

EBA/GL/2026/07

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30 June 2026

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# Final report

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on the amending Guidelines on product oversight and governance arrangements for retail banking products to take into account products with ESG features and greenwashing risks

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# Abbreviations

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<b>BCBS</b>	Basel Committee on Banking Supervision
<b>CCD</b>	Consumer Credit Directive (Directive on credit agreements for consumers and repealing Directive 2008/48/EC)
<b>CRD</b>	Capital Requirements Directive (Directive 2013/36/EU)
<b>CRR</b>	Capital Requirements Regulation (Regulation (EU) No 575/2013)
<b>DORA</b>	Digital Operational Resilience Act
<b>EBA</b>	European Banking Authority
<b>EIOPA</b>	European Insurance and Occupational Pensions Authority
<b>EmpCo</b>	Directive on empowering consumers for the green transition (Directive 2024/825/EU)
<b>ESA</b>	European supervisory authority
<b>ESMA</b>	European Securities and Markets Authority
<b>ESG</b>	Environmental, Social and Governance
<b>EU</b>	European Union
<b>FI</b>	Financial Institutions
<b>GL</b>	Guidelines
<b>MS</b>	Member State
<b>MCD</b>	Mortgage Credit Directive (Directive 2014/17/EU)
<b>MESGR</b>	Management of Environmental, Social and Governance Risks
<b>MiFID</b>	Markets in Financial Instruments Directive (Directive 2014/65/EU)
<b>POG</b>	Product oversight and governance for retail banking products
<b>SMTPR</b>	Sound management of third-party risk regarding non-ICT services
<b>SNCI</b>	Small-non-complex credit institutions

## Executive summary

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In response to the European Commission request for input addresses to the European Supervisory Authorities (ESAs), on 4 June 2024, the EBA published its final report on greenwashing monitoring and supervision<sup>1</sup>, setting out the ESAs' shared high-level understanding of greenwashing and noting an increase in potential greenwashing cases across all sectors, including EU banks. The report sets out recommendations to address greenwashing-related aspects within prudential and conduct supervision, in particular by updating the EBA existing Guidelines on Product Oversight and Governance for retail banking products (POG) issued in 2016 so as to regulate the internal processes, functions and strategies aimed at designing retail banking products, bringing them to market, and reviewing them over their life cycle.

Separately, the Capital Requirements Directive (CRD) and the Capital Requirements Regulation (CRR) were amended by the EU co-legislators regarding Environmental, Social and Governance (ESG) risks, to include new provisions and change existing ones, including requirements that form one of the legal bases of the POG Guidelines.

Given these recent developments and the increasing risk of consumer detriment if financial institutions fail to comply with the highest standards of business conduct when offering product with ESG features, the EBA proposed in a public consultation, held from 9 July to 9 October 2025, to amend the existing POG Guidelines. After assessing the responses received, the EBA has clarified various provisions in the Guidelines and has adjusted some of the wording that it had proposed in the consultation paper (CP). This includes clarifications with the aim of making ESG and greenwashing considerations more explicit within the current requirements whenever such products are offered and sold to consumers. The Guidelines therefore adjust only a limited number of the existing requirements related to the subject matter, manufacturer's internal control functions, the target market, distribution channels, information for distributors and information and support for the manufacturer's arrangements.

In addition to the amendments related to products with ESG features and greenwashing-risks, the Guidelines include 'consequential' updates to reflect changes introduced by the EBA Founding Regulation, the revision of EBA Guidelines on internal governance under the CRD and the sound management of third-party risk regarding non-Information and Communication Technology (ICT) services (SMTPR) without changing the substance of the POG Guidelines, *per se* (e.g. reference to the Consumer Credit Directive following the amendment of the EBA founding Regulation, deletion of some provisions related to competent authorities under the Mortgage Credit Directive (MCD), adjustment of wording, removal of the outdated chapter on outsourcing and introduction of a cross-reference to the EBA Guidelines on SMTPR). The Guidelines also specify that the POG Guidelines should be read in conjunction with the EBA Guidelines on SMTPR and on the

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<sup>1</sup> See EBA/REP/2024/09: <https://www.eba.europa.eu/sites/default/files/2024-05/a12e5087-8fd2-451f-8005-6d45dc838ffd/Report%20on%20greenwashing%20monitoring%20and%20supervision.pdf>

management of ESG risks (MESGR) for the financial institutions in their scope of application, with the aim to bring further legal certainty.

Overall, the EBA has retained the substance of the amendments as proposed in the CP.

## Next steps

The Guidelines will be translated into the official EU languages and published on the EBA website. The deadline for competent authorities to report whether they comply with the Guidelines will be two months after the publication of the translations. The Guidelines will apply from 11 January 2027.

# 1. Background and rationale

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## 1.1 Background

1. Developments in the markets for financial services in the period leading up to 2015 had shown that failures in the conduct of financial institutions towards their customers cause significant consumer detriment, undermine market confidence and *in extremis* can also lead to financial instability. To address some of the causal drivers of such conduct failure, the EBA issued in 2016 Guidelines on product oversight and governance for retail banking products (POG Guidelines, EBA/GL/2015/18)<sup>2</sup> for manufacturers and distributors of the retail banking products that fall within EBA's regulatory remit, namely mortgages, personal loans, deposits, payment accounts, payment services, and electronic money.
2. The POG Guidelines provide a framework for robust and responsible product design and distribution by manufacturers and distributors and *inter alia* include requirements for manufacturers, with regard to their internal control functions; the identification of the target market; product testing; disclosure to consumers; product monitoring, remedial actions, and distribution channels. The objective of the POG Guidelines is for manufacturers and distributors to consider the needs of their customers when designing products and developing products with consumers' interests, objectives and characteristics in mind. The legal basis of the Guidelines was subsequently assessed in a ruling by the Court of Justice of the EU<sup>3</sup>, which confirmed that the POG Guidelines lay down principles intended to ensure effective processes to identify, manage and monitor risks as well as adequate internal control mechanisms within the meaning of Article 74(1) of the Capital Requirement Directive (CRD)<sup>4</sup>.
3. In the years following the issuance of the Guidelines, the EBA also carried out two reviews into how the Guidelines were applied by the industry, which the EBA published in the form of reports in July 2019<sup>5</sup> and November 2020<sup>6</sup> respectively. The reports identified good practices for some financial institutions but also found that many of them do not sufficiently put the required focus on ensuring that consumers' needs are met in line with the Guidelines. The substance of the Guidelines themselves, by contrast, was found still to be fit for purpose

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<sup>2</sup> <https://www.eba.europa.eu/legacy/regulation-and-policy/regulatory-activities/consumer-protection-and-financial-innovation-4>

<sup>3</sup> Case C-911/19, Judgment of the Court (Grand Chamber) of 15 July 2021. Fédération bancaire française (FBF) v Autorité de contrôle prudentiel et de résolution (ACPR) [ECLI:EU:C:2021:599](https://eur-lex.europa.eu/eli/consj/2021/599)

<sup>4</sup> See Directive 2013/36/EU [ELI: <http://data.europa.eu/eli/dir/2013/36/oj>](http://data.europa.eu/eli/dir/2013/36/oj)

<sup>5</sup> [https://eba.europa.eu/sites/default/files/documents/10180/2855746/fd963ed8-c392-433c-9d5f-40e798659f24/EBA%20Report%20on%20the%20application%20of%20the%20guidelines%20on%20POG%20arrangement\\_s.pdf?retry=1](https://eba.europa.eu/sites/default/files/documents/10180/2855746/fd963ed8-c392-433c-9d5f-40e798659f24/EBA%20Report%20on%20the%20application%20of%20the%20guidelines%20on%20POG%20arrangement_s.pdf?retry=1)

<sup>6</sup> [https://www.eba.europa.eu/sites/default/files/document\\_library/Publications/Reports/2020/935640/Second%20EBA%20report%20on%20the%20application%20of%20the%20POG%20guidelines%20arrangements.pdf](https://www.eba.europa.eu/sites/default/files/document_library/Publications/Reports/2020/935640/Second%20EBA%20report%20on%20the%20application%20of%20the%20POG%20guidelines%20arrangements.pdf)

without the need for revisions. As a result, the Guidelines have been applicable without any modifications since the EBA first issued them in 2016.

4. However, five recent regulatory developments make a revision of the Guidelines necessary. First, on 4 June 2024, the EBA published a final report on greenwashing monitoring and supervision<sup>7</sup>, in response to a request that the ESAs had received from the European Commission to provide sector input on greenwashing issues<sup>8</sup>. The report sets out the ESAs common high-level understanding of ‘greenwashing’, as a practice whereby sustainability-related statements, declarations, actions, or communications do not clearly and fairly reflect the underlying sustainability profile of an entity, a financial product, or financial services and could be misleading to consumers, investors, or other market participants. More importantly, the report contained several recommendations, *inter alia* for the EBA to provide regulatory guidance that addresses greenwashing-related issues within prudential and conduct supervision. This so, the recommendations therein suggested updating the existing supervisory framework, including the EBA’s POG Guidelines.
5. Second, new provisions were introduced, and adjustments were made to several existing articles, in the CRD and the Capital Requirements Regulation<sup>9</sup> (CRR), in relation to the current and forward-looking impacts of ESG risks. More specifically, a requirement was introduced in Article 76 of the CRD, which is related to one of the legal bases of the POG Guidelines and now requires the management body to develop concrete plans to address ESG risks. Furthermore, revised Article 87(a)(4) of CRD now requires NCAs to assess and monitor developments of institutions’ practices concerning their ESG strategy and risk management, including their sustainability-related product offerings.
6. Third, in 2024, the cross-sectoral Directive on unfair business-to-consumer commercial practices (Directive 2005/29/EC)<sup>10</sup> has been amended in order to address commercial practices that mislead consumers and prevent them from making sustainable consumption choices. These rules introduced by the directive ‘empowering consumers for the green transition through better protection against unfair practices and through better information (Directive 2024/825/EC)<sup>11</sup> and applicable from 27 September 2026, relate to practices associated with the early obsolescence of goods, misleading environmental claims and misleading information about the social characteristics of products or traders’ businesses including financial institutions.
7. Fourth, the EU has established a legislative framework to boost the energy performance of buildings that includes the Energy Performance of Buildings Directive (EU/2024/1275)<sup>12</sup> and the

