user to identify substantive changes from one review to another.***

Amendment 15

**Proposal for a regulation
Recital 24**

Text proposed by the Commission

(24) To ensure the independence of external reviewers, external reviewers should avoid situations of conflict of interest and manage those conflicts adequately when they are unavoidable. External reviewers should therefore disclose conflicts of interest in a timely manner. They should also keep records of all significant threats to their independence, to that of their employees and to that of other persons involved in the external review process. They should also keep records of the safeguards applied to mitigate those threats.

Amendment

(24) To ensure the independence of external reviewers ***and safeguard high standards of transparency and ethical conduct***, external reviewers should avoid situations of ***actual or potential*** conflict of interest and manage those conflicts adequately when they are unavoidable. External reviewers should therefore disclose ***any*** conflicts of interest in a ***transparent and*** timely manner. They should also keep records of all significant threats to their independence, to that of their employees and to that of other persons involved in the external review process. They should also keep records of the safeguards applied to mitigate those threats.

Justification

To take account of the language used in Art 27.

Amendment 16

Proposal for a regulation Recital 25

Text proposed by the Commission

(25) It is necessary to avoid divergent applications of this Regulation by national competent authorities. At the same time, it is necessary to lower transaction and operational costs of external reviewers, to strengthen investor confidence and to increase legal certainty. It is therefore appropriate to give ESMA general competence for the registration and ongoing supervision of registered external reviewers in the Union. Entrusting ESMA with the exclusive responsibility for those matters should ensure a level playing field in terms of registration requirements and on-going supervision and eliminate the risk of regulatory arbitrage across Member States. At the same time, such exclusive responsibility should optimise the allocation of supervisory resources at Union level, thus making ESMA the centre of expertise and enhancing the efficiency of supervision.

Amendment 17

Proposal for a regulation Recital 26 a (new)

Text proposed by the Commission

Amendment

(25) It is necessary to avoid divergent applications of this Regulation by national competent authorities. At the same time, it is necessary to lower transaction and operational costs of external reviewers, ***thereby facilitating access for SMEs in all Member States***, to strengthen investor confidence and to increase legal certainty. It is therefore appropriate to give ESMA general competence for the registration and ongoing supervision of registered external reviewers in the Union. Entrusting ESMA with the exclusive responsibility for those matters should ensure a level playing field in terms of registration requirements and on-going supervision and eliminate the risk of regulatory arbitrage across Member States. At the same time, such exclusive responsibility should optimise the allocation of supervisory resources at Union level, thus making ESMA the centre of expertise and enhancing the efficiency of supervision.

(26a) In order to support ESMA's activity in the exercise of its responsibility for the registration and ongoing supervision of registered external reviewers in the Union, the national competent authorities should cooperate with ESMA in a sincere and effective way, with exchange of information mechanisms that guarantee a transparent, credible and effective registration and

supervision process. To that end, ESMA should be provided with sufficient resources.

Amendment 18

Proposal for a regulation Recital 31

Text proposed by the Commission

(31) In accordance with Article 290 TFEU, power should be delegated to the Commission to specify the procedure for the exercise of the power to impose fines or periodic penalty payments, including provisions on rights of defence, temporal provisions, the collection of fines or periodic penalty payments, and detailed rules on the limitation periods for the imposition and enforcement of penalties and the type of fees, the matters for which fees are due, the amount of the fees, and the manner in which those fees are to be paid. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making³⁵. In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council should receive all documents at the same time as Member States' experts, and their experts should systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts.

Amendment 19

Proposal for a regulation Recital 32

Amendment

(31) In accordance with Article 290 TFEU, power should be delegated to the Commission to specify the procedure for the exercise of the power to impose fines or periodic penalty payments, including provisions on rights of defence, temporal provisions, the collection of fines or periodic penalty payments, and detailed rules on the limitation periods for the imposition and enforcement of penalties and the type of fees, the matters for which fees are due, the amount of the fees, and the manner in which those fees are to be paid. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level, and that those consultations be conducted *transparently* in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making³⁵. In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council should receive all documents at the same time as Member States' experts, and their experts should systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts.

Text proposed by the Commission

(32) As a body with highly specialised expertise, it would be efficient and appropriate to entrust ESMA with the development of draft regulatory and implementing technical standards that do not involve policy choices for submission to the Commission.

Amendment

(32) As a body with highly specialised expertise, it would be efficient and appropriate to entrust ESMA with the development of draft regulatory and implementing technical standards that do not involve policy choices for submission to the Commission. ***The European Parliament should be informed of those draft standards in a proper and timely manner in order to safeguard proper democratic scrutiny.***

Amendment 20

**Proposal for a regulation
Recital 35**

Text proposed by the Commission

(35) ESMA should be mandated to develop draft implementing technical standards to specify the standard forms, templates and procedures for the provision of the information for the registration of external reviewers. The Commission should be empowered to adopt those implementing technical standards by means of an implementing act pursuant to Article 291 TFEU and in accordance with Article 15 of Regulation (EU) No 1095/2010 of the European Parliament and of the Council .

Amendment

(35) ESMA should be mandated to develop draft implementing technical standards to specify the standard forms, templates and procedures for the provision of the information for the registration of external reviewers, ***which should be available in all official languages of the Union.*** The Commission should be empowered to adopt those implementing technical standards by means of an implementing act pursuant to Article 291 TFEU and in accordance with Article 15 of Regulation (EU) No 1095/2010 of the European Parliament and of the Council.

Amendment 21

**Proposal for a regulation
Recital 37**

Text proposed by the Commission

(37) The objectives of this Regulation are twofold. On the one hand, it aims to ensure that uniform requirements apply to the use of the designation of ‘European

Amendment

(37) The objectives of this Regulation are twofold. On the one hand, it aims to ensure that uniform requirements apply to the use of the designation of ‘European

green bond’ or ‘EuGB’. On the other hand, it aims to establish a simple registration system and supervisory framework for external reviewers by entrusting a single supervisory authority with the registration and supervision of external reviewers in the Union. Both aims should facilitate capital raising for projects that pursue environmentally sustainable objectives. Since those objectives cannot be sufficiently achieved by the Member States but can be better achieved at Union level, the Union may adopt measures in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve those objectives,

green bond’ or ‘EuGB’. On the other hand, it aims to establish a simple registration system and ***a fair and transparent*** supervisory framework for external reviewers by entrusting a single supervisory authority with the registration and supervision of external reviewers in the Union. Both aims should facilitate capital raising for projects that pursue environmentally sustainable objectives. Since those objectives cannot be sufficiently achieved by the Member States ***in such a way as to ensure fair access to all entities***, but can be better achieved at Union level, the Union may adopt measures in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve those objectives,

Amendment 22

Proposal for a regulation Article 3 – title

Text proposed by the Commission

Designation

Amendment

Designation of ***"European green bond" or "EuGB"***

Amendment 23

Proposal for a regulation Article 4 – paragraph 3

Text proposed by the Commission

3. A European green bond may be refinanced by issuing a new European green bond.

Amendment

3. A European green bond may be refinanced by issuing a new European green bond ***provided that, at the time of the refinancing, the use of proceeds of the refinanced bond comply with the requirements set out in Article 6.***

Amendment 24

Proposal for a regulation

Article 6 – paragraph 1 – subparagraph 2

Text proposed by the Commission

The taxonomy-alignment plan referred to in the first subparagraph shall describe the actions and expenditures that are necessary for an economic activity to meet the taxonomy requirements within the specified period of time.

Amendment

The taxonomy-alignment plan referred to in the first subparagraph shall describe ***in detail*** the actions and expenditures that are necessary for an economic activity to meet the taxonomy requirements within the specified period of time.

Amendment 25

Proposal for a regulation

Article 6 – paragraph 1 – subparagraph 3

Text proposed by the Commission

The period referred to in the first and second subparagraph shall not exceed five years from bond issuance, unless a longer period of up to ten years is justified by the specific features of the economic activities concerned as documented in a taxonomy-alignment plan.

Amendment

The period referred to in the first and second subparagraph shall not exceed five years from bond issuance, unless a longer period of up to ten years is ***duly*** justified by the specific features of the economic activities concerned as documented in a taxonomy-alignment plan.

Amendment 26

Proposal for a regulation

Article 7 – paragraph 1 – subparagraph 2

Text proposed by the Commission

Where the delegated acts adopted pursuant to Articles 10(3), 11(3), 12(2), 13(2), 14(2) or 15(2) of Regulation (EU) 2020/852 are amended following the issuance of the bond, the issuer shall allocate bond proceeds to the uses referred to in the first subparagraph by applying the amended delegated acts within five years after their entry into application.

Amendment

Where the delegated acts adopted pursuant to Articles 10(3), 11(3), 12(2), 13(2), 14(2) or 15(2) of Regulation(EU) 2020/852 are amended following the issuance of the bond, the issuer shall allocate bond proceeds to the uses referred to in the first subparagraph by applying the amended delegated acts within five years after their entry into application. ***A bond may not retain its designation as a European green bond if the proceeds have not been***

allocated to the uses referred to in the first subparagraph by applying the amended delegated acts within five years of the entry into application of the amended delegated acts.

Amendment 27

Proposal for a regulation

Article 7 – paragraph 2 – subparagraph 3

Text proposed by the Commission

Where the delegated acts adopted pursuant to Articles 10(3), 11(3), 12(2), 13(2), 14(2) or 15(2) of Regulation (EU) 2020/852 are amended following the creation of the debt referred to in the first subparagraph, the issuer shall allocate bond proceeds to the debt referred to in the first subparagraph by applying the amended delegated acts within five years after their entry into application.

Amendment

Where the delegated acts adopted pursuant to Articles 10(3), 11(3), 12(2), 13(2), 14(2) or 15(2) of Regulation (EU) 2020/852 are amended following the creation of the debt referred to in the first subparagraph, the issuer shall allocate bond proceeds to the debt referred to in the first subparagraph by applying the amended delegated acts within five years after their entry into application. ***A bond may not retain its designation as a European green bond if the proceeds have not been allocated to the debt referred to in the first subparagraph by applying the amended delegated acts within five years of the entry into application of the amended delegated acts.***

Amendment 28

Proposal for a regulation

Article 8 – paragraph 1 – point b

Text proposed by the Commission

(b) ensure that the completed European green factsheet has been subject to a pre-issuance review with a positive opinion by an external reviewer.

Amendment

(b) ensure that the completed European green factsheet has been subject to a pre-issuance review with a positive opinion by an external reviewer, ***duly registered with ESMA pursuant to this Regulation.***

Amendment 29

Proposal for a regulation

Article 9 – paragraph 3

Text proposed by the Commission

3. Issuers of European green bonds shall obtain a post-issuance review by an external reviewer of the allocation report drawn up after the full allocation of the proceeds of the European green bond in accordance with Articles 4 to 7.

Amendment

3. Issuers of European green bonds shall obtain a post-issuance review by an external reviewer of the allocation report drawn up after the full allocation of the proceeds of the European green bond in accordance with Articles 4 to 7. ***That external reviewer shall be registered with ESMA.***

Amendment 30

Proposal for a regulation

Article 9 – paragraph 4

Text proposed by the Commission

4. Where, following the publication of the allocation report in accordance with Article 13(1), point (c), the allocation of proceeds is corrected, issuers of the European green bonds concerned shall amend the allocation report and obtain a post-issuance review by an external reviewer of that amended allocation report.

Amendment

4. Where, following the publication of the allocation report in accordance with Article 13(1), point (c), the allocation of proceeds is corrected, issuers of the European green bonds concerned shall amend the allocation report and obtain a post-issuance review by an external reviewer of that amended allocation report. ***That external reviewer shall be registered with ESMA.***

Amendment 31

Proposal for a regulation

Article 9 – paragraph 5

Text proposed by the Commission

5. By way of derogation from paragraph 3, every allocation report from issuers that are financial undertakings that allocate proceeds from a portfolio of several European green bonds to a portfolio of financial assets as referred to in Article 5 shall be subject to a post-issuance review by an external reviewer. The

Amendment

5. By way of derogation from paragraph 3, every allocation report from issuers that are financial undertakings that allocate proceeds from a portfolio of several European green bonds to a portfolio of financial assets as referred to in Article 5 shall be subject to a post-issuance review by an external reviewer. The

external reviewer shall pay particular attention to those financial assets that were not included in any previously published allocation report.

external reviewer, ***who shall be duly registered with ESMA***, shall pay particular attention to those financial assets that were not included in any previously published allocation report.

Amendment 32

Proposal for a regulation Article 10 – paragraph 1

Text proposed by the Commission

1. Issuers of European green bonds shall, after the full allocation of the proceeds of such bonds and at least ***once during the lifetime of*** the bond, draw up a European green bond impact report on the environmental impact of the use of the bond proceeds by using the template laid down in Annex III.

Amendment

1. Issuers of European green bonds shall, after the full allocation of the proceeds of such bonds and at least ***every five years until*** the bond ***reaches maturity***, draw up a European green bond impact report on the environmental impact of the use of the bond proceeds by using the template laid down in Annex III. ***That report shall be subject to scrutiny by external reviewers.***

Amendment 33

Proposal for a regulation Article 11 – paragraph 1

Text proposed by the Commission

An issuer that is a sovereign may obtain pre-issuance and post-issuance reviews from an external reviewer, or from a state auditor or any other public entity that is mandated by the sovereign to assess compliance with this Regulation.

Amendment

An issuer that is a sovereign may obtain pre-issuance and post-issuance reviews from an external reviewer, or from a state auditor or any other public entity that is mandated by the sovereign to assess compliance with this Regulation. ***For non-Union sovereign issuers, the state auditor or other public entity shall be required to receive pre-approval from ESMA in line with Title III Chapter 1.***

Amendment 34

Proposal for a regulation Article 13 – paragraph 1 – introductory part

Text proposed by the Commission

Amendment

1. Issuers of European green bonds shall publish on their website, in a distinct section titled ‘European green bonds’ and make available free of charge until at least the maturity of the bonds concerned, all of the following:

1. Issuers of European green bonds shall publish on their website, in a distinct **and accessible** section titled ‘European green bonds’ and make available free of charge until at least the maturity of the bonds concerned, all of the following:

Amendment 35

Proposal for a regulation

Article 15 – paragraph 1 – point d a (new)

Text proposed by the Commission

Amendment

(da) the governance structures of the applicant;

Amendment 36

Proposal for a regulation

Article 15 – paragraph 1 – point h

Text proposed by the Commission

Amendment

(h) the policies or procedures implemented by the applicant to identify, manage and disclose any conflicts of interests as referred to in Article 27;

(h) the policies or procedures implemented by the applicant to identify **and eliminate or** manage and disclose **in a transparent manner** any **actual or potential** conflicts of interests as referred to in Article 27;

Justification

To ensure consistency with Art 27.

Amendment 37

Proposal for a regulation

Article 15 – paragraph 1 – point i

Text proposed by the Commission

Amendment

(i) where applicable, documents and

(i) where applicable, documents and

information related to any **existing or planned** outsourcing arrangements for activities of the external reviewer covered by this Regulation, including information on entities assuming outsourcing functions;

information related to any outsourcing arrangements for activities of the external reviewer covered by this Regulation, including information on entities assuming outsourcing functions;

Amendment 38

Proposal for a regulation Article 15 – paragraph 3 – subparagraph 2

Text proposed by the Commission

Where the application is not complete, ESMA shall notify the applicant thereof and set a deadline by which the applicant is to provide additional information.

Amendment

Where the application is not complete, ESMA shall notify the applicant thereof and set a deadline by which the applicant is to provide additional information **without undue delay**.

Amendment 39

Proposal for a regulation Article 15 – paragraph 3 – subparagraph 3

Text proposed by the Commission

Where the application is complete, ESMA shall notify the applicant thereof.

Amendment

Where the application is complete, ESMA shall notify the applicant thereof **without undue delay**.

Amendment 40

Proposal for a regulation Article 15 – paragraph 4 – subparagraph 3

Text proposed by the Commission

ESMA shall notify in writing an applicant of his or her registration as an external reviewer, or of its refusal to register an applicant. The decision to register or the refusal to register shall provide reasons and take effect on the fifth working day following its adoption.

Amendment

ESMA shall, **without undue delay**, notify in writing an applicant of his or her registration as an external reviewer, or of its refusal to register an applicant. The decision to register or the refusal to register shall provide reasons and take effect on the fifth working day following its adoption.

Amendment 41

Proposal for a regulation

Article 16 – paragraph 1 – subparagraph 1

Text proposed by the Commission

An external reviewer shall notify ESMA of any material changes in the information provided in accordance with Article 15(1) or in the facts concerning the information referred to in Article 15(1) before such changes are implemented

Amendment

An external reviewer shall notify ESMA of any material changes in the information provided in accordance with Article 15(1) or in the facts concerning the information referred to in Article 15(1) before such changes are implemented ***without undue delay.***

Amendment 42

Proposal for a regulation

Article 19 – paragraph 1 – point c

Text proposed by the Commission

(c) that conflicts of interest are properly identified, managed and disclosed;

Amendment

(c) that ***any actual or potential*** conflicts of interest are properly identified ***and eliminated or*** managed and disclosed ***in a transparent manner;***

Amendment 43

Proposal for a regulation

Article 25 – paragraph 1

Text proposed by the Commission

1. External reviewers that outsource their assessment activities to third party service providers shall ensure that any such third party service provider has the ability and the capacity to perform those assessment activities reliably and professionally. Those external reviewers shall also ensure that the outsourcing does not materially impair the quality of their internal control and the ability of ESMA to supervise the compliance of those external reviewers with this Regulation.

Amendment

1. External reviewers that outsource their assessment activities to third party service providers shall ensure that any such third party service provider has the ability and the capacity to perform those assessment activities reliably and professionally ***and shall provide ESMA with the reasons for outsourcing those assessment activities.*** Those external reviewers shall also ensure that the outsourcing does not materially impair the quality of their internal control and the ability of ESMA to supervise the

compliance of those external reviewers with this Regulation.

Amendment 44

Proposal for a regulation

Article 25 – paragraph 6 – point b a (new)

Text proposed by the Commission

Amendment

(ba) the identification and subsequent elimination or management and disclosure of any actual or potential conflicts of interest of third-party service providers within the meaning of Article 27(4a);

Amendment 45

Proposal for a regulation

Article 27 – paragraph 1

Text proposed by the Commission

Amendment

1. External reviewers shall identify, eliminate, manage and disclose in a transparent manner any actual or potential conflicts of interest, irrespective of whether that conflict of interest concerns their analysts or employees, any person that is contractually related to the external reviewers and that is directly involved in assessment activities, or persons approving pre-issuance reviews and post-issuance reviews.

1. External reviewers shall identify, eliminate **or** manage and disclose in a transparent manner any actual or potential conflicts of interest, irrespective of whether that conflict of interest concerns their analysts or employees, any person that is contractually related to the external reviewers and that is directly involved in assessment activities, or persons approving pre-issuance reviews and post-issuance reviews.

Justification

The Commission text is not clear: conflicts of interest that are eliminated cannot subsequently be managed. The proposed rewording follows the wording of Regulation (EU) No 462/2013 on credit-rating agencies.

Amendment 46

Proposal for a regulation

Article 27 – paragraph 2

Text proposed by the Commission

2. Fees charged by external reviewers for assessment services shall not depend on the result of the pre-issuance or post-issuance review, or on any other result or outcome of the work performed.

Amendment

2. Fees charged by external reviewers for assessment services ***shall be agreed by the reviewer and the issuer prior to the review and*** shall not depend on the result of the pre-issuance or post-issuance review, or on any other result or outcome of the work performed.

Amendment 47

Proposal for a regulation

Article 27 – paragraph 4 a (new)

Text proposed by the Commission

Amendment

4a. A conflict of interest shall be deemed to exist inter alia where:

(a) the external reviewer is directly or indirectly linked to the reviewed entity or a related third party by control;

(b) the reviewed entity or related third party holds a significant amount of either the capital or the voting rights of the external reviewer;

(c) the external reviewer has ownership interests in the reviewed entity or a related third party; or

(d) a person referred to in paragraph 1 is a member of the administrative or supervisory board of there viewed entity or a related third party, or is otherwise in a position to exercise influence on the business activities of the external reviewer, including through the ownership of shares in the reviewed entity.