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<sup>7</sup> EBA/REP/2024/09: <https://www.eba.europa.eu/sites/default/files/2024-05/a12e5087-8fd2-451f-8005-6d45dc838ffd/Report%20on%20greenwashing%20monitoring%20and%20supervision.pdf>

<sup>8</sup> [https://www.esma.europa.eu/sites/default/files/library/request\\_to\\_esas\\_on\\_greenwashing\\_monitoring\\_and\\_supervision.pdf](https://www.esma.europa.eu/sites/default/files/library/request_to_esas_on_greenwashing_monitoring_and_supervision.pdf)

<sup>9</sup> See Regulation (EU) No 575/2013 ELI: <http://data.europa.eu/eli/reg/2013/575/oj>

<sup>10</sup> Directive 2005/29/EC ELI: <http://data.europa.eu/eli/dir/2005/29/oj>

<sup>11</sup> Directive 2024/825/EU ELI : <http://data.europa.eu/eli/dir/2024/825/oj>

<sup>12</sup> Directive 2024/1275 ELI: <http://data.europa.eu/eli/dir/2024/1275/oj>

Energy Efficiency Directive (EU/2023/1791)<sup>13</sup>. This framework explicitly assigns a critical role to the banking sector in the provision of green loans, aiming to scale up financing to meet the investment needs for improving the energy efficiency of buildings.

8. These developments have led the EBA, akin to other Guidelines that the EBA revised to incorporate ESG considerations (in line with the holistic and sequenced approach described in the EBA Roadmap on Sustainable Finance (EBA/REP/2022/30)), to propose to amend the POG Guidelines to make explicit that manufacturers and distributors of retail banking products with ESG features should be subject to ESG and greenwashing risks requirements when such products are offered and/or sold to consumers.
9. These Guidelines are based on Article 16 of Regulation (EU) No 1093/2010<sup>14</sup>, paragraph 3 of which requires competent authorities and financial institutions to make every effort to comply with these Guidelines.
10. In fulfilment of the aforementioned mandate and related provisions, the EBA published on 9 July 2025 a Consultation Paper (CP), which set out the EBA's proposals for the amending Guidelines. The CP laid out the proposed content of the amendments regarding the subject matter, manufacturer's internal control functions, the target market, distribution channels, information for distributors and information and support for the manufacturer's arrangements.
11. In addition, 'consequential' updates were proposed due to changes introduced by the EBA Founding Regulation in 2020 (in relation to competent authorities under the Mortgage Credit Directive (MCD)<sup>15</sup>, the introduction of the Consumer Credit Directive Directive 2008/48/EC (in EBA's remit), as well as the revision of the EBA Guidelines on outsourcing arrangements (EBA/GL/2019/02<sup>16</sup> to take into consideration the Financial Stability Board toolkit for enhancing third-party risk management and oversight, the Basel Committee on Banking Supervision (BCBS) principles for the sound management of third party risks in the banking sector as well as the application of the Digital Operational Resilience Act (DORA)<sup>17</sup>.
12. A public hearing was held on 11 September 2025. By the end of the consultation paper the EBA had received 13 responses, which the EBA subsequently assessed in detail, as presented in the feedback table in section 3.3.3 of this Final Report.
13. The Rationale section below provides an overview of the key changes that have been made, as a result of the public consultation, as well as the major concerns raised by respondents. The feedback table under 3.3.3 provides an exhaustive list of all comments received, and the EBA's assessment thereof.

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<sup>13</sup> Directive 2023/1791/EU ELI: <http://data.europa.eu/eli/dir/2023/1791/oj>

<sup>14</sup> Regulation 1093/2010/EU ELI: <http://data.europa.eu/eli/reg/2010/1093/oj>

<sup>15</sup> Directive 2014/17/EU ELI: <http://data.europa.eu/eli/dir/2014/17/oj>

<sup>16</sup> <https://www.eba.europa.eu/sites/default/files/2025-07/33a0ee15-9601-4c2b-828e-1b09201a6e9f/CP%20on%20Draft%20Guidelines%20on%20sound%20management%20of%20third%20party%20risk.pdf>

<sup>17</sup> Regulation (EU) 2022/2554, ELI: <http://data.europa.eu/eli/reg/2022/2554/oj>

## 1.2 Rationale

14. Following the public consultation, and in view of the comments and requests for clarification from respondents, the EBA has made changes to the amending POG Guidelines, in relation to:
- The scope of application and definition of other forms of credit for consumers;
  - Manufacturers' internal control functions for the prevention of greenwashing practices
  - Provision of information related to products with ESG features and greenwashing by manufacturers to distributors;
  - Third-party arrangement; and
  - The extension of the date of application.
15. Additionally, the EBA introduced editorial amendments that were not sufficiently substantial to elaborate on them in this Rationale section such as:
- an amendment to Guidelines 12.1.a) on the provision of information related to products with ESG features and greenwashing risks which is explained in the feedback table at the end of the Final Report, under point 16;
  - amendments to Guidelines 2.1 and 2.3 to align the wording with the revised EBA Internal Governance Guidelines under Article 74 of the CRD i.e. referring to 'internal control framework' instead of 'risk management framework and internal control functions' under Guidelines 2.1 or referring to 'risk management functions' instead of 'risk control functions'; and
  - amendments to paragraph 9 and Guidelines 1.3, 2.1 and 2.3 adding the reference 'under Article 74 of the CRD', to clarify that the EBA Guidelines on internal governance are those issued under the CRD.
16. Finally, the EBA addressed comments that did not lead to any changes under the sub-section miscellaneous comments.

### 1.2.1 Scope of application and definition of other forms of credit for consumers

17. The current POG Guidelines apply to manufacturers and distributors of products offered and sold to consumers and specify POG arrangements in relation to retail banking products that fall within the EBA's regulatory scope. They consequently apply to all credit agreements relating to immovable property as defined by the MCD in the form of deferred payments, loans or other similar financial accommodations. Before the amendment to the EBA founding Regulation in 2020 the POG Guidelines also applied to consumer credit offered by credit institutions under the CRD, but they did not apply to such credit being offered by other, non-bank creditors, as these, and the CCD as such, were not in the EBA's scope of action at the time the Guidelines were issued.
18. However, in 2020, as part of the review of the ESAs Founding Regulations, the EBA's scope of action was extended to the Consumer Credit Directive (2008/48/EU). The EBA proposed in the CP to update the scope of application of the POG Guidelines that is set out in paragraph 6 and in the definitions of manufacturer and products set out in paragraph 15 to apply the POG

Guidelines to all retail banking products in the EBA's remit, including consumer credits provided by non-bank creditors under the CCD (Directive on credit agreements for consumers and repealing Directive 2008/48/EC)<sup>18</sup>.

19. The majority of respondents supported applying the POG Guidelines to non-bank creditors under the CCD. In their view it would ensure a level playing field among all providers of retail products, prevent over-indebtedness and bad lending practices as well as fostering greater consumer trust in the market. However, one respondent was of the view that the EBA should conduct a segmented cost-benefit analysis to assess the impact on 'small community lenders' as, according to this respondent, the impact might be material.
20. The EBA has assessed the feedback received and is of the view that the CCD gives a significant number of options to Member States during the transposition of the Directive into national law, including on the precise entity and product scope of the transposed law. The resultant divergences between the national laws do not allow for a uniform inclusion of the Directive into the Guidelines that would capture all possible variations of the product and entity scopes that will be set out in the national transpositions of the CCD. The EBA therefore arrived at the view that these divergences between transpositions under the CCD need to be recognised explicitly in the POG Guidelines, by adding 'Directive as transposed in the respective Member States' in the scope of the Guidelines.
21. Consequently, the EBA has amended paragraph 6 of the POG Guidelines related to the 'scope of application' by adding 'Directive as transposed in the respective Member States'. In addition, in response to a comment received from one respondent calling for a cost-benefit analysis of the implications for micro, small and medium enterprises, the EBA has amended its impact assessment, which now explains that the impact might vary depending on the choices that Member States have made during the transposition of the Directive. The EBA also specifies that these cost-benefit implications are not covered by EBA's impact assessment.
22. Finally, the inclusion of the CCD in para 6 of the Guidelines necessitates two consequential and non-substantive changes elsewhere, which is i) for 'other products' to be added to paragraph 7, to reflect the existing supervisory power of NCAs to apply the Guidelines to entities and products that are not in the scope of the EBA Guidelines but are in the NCA's remit, and ii) for letter 'h' related to 'product' to be removed from paragraph 13, as the explicit reference to CCD in the POG Guidelines no longer requires such as reference.

In the EBA's view, this approach preserves a harmonised baseline of consumer protection while allowing for a national implementation of the Guidelines by NCAs that is reflective of the legislative choices made by Member States during the transposition of the Directive.