Amendment 48

Proposal for a regulation

Article 30 – paragraph 1 – introductory part

Text proposed by the Commission

Amendment

1. External reviewers shall publish and make available free of charge on their websites all of the following:

1. External reviewers shall publish and make available free of charge on their websites **and on the relevant trading venue** all of the following:

Amendment 49

Proposal for a regulation

Article 31 – paragraph 9 – subparagraph 1 a (new)

Text proposed by the Commission

Amendment

ESMA may extend the period referred to in the first subparagraph by 15 working days where the applicant intends to use outsourcing to perform its activities as an external reviewer.

Amendment 50

Proposal for a regulation

Article 34 – paragraph 5 – subparagraph 5

Text proposed by the Commission

Amendment

ESMA shall notify an applicant of its recognition as a third country external reviewer or of its refusal. The decision to recognise or the refusal to recognise shall provide reasons and take effect on the fifth working day following its adoption.

ESMA shall, ***without undue delay***, notify an applicant of its recognition as a third country external reviewer or of its refusal. The decision to recognise or the refusal to recognise shall provide reasons and take effect on the fifth working day following its adoption.

Amendment 51

Proposal for a regulation

Article 35 – paragraph 3 – subparagraph 3

Text proposed by the Commission

Amendment

Where the application is complete, ESMA shall notify the applicant thereof.

Where the application is complete, ESMA shall notify the applicant thereof, ***without undue delay***.

Amendment 52

Proposal for a regulation

Article 37 – paragraph 1 – point g

Text proposed by the Commission

(g) to make public the fact that an issuer of European green bonds is failing to comply with its obligations under Articles 8 to 13 of this Regulation;

Amendment

(g) to make public the fact that an issuer of European green bonds is failing to comply with its obligations under Articles 8 to 13 of this Regulation ***and to require the issuer to publish that information on its website and inform investors in the bond of that failure to comply;***

Amendment 53

Proposal for a regulation

Article 37 – paragraph 3

Text proposed by the Commission

3. Member States shall ensure that appropriate measures are in place so that competent authorities have all the supervisory and investigatory powers that are necessary to fulfil their duties.

Amendment

3. Member States shall ensure that appropriate measures are in place so that competent authorities have all the supervisory and investigatory powers ***and resources*** that are necessary to fulfil their duties.

Amendment 54

Proposal for a regulation

Article 63 a (new)

Text proposed by the Commission

Amendment

Article 63a

Review

By ... [three years after the date of entry into force of this Regulation] and every five years thereafter, the Commission shall submit a report to the European Parliament and to the Council on the application of this Regulation. That report

shall evaluate at least the following:

- (a) the uptake of the European green bond standard and its market share, both in the Union and globally;*
- (b) the impact of this Regulation on the transition to a sustainable economy;*
- (c) the functioning of the market of external reviewers, specifying market concentration and the impartiality of external reviewers;*
- (d) the ability of ESMA and national competent authorities to exercise their supervisory duties;*
- (e) the appropriateness of funding of ESMA through recognition, endorsement and supervisory fees;*
- (f) the operation of the provisions relating to third-country external reviewers laid down in Chapter IV of Title III;*
- (g) any continued existence of greenwashing in the sustainable bond market.*

As part of the first evaluation report, as provided for under the first paragraph, the Commission shall assess whether the scope of this Regulation should be extended to include bonds the proceeds of which are allocated to an economic activity that contributes to a social objective.

The Commission's evaluation reports may be accompanied, where appropriate, by a legislative proposal to amend this Regulation.

PROCEDURE – COMMITTEE ASKED FOR OPINION

Title	European green bonds
References	COM(2021)0391 – C9-0311/2021 – 2021/0191(COD)
Committee responsible Date announced in plenary	ECON 13.9.2021
Opinion by Date announced in plenary	BUDG 13.9.2021
Rapporteur for the opinion Date appointed	José Manuel Fernandes 16.11.2021
Discussed in committee	1.2.2022
Date adopted	16.3.2022
Result of final vote	+: 32 –: 2 0: 6
Members present for the final vote	Rasmus Andresen, Anna Bonfrisco, Olivier Chastel, Lefteris Christoforou, David Cormand, Paolo De Castro, Andor Deli, José Manuel Fernandes, Eider Gardiazabal Rubial, Vlad Gheorghe, Valentino Grant, Elisabetta Gualmini, Francisco Guerreiro, Valérie Hayer, Eero Heinäluoma, Niclas Herbst, Monika Hohlmeier, Moritz Körner, Joachim Kuhs, Zbigniew Kuźmiuk, Hélène Laporte, Pierre Larrousurou, Janusz Lewandowski, Margarida Marques, Siegfried Mureşan, Victor Negrescu, Lefteris Nikolaou-Alavanos, Andrey Novakov, Jan Olbrycht, Dimitrios Papadimoulis, Karlo Ressler, Bogdan Rzońca, Nicolae Ştefănuţă, Nils Torvalds, Nils Ušakovs, Johan Van Overtveldt, Rainer Wieland, Angelika Winzig
Substitutes present for the final vote	Henrike Hahn, Petros Kokkalis

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

32	+
NI	Andor Deli
PPE	Lefteris Christoforou, José Manuel Fernandes, Niclas Herbst, Monika Hohlmeier, Janusz Lewandowski, Siegfried Mureşan, Andrey Novakov, Jan Olbrycht, Karlo Ressler, Rainer Wieland, Angelika Winzig
Renew	Olivier Chastel, Vlad Gheorghe, Valérie Hayer, Moritz Körner, Nicolae Ştefănuţă, Nils Torvalds
S&D	Paolo De Castro, Eider Gardiazabal Rubial, Elisabetta Gualmini, Eero Heinäluoma, Pierre Larrourou, Margarida Marques, Victor Negrescu, Nils Ušakovs
The Left	Petros Kokkalis, Dimitrios Papadimoulis
Verts/ALE	Rasmus Andresen, David Cormand, Francisco Guerreiro, Henrike Hahn

2	-
ID	Joachim Kuhs
NI	Lefteris Nikolaou-Alavanos

6	0
ECR	Zbigniew Kuźmiuk, Bogdan Rzońca, Johan Van Overtveldt
ID	Anna Bonfrisco, Valentino Grant, Hélène Laporte

Key to symbols:

+ : in favour

- : against

0 : abstention

18.2.2022

OPINION OF THE COMMITTEE ON THE ENVIRONMENT, PUBLIC HEALTH AND FOOD SAFETY

for the Committee on Economic and Monetary Affairs

on the proposal for a regulation of the European Parliament and of the Council on European green bonds

(COM(2021)0391 – C9-0311/2021 – 2021/0191(COD))

Rapporteur for opinion: Bas Eickhout

SHORT JUSTIFICATION

The proposal for a Regulation on European green bonds is part of the broader agenda on sustainable finance. According to the Commission, the EU will need an estimated EUR 350 billion in additional investment per year over this decade to meet its 2030 emissions-reduction target in energy systems alone, alongside another EUR 130 billion for other environmental goals. By creating a European green bond standard, the Commission seeks to develop the market for high quality green bonds and thereby to facilitate capital raising for projects that pursue environmentally sustainable objectives.

The proposed Regulation requires European green bond issuers to use the proceeds of bonds in accordance with the EU taxonomy for sustainable investments. Besides, it requires issuers to provide information and report on the use of proceeds and its impact. External reviewers supervised by ESMA will check whether these conditions are respected. While the rapporteurs expects that the Commission proposal will increase the quality and credibility of green bonds using the European green bond standard, it does not affect the rest of the unregulated green bonds market of issuers using non-binding private green bond principles and standards, nor other plain vanilla bonds without any sustainability claims attached to it.

The rapporteur is concerned that the initial problem of a lack of comparability of green bonds remains unsolved with a new, purely voluntary standard next to existing green bonds. Besides, issuers that may perceive the requirements of the EU green bond standard as too strict or burdensome could choose to issue green bonds under less credible standards, thereby failing to address widespread concerns of ‘greenwashing’. This is why it is proposed, at the entry of force of the Regulation, to require issuers of green bonds issued without the designation ‘European Green Bond’, to report on the Taxonomy alignment of the use of proceeds and to respect the “do no significant harm” criteria of the EU taxonomy, as well as to use an external reviewer to verify pre- and post-issuance information. After a period of three years, the rapporteur suggests that all issuers of green bonds on the EU market should fully respect the requirements of the European green bond standard, including full Taxonomy alignment.

Third, the rapporteur deems that the proposal insufficiently addresses the broader environmental strategy of the issuers of green bonds. Companies that wish to benefit from the reputational and/or financial benefits of issuing green bonds, should back up their green bond issuance with credible environmental strategies and enhanced transparency. The rapporteur

therefore suggests to add more specific requirements as part of the environmental strategy and rationale in the European green bond factsheet. Issuers should disclose specific elements of their environmental strategy and how and to what extent the European green bond increases the Taxonomy alignment of the issuer.

Finally, the success of this Regulation should be measured by its environmental impact. Therefore, the rapporteur suggests to increase the frequency of the impact reports by the issuers and suggests that the Commission shall review the impact of this Regulation on the transition of the real economy towards environmental objectives after five years.

AMENDMENTS

The Committee on the Environment, Public Health and Food Safety calls on the Committee on Economic and Monetary Affairs, as the committee responsible, to take into account the following amendments:

Amendment 1

Proposal for a regulation

Recital 1

Text proposed by the Commission

(1) The transition to a **low-carbon, more** sustainable, resource-efficient, circular and fair economy is key to ensuring the long-term competitiveness of the economy of the Union and the well-being of its peoples. In 2016, the Union concluded the Paris Agreement³¹. Article 2(1), point (c), of the Paris Agreement sets out the objective of strengthening the response to climate change by, among other means, making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development.

³¹ Council Decision (EU) 2016/1841 of 5 October 2016 on the conclusion, on behalf of the European Union, of the Paris Agreement adopted under the United Nations Framework Convention on Climate Change (OJ L 282, 19.10.2016, p.

Amendment

(1) The transition to a **climate-neutral,** sustainable, **energy- and** resource-efficient, circular and fair economy is key to ensuring the long-term competitiveness of the economy of the Union and the well-being of its peoples. In 2016, the Union concluded the Paris Agreement³¹. Article 2(1), point (c), of the Paris Agreement sets out the objective of strengthening the response to climate change by, among other means, making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development.

³¹ Council Decision (EU) 2016/1841 of 5 October 2016 on the conclusion, on behalf of the European Union, of the Paris Agreement adopted under the United Nations Framework Convention on Climate Change (OJ L 282, 19.10.2016, p.

4).

4).

Amendment 2

Proposal for a regulation

Recital 2

Text proposed by the Commission

(2) The European Green Deal Investment Plan of 14 January 2020³² envisages the establishment of a standard for environmentally sustainable bonds to further increase investment opportunities and facilitate the identification of environmentally sustainable investments through a clear label. In its December 2020 conclusions, the European Council invited the Commission to put forward a legislative proposal for a green bond standard³³.

³² COM(2020) 21 final.

³³ EUCO 22/20.

Amendment 3

Amendment

(2) ***In its resolution of 29 May 2018 on sustainable finance^{31a}, the European Parliament highlighted the insufficient regulation of the green bond market and called for a legislative initiative to create a unified standard for the issuance of green bonds, building on Regulation (EU) 2020/852 of the European Parliament and of the Council^{31b}.*** The European Green Deal Investment Plan of 14 January 2020³² envisages the establishment of a standard for environmentally sustainable bonds to further increase investment opportunities and facilitate the identification of environmentally sustainable investments through a clear label. In its December 2020 conclusions, the European Council invited the Commission to put forward a legislative proposal for a green bond standard³³.

^{31a} OJ C 76, 9.3.2020, p. 23.

^{31b} ***Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (OJ L 198, 22.6.2020, p. 13).***

³² COM(2020) 21 final.

³³ EUCO 22/20.

Proposal for a regulation
Recital 3

Text proposed by the Commission

(3) Environmentally sustainable bonds are one of the main instruments for financing investments related to **low-carbon** technologies, energy and resource efficiency as well as **sustainable** transport infrastructure and research infrastructure. **Financial or non-financial undertakings or sovereigns can issue such bonds. Various existing initiatives for environmentally sustainable bonds do not ensure common definitions of environmentally sustainable economic activities. This prevents investors from easily identifying bonds the proceeds of which are aligned with, or are contributing to environmental objectives as laid down in the Paris Agreement.**

Amendment 4

Proposal for a regulation
Recital 3 a (new)

Text proposed by the Commission

Amendment

(3) **Both private and public investments are essential in order to achieve the transition to a climate-neutral economy.** Environmentally sustainable bonds are one of the main instruments for financing investments related to technologies **necessary for the decarbonisation of our society**, energy and resource efficiency as well as **zero-emission** transport infrastructure and research infrastructure. **Yet the regulatory burden of directing private capital flows towards sustainable investments should not fall exclusively on such bonds, but instead extend to all debt instruments.**

(3a) **Financial or non-financial undertakings or sovereigns can issue environmentally sustainable bonds. The various existing initiatives for environmentally sustainable bonds do not ensure common definitions of environmentally sustainable economic activities. That prevents investors from easily comparing the environmental sustainability of bonds and from easily identifying bonds the proceeds of which are aligned with, or contribute to, environmental objectives as laid down in Regulation (EU) 2020/852 and in the Paris Agreement.**

Amendment 5

Proposal for a regulation

Recital 4

Text proposed by the Commission

(4) Diverging rules on the disclosure of information, on the transparency and accountability of external reviewers reviewing environmentally sustainable bonds, and on the eligibility criteria for eligible environmentally sustainable projects, **impede** the ability of investors to identify, trust, and compare environmentally sustainable bonds, and the ability of issuers to use environmentally sustainable bonds to transition **their activities** towards more environmentally sustainable business models.

Amendment

(4) Diverging rules on the disclosure of information, on the transparency and accountability of external reviewers reviewing environmentally sustainable bonds, and on the eligibility criteria for eligible environmentally sustainable projects, **have impeded** the ability of investors to identify, trust, and **objectively** compare environmentally sustainable bonds, and the ability of issuers to use environmentally sustainable bonds to **fund their** transition towards more environmentally sustainable business models.

Amendment 6

Proposal for a regulation

Recital 5

Text proposed by the Commission

(5) In ensuring alignment with the objectives of the Paris agreement, and given the existing divergences and absence of common rules, it is likely that Member States will adopt diverging measures and approaches, which will have a direct negative impact on, and create obstacles to, the proper functioning of the internal market, and be detrimental to issuers of environmentally sustainable bonds. The parallel development of market practices based on commercially driven priorities that produce divergent results causes market fragmentation and risks further exacerbating inefficiencies in the functioning of the internal market. Divergent standards and market practices make it difficult to compare different bonds, create uneven market conditions for

Amendment

(5) In ensuring alignment with the objectives of the Paris agreement **and of the UN's Sustainable Development Goals, so as to ensure that business practices are compatible with the transition to a sustainable economy and limiting global warming to 1,5° C**, and given the existing divergences and absence of common rules, it is likely that Member States will adopt diverging measures and approaches, which will have a direct negative impact on, and create obstacles to, the proper functioning of the internal market, and be detrimental to issuers of environmentally sustainable bonds. The parallel development of market practices based on commercially driven priorities that produce divergent results causes market fragmentation and risks further exacerbating inefficiencies in the

issuers, cause additional barriers within the internal market, and risk distorting investment decisions.

functioning of the internal market. Divergent standards and market practices make it difficult to compare different bonds, create uneven market conditions for issuers, cause additional barriers within the internal market, and risk **greenwashing** and distorting investment decisions

Amendment 7

Proposal for a regulation

Recital 6

Text proposed by the Commission

(6) The lack of harmonised rules for the procedures used by external reviewers to review environmentally sustainable bonds and the diverging definitions of environmentally sustainable activities make it increasingly difficult for investors to effectively compare bonds across the internal market with respect to their environmental objectives. The market for environmentally sustainable bonds is inherently international, with market participants trading bonds and making use of external review services from third party providers across borders. Action at Union level could reduce the risk of fragmentation of the internal **market** for environmentally sustainable bonds and bond-related external review services, and ensure the application of Regulation (EU) 2020/852 of the European Parliament and of the Council³⁴ in the market for such bonds.

³⁴ Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (OJ L 198, 22.6.2020, p. 13).

Amendment

(6) The lack of harmonised rules for the procedures used by external reviewers to review environmentally sustainable bonds and the diverging definitions of environmentally sustainable activities make it increasingly difficult for investors to effectively compare bonds across the internal market with respect to their environmental objectives **and their impact on the environment**. The market for environmentally sustainable bonds is inherently international, with market participants trading bonds and making use of external review services from third party providers across borders, **including those from third countries**. Action at Union level could reduce the risk of fragmentation of the internal **and global markets** for environmentally sustainable bonds and bond-related external review services, and ensure the application of Regulation (EU) 2020/852 of the European Parliament and of the Council³⁴ in the market for such bonds.

³⁴ Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (OJ L 198, 22.6.2020, p. 13).

Amendment 8

Proposal for a regulation

Recital 7

Text proposed by the Commission

(7) A **uniform** set of **specific** requirements should therefore be laid down for bonds issued by financial or non-financial undertakings or sovereigns that **voluntarily wish to use the designation ‘European green bond’ or ‘EuGB’ for such** bonds. Specifying quality requirements for **European green** bonds in the form of a Regulation should ensure that there are uniform conditions for the issuance of such bonds by preventing diverging national requirements that could result from a transposition of a Directive, and should also ensure that those conditions are directly applicable to issuers of such bonds. Issuers that **voluntarily** use the designation ‘**European green** bond’ or ‘**EuGB**’ should follow the same rules across the Union, to increase market efficiency by reducing discrepancies and thereby also reducing the costs of assessing those bonds for investors.

Amendment

(7) A set of **harmonised** requirements should therefore be laid down for bonds issued by financial or non-financial undertakings or sovereigns that **are marketed as environmentally sustainable, including those that are marketed as ‘certified green deal** bonds’. Specifying quality requirements for **those** bonds in the form of a Regulation should ensure that there are uniform conditions for the issuance of such bonds by preventing diverging national requirements that could result from a transposition of a Directive, and should also ensure that those conditions are directly applicable to issuers of such bonds. Issuers that use the designation ‘**certified green deal** bond’ should follow the same rules across the Union, to increase market efficiency by reducing discrepancies and thereby also reducing the costs of assessing those bonds for investors. ***In order to achieve a Union market for green bonds that is consistent with the requirements for environmentally sustainable economic activities set out in Article 3 of Regulation (EU) 2020/852 (‘taxonomy requirements’), and ultimately make the certified green deal bond standard the international gold standard for green bonds, the certified green deal bond standard should progressively become the prime green bond standard within the Union. Use of the certified green deal bond standard should, over time, therefore become mandatory for all issuers marketing bonds as environmentally sustainable on the Union market, subject to an impact assessment from the Commission.***

(The designation ‘certified green deal bond’ applies throughout the text. Adopting it will necessitate corresponding changes throughout).

Amendment 9

Proposal for a regulation

Recital 8

Text proposed by the Commission

(8) In accordance with Article 4 of Regulation (EU) 2020/852, and in order to provide investors with clear, quantitative, detailed and common definitions, the requirements set out in Article 3 of that Regulation should be used to determine whether an economic activity qualifies as environmentally sustainable. Proceeds of bonds that use the designation ‘**European green bond**’ or ‘**EuGB**’ should **exclusively** be used to fund economic activities that **either are environmentally sustainable and are thus aligned with the environmental objectives** set out in Article 9 of Regulation (EU) 2020/852, or contribute to the transformation of activities **to** become environmentally sustainable. Those bonds can however be used both to finance such environmentally sustainable activities directly through the financing of assets and expenditures that relate to economic activities that meet the requirements set out in Article 3 of Regulation (EU) 2020/852, or indirectly through financial assets that finance economic activities that meet those requirements. It is therefore necessary to specify the categories of expenditures and assets that can be financed with the proceeds of bonds that use the designation ‘**European green bond**’ or ‘**EuGB**’.

Amendment

(8) In accordance with Article 4 of Regulation (EU) 2020/852, and in order to provide investors with clear, quantitative, detailed and common definitions, the requirements set out in Article 3 of that Regulation should be used to determine whether an economic activity qualifies as environmentally sustainable. Proceeds of bonds that use the designation ‘**certified green deal bond**’ should be used to fund **new** economic activities that **meet the requirements** set out in Article 3 of Regulation (EU) 2020/852 **and are thus environmentally sustainable, or to** contribute to the transformation of activities **so that they can meet those requirements and can thereby** become environmentally sustainable. Those bonds can however be used both to finance such environmentally sustainable activities directly through the financing of assets and expenditures that relate to economic activities that meet the requirements set out in Article 3 of Regulation (EU) 2020/852, or indirectly through financial assets that finance economic activities that meet those requirements. It is therefore necessary to specify the categories of expenditures and assets that can be financed with the proceeds of bonds that use the designation ‘**certified green deal bond**’.