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<sup>18</sup> ELI: <http://data.europa.eu/eli/dir/2023/2225/oj>

### 1.2.2 Manufacturers' internal control functions for the prevention of greenwashing practices

23. The CP proposed in Guideline 2.1.a) that the manufacturer's management body should put in place sound processes to identify, monitor, prevent and manage risks resulting from greenwashing or perceived greenwashing practices, consistent with the requirements in the EBA Guidelines on the management of ESG risks (MESGR), where products with ESG features are offered and/or sold to consumers.
24. Some respondents requested clearer wording in that Guideline, because in their views the current text could be misinterpreted as addressing greenwashing after it occurs rather than preventing it. Some other respondents requested further clarifications regarding some of the terminology used, such as the term 'perceived greenwashing', with one respondent proposing instead to focus on identifying and managing greenwashing practices themselves, not just the resulting risks.
25. The EBA assessed the concern expressed regarding the wording of 'perceived greenwashing' and clarified that this term is used to ensure consistency with the wording in the EBA Guidelines on MESGR. The wording in the Guidelines refers to actual and potential alleged greenwashing occurrences, where consumers or stakeholders believe that a financial product or institution may be engaging in greenwashing, even if this cannot be objectively verified until a court ruling confirms it. To this end, the EBA arrived at the view that the wording 'perceived greenwashing' in Guideline 2.1.a) should stay as is.
26. The EBA then assessed comments that the wording to 'prevent and manage risks resulting from greenwashing' could be interpreted as concentrating solely on the internal risk implications for institutions, without sufficiently reflecting the overarching objective of ensuring that product governance arrangements actively prevent greenwashing practices towards consumers. The EBA agrees with the concern and arrived at the view that Guideline 2.1.a) should make clear that management bodies must put in place appropriate arrangements against greenwashing before and after it occurs. Such requirements will enable both the identification and prevention of greenwashing practices (before greenwashing occurs) and the mitigation and monitoring of greenwashing risks (after it occurs), including the active prevention of misleading ESG related claims or representations throughout product design, approval, monitoring and review.
27. Consequently, the EBA amended the wording of Guideline 2.1.a) as such that the manufacturer's management body should now put in place sound processes to 'identify, and prevent greenwashing practices' and kept the reference to 'manage and monitor risks resulting from greenwashing or perceived green-washing practices'.
28. In addition, following the concerns raised by some respondents opposing a reference to the EBA Guidelines on MESGR because in their view it could create additional requirements to FIs, the EBA clarified that the intention of the reference to EBA Guidelines on MESGR is not to include prudential requirements such as prudential scenario-analyses into the POG Guidelines but instead ensure coherence of terminology and expectations where misleading sustainability claims could produce both prudential effects and consumer-protection harm (via reputational

damage, conduct and litigation risk). The EBA explained further that the reference to the EBA Guidelines on MESGR in the POG Guidelines was intended to be limited to greenwashing-risks.

29. Thus, with the aim to bring more clarity, the EBA amended the wording in Guidelines 2.1.a) to recall that the requirements on greenwashing are ‘also set out’ (instead of the wording ‘consistent with’ that the CP had proposed) in the existing greenwashing-risk related requirements in the EBA Guidelines on MESGR, where products with ESG features are offered or sold to consumers. In addition, the EBA amended paragraph 9 related to the scope of application to specify that the POG Guidelines should be read in conjunction with the EBA Guidelines on the MESGR for the FIs in their scope of application, with the aim to bring further legal certainty.

### **1.2.3 Provision of information related to products with ESG features and greenwashing by manufacturers to distributors**

30. The CP proposed to introduce a new paragraph c) under Guideline 8.3 listing conditions for sustainability related communication and sustainability claims which are consistent with the requirements in the EBA Guidelines on MESGR, where products with ESG features are offered or sold to consumers.
31. Several respondents supported the approach proposed by the EBA, stressing the importance, in their views, for distributors to be well informed about the specific ESG product features to properly sell/offer the product to consumers for whom the product may be suitable. Others stressed that, according to them, it would also prevent unsustainable FIs to sell products as sustainable and thus failing to meet consumer expectations which expect to buy a product to a sustainable FI.
32. In addition, some respondents supported the inclusion of paragraph 8.3 c) to improve transparency, considering that it is in line with existing non-banking products requirements. Those respondents were, however, of the view that the wording ‘where applicable’ should be removed as according to them it could result in products with ESG features being excluded from the required checks and leading to potential greenwashing.
33. The EBA assessed the concerns raised and arrived at the view that a risk of misinterpretation exists and therefore Guideline 8.3.c) should be refined to make it clear that alignment with the EBA Guidelines on MESGR applies only to governance and communication-related expectations aimed at preventing greenwashing in the context of products with ESG features being offered or marketed.
34. In addition, following the concerns raised by some respondents opposing a reference to the EBA Guidelines on MESGR, because in their view this could create additional requirements to FIs. The EBA clarified that the intention of the reference to EBA Guidelines on MESGR is not to include prudential scenario-analysis requirements into the POG Guidelines, but rather to ensure coherence of terminology and expectations where misleading sustainability claims could produce both prudential effects and consumer-protection harm (via reputational damage, conduct and litigation risk). The EBA clarified further that the reference to the EBA

Guidelines on MESGR in the POG Guidelines was intended to be limited to greenwashing-risk related requirements.

35. Thus, similarly to the change introduced to Guideline 2.1.a), with the aim to bring more clarity, the EBA amended the wording in Guidelines 8.3.c) to recall that the requirements on greenwashing are ‘also set out’ (instead of the wording ‘consistent with’ that the CP had proposed) in the greenwashing-risk related requirements in the EBA Guidelines on MESGR, where products with ESG features are offered or sold to consumers. In addition, the EBA amended paragraph 9 related to the scope of application to specify that the POG Guidelines should be read in conjunction with the EBA Guidelines on the MESGR for the FIs in their scope of application, with the aim to bring further legal certainty.

#### 1.2.4 Third-party arrangements

36. The EBA proposed in the CP to amend Chapter 6 of the POG Guidelines on outsourcing to take into consideration the Financial Stability Board toolkit for enhancing third-party risk management and oversight, the BCBS principles for the sound management of third-party risk in the banking sector, as well as the application of DORA. They amended the title to replace ‘outsourcing’ by ‘third party arrangements’ and clarified that ‘where the activity of manufacturing and/or distributing is in whole or in parts provided by third-party services providers, in case manufacturers and, where applicable, distributors, are any of the financial entities referred to in the EBA Guidelines on the sound management of third-party risk regarding non-ICT services<sup>19</sup>, they should ensure they comply with those Guidelines, including with the requirements on the ultimate responsibility of financial entities relying on third-party services providers’.
37. In response to the CP, several respondent were of the view that the amendment in the CP could excessively broaden the scope of ‘third-party’ definition as well as lead to more complexity in the application of the requirements. In addition, several respondents were of the opinion that the Guidelines should clarify that only manufacturers and distributors within scope must comply with the EBA Guidelines on SMTPR. Finally, several respondents held the view that there will be a two-year transition period for the FIs from the date of application of the EBA Guidelines on the SMTPR and the application date of the amending POG Guidelines should be aligned with this timeline.
38. The EBA assessed the concerns raised and clarified that outsourcing is a subset of third party-risk management which needs to comply with the BCBS principles, DORA and the EBA guidelines on SMTPR. The EBA, however, agreed that maintaining a chapter on third-party arrangement in the POG Guidelines might bring complexity as the scope of application of the Guidelines on SMTPR is limited to the FIs in its scope when the FIs subject to the POG Guideline might be broader. The EBA therefore deleted Chapter 6 on outsourcing/third-party arrangements proposed respectively in the existing POG GLs and in the CP and instead added a

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<sup>19</sup> EBA Guidelines on the sound management of third-party risk regarding non-ICT services

general cross-reference to the EBA Guidelines on the SMESGR in paragraph 9 related to the scope of application. The amendment specifies that the POG Guidelines should be read in conjunction with the EBA Guidelines on the SMTPR for the FIs in the scope of application of the Guidelines, with the aim to bring more clarity and legal certainty.

### 1.2.5 Extension of the application date

39. The EBA proposed in the CP to set the application date as 1 December 2026, with the aim of aligning it with the application date of the revised CCD. In response to the CP, several respondents, including BSG members, were of the view that the EBA Guidelines on MESGR are not applicable to small and non-complex institutions (SNCI) until January 2027, which could create inconsistencies and legal uncertainty if the POG Guidelines take effect earlier. The respondents were therefore of the view that the application dates of the amending POG GLs should be aligned with the EBA GLs on MESGR to give sufficient time to smaller financial institutions to adapt.
40. The EBA assessed the responses provided by respondents and agreed with the point raised that smaller institutions may require additional time to adapt their internal arrangements and infrastructure, and the application date of the revised POG Guidelines should remain proportionate, realistic and operationally feasible. The EBA therefore amended the date of application of the Guidelines to 11 January 2027, in the section of the GLs related to implementation, to align it with the application date of the EBA Guidelines on the MESGR applicable to SNCI.

### 1.2.6 Miscellaneous comments

41. Amongst the comments from respondents that did not lead to any changes, including comments from BSG members, first, several respondents were of the view that amendments to the POG Guidelines lack a clear legal basis and an ESG mandate, could create unnecessary complexity, legal uncertainty or disproportionate burdens, calling instead for stability and proportionality in line with the EU simplification agenda.
42. The EBA in response reaffirmed that it has developed the POG Guidelines in accordance with Article 16 of Regulation (EU) No 1093/2010, which empowers the EBA to issue guidelines to ensure the effective and consistent application of European Union law. The EBA clarified that the legal basis of the Guidelines was subsequently confirmed in ruling C-911/19 of the Court of Justice of the EU as laying down principles intended to ensure effective processes to identify, manage and monitor risks as well as adequate internal control mechanisms within the meaning of Article 74(1) of CRD. As such, EBA explained further that the POG Guidelines may be updated as necessary to ensure that they remain aligned with the evolving Level 1 requirements on which the Guidelines are based, such as the introduction of Article 87a(5) of the CRD.
43. Second, several respondents were of the view that the EBA used ambiguous language and the wording such as ‘fair, clear and not misleading’, ‘understandable manner’, and ‘up to date’ could lead to divergent interpretations and disproportionate burdens. The EBA clarified that such formulations mirror the terminology already used in multiple EU legislative acts governing

consumer protection and the ESAs common high-level understanding of greenwashing, as set out in the EBA's report greenwashing monitoring and supervision and the EBA Guidelines on MESGR. The EBA explained further that the wording proposed by the EBA in its CP is also aligned with the EIOPA<sup>20</sup> and ESMA<sup>21</sup> guidance which use similar language and approach, including the most recent ESMA thematic note on clear, fair and not misleading sustainability-related claims published on 14 January 2026<sup>22</sup>. Finally, the EBA added that should respondents needs further examples of product with ESG features, the EBA 2021 Report on ESG risks management and supervision includes in Annex a non-exhaustive list of ESG factors that can help institutions to identify ESG features. As a result, the EBA concluded that additional changes to clarify the definitions, or to add examples are unnecessary and the proposed wording in the CP should remain as it is.

44. Third, other respondents were of the view that any reference to the EBA Guidelines on MESGR should be supplemented with citations to the specific provisions relevant to greenwashing. The EBA clarified that the EBA Guidelines on the MESGR contain only a single reference to greenwashing risk (paragraph 76). As a result, there is no need to supplement the general references to greenwashing risk in the proposed amendments under points 2.1(a), 8.3(c) or 12.1(a) with an explicit paragraph reference, as this does not give rise to any risk of confusion.
45. Fourth, respondents were also of the view that the reference to credit intermediaries under the MCD should be maintained. The EBA clarified that credit intermediaries falling under the scope of the MCD continue to be covered by the POG Guidelines as set in paragraph 6 of the POG Guidelines on the scope of application. Indeed, this paragraph states that the POG Guidelines apply to manufacturers and distributors of products offered and sold to consumers including entities falling in the scope of Article 7(1) of the MCD which establishes conduct-of-business obligations for credit intermediaries and appointed representatives. The EBA therefore concluded that no amendment is required and the deletion should be maintained under paragraph 7 of the Guidelines.
46. Fifth, some respondents were of the view that placing responsibility on distributors for verifying sustainability claims under Guideline 12.1.a) related to 'information and support for the manufacturer' should remain with manufacturers who are supposed to provide all the relevant information for the distribution channels. Conversely, several respondents supported requiring distributors to ensure that sustainability claims provide a fair representation of the institution's overall profile and of the product with ESG features, in line with MESGR guidelines, to maintain consumer confidence. The EBA confirmed that manufacturers remain the main source of accurate product information, however, the EBA reiterated that the POG Guidelines provide a tool to mitigate the risk of greenwashing at all stages from product manufacturing to distribution of retail banking products and confirms the responsibility also lies with the

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<sup>20</sup> EIOPA -BoS-24/160: [Microsoft Word - EIOPA-BoS-24-160- Opinion on sustainability claims and greenwashing](#)

<sup>21</sup> ESMA35-43-3448: [ESMA35-43-3448 Final report on MiFID II guidelines on product governance](#)

<sup>22</sup> ESMA 36-429234738-165: ESMA36-429234738-165 Thematic notes on clear, fair and not misleading sustainability-related claims - ESG strategies

distributors. The EBA therefore was of the view that no amendment is required to the proposal in the CP.

47. Finally, one respondent was of the view that the requirements in the POG GLs might not be sufficiently proportionate for MSE. The EBA clarified that the principle of proportionality is already embedded in the POG Guidelines, allowing institutions to implement POG arrangements according to their nature, scale, and complexity, organisational structure, product range, and risk. The EBA therefore considers that maintaining this flexible, principles-based approach is sufficient and that no amendment is required.
48. Further details on the EBA's assessment of the consultation responses are provided in the feedback table in section 3.3.3 below.

## 2. Guidelines

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EBA/GL/2026/07

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30 June 2026

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### Guidelines

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amending Guidelines EBA/GL/2015/18 on product oversight and governance arrangements for retail banking products

# 1. Compliance and reporting obligations

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## Status of these guidelines

This document contains guidelines issued pursuant to Article 16 of Regulation (EU) No 1093/2010<sup>1</sup>. In accordance with Article 16(3) of Regulation (EU) No 1093/2010, competent authorities and financial institutions must make every effort to comply with the guidelines.

Guidelines set the EBA view of appropriate supervisory practices within the European System of Financial Supervision or of how Union law should be applied in a particular area. Competent authorities as defined in Article 4(2) of Regulation (EU) No 1093/2010 to whom guidelines apply should comply by incorporating them into their practices as appropriate (e.g. by amending their legal framework or their supervisory processes), including where guidelines are directed primarily at institutions.

## Reporting requirements

According to Article 16(3) of Regulation (EU) No 1093/2010, competent authorities must notify the EBA as to whether they comply or intend to comply with these guidelines, or otherwise with reasons for non-compliance, by [dd.mm.yyyy]. In the absence of any notification by this deadline, competent authorities will be considered by the EBA to be non-compliant. Notifications should be sent by submitting the form available on the EBA website with the reference 'EBA/GL/2026/07'. Notifications should be submitted by persons with appropriate authority to report compliance on behalf of their competent authorities. Any change in the status of compliance must also be reported to EBA.

Notifications will be published on the EBA website, in line with Article 16(3).

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<sup>1</sup> Regulation (EU) No 1093/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Banking Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/78/EC, (OJ L 331, 15.12.2010, p.12).

## 2. Addresses

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These guidelines are addressed to competent authorities as defined in Article 4 point (2) of Regulation (EU) No 1093/2010 and to financial institutions as defined in Article 4(1) of Regulation No 1093/2010.

## 3. Implementation

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### Date of application

These guidelines apply from 11 January 2027.

## 4. Amendments

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The EBA Guidelines EBA/GL/2015/18 on product oversight and governance arrangements for retail banking products are amended as follows:

(i) Amendments to Chapter 2 ‘Subject matter, scope and definitions’:

1. Paragraph 5 is replaced by the following:

‘5. These Guidelines deal with the establishment of product oversight and governance arrangements for both manufacturers and distributors as an integral part of the general organisational requirements linked to internal control systems of firms. They refer to internal processes, functions, and strategies aimed at designing products bringing them to the market and reviewing them over their life cycle. They establish procedures relevant for ensuring the interests, objectives and characteristics of the target market are met. Those product oversight and governance arrangements should also be established by manufacturers and distributors for products with Environmental, Social and Governance (ESG) features, should they offer and sell those products to consumers. However, these Guidelines do not deal with the suitability of products for individual consumers.’

2. In paragraph 6, ‘CRD IV’ is replaced by ‘CRD’ and the following point is added:

‘Article 32 (1) of Directive 2023/2225 (the “Directive on credit agreements for consumers and repealing Directive 2008/48/EC (CCD)”).’ Directive as transposed in the respective Member States.

3. Paragraph 7 is replaced by the following:
 

‘7. Competent authorities may wish to consider applying these Guidelines to other products or other entities in their jurisdictions that do not fall within the scope of the legislative acts referred to above but for which the competent authorities have supervisory responsibilities.’
  4. Paragraph 9 is replaced by the following:
 

‘9. These Guidelines supplement other EBA guidelines that may be relevant to product oversight and governance, in particular, the EBA Guidelines on Internal Governance under Article 74 of the CRD. These Guidelines should also be read in conjunction with the EBA Guidelines on the sound management of third-party risk regarding non-ICT services<sup>2</sup> and the EBA Guidelines on management of ESG risks<sup>3</sup> for the financial institutions in their respective scope of application.’
  5. Paragraphs 12 and 13 are deleted from the section ‘Addressees’.
  6. In paragraph 15 the following point is added in the definition of the term ‘manufacturer’:
 

‘e) a creditor as defined in Article 3 point (2) of the CCD’
  7. In paragraph 15, in the definition of the term ‘product’, point f), ‘CRD IV’ is replaced by ‘CRD’ and point a) is replaced by the following:
 

‘a) ‘credit agreements’ as defined in Article 4(3) MCD and Article 3(3) of the CCD;
  8. In paragraph 15, in the definition of the term ‘product’, point h) has been deleted
- (i) Amendments to Guideline 1: Establishment, proportionality, review and documentation
9. Guideline 1.3 is replaced by the following:
 

‘1.3 When launching a new product the manufacturer should ensure that the product oversight and governance arrangements are considered in the new product approval policy (NPAP) in line with the EBA Guidelines on Internal Governance under Article 74 of the CRD in cases where they apply.’
- (ii) Amendments to Guideline 2: Manufacturers’ internal control functions
10. Guideline 2.1 is replaced by the following:

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<sup>2</sup> EBA Guidelines on the sound management of third-party risk regarding non-ICT services

<sup>3</sup> EBA/GL/2025/01: [Final Guidelines on the management of ESG risks.pdf](#)

‘2.1 The manufacturer should ensure that product oversight and governance arrangements are an integral part of its governance arrangements, including the internal control framework as referred to in the EBA Guidelines on Internal Governance under Article 74 of the CRD, where applicable. To that end, the manufacturer’s management body should endorse the establishment of the arrangements and subsequent reviews.’

10. The following Guideline 2.1a is inserted:

‘2.1a The manufacturer’s management body should put in place sound processes to identify, and prevent greenwashing practices and to manage and monitor risks resulting from greenwashing or perceived greenwashing practices, as also set out in the existing greenwashing-risk related requirements in the EBA Guidelines on the Management of ESG risks , where products with ESG features are offered or sold to consumers.’

11. Guideline 2.3 is replaced by the following:

‘2.3 The responsibilities for the oversight of this process by the Risk Management function and the Compliance function should be integrated into their perimeter and normal line of duties as outlined in the EBA Guidelines on internal governance under Article 74 of the CRD, where applicable.’

12. Guideline 2.4 is replaced by the following:

‘2.4 Senior management should ensure that staff involved in designing a product are familiar with and follow the manufacturer’s product oversight and governance arrangement; are competent and appropriately trained; and understand and are familiar with the product’s features, characteristics and risks, including, where applicable, those related to products with ESG features.’

(iii) Amendments to Guideline 3: Target market

13. Guideline 3.1 is replaced by the following:

‘3.1 Manufacturers should include, in their product oversight and governance arrangements, steps and features, including, where applicable, ESG features, that need to be followed, to identify, and update when necessary, the relevant target market of a product.’