Amendment 10

Proposal for a regulation

Recital 9

Text proposed by the Commission

(9) The proceeds of **European green** bonds should be used to finance economic activities that have a lasting positive impact on the environment. Such lasting positive impact can be attained in several ways. Since fixed assets are long-term assets, a first way is to use the proceeds of such **European green** bonds to finance fixed tangible or fixed intangible assets that are not financial assets, provided that those fixed assets relate to economic activities that meet the requirements for environmentally sustainable economic activities set out in Article 3 of Regulation (EU) 2020/852 ('taxonomy requirements'). Since financial assets can be used to finance economic activities with a lasting positive impact on the environment, a second way is to use those proceeds to finance financial assets, provided that the proceeds from those financial assets are allocated to economic activities that meet the taxonomy requirements. Since the assets of households can also have a long-term positive impact on the environment, those financial assets should also include the assets of households. Since capital expenditure and selected operating expenditure can be used to acquire, upgrade, or maintain fixed assets, a third way is to use the proceeds of such bonds to finance capital and operating expenditures that relate to economic activities that meet the taxonomy requirements or that will meet those requirements within a reasonably short period from the issuance of the bond concerned, which can be extended however where duly justified by the specific features of the economic activities and investments concerned. For the reasons outlined above, the capital and operating expenditures should also include the expenditures of households.

Amendment

(9) ***Notwithstanding the green bond markets already functioning prior to the entry into force of this Regulation, for which best practices should be kept, fostered, and eventually standardised within the certified green deal bond standard provided for in this Regulation,*** the proceeds of ***certified green deal*** bonds should be used to finance economic activities that have a lasting positive impact on the environment. Such lasting positive impact can be attained in several ways. Since fixed assets are long-term assets, a first way is to use the proceeds of such ***certified green deal*** bonds to finance fixed tangible or fixed intangible assets that are not financial assets, provided that those fixed assets relate to economic activities that meet the requirements for environmentally sustainable economic activities set out in Article 3 of Regulation (EU) 2020/852 ('taxonomy requirements'). Since financial assets can be used to finance economic activities with a lasting positive impact on the environment, a second way is to use those proceeds to finance financial assets, provided that the proceeds from those financial assets are allocated to economic activities that meet the taxonomy requirements. Since the assets of households can also have a long-term positive impact on the environment, those financial assets should also include the assets of households. Since capital expenditure and selected operating expenditure can be used to acquire, upgrade, or maintain fixed assets, a third way is to use the proceeds of such bonds to finance capital and operating expenditures that relate to economic activities that meet the taxonomy requirements or that will meet those requirements within a reasonably short period from the issuance of the bond concerned, which can be

extended however **by a maximum period of ten years** where duly justified by the specific features of the economic activities and investments concerned. For the reasons outlined above, the capital and operating expenditures should also include the expenditures of households.

Amendment 11

Proposal for a regulation

Recital 10

Text proposed by the Commission

(10) Sovereigns are frequent issuers of environmentally sustainable **bonds** and should therefore also be allowed to issue ‘**European green** bonds’, provided that the proceeds of such bonds are used to finance either assets or expenditure that meet the taxonomy, or assets or expenditure that will meet those requirements within a reasonably short period from the issuance of the bond concerned, which can be extended however where duly justified by the specific features of the economic activities and investments concerned.

Amendment

(10) Sovereigns are frequent issuers of **bonds marketed as** environmentally sustainable and should therefore also be allowed to issue **certified green deal** bonds, provided that the proceeds of such bonds are used to finance either assets or expenditure that meet the taxonomy, or assets or expenditure that will meet those requirements within a reasonably short period from the issuance of the bond concerned, which can be extended however where duly justified by the specific features of the economic activities and investments concerned **as established by the Commission**.

Amendment 12

Proposal for a regulation

Recital 10 a (new)

Text proposed by the Commission

Amendment

(10a) Union institutions and bodies should adhere to Union standards in the pursuit of financing sustainability objectives, including those defined by Regulation (EU) 2020/852. Accordingly, they should use the certified green deal bond standard for any issuance of a use of proceeds bond that has environmental

sustainability as its objective. As a leading global issuer of green bonds, the European Investment Bank has already committed to aligning its green bond programme with the certified green deal bond standard. That standard should not apply to green bonds that have been issued by Union institutions and bodies prior to the entry into force of this Regulation.

Amendment 13

Proposal for a regulation Recital 12 a (new)

Text proposed by the Commission

Amendment

(12a) Green bonds aim to help companies transition towards sustainability. As such, certified green deal bonds should only be used by issuers that have a credible pathway to reducing their environmental footprint and to becoming sustainable, in particular by aligning their business model with a scenario that maintains global warming under 1,5° C above pre-industrial levels. Issuers should also take into account other dimensions of sustainability, such as key international labour and human rights conventions and frameworks as referred to in Article 18 of Regulation (EU) 2020/852.

Amendment 14

Proposal for a regulation Recita 13

Text proposed by the Commission

Amendment

(13) Investors should be provided with all information necessary to evaluate the environmental impact of **European** green bonds, and to compare such bonds with

(13) Investors should be provided with all information necessary to evaluate the environmental impact of **bonds marketed as green or environmentally sustainable**,

each other. For that purpose, specific and standardised disclosure requirements need to be set out which provide transparency about how the issuer intends to allocate the bond proceeds to eligible fixed assets, expenditures and financial assets and how those proceeds have actually been allocated. Such transparency can best be achieved by means of **European green** bond factsheets and annual allocation reports. To strengthen the comparability of **European green** bonds and to facilitate the localisation of relevant information, it is necessary to lay down templates for the disclosure of such information.

including certified green deal bonds, **to assess the impact of those bonds on the broader environmental strategy of issuers**, and to compare **the sustainability of** such bonds with each other. For that purpose, specific and standardised disclosure requirements need to be set out which provide transparency about how the issuer intends to allocate the bond proceeds to eligible fixed assets, expenditures and financial assets and how those proceeds have actually been allocated. Such transparency can best be achieved by means of **certified green deal** bond factsheets and annual allocation reports. To strengthen the comparability of **certified green deal** bonds and to facilitate the localisation of relevant information, it is necessary to lay down templates for the disclosure of such information.

Amendment 15

Proposal for a regulation Recital 13 a (new)

Text proposed by the Commission

Amendment

(13a) Investors should also be provided with the information necessary to evaluate the environmental impact of other green bonds that are marketed as environmentally sustainable but that do not use the designation 'certified green deal bond'. To foster the comparability of such bonds across the market on the basis of environmental merits, those that are issued on the internal market should disclose the degree to which they contribute to economic activities that qualify as environmentally sustainable pursuant to Article 3 of Regulation (EU) 2020/852. To avoid greenwashing, the issuers of such bonds should only allocate proceeds from those bonds to economic activities that respect the 'do no significant harm' principle set out in Article 17 of Regulation (EU) 2020/852

and those issuers should be subject to reviews of pre-issuance factsheets, allocation reports and impact reports by external reviewers.

Amendment 16

Proposal for a regulation

Recital 14

Text proposed by the Commission

(14) Investors should benefit from cost-effective access to reliable information about the **European green** bonds. Issuers of European Green **Bonds** should therefore contract external reviewers to provide a pre-issuance review of the **European green** bond factsheet, and post-issuance reviews of **European green** bond annual allocation reports.

Amendment

(14) Investors should benefit from cost-effective access to reliable information about the **certified green deal** bonds. Issuers of **certified green deal bonds** should therefore contract **independent** external reviewers to provide a pre-issuance review of the **certified green deal** bond factsheet, and post-issuance reviews of **certified green deal** bond annual allocation reports.

Amendment 17

Proposal for a regulation

Recital 18

Text proposed by the Commission

(18) To improve transparency, issuers should also disclose the environmental impact of their bonds by means of the publication of impact reports, which should be published at least **once** during the lifetime of the bond. In order to provide investors with all information relevant to assess the environmental impact of **European green** bonds, impact reports should clearly specify the metrics, methodologies and assumptions applied in the assessment of the environmental impacts. To strengthen the comparability of **European green** bonds and to facilitate the localisation of relevant information, it is necessary to lay down templates for the

Amendment

(18) To improve transparency, issuers should also disclose the environmental impact of their bonds by means of the publication of impact reports, which should be published at least **twice** during the lifetime of the bond, **and again when it reaches maturity**. In order to provide investors with all information relevant to assess the environmental impact of **certified green deal** bonds, impact reports should clearly specify the metrics, methodologies and assumptions applied in the assessment of the environmental impacts. To strengthen the comparability of **certified green deal** bonds and to facilitate the localisation of relevant

disclosure of such information.

information, it is necessary to lay down templates for the disclosure of such information. ***The information contained in the impact reports should be subject to the assessment of external reviewers.***

Amendment 18

Proposal for a regulation Recital 22

Text proposed by the Commission

(22) To strengthen transparency towards investors on how the alignment of bond proceeds with the taxonomy requirements is assessed, external reviewers should disclose to users of pre-issuance reviews **and** post-issuance reviews the methodologies and key assumptions they use in their external review activities in sufficient detail, whilst taking due account of the protection of proprietary data and intellectual property.

Amendment

(22) To strengthen transparency towards investors on how the alignment of bond proceeds with the taxonomy requirements is assessed, external reviewers should disclose to users of pre-issuance reviews, post-issuance reviews **and impact reports**, the methodologies and key assumptions they use in their external review activities in sufficient detail, whilst taking due account of the protection of proprietary data and intellectual property.