14. Guideline 3.2 is replaced by the following:

‘3.2 The manufacturer should, having first identified the target market, ensure that the product, including, where applicable, the product with ESG features, is deemed appropriate for the interests, objectives and characteristics of the identified target market(s).’

15. Guideline 3.3 is replaced by the following:

‘3.3 The manufacturer should only design and bring to the market products with features, including, where applicable, products with ESG features, charges and risks, that meet the interests, objectives and characteristics of, and are of benefit to, the particular target market identified for the product.’

(iv) Amendments to Guideline 7: Distribution channels

16. Guideline 7.1 is replaced by the following:

‘7.1 The manufacturer should select distribution channels that are appropriate for the particular target market. To that end, the manufacturer should select distributors that have the appropriate knowledge, expertise and capability to correctly place each product in the market and to provide appropriate information explaining the characteristics and risks of the product to the consumers, including, where applicable, those related to the product with ESG features. When selecting its distribution channels, the manufacturer may consider limiting the distribution of a specific product to channels that offer specific features to consumers.’

(v) Amendments to Guideline 8: Information for distributors

17. The following letter is added to Guideline 8.3:

‘c) where applicable, namely for product with ESG features, to ensure that sustainability related communication is fair, clear, and not misleading, and that sustainability claims are accurate, substantiated, up to date, provide a fair representation of the institution’s overall profile or the profile of the product, and are presented in an understandable manner, as also set out in the greenwashing-risk related requirements in the EBA Guidelines on the management of ESG risks’

(vi) Amendments to Guideline 12: Information and support for the manufacturer’s arrangements

18. Guideline 12.1 is replaced by the following:

‘12.1 The distributor should take into account the information provided by the manufacturer and disclose to the consumer, including, where applicable, for the product with ESG features, a description of the main characteristics of the product, its risks, and the total price of the product to be paid by the consumer, including all related fees, charges, and expenses, as well as providing additional material supplied by the manufacturer to be used by the target market.’

19. The following Guideline 12.1a is inserted:

‘12.1a The distributor should, for products with ESG features offered and sold, ensure that sustainability related communication is fair, clear, and not misleading, and that sustainability claims are accurate, substantiated, up to date, provide a fair representation of the institution’s overall profile or the profile of the product, and are presented in an understandable manner, as also set out in existing the greenwashing-risk related requirements in the EBA Guidelines on the management of ESG risks.’

(vii) Amendments to Chapter 6 ‘Outsourcing’:

20. Chapter 6 ‘Outsourcing’ is deleted

## 3. Accompanying documents

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### 3.1 Cost-benefit analysis / impact assessment

49. As per Article 16(2) of Regulation (EU) No 1093/2010 (EBA Regulation), any guidelines and recommendations developed by the EBA shall be accompanied by an Impact Assessment (IA), which analyses ‘the potential related costs and benefits’. This analysis presents the IA of the main policy options included in this Consultation Paper on the draft Guidelines amending the Guidelines (EBA/GL/2015/18) on POG, to take into account products with ESG features and greenwashing risks (‘the draft Guidelines’). The IA is high level and qualitative in nature.

#### 3.1.1 Problem identification and background

50. Developments in the markets for financial services in the period leading up to 2015 had shown that failures in the conduct of financial institutions towards their customers cause significant consumer detriment, undermine market confidence and in extremis can also lead to financial instability. To address some of the causal drivers of such conduct failure, the EBA issued in 2016 Guidelines on product oversight and governance (POG, EBA/GL/2015/18) for manufacturers and distributors of retail banking products ‘POG Guidelines’ that fall within EBA’s regulatory remit, namely mortgages, personal loans, deposits, payment accounts, payment services, and electronic money. The Guidelines have been applicable without any modifications since the EBA first issued them in 2016.

51. However, five recent regulatory developments make a revision of the Guidelines necessary. First, on 4 June 2024, the EBA published a final report on greenwashing monitoring and supervision, which contained several recommendations, inter alia for the EBA to provide regulatory guidance that addresses greenwashing-related issues within prudential and conduct supervision. Second, new provisions were introduced, and adjustments were made to several existing articles, in the CRD and the CRR, in relation to the current and forward-looking impacts of ESG risks. More specifically, a requirement was introduced in Article 76 of the CRD, which is related to one of the legal bases of the POG Guideline and now requires the management body to develop concrete plans to address ESG risks. Furthermore, revised Article 87(a)(4) of CRD now requires NCAs to assess and monitor developments of institutions’ practices concerning their ESG strategy and risk management, including their sustainability-related product offerings. Third, in 2024, the Directive on unfair business-to-consumer commercial practices<sup>23</sup> has been amended in order to address commercial practices that mislead consumers and

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<sup>23</sup> Directive 2005/29/EC ELI: <http://data.europa.eu/eli/dir/2005/29/oj>

prevent them from making sustainable consumption choice<sup>24</sup>. Fourth, the EBA founding Regulation (EU 1093/2010) was amended and explicitly brought consumer credit as defined in the CCD (2008/48/EU) into the EBA's regulatory remit, as a result of which the EBA is in a position to add this product fully into the scope of the POG Guidelines. The EBA Guidelines on outsourcing arrangements are also currently under revision to take into consideration the Financial Stability Board toolkit for enhancing third-party risk management and oversight, the BCBS principles for the sound management of third-party risk in the banking sector as well as the application of DORA. Finally, this timely update of the POG GL occurs in a context where the EU has established a legislative framework to boost the energy performance of buildings, that includes the Energy Performance of Buildings Directive (EU/2024/1275) and the Energy Efficiency Directive (EU/2023/1791). This framework explicitly assigns a critical role to the banking sector in the provision of "green" loans, aiming to scale up financing to meet the investment needs for improving the energy efficiency of buildings.

### 3.1.2 Policy objectives

52. The draft Guidelines objectives is thus to update the POG Guidelines to contribute to the fight, at its level, against greenwashing and so that the latest linked regulatory changes, and mainly ESG ones, are taken into account in these Guidelines.

### 3.1.3 Options considered, assessment of the options and preferred options

53. Section C. presents the main policy options discussed and the decisions made by the EBA during the development of the draft Guidelines. Advantages and disadvantages, as well as potential costs and benefits from the qualitative perspective of the policy options and the preferred options resulting from this analysis, are provided.

#### Level of inclusion of ESG in the POG Guidelines

54. The draft Guidelines objective is mainly to take into account the related ESG regulatory changes in the POG Guidelines. With regards to the level of ESG requirements to be added in the POG Guidelines, two options have been considered by the EBA:

- **Option 1a: Adapting the existing requirements of the POG Guidelines to the ESG related regulatory changes by adding detailed and additional requirements for ESG.**
- **Option 1b: Adapting the existing requirements of the POG Guidelines to the ESG related regulatory changes in a limited and targeted way.**

55. Adapting the existing requirements of the POG Guidelines to the ESG related regulatory changes was deemed necessary in order to contribute to answer (in its own area) to the identified issue of greenwashing and keep a consistent regulatory framework. This would bring the benefit of increasing customers' confidence in the ESG products' elements and related

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<sup>24</sup> Directive 2024/825/EU ELI : <http://data.europa.eu/eli/dir/2024/825/oj>

communication. One could say that, implicitly, the product's ESG elements were already covered by the POG Guidelines but updating the POG Guidelines with the inclusion of the ESG elements would make sure that they are taken into account and would prevent a possible disparity of treatment between those elements and the other products' elements.

56. Adding in the POG Guidelines supplementary specific requirements related to ESG was an option foreseen during the elaboration of the draft Guidelines. It would have had the benefit of putting at a higher level of scrutiny the ESG elements and to increase the level of consideration of the customers' needs with this regard. Nonetheless, the existing POG Guidelines have been found fit for purpose since 2016 for the other elements than the ESG (the EBA carried out two reviews into how the Guidelines were applied by the industry, which the EBA published in the form of reports in July 2019<sup>25</sup> and November 2020 respectively<sup>26</sup>, and the EBA found that the substance of the Guidelines themselves were fit for purpose without the need for revisions) and therefore are deemed to be fit for purpose regarding the ESG elements. Furthermore, the potential benefits of supplementary requirements would not justify the additional costs triggered that institutions would support. Regarding the cost-benefit implications for micro, small and medium enterprises (which are not covered by this impact assessment), the revised CCD provides Member States with discretion when transposing the Directive into national law, including on the precise entity and product scope of the transposed law. As a result, the impact might vary depending on the choices that Member States have made during the transposition of the Directive.
57. On these grounds, the **Option 1b has been chosen as the preferred option** and EBA will adapt the existing requirements of the POG Guidelines to the ESG related regulatory changes but not add detailed and additional requirements for ESG.

### 3.1.4 Conclusion

58. The development of draft Guidelines on the revision of the POG Guidelines will contribute, at its level, to the fight against greenwashing and take into account the latest regulatory changes, mainly ESG ones. The benefits are deemed to exceed the costs associated with these draft Guidelines which are not supposed to be material and are partly driven by underlying changes in CRR and CRD and other legislations related to ESG and greenwashing. As such these draft Guidelines hence should achieve, with acceptable costs, their objectives.

## 3.2 Views of the Banking Stakeholder Group

<sup>25</sup><https://eba.europa.eu/sites/default/files/documents/10180/2855746/fd963ed8-c392-433c-9d5f-40e798659f24/EBA%20Report%20on%20the%20application%20of%20the%20guidelines%20on%20POG%20arrangements.pdf?retry=1>

<sup>26</sup>[https://www.eba.europa.eu/sites/default/files/document\\_library/Publications/Reports/2020/935640/Second%20EBA%20report%20on%20the%20application%20of%20the%20POG%20guidelines%20arrangements.pdf](https://www.eba.europa.eu/sites/default/files/document_library/Publications/Reports/2020/935640/Second%20EBA%20report%20on%20the%20application%20of%20the%20POG%20guidelines%20arrangements.pdf)

59. The EBA's Banking Stakeholder Group (BSG) submitted its views on the EBA's Consultation Paper. The BSG members expressed divergent views on the proposed amendments to the POG Guidelines.
60. Several members supported the EBA's proposal to amend the 2016 Guidelines and to align them with the current regulatory framework, and raised no objections.
61. Other members cautioned that amendments in the CP would risk, in their view, generating unnecessary complexity. They underlined that the EBA has no explicit mandate from the co-legislators to revise product governance requirements for retail products and exercises such powers solely under Article 74 of the CRD. In the context of regulatory simplification and competitiveness, the same BSG members urged the EBA not to create what they consider to be legal instability, to limit revisions to what is strictly necessary, and to preserve coherence across legislative instruments. Those members also considered that, for SNCI, the revised POG Guidelines should be more proportionate and not apply earlier than the separate EBA Guidelines on MESGR, which set an application date for January 2027.
62. The BSG also supported extending the scope of the Guidelines to non-bank creditors under the CCD and suggested keeping credit intermediaries under the MCD advocating for a level playing field, consistent consumer protection, and safeguards against over-indebtedness.
63. On substantive provisions, some BSG members supported the targeted amendments, while others requested more clarity on what constitutes a product with 'ESG characteristics', particularly for traditional banking products where such features may be less readily identifiable. Those BSG members also asked that any reference to the EBA Guidelines on MESGR be supplemented with citations to the specific provisions relevant to greenwashing, noting that they consider those Guidelines to be predominantly prudential in nature and that greenwashing is addressed only in paragraph 76 of section 5.6.4.
64. Finally, regarding the new chapter on third-party arrangement (chapter 6), some BSG members supported the changes, noting that increasingly complex financial sector supply chains justify stronger transparency and supervisory consistency, whereas other members opposed to such changes arguing that referring to the EBA Guidelines on SMTPR in a separate chapter would broaden the 'third party' definition which according to them might include 'other external procurement' (such as one-off or occasional service providers) and create unnecessary administrative burden. These BSG members were of the view that it may deter banks from engaging with new or short-term third-party providers and continued, by stressing that it could go against the EU objective of simplifying ESG requirements. They also shared the view that manufacturers and distributors should only comply with those guidelines where they fall within scope of the SMTPR.

### 3.3 Feedback on the public consultation and the BSG submission

#### 3.3.1 Summary of key issues raised by respondents and EBA feedback

65. As explained in the rationale section above, respondents raised several concerns which have been raised in the different sections of the rationale section including in the part miscellaneous concerns.

#### 3.3.2 The EBA's response to the Banking Stakeholder Group's submission

66. As described in section 3.2, the BSG made a number of comments on the draft Guidelines which are mainly addressed below.

67. First, the EBA acknowledges BSG members' support and reiterates that the amendments introduced aim to align the POG Guidelines with recent legislative developments while preserving regulatory clarity. The EBA also acknowledges the BSG's support for extending the POG Guidelines to non-bank creditors under the Consumer Credit Directive.

68. Second, the EBA notes the concerns raised regarding the EBA mandate, the lack of alignment with the simplification principle and lack of proportionality. The EBA reiterates what it expressed in the CP, which is that its competence to issue and amend guidelines derives from Article 16 of Regulation (EU) No 1093/2010, and that in its ruling C-911/19 the Court of Justice of the EU has confirmed that the POG Guidelines fall within the governance framework set out in the CRD. Furthermore, in view of evolving market practices, sustainability-related risks and supervisory findings on greenwashing, updating specific elements of the POG Guidelines is both warranted and necessary..

69. The EBA also clarifies that the amendments did not entail the introduction of new procedural obligations or additional layers of governance beyond those already established under the existing Guidelines or horizontal legislations which refer to greenwashing such as EmpCo Directive. The EBA reiterates that the purpose of the revision of the EBA POG Guidelines is, via targeted approach, to make explicit ESG and greenwashing considerations where retail products include ESG features and enhance the capacity of financial institutions to identify, monitor and mitigate conduct related and sustainability related risks throughout the product lifecycle. Also, to preserve coherence across legislative instruments the application date of the amended Guidelines will be aligned with the application date of the separate Guidelines on the MESGR

70. Third, regarding the BSG's response asking for clearer definitions and terminology on terms such as 'ESG characteristics', the EBA clarifies that the Guidelines do not use the term 'ESG characteristics' but refer to 'products with ESG features' instead. The POG Guidelines are not intended to define or harmonise sustainability concepts governed elsewhere in Union law. The EBA also reiterates that expressions such as 'fair, clear and not misleading' reflect long-standing consumer-protection terminology used consistently across EU legislation and supervisory guidance. The EBA therefore concluded that further definitions or examples are unnecessary and that they rely on established common high-level understanding of greenwashing shared

across the European Supervisory Authorities. In addition, the EBA clarified that the EBA Guidelines on the MESGR contain only a single reference to greenwashing risk (paragraph 76). As a result, there is no need to supplement the general references to greenwashing risk in the proposed amendments under points 2.1(a), 8.3(c) or 12.1(a) with an explicit paragraph reference, as this does not give rise to any risk of confusion.

71. Finally, EBA acknowledges the divergent views among BSG members on the amendments to the third-party arrangement chapter. EBA agrees that amendments proposed could bring further complexity. Keeping in mind that the current chapter on outsourcing in the POG Guidelines is outdated, with the aim to address the concerns regarding the scope of application and the proportionality, the EBA amended the POG Guidelines by deleting chapter 6. The EBA is of the view that a cross-reference to the EBA GLs on SMTPR is necessary in paragraph 9 related to the scope of application of the POG Guidelines. This amendment states that the POG Guidelines should be read in conjunction with the EBA Guidelines on the sound management of third-party risk regarding non-ICT services for the financial institutions in the scope of application of the Guidelines.

### 3.3.3 Summary of responses to the consultation and the EBA's analysis

Nr.	Comments	Summary of responses received	EBA analysis	Amendment to the proposals
Feedback on responses to Question 1: Do you have any comments on the targeted amendments and consequential changes made to Chapter 2 of the POG Guidelines on 'subject matter, scope and definitions'?				
1	General	<p>Several respondents supported the revision of the Guidelines, emphasising that robust POG arrangements for products with ESG features are essential to address greenwashing and align the framework with CRD VI/CRR III developments and the growing use of sustainability-marketed retail products. They also welcomed the EBA's practice of regularly updating its guidelines and the assurance that the amendments would not introduce new obligations for credit institutions.</p>	<p>The EBA acknowledges that many respondents supported the EBA approach articulated in the consultation paper.</p>	None
2	Simplification and legal basis	<p>Several respondents were against the proposed approach, explaining that, in their view, the introduction of further amendments to the POG guidelines would create unnecessary regulatory complexity. Other respondents were of the view that the POG GLs requirements should be shortened to reduce bureaucracy (e.g. auditing and documentation obligations) continued by saying that retail banking products are largely risk-free for consumers (e.g. payment accounts) and/or already heavily regulated by other legislative provisions</p> <p>In addition, several respondents stressed that the EBA was not explicitly mandated by the European Commission or EU co-legislators to issue or revise guidelines on POG for retail products but instead uses the legal basis from Article 74 of the CRD and retains a certain discretion in updating the guidelines. In a</p>	<p>Regarding the legal basis, the EBA reaffirms that it has developed the POG Guidelines in accordance with Article 16 of Regulation (EU) No 1093/2010, which empowers the EBA to issue guidelines to ensure the effective and consistent application of European Union law. The legal basis of the Guidelines was subsequently confirmed in ruling C-911/19 of the Court of Justice of the EU as laying down principles intended to ensure effective processes to identify, manage and monitor risks as well as adequate internal control mechanisms within the meaning of Article 74(1) of CRD). As such, the Guidelines may be updated as necessary to ensure that they remain aligned with the evolving Level 1 requirements on which the Guidelines are based, such as the introduction of Article 87a(5) of the CRD.</p> <p>The EBA also assessed the concerns raised by some respondents that the entire existing POG Guidelines should be shortened to reduce complexity</p>	None

simplification context - and to support the competitiveness of European banks by avoiding the burden of frequent legislative changes – this respondent was of the view that the EBA should promote legal stability by keeping revisions to what is strictly necessary and focus on ensuring alignment across different legislations.

Finally, one respondent questioned whether a revision of the Guidelines is compatible with the European Commission’s recent simplification agenda, to which the EBA, too, committed itself.

and that, again, according to them, most retail banking products are risks free. The EBA disagrees with this statement reminding the respondents that the POG Guidelines set out high-level, principles-based expectations, providing a framework for effective product oversight and governance without prescribing detailed operational requirements. The EBA also reminds respondents that supervisory work on greenwashing identified shortcomings in product-governance processes as a possible channel for misrepresentation. The EBA reiterates that the evolution of market practices, the emergence of new sustainability-related risks and expectations as also identified in the EBA’s Report on greenwashing monitoring and supervision published in 2025 pointed to the need to strengthen certain aspects of the POG process to safeguard consumer protection and market integrity.

The EBA clarifies that the amendments did not entail the introduction of new procedural obligations or additional layers of governance beyond those already established under the existing Guidelines or horizontal legislations which refer to greenwashing such as EmpCo Directive. The EBA reiterates that the purpose of the revision of the EBA POG Guidelines is, via targeted approach, to make explicit ESG and greenwashing considerations where retail products include ESG features and enhance the capacity of financial institutions to identify, monitor and mitigate conduct-related and sustainability-related risks throughout the product lifecycle.

The EBA is therefore of the view that the adjustments introduced were in line with the simplification principles, were proportionate and justified.