Amendment 19

Proposal for a regulation Recital 25

Text proposed by the Commission

(25) It is necessary to avoid divergent applications of this Regulation by national competent authorities. At the same time, it is necessary to lower transaction and operational costs of external reviewers, to strengthen investor confidence **and** to increase legal certainty. It is therefore appropriate to give ESMA general competence for the registration and ongoing supervision of registered external reviewers in the Union. Entrusting ESMA with the exclusive responsibility for those matters should ensure a level playing field in terms of registration requirements and on-going supervision and eliminate the risk

Amendment

(25) It is necessary to avoid divergent applications of this Regulation by national competent authorities. At the same time, it is necessary to lower transaction and operational costs of external reviewers, to strengthen investor confidence, to increase legal certainty, **and to avoid the creation of monopolistic market structures as high issuance costs could act as barriers to issuing green bonds**. It is therefore appropriate to give ESMA general competence for the registration and ongoing supervision of registered external reviewers in the Union. Entrusting ESMA with the exclusive responsibility for those

of regulatory arbitrage across Member States. At the same time, such exclusive responsibility should optimise the allocation of supervisory resources at Union level, thus making ESMA the centre of expertise and enhancing the efficiency of supervision.

matters should ensure a level playing field in terms of registration requirements and on-going supervision and eliminate the risk of regulatory arbitrage across Member States. At the same time, such exclusive responsibility should optimise the allocation of supervisory resources at Union level, thus making ESMA the centre of expertise and enhancing the efficiency of supervision.

Amendment 20

Proposal for a regulation Recital 36

Text proposed by the Commission

(36) In order to encourage external reviewers to provide their services to the issuers of **European green** bonds as of the entry into application of this Regulation, this Regulation sets out a transitional regime for the first 30 months following the entry into force of this Regulation.

Amendment

(36) In order to encourage external reviewers to provide their services to the issuers of **certified green deal** bonds as of the entry into application of this Regulation, this Regulation sets out a transitional regime for the first 30 months following the entry into force of this Regulation. ***Sustainable bonds already issued at ... [the date of [entry into force]][application] of this Regulation] are not required to comply with this Regulation as regards disclosure requirements and the use of external reviewers.***

Amendment 21

Proposal for a regulation Recital 37

Text proposed by the Commission

(37) The objectives of this Regulation are **twofold**. ***On the one hand***, it aims to ensure that uniform requirements apply to the use of the designation of ‘**European green bond**’ or ‘**EuGB**’. ***On the other hand***, it aims to establish a simple

Amendment

(37) The objectives of this Regulation are **threefold**. ***Firstly***, it aims to ensure that uniform **regulatory** requirements apply to the use of the designation of ‘**certified green deal bond**’. ***Secondly, it sets transparency requirements to improve the***

registration system and supervisory framework for external reviewers by entrusting a single supervisory authority with the registration and supervision of external reviewers in the Union. Both aims should facilitate capital raising for projects that pursue environmentally sustainable objectives. Since those objectives cannot be sufficiently achieved by the Member States but can be better achieved at Union level, the Union may adopt measures in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve those objectives,

ability of investors to compare other green bonds, including by comparing the alignment of the proceeds of such bonds with the requirements for technical screening criteria set out in Article 19 of Regulation (EU) 2020/852, and to ensure that no bonds marketed as green or environmentally sustainable can finance economic activities that cause significant harm to the environment, regardless of the designation of such a bond. Lastly, it aims to establish a simple registration system and supervisory framework for external reviewers by entrusting a single supervisory authority with the registration and supervision of external reviewers in the Union. Both aims should facilitate capital raising for projects that pursue environmentally sustainable objectives, ensure the integrity of environmental claims made by issuers of certified green deal bonds, and increase the transparency of the environmental performance of other bonds that are marketed as environmentally sustainable. Since those objectives cannot be sufficiently achieved by the Member States but can be better achieved at Union level, the Union may adopt measures in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve those objectives.

Amendment 22

Proposal for a regulation Article 1 – paragraph 1

Text proposed by the Commission

This Regulation lays down uniform requirements for issuers of bonds that wish to use the designation ‘**European green bond**’ or ‘**EuGB**’ for their environmentally

Amendment

This Regulation lays down uniform **regulatory** requirements for issuers of bonds that wish to use the designation ‘**certified green deal bond**’ for their

sustainable bonds made available to investors in the Union, **and** establishes a registration system and supervisory framework for external reviewers of **European** green bonds.

environmentally sustainable bonds made available to investors in the Union, establishes a registration system and supervisory framework for external reviewers of **certified** green **deal** bonds, **and also sets out transparency requirements for issuers of other green bonds that do not use the designation ‘certified green deal bond’.**

Amendment 23

Proposal for a regulation

Article 2 – paragraph 1 – point 3 – point a

Text proposed by the Commission

(a) **Euratom**, the Union and any of **their** agencies;

Amendment

(a) the Union and any of **its** agencies;

Amendment 24

Proposal for a regulation

Article 2 – paragraph 1 – point 5 a (new)

Text proposed by the Commission

Amendment

(5a) ‘other green bond’ means a bond whose issuer provides investors with a commitment that the proceeds of that bond are allocated to economic activities that contribute to an environmental objective as referred to in Article 2, point (17), of Regulation (EU) 2019/2088, but whose issuer decides not to use the designation ‘certified green deal bond’.

Amendment 25

Proposal for a regulation

Title II – title

Text proposed by the Commission

Amendment

Conditions for the use of the designation
'**European green bond**' or '**EuGB**'

Conditions for the use of the designation
'**certified green deal bond**' and for the use
of other green bonds

Amendment 26

Proposal for a regulation

Article 3 – title

Text proposed by the Commission

Amendment

Designation

Designation of '**certified green deal bond**'

Amendment 27

Proposal for a regulation

Article 6 – paragraph 1 – subparagraph 1

Text proposed by the Commission

Amendment

The use of proceeds referred to in Article 4 shall relate to economic activities that meet the taxonomy requirements, or **that** will meet the taxonomy requirements within a defined period of time as set out in a taxonomy-alignment plan.

The use of proceeds referred to in Article 4 shall relate to **new** economic activities that meet the taxonomy requirements, or **to the transformation of existing economic activities so that they** will meet the taxonomy requirements within a defined period of time as set out in a taxonomy-alignment plan.

Amendment 28

Proposal for a regulation

Article 6 – paragraph 1 – subparagraph 2

Text proposed by the Commission

Amendment

The taxonomy-alignment plan referred to in the first subparagraph shall describe the actions and expenditures that are necessary for **an** economic activity to meet the taxonomy requirements within the specified period of time.

The taxonomy-alignment plan referred to in the first subparagraph shall describe the **detailed** actions and expenditures that are necessary for **the transformation of the** economic activity to meet the taxonomy requirements within the specified period of

time.

Amendment 29

Proposal for a regulation

Article 6 – paragraph 1 – subparagraph 3 a (new)

Text proposed by the Commission

Amendment

The Commission shall adopt delegated acts in accordance with Article 60 in order to supplement this Regulation by specifying the economic activities and the criteria to qualify for the extended period of ten years, and by specifying the content of the taxonomy-alignment plan. The information used in that plan shall be based on science and use harmonised life cycle assessment.

Amendment 30

Proposal for a regulation

Article 7 – paragraph 1 – subparagraph 2

Text proposed by the Commission

Amendment

Where the delegated acts adopted pursuant to Articles 10(3), 11(3), 12(2), 13(2), 14(2) or 15(2) of Regulation (EU) 2020/852 are amended following the issuance of the bond, the issuer shall allocate bond proceeds to the uses referred to in the first subparagraph by applying the amended delegated acts within five years after their entry into application.

Where the delegated acts adopted pursuant to Articles 10(3), 11(3), 12(2), 13(2), 14(2) or 15(2) of Regulation (EU) 2020/852 are amended following the issuance of the bond, the issuer shall allocate bond proceeds to the uses referred to in the first subparagraph by applying the amended delegated acts within five years after their entry into application. ***Allocated bond proceeds shall not be required to be reallocated following an amendment to the delegated acts.***

Amendment 31

Proposal for a regulation

Article 7 – paragraph 2 – subparagraph 3

Text proposed by the Commission

Where the delegated acts adopted pursuant to Articles 10(3), 11(3), 12(2), 13(2), 14(2) or 15(2) of Regulation (EU) 2020/852 are amended following the creation of the debt referred to in the first subparagraph, the issuer shall allocate bond proceeds to the debt referred to in the first subparagraph by applying the amended delegated acts within five years after their entry into application.

Amendment

Where the delegated acts adopted pursuant to Articles 10(3), 11(3), 12(2), 13(2), 14(2) or 15(2) of Regulation (EU) 2020/852 are amended following the creation of the debt referred to in the first subparagraph, the issuer shall allocate bond proceeds to the debt referred to in the first subparagraph by applying the amended delegated acts within five years after their entry into application. ***Allocated bond proceeds shall not be required to be reallocated following an amendment to the delegated acts.***

Amendment 32

Proposal for a regulation
Article 7 a (new)

Text proposed by the Commission

Amendment

Article 7a

Transparency and do no significant harm requirements for the use of proceeds of other green bonds

- 1. Without prejudice to Article 7c, issuers of other green bonds shall disclose in the pre-issuance factsheets, allocation reports and impact reports the proportion of the use of the proceeds of those bonds that meet the taxonomy requirements.***
- 2. Issuers of other green bonds shall only allocate the proceeds of those bonds to economic activities that do not significantly harm any of the environmental objectives set out in Article 9 of Regulation (EU) 2020/852 in accordance with Article 17 of that Regulation and the delegated acts adopted pursuant to Articles 10(3), 11(3), 12(2), 13(2), 14(2), and 15(2) of that Regulation. The pre-issuance factsheets and allocation reports of the bonds referred to in the first subparagraph shall be***

*accompanied by the following statement:
'The use of proceeds relates to economic activities that do no significant harm to any of the environmental objectives set out in Article 9 of Regulation (EU) 2020/852 in accordance with Article 17 of that Regulation.'*

3. Other green bonds shall be subject to reviews of pre-issuance factsheets, allocation reports and impact reports by external reviewers that meet the requirements of Title III.

Amendment 33

Proposal for a regulation Article 7 b (new)

Text proposed by the Commission

Amendment

Article 7b

Entity level requirements to issuers of certified green deal bonds

1. An issuer of certified green deal bonds shall adopt a broader environmental strategy at entity-level, which shall include at least five-year targets to reduce the environmental impact of the issuer in view of aligning the issuer's business model with the environmental objectives set out in Article 9 of Regulation (EU) 2020/852.