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3	Knowledge and skills of staff	One respondent supported the emphasis on the importance of strengthening the knowledge and skills of the staff involved. It is essential to ensure that staff understand the characteristics and risks of ESG products.	The EBA takes note of the respondent’s support for strengthening the knowledge of staff involved in the design, monitoring and distribution of products with ESG features.	None
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4 Greenwashing and ESG characteristics	<p>Several respondents were of the view that inconsistencies exist across the Markets in Financial Instruments Directive (MiFID), Corporate Sustainability Reporting Directive (CSRD), and the EU Taxonomy, which could lead to regulatory confusion. They called for further clarity regarding the definition of ‘greenwashing’, ‘ESG characteristics’ or ‘greenwashing risks’ to ensure consistency across the legislative and regulatory framework.</p> <p>In addition, several respondents called for clearer and more precise wording of terms such as ‘fair, clear, and not misleading,’ ‘understandable manner,’ and ‘up to date’ to avoid interpretative ambiguity. Another respondent indicated that to ensure further clarity on the definition of greenwashing the ‘common high-level understanding of greenwashing’ should be reflected directly in the guidelines. A few respondents considered that regarding ESG characteristics, clearer examples should be included within the guidelines, especially for products where such features are not self-evident.</p> <p>A respondent was of the view that the EBA GLs on MESGR are tailored to large CRR institutions with access to detailed taxonomy and emissions data, which are often unavailable or too costly for micro and small enterprises (MSEs). It therefore suggested including a materiality threshold to narrow monitoring to actual consumer claims and the acceptance of recognised third-party sustainability labels as sufficient initial evidence.</p>	<p>Regarding the concern raised by some respondents concerning inconsistencies and lack of definition of certain terminologies, the EBA clarifies that the EBA is not in a position to amend or extend definitions that are set out in Level 1 texts and the wording ‘ESG characteristics’ the respondents were referring to, was not mentioned anywhere in the draft Guidelines, which instead refer to ‘products with ESG features’.</p> <p>The EBA also clarifies that formulations such as ‘fair, clear, and not misleading’ mirror terminology already used in multiple EU legislative acts governing consumer protection and the ESAs common high-level understanding of greenwashing, as set out in the EBA’s report on greenwashing monitoring and supervision and the EBA Guidelines on MESGR . The EBA explains further that the wording proposed by the EBA in its CP is also aligned with the EIOPA<sup>27</sup> and ESMA<sup>28</sup> guidance which use similar language and approach. See also most recent ESMA thematic note on clear, fair and not misleading sustainability -related claims published on 14 January 2026 <sup>29</sup>.</p> <p>The EBA finally clarifies further that should respondents needs further examples of product with ESG features, the EBA 2021 Report on ESG risks management and supervision includes in Annex a non-exhaustive list of ESG factors that can help institutions to identify ESG features.</p> <p>As a result, the EBA concludes that additional changes to clarify the definitions, or to add examples are unnecessary.</p> <p>Regarding the concerns that might impact MSEs, the EBA disagrees with the view that EBA Guidelines on MESGR have been designed for large CRR institutions, stressing that they apply to all CRR institutions, with proportionate expectations towards non-large institutions. The EBA also</p>	None
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<sup>27</sup> EIOPA -BoS-24/160: [Microsoft Word - EIOPA-BoS-24-160- Opinion on sustainability claims and greenwashing](#)

<sup>28</sup> ESMA35-43-3448: [ESMA35-43-3448 Final report on MiFID II guidelines on product governance](#)

<sup>29</sup> ESMA 36-429234738-165: [ESMA36-429234738-165 Thematic notes on clear, fair and not misleading sustainability-related claims - ESG strategies](#)

stresses that the principle of proportionality is also embedded in the POG Guidelines. The EBA also considers it inappropriate to introduce explicit materiality thresholds or recognised labels, as this could conflict with other EU initiatives, noting in addition that currently there is no well-established EU-wide ESG labelling framework for retail banking products. The EBA concludes that no amendment is necessary.

5	Product with ESG features	A respondent argued that in its view, in the absence of definitions for 'green mortgage' or 'green consumer credit,' it is difficult to identify their ESG features. It therefore suggested further clarification, including examples, of the ESG features associated with the relevant product categories.	<p>The EBA stresses that the objective of the POG Guidelines is not to define individual product categories (such as green mortgages or green consumer credit), nor create a standalone taxonomy for retail credit products. Rather, the Guidelines aim to ensure that, where ESG features form part of the design, marketing or distribution of a product, those features are subject to appropriate governance, substantiation and oversight arrangements proportionate to the nature of the product and the claims made.</p> <p>The EBA explains however that the EBA report on greenwashing includes several product examples or the EBA 2021 Report on ESG risks management and supervision which includes in Annex a non-exhaustive list of ESG factors that can help institutions to identify ESG features.</p> <p>The EBA is therefore of the view that no change is needed, and the absence of definition or examples of product-specific EU definitions does not prevent financial institutions from identifying and validating ESG features consistently with the POG Guidelines.</p>	None
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<p>6 EBA Guidelines on ESG risks management</p>	<p>Several respondents were of the view that referencing the EBA Guidelines on MESGR within the POG GLs was inappropriate, considering that those Guidelines are prudential in nature and only partially, if at all, focused on consumer-protection objectives. One respondent therefore proposed removing the requirement that the management of greenwashing risk or sustainability-related communications be 'consistent with the requirements in the EBA Guidelines on MESGR,' arguing that such a reference would extend the scope of those Guidelines beyond their original intent. Other respondents were of the view that any reference to the EBA Guidelines on MESGR should be supplemented with citations to the specific provisions relevant to greenwashing.</p>	<p>EBA clarifies that the EBA Guidelines on MESGR expressly address reputational, litigation and conduct-related risks arising from misleading sustainability-related claims and therefore apply to both prudential and consumer-protection outcomes (e.g. misrepresentation of ESG-related product features may give rise to risks which are directly relevant for ensuring fair treatment of consumers). The EBA clarifies that the intention of the reference to the EBA Guidelines on MESGR is not to include prudential scenario-analysis requirements into the POG Guidelines, but rather to ensure consistency regarding the terminology used across the EBA legal instruments where misleading sustainability claims could produce both prudential effects (via reputational damage or litigation risk) and consumer-protection harm.</p> <p>The EBA is therefore of the view that the reference to the EBA Guidelines on the MESGR should be kept. The EBA however believe that the revision that was proposed in the CP can be further refined to clarify that the reference to the EBA GLs on MESGR is limited only to greenwashing-risk related requirements where products with ESG features are offered or marketed and the EBA GLs on MESGR should be read in conjunction with EBA GLs on MESGR for the FIs in their respective scope of application. The Final Guidelines have therefore been refined as outlined on the right.</p> <p>In addition, the EBA clarified that the EBA Guidelines on the MESGR contain only a single reference to greenwashing risk (paragraph 76). As a result, there is no need to supplement the general references to greenwashing risk in the proposed amendments under points 2.1(a), 8.3(c) or 12.1(a) with an explicit paragraph reference, as this does not give rise to any risk of confusion.</p>	<p>See changes to Guidelines 2.1.a), 8.3.c), 12.1.a):</p> <p><b>[...] as also set out in <del>consistent with the existing</del> greenwashing-risk related requirements in the EBA Guidelines on the management of ESG risks</b></p> <p>See also paragraph 9 has been amended accordingly:</p> <p><b>'9. These Guidelines supplement other EBA guidelines that may be relevant to product oversight and governance, in particular, the EBA's Guidelines on Internal Governance under Article 74 of the CRD (GL 44). <u>These Guidelines should also be read in conjunction with the EBA</u></b></p>
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**Guidelines on the sound management of third-party risk regarding non-ICT services and the EBA Guidelines on management of ESG risks for the financial institutions in their respective scope of application.**

7	<p>Proportionality and 'time horizons'</p>	<p>Several respondents were of the view that the POG Guidelines should differentiate between SNCI and other non-large institutions in terms of the intensity and scope of application (like the EBA GLs on MESGR), to uphold the principle of proportionality.</p> <p>Another respondent was of the view that referencing the EBA GL on MESGR could create inconsistencies between Significant and Less Significant Institutions regarding the application of time horizons. According to this respondent, removing references to the EBA GLs on MESGR would ensure proportionality and improve clarity as currently there is inconsistencies between the EBA GLs on MESGR which define time horizons only at a high level, and the proposal in the consultation on EBA Guidelines on ESG scenario analysis, which provides more detailed guidance.</p>	<p>None</p>
		<p>The EBA clarifies that the principle of proportionality is already embedded within the existing POG Guidelines. The POG Guidelines set out high-level, principles-based expectations, providing a framework for effective product oversight and governance without prescribing detailed operational requirements, thereby ensuring that institutions retain the flexibility to implement proportionate arrangements aligned with their nature, scale and complexity. The POG Guidelines therefore allow institutions to calibrate their product-governance arrangements in line with their organisational structure, product range, and risk profile (see in particular Guidelines 1.5, 2.3).</p>	
		<p>The EBA considers that maintaining this flexible, principles-based approach is preferable to introducing prescriptive size-based thresholds or formal supervisory segmentation within the Guidelines themselves. Such thresholds could reduce flexibility, create divergence across Member States, or unintentionally strict distinctions that may not be appropriate in all national markets. The EBA therefore arrives at the view that the draft Guidelines do not need to be amended.</p>	
		<p>Finally, the EBA fails to understand the comment provided by one of the respondents regarding the time horizons articulated in the EBA</p>	

Guidelines. The EBA however clarifies that the time horizons in the EBA GLs on MESGR and ESG scenario analysis Guidelines are fully aligned and in accordance with the CRD requirements applying to all FIs. The EBA therefore arrives at the view that the draft Guidelines do not need to be amended.