That strategy shall in particular:

(a) include five-year targets to reduce scope 1, 2 and 3 greenhouse gas emissions of the issuer with a view to ensuring the alignment of the issuer's business model with the objective of limiting global warming to 1,5° C above pre-industrial levels;

(b) exclude the use of carbon offset credits as a way to meet the issuer's greenhouse gas emissions reduction targets;

(c) uphold the principle of ‘do no significant harm’ within the meaning of Article 17 of Regulation (EU) 2020/852;

(d) be reviewed by independent scientific reviewers, and made available to the general public.

2. ESMA shall develop draft regulatory technical standards specifying minimum requirements for the broader environmental strategies referred to in paragraph 1.

ESMA shall submit those draft regulatory standards to the Commission by ... [XX months after the date of entry into force of this Regulation].

Power is delegated to the Commission to supplement this Regulation by adopting the regulatory technical standards referred to in the first subparagraph of this paragraph in accordance with Articles 10 to 14 of Regulation (EU) No 1095/2010.

3. Issuers of certified green deal bonds shall demonstrate that they have considered all of the following:

(a) the principal adverse impacts of investment decisions on sustainability factors;

(b) the integration of sustainability risks in the investment decision-making process;

(c) key international labour and human rights conventions and frameworks as referred to in Article 18 of Regulation (EU) 2020/852.

4. Issuers of other green bonds shall adopt a broader environmental strategy at entity level as provided for in paragraph 1. Issuers of such bonds may choose to report on that strategy using technical standards other than the ones developed by ESMA as referred to in paragraph 2.

Amendment 34

Proposal for a regulation Article 7 c (new)

Text proposed by the Commission

Amendment

Article 7c

Future use of the designation 'certified green deal bond'

By ... [three years after the date of entry into force of this Regulation], the Commission shall issue a report to the European Parliament and the Council assessing the impact of requiring, within a period of three to five years, all issuers of bonds marketed as green or environmentally sustainable made available to investors in the Union to use the designation 'certified green deal bond' and to comply with the requirements set out in this Title until their maturity.

Based on the assessment referred to in the first paragraph, the Commission shall, where appropriate, accompany its report by a legislative proposal amending this Regulation with a view to requiring all issuers of bonds marketed as green or environmentally sustainable made available to investors in the Union to use the designation 'certified green deal bond' and to comply with the requirements set out in this Title until their maturity.

Amendment 35

Proposal for a regulation Article 7 d (new)

Text proposed by the Commission

Amendment

Article 7d

***Use of the certified green deal bond standard by Union institutions and bodies
Union institutions and bodies shall use***

the certified green deal bond standard and apply the criteria of Articles 4 to 7 to any bond issuance that has environmental sustainability as its objective.

Amendment 36

Proposal for a regulation Article 9 – paragraph 1

Text proposed by the Commission

1. Every year and until the full allocation of the proceeds of the **European green** bond concerned, issuers of **European green** bonds shall draw up a **European green** bond allocation report by using the template laid down in Annex II, demonstrating that the proceeds of any **European green** bonds concerned from their issuance date and until the end of the year the report refers to have been allocated in accordance with Articles 4 to 7.

Amendment

1. Every year and until the full allocation of the proceeds of the **certified green deal** bond concerned *or, where the certified green deal bond is the subject of a taxonomy-alignment plan as referred to in Article 6(1), every six months and until the use of proceeds referred to in Article 4 relates to economic activities that meet in full the taxonomy requirements*, issuers of **certified green deal** bonds shall draw up a **certified green deal** bond allocation report by using the template laid down in Annex II, demonstrating that the proceeds of any **certified green deal** bonds concerned from their issuance date and until the end of the year the report refers to have been allocated in accordance with Articles 4 to 7.

Amendment 37

Proposal for a regulation Article 9 – paragraph 3

Text proposed by the Commission

3. Issuers of **European green** bonds shall obtain a post-issuance review by an external reviewer of the allocation report drawn up after the full allocation of the proceeds of the **European green** bond in accordance with Articles 4 to 7.

Amendment

3. Issuers of **certified green deal** bonds shall obtain a post-issuance review by an external reviewer of the allocation report drawn up after the full allocation of the proceeds of the **certified green deal** bond *or, where the certified green deal bond is the subject of a taxonomy-alignment plan as referred to in Article*

6(1), every six months and until the use of proceeds referred to in Article 4 relates to economic activities that meet in full the taxonomy requirements, in accordance with Articles 4 to 7. .

Amendment 38

Proposal for a regulation Article 10 – paragraph 1

Text proposed by the Commission

1. Issuers of **European green** bonds shall, after the full allocation of the proceeds of such bonds and at least **once** during the lifetime of the bond, draw up a **European green** bond impact report on the environmental impact of the use of the bond proceeds by using the template laid down in Annex III.

Amendment

1. Issuers of **certified green deal** bonds shall, after the full allocation of the proceeds of such bonds and at least **twice** during the lifetime **of the bond, and at the maturity** of the bond, draw up a **certified green deal** bond impact report on the environmental impact of the use of the bond proceeds by using the template laid down in Annex III.

Amendment 39

Proposal for a regulation Article 37 – paragraph 1 – subparagraph 1 – point e

Text proposed by the Commission

(e) to suspend an offer of **European green** bonds **for a maximum of 10 consecutive working days** on any single occasion where there are reasonable grounds for suspecting that Articles 8 to 13 of this Regulation have been infringed;

Amendment

(e) to suspend an offer of **certified green deal** bonds **for as long as necessary** on any single occasion where there are reasonable grounds for suspecting that Articles 7a to 13 of this Regulation have been infringed;

Amendment 40

Proposal for a regulation Article 37 – paragraph 1 – subparagraph 1 – point f

Text proposed by the Commission

(f) to prohibit or suspend advertisements or require issuers of

Amendment

(f) to prohibit or suspend advertisements or require issuers of

European green bonds or financial intermediaries concerned to cease or suspend advertisements for **a maximum of 10 consecutive working days** on any single occasion where there are reasonable grounds for believing that Articles 8 to 13 of this Regulation have been infringed;

certified green deal bonds or financial intermediaries concerned to cease or suspend advertisements for **as long as necessary** on any single occasion where there are reasonable grounds for believing that Articles 7a to 13 of this Regulation have been infringed;

Amendment 41

Proposal for a regulation

Article 37 – paragraph 1 – subparagraph 1 – point f a (new)

Text proposed by the Commission

Amendment

(fa) to prohibit an offer of bonds marketed as environmentally sustainable, including certified green deal bonds, on any single occasion where Articles 7a to 13 of this Regulation have been infringed;

Amendment 42

Proposal for a regulation

Article 37 – paragraph 1 – subparagraph 1 – point f b (new)

Text proposed by the Commission

Amendment

(fb) to prohibit advertisements or require issuers of bonds marketed as environmentally sustainable, including certified green deal bonds, or financial intermediaries concerned to cease advertisements on any single occasion where Articles 7a to 13 of this Regulation have been infringed;

Amendment 43

Proposal for a regulation

Article 41 – paragraph 1 – subparagraph 1 – point a

Text proposed by the Commission

Amendment

(a) infringements of Articles 8 to 13;

(a) infringements of Articles 4 to 13, **including a failure to demonstrate that**

economic activities subject to a taxonomy-alignment plan meet the taxonomy requirements after their completion;

Amendment 44

Proposal for a regulation Article 63 a (new)

Text proposed by the Commission

Amendment

Article 63a

Review

By ... [three years after the date of entry into force of this Regulation], and every three years thereafter, the Commission shall, based on the input from the Platform on Sustainable Finance, submit a report to the European Parliament and the Council on the application of this Regulation.

That report shall in particular evaluate:

- (a) the uptake of the certified green deal bond standard and its market share, both in the Union and globally;*
- (b) the impact of this Regulation on the transition to a sustainable economy;*
- (c) the impact of the certified green deal bond standard on closing the yearly gap of additional investments needed to meet the Union climate targets as set out in Regulation (EU) 2021/1119 of the European Parliament and of the Council^{1a}, as well as on redirecting private capital flows towards sustainable;*
- (d) the functioning of the market of external reviewers, specifying market concentration and the impartiality of external reviewers;*
- (e) the appropriateness of funding of ESMA through recognition, endorsement and supervisory fees;*
- (f) the appropriateness of third country regimes foreseen in Title III,*

Chapter IV;

(g) the credibility of environmental claims in the sustainable bond market.

The report following the extension of Regulation (EU) 2020/852 to other sustainability objectives as referred to in Article 26(2) of that Regulation shall also assess the possibility of extending the certified green deal bond standard to those other sustainability objectives.

The Commission's reports may be accompanied, where appropriate, by legislative proposals to amend this Regulation.

^{1a} Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law') (OJ L 243, 9.7.2021, p. 1).

Amendment 45

**Proposal for a regulation
Annex 1 – point 3**

Text proposed by the Commission

3. Environmental strategy and rationale

Amendment

3. ***Strategy and rationale regarding the environment, sustainability, human rights risks and tax good governance***

- ***[Disclosure of the broader environmental strategy referred to in Article 7b(1), using the regulatory technical standards referred to in Article 7b(2)]***
- ***[Demonstration of the integration of sustainability risks and of the respect of key international labour and human rights conventions and frameworks in the decision-making process, as referred to in***

– [Information on how the bond aligns with the broader environmental strategy of the issuer]

[The environmental objectives referred to in Article 9 of Regulation 2020/852 pursued by the bond]

Amendment 46

Proposal for a regulation

Annex 1 – point 4 – point 4.3 – paragraph 2 – indent 4 a (new)

Text proposed by the Commission

– For assets that are concerned by a taxonomy alignment plan: the progress in the implementation of the plan during the reporting period, and the estimated date of completion;

Article 7b(3)]

– [Information on how *and to what extent* the bond aligns with the broader environmental strategy of the issuer, *and on how and to what extent the issuance of the certified green deal bond is intended to increase the proportion of the issuer’s capital expenditure and operating expenditure related to, and of its turnover derived from, economic activities that qualify as environmentally sustainable pursuant to Regulation (EU) 2020/852]*

[The environmental objectives referred to in Article 9 of Regulation 2020/852 pursued by the bond]

Amendment

– *For projects that are subject to a taxonomy-alignment plan: a detailed list of actions and expenditures necessary for the transformation of that economic activity in order to meet the taxonomy requirements within a specified period of time not exceeding five years, or in justified cases within up to ten years.*

Amendment 47

Proposal for a regulation

Annex 2 – point 3 – point A – indent 7

Text proposed by the Commission

– For assets that are concerned by a taxonomy alignment plan: the progress in the implementation of the plan during the reporting period, and the estimated date of completion;

Amendment

– For assets that are concerned by a taxonomy alignment plan: the progress in the implementation of the plan during the reporting period, *as well as the remaining actions* and the estimated date of *their* completion;

Amendment 48

Proposal for a regulation Annex 3 – point 2 – indent 1

Text proposed by the Commission

– [Information on how the bond aligns with the broader environmental strategy of the issuer as set out in the factsheet]

Amendment

– [Information on how the bond aligns with the broader environmental strategy of the issuer as set out in the factsheet, ***in particular:***

(a) to what extent the certified green deal bond has increased the proportion of the issuer’s capital expenditure and operating expenditure related to, and of its turnover derived from, economic activities that qualify as environmentally sustainable pursuant to Regulation (EU) 2020/852;

(b) to what extent the issuance of the certified green deal bond has contributed to the entity-level environmental targets of the issuer, in particular the five-year targets to reduce scope 1, 2 and 3 greenhouse gas emissions of the issuer in view of ensuring the alignment of the issuer’s business model with the objective of limiting global warming to 1,5° C above pre-industrial levels.]

Amendment 49

Proposal for a regulation Annex 3 – point 3 – indent 3 a (new)

Text proposed by the Commission

Amendment

– ***For assets that are concerned by a taxonomy-alignment plan: confirmation of compliance with the taxonomy requirements after completion***

PROCEDURE – COMMITTEE ASKED FOR OPINION

Title	European green bonds
References	COM(2021)0391 – C9-0311/2021 – 2021/0191(COD)
Committee responsible Date announced in plenary	ECON 13.9.2021
Opinion by Date announced in plenary	ENVI 13.9.2021
Rapporteur for the opinion Date appointed	Bas Eickhout 21.9.2021
Discussed in committee	16.12.2021
Date adopted	10.2.2022
Result of final vote	+: 67 –: 18 0: 2
Members present for the final vote	Mathilde Androuët, Nikos Androulakis, Bartosz Arłukowicz, Margrete Auken, Simona Baldassarre, Marek Paweł Balt, Traian Băsescu, Aurélia Beigneux, Monika Beňová, Hildegard Bentele, Sergio Berlato, Alexander Bernhuber, Malin Björk, Simona Bonafè, Delara Burkhardt, Pascal Canfin, Sara Cerdas, Mohammed Chahim, Tudor Ciuhodaru, Nathalie Colin-Oesterlé, Esther de Lange, Christian Doleschal, Marco Dreosto, Bas Eickhout, Cyrus Engerer, Eleonora Evi, Agnès Evren, Pietro Fiocchi, Raffaele Fitto, Malte Gallée, Catherine Griset, Jytte Guteland, Teuvo Hakkarainen, Martin Hojsik, Jan Huitema, Yannick Jadot, Adam Jarubas, Petros Kokkalis, Athanasios Konstantinou, Ewa Kopacz, Joanna Kopcińska, Peter Liese, Sylvia Limmer, Javi López, César Luena, Fulvio Martusciello, Liudas Mažylis, Joëlle Mélin, Tilly Metz, Silvia Modig, Dolors Montserrat, Alessandra Moretti, Dan-Ștefan Motreanu, Ville Niinistö, Ljudmila Novak, Grace O’Sullivan, Jutta Paulus, Stanislav Polčák, Jessica Polfjård, Nicola Procaccini, Luisa Regimenti, Frédérique Ries, María Soraya Rodríguez Ramos, Sándor Rónai, Rob Rooken, Silvia Sardone, Christine Schneider, Günther Sidl, Ivan Vilibor Sinčić, Linea Søgaaard-Lidell, Maria Spyraiki, Nils Torvalds, Edina Tóth, Véronique Trillet-Lenoir, Petar Vitanov, Alexandr Vondra, Mick Wallace, Pernille Weiss, Michal Wiezik, Tiemo Wölken, Anna Zalewska
Substitutes present for the final vote	Anna Deparnay-Grunenberg, Karin Karlsbro, Billy Kelleher, João Pimenta Lopes, Róza Thun und Hohenstein, Idoia Villanueva Ruiz

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

67	+
NI	Ivan Vilibor Sinčić
PPE	Bartosz Arłukowicz, Traian Băsescu, Hildegard Bentele, Alexander Bernhuber, Nathalie Colin-Oesterlé, Christian Doleschal, Agnès Evren, Adam Jarubas, Ewa Kopacz, Esther de Lange, Peter Liese, Fulvio Martusciello, Liudas Mažylis, Dolores Montserrat, Dan-Ștefan Motreanu, Ljudmila Novak, Stanislav Polčák, Jessica Polfjård, Luisa Regimenti, Christine Schneider, Maria Spyraki, Pernille Weiss
Renew	Pascal Canfin, Martin Hojsík, Jan Huitema, Karin Karlsbro, Billy Kelleher, Frédérique Ries, María Soraya Rodríguez Ramos, Linea Søgaard-Lidell, Róza Thun und Hohenstein, Nils Torvalds, Véronique Trillet-Lenoir, Michal Wiezik
S&D	Nikos Androulakis, Marek Paweł Balt, Monika Beňová, Simona Bonafè, Delara Burkhardt, Sara Cerdas, Mohammed Chahim, Tudor Ciuhodaru, Cyrus Engerer, Jytte Guteland, Javi López, César Luena, Alessandra Moretti, Sándor Rónai, Günther Sidl, Petar Vitanov, Tiemo Wölken
The Left	Malin Björk, Petros Kokkalis, Silvia Modig, Idoia Villanueva Ruiz, Mick Wallace
Verts/ALE	Margrete Auken, Anna Deparnay-Grunenberg, Bas Eickhout, Eleonora Evi, Malte Gallée, Yannick Jadot, Tilly Metz, Ville Niinistö, Grace O'Sullivan, Jutta Paulus

18	-
ECR	Sergio Berlato, Pietro Fiocchi, Raffaele Fitto, Joanna Kopcińska, Nicola Procaccini, Rob Rooken, Alexandr Vondra, Anna Zalewska
ID	Mathilde Androuët, Simona Baldassarre, Aurélie Beigneux, Marco Dreosto, Catherine Griset, Teuvo Hakkarainen, Sylvia Limmer, Joëlle Mélin, Silvia Sardone
The Left	João Pimenta Lopes

2	0
NI	Athanasios Konstantinou, Edina Tóth

Key to symbols:

+ : in favour

- : against

0 : abstention

PROCEDURE – COMMITTEE RESPONSIBLE

Title	European green bonds		
References	COM(2021)0391 – C9-0311/2021 – 2021/0191(COD)		
Date submitted to Parliament	7.7.2021		
Committee responsible Date announced in plenary	ECON 13.9.2021		
Committees asked for opinions Date announced in plenary	BUDG 13.9.2021	ENVI 13.9.2021	
Rapporteurs Date appointed	Paul Tang 1.9.2021		
Discussed in committee	26.10.2021	13.1.2022	28.2.2022
Date adopted	16.5.2022		
Result of final vote	+: –: 0:	44 12 3	
Members present for the final vote	Rasmus Andresen, Gerolf Annemans, Gunnar Beck, Marek Belka, Isabel Benjumea Benjumea, Stefan Berger, Gilles Boyer, Carlo Calenda, Engin Eroglu, Markus Ferber, Jonás Fernández, Frances Fitzgerald, José Manuel García-Margallo y Marfil, Luis Garicano, Valentino Grant, Claude Gruffat, José Gusmão, Enikő Győri, Eero Heinäluoma, Michiel Hoogeveen, Danuta Maria Hübner, Stasys Jakeliūnas, France Jamet, Othmar Karas, Billy Kelleher, Ioannis Lagos, Aurore Lalucq, Aušra Maldeikienė, Pedro Marques, Costas Mavrides, Csaba Molnár, Siegfried Mureşan, Caroline Nagtegaal, Luděk Niedermayer, Lefteris Nikolaou-Alavanos, Piernicola Pedicini, Lídia Pereira, Kira Marie Peter-Hansen, Sirpa Pietikäinen, Dragoş Pîslaru, Evelyn Regner, Antonio Maria Rinaldi, Dorien Rookmaker, Alfred Sant, Joachim Schuster, Ralf Seekatz, Pedro Silva Pereira, Paul Tang, Irene Tinagli, Ernest Urtasun, Inese Vaidere, Johan Van Overtveldt, Stéphanie Yon-Courtin, Marco Zanni, Roberts Zīle		
Substitutes present for the final vote	Bas Eickhout, Christophe Hansen, Georgios Kyrtzos, Andželika Anna Mozdżanowska		
Date tabled	20.5.2022		

FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE

44	+
NI	Enikő Győri
PPE	Isabel Benjumea Benjumea, Stefan Berger, Markus Ferber, Frances Fitzgerald, José Manuel García-Margallo y Marfil, Christophe Hansen, Danuta Maria Hübner, Othmar Karas, Aušra Maldeikienė, Siegfried Mureşan, Luděk Niedermayer, Lídia Pereira, Sirpa Pietikäinen, Ralf Seekatz, Inese Vaidere
Renew	Gilles Boyer, Carlo Calenda, Luis Garicano, Billy Kelleher, Georgios Kyrtosos, Caroline Nagtegaal, Dragoş Pîslaru, Stéphanie Yon-Courtin
S&D	Marek Belka, Jonás Fernández, Eero Heinäluoma, Aurore Lalucq, Pedro Marques, Costas Mavrides, Csaba Molnár, Evelyn Regner, Alfred Sant, Joachim Schuster, Pedro Silva Pereira, Paul Tang, Irene Tinagli
Verts/ALE	Rasmus Andresen, Bas Eickhout, Claude Gruffat, Stasys Jakeliūnas, Piernicola Pedicini, Kira Marie Peter-Hansen, Ernest Urtaşun

12	-
ECR	Michiel Hoogeveen, Anđelika Anna Mozdżanowska, Dorien Rookmaker, Johan Van Overtveldt, Roberts Zile
ID	Gerolf Annemans, Gunnar Beck, France Jamet
NI	Ioannis Lagos, Lefteris Nikolaou-Alavanos
Renew	Engin Eroglu
The Left	José Gusmão

3	0
ID	Valentino Grant, Antonio Maria Rinaldi, Marco Zanni

Key to symbols:

+ : in favour

- : against

0 : abstention