8	<p>Greenwashing risks already addressed in current EU legislations and FIs practices</p>	<p>One respondent shared the view that the risks of greenwashing and the prevention of unfair practices have already been comprehensively addressed in the directive on empowering consumers for the green transition (Directive (EU) 2024/825, EmpCo) and the requirements of the current POG Guidelines already refer to all consumer related risks including ESG risks. It continued by saying that a revision of the POG GLs would, according to its views, not bring any added benefit because FIs are already paying particular attention to greenwashing risks when developing and offering sustainable products and communicating sustainable goals.</p> <p>Finally, one respondent explained that adding such amendment would create the misleading impression that the consideration of ESG risks for products with ESG features should be given higher importance than the consideration of all other risks from the consumer's perspective.</p>	<p>The EBA is of the view that recent regulatory and supervisory developments, including the adoption of EmpCo, amendments to the CRD/CRR concerning ESG risks, and the findings of the EBA's own work on greenwashing, justify updating the POG Guidelines to provide greater clarity and supervisory convergence in the specific context of retail banking products with ESG features. Unlike EmpCo, which establishes general consumer protection rules, the POG Guidelines govern retail banking product specific processes. The EBA is of the view that ensuring that sustainability related features are properly integrated into these processes is therefore necessary to address the product governance dimension of greenwashing risk.</p> <p>The EBA acknowledges the respondent's statement that many FIs have already implemented internal processes but does not share the view that revising the Guidelines would create the impression that ESG risks should be given disproportionate weight relative to other consumer protection risks. The EBA reiterates that a revision of the POG Guidelines is warranted to turn explicit what some FIs are already applying in practice and most importantly to bring clarity to FIs on the application of the Guidelines.</p> <p>The EBA therefore arrives at the view that the draft Guidelines do not need to be amended.</p>	None
9	<p>Implementation of the POG GLs</p>	<p>A respondent acknowledged the need to address ESG features and greenwashing risks. At the same time, it was of the view that the diversity of retail banking products makes uniform ESG rules difficult</p>	<p>The EBA disagrees with the position of the respondent that diversity in retail banking products would be an obstacle to the application of the requirements regarding products with ESG features. The EBA reiterates</p>	<p>Amendment to the date of application as follows:</p>

to apply and argued that, unlike investment products already covered by ESMA guidance, retail banking requires more time and infrastructure to adapt to the new requirements.

Several respondents were of the view that the application of the amending POG GLs should be delayed until EU ESG frameworks are finalised, considering that early implementation could cause misalignment and disproportionate burdens, particularly for smaller institutions. Additionally, several respondents were of the view that the application date of the POG GLs should be aligned with the EBA Guidelines on MESGR to avoid inconsistencies and legal uncertainty, as the EBA GLs on MESGR are applicable to SNCI only from January 2027.

that the amendments proposed in the CP are proportionate and primarily of a clarifying nature allowing sufficient flexibility to FIs to apply the requirements according to products' complexity and the size of the institutions.

The EBA does not agree with respondents' views that the application of the POG Guidelines should be postponed until the EU ESG framework is fully finalised. It considers that ongoing EU legislative developments do not prevent the EBA from clarifying existing requirements in the POG Guidelines and, in the absence of such clarification for retail banking, the risk of inconsistent practices and greenwashing could increase.

The EBA however agrees that aligning the application date of the amending POG Guidelines with the application date set in the EBA GLs on MESGR would avoid inconsistencies and bring more certainty for SNCI. The application date of the amending Guidelines has consequently been amended to refer to 11 January 2027.

These guidelines apply from ~~01 December 2026~~ 11 January 2027.

<p>10 Scope of application of the POG GLs</p>	<p>A respondent argued that revisions to the Guidelines should focus solely on strengthening consumer protection, which should be uniform and independent of an institution's size or classification. Other respondents stressed that POG consumer-protection standards should align at least with MiFID requirements and should not vary or be diluted through links to ESG risk-management or greenwashing frameworks. Those respondents recommended removing references to the EBA MESGR and greenwashing requirements, being of the view that it would preserve the original consumer-protection objective of the POG Guidelines and avoid mixing regulatory aims.</p> <p>The majority of respondents supported applying the POG GLs to non-bank creditors under the CCD. In their view it would ensure a level playing field among all providers of retail products, prevent over indebtedness and bad lending practices as well as</p>	<p>The EBA clarifies that the references to EBA Guidelines on MESGR does not aim to include prudential scenario-analysis requirements into the POG Guidelines, but rather to ensure coherence of terminology and expectations where misleading sustainability claims could produce both prudential effects and consumer-protection harm (via reputational damage, conduct and litigation risk). The amendments proposed in the CP also reflect EBA's findings that deficiencies in product-governance processes are a key channel through which greenwashing can lead to consumer detriment. The EBA therefore arrives at the view that the reference to EBA GLs on MESGR should be kept. However, to ensure further clarity the Guidelines have been refined, to specify that the EBA POG GLs should be read in conjunction with EBA GLs on MESGR for the FIs in their respective scope of application.</p> <p>The EBA has assessed the feedback received and is of the view that the revised CCD gives a significant number of options to Member States</p>	<p>The following sentence has been added to paragraph 6:</p> <p>'Directive as transposed in the respective Member States'.</p> <p>Paragraph 7 has been amended as follows:</p> <p>'Competent authorities may wish to consider applying these Guidelines <u>to other products or</u> other entities in their</p>
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fostering greater consumer trust in the market. However, one respondent was of the view that the EBA should conduct a segmented cost-benefit analysis to assess the impact on small community lenders as, according to this respondent the impact might be material. Other respondents indicated that credit intermediaries falling under the scope of the MCD should continue to be covered by these Guidelines, given the similarities in activities and risk profiles with credit institutions.

during the transposition of the Directive into national law, including on the precise entity and product scope of the transposed law. The resultant divergences between the national laws do not allow for a uniform inclusion of the Directive into the Guidelines that would capture all possible variations of the product and entity scopes that will be set out in the national transpositions of the CCD. The EBA is therefore of the view that these divergences between transpositions need to be recognised explicitly in the Guidelines, by adding 'Directive as transposed in the respective Member States' in the scope of the Guidelines.

Consequently, paragraph 6 of the POG Guidelines related to the 'scope of application' is amended, adding 'as these have been transposed in the relevant Member States'. In addition, in response to the comment received from one respondent calling for a cost-benefit analysis of the implications for micro, small and medium enterprises, the EBA has amended its impact assessment, which now explains that the impact might vary depending on the choices that Member States have made during the transposition of the Directive. The EBA also specified that these cost-benefit implications are not covered by EBA's impact assessment.

Finally, the inclusion of the CCD in para 6 of the Guidelines necessitates two consequential and non-substantive changes elsewhere, which is for 'other products' to be added to paragraph 7, to reflect the existing supervisory power of NCAs to apply the Guidelines to entities and products that are not in the scope of the EBA Guidelines but are in the NCA's remit, and for letter 'h' related to 'product' to be removed from paragraph 13, as the explicit reference to CCD no longer requires such as reference.

In the EBA's view, this approach preserves a harmonised baseline of consumer protection while allowing for a national implementation of the

jurisdictions that do not fall within the scope of the legislative acts referred to above but for which the competent authorities have supervisory responsibilities. ~~In particular, competent authorities may wish to consider applying these Guidelines to intermediaries other than credit intermediaries under the MCD, such as consumer credit intermediaries.~~

Paragraph 9 has been amended accordingly:

'9. These Guidelines supplement other EBA guidelines that may be relevant to product oversight and governance, in particular, the EBA's Guidelines on Internal Governance **under the Article 74 of the CRD (GL 44).** These

Guidelines by NCAs that is reflective of the legislative choices made by Member States during transposition of the Directive.

The EBA also clarifies that credit intermediaries falling under the scope of the MCD continue to be covered by the POG Guidelines as set in paragraph 6 of the POG Guidelines on the scope of application. Indeed, this paragraph states that the POG Guidelines apply to manufacturers and distributors of products offered and sold to consumers including entities falling in the scope of Article 7(1) of the MCD which establishes conduct-of-business obligations for credit intermediaries and appointed representatives. The EBA is therefore of the view that no amendment is required and the deletion should be maintained under paragraph 7 of the Guidelines

**Guidelines should also be read in conjunction with the EBA Guidelines on the sound management of third-party risk regarding non-ICT services and the EBA Guidelines on management of ESG risks for the financial institutions in their respective scope of application.**

Paragraph 13 has been amended under 'Product' section:

**~~h) other forms of credit for consumers, in addition to that included in (a), provided by the manufacturers listed above, in line with Article 1(5)(e) of the EBA Regulation.~~**

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11	Subject matter	According to one respondent, the amendment to the 'subject matter' does not seem entirely appropriate if the EBA's intention is to include ESG products within the scope of product governance because such products are already subject to such review process	The EBA explains that the proposed amendment to 'subject matter' serves a clarifying purpose to explain that the POG Guidelines include ESG and greenwashing considerations and should apply to products with ESG	None
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under other POG Guidelines (see paragraph 14 modifying guideline 3.2).

features. The EBA is therefore of the view that the amendment to the 'subject matter' should remain as it is

Feedback on responses to the Question 2. Do you have any comments on the targeted amendments made to Guidelines 2, 3, 7, 8 and 12?

12 Guidelines 2: Manufacturers' internal control functions

Several respondents were of the view that the EBA Guidelines on MESGR adopt a purely prudential perspective and that the proposed references to the EBA Guidelines on MESGR in Guideline 2.1.a) of the POG GLs are therefore inappropriate and should be removed. They continued further by saying that the EBA GLs on MESGR are extensive and only marginally address greenwashing under paragraph 76 of Section 5.6.4 on operational and reputational risks.

Among the respondents, some were of the opinion that the wording in Guideline 2.1a was unclear and could be misinterpreted as addressing greenwashing after it occurs (e.g. resulting risks) rather than preventing it (e.g. identifying, preventing and managing greenwashing practices). Other respondents expressed the view that the terminology 'perceived greenwashing' was unclear.

In addition, several respondents were of the view that the introduction of separate obligations for greenwashing risk for the management board is unnecessary, considering that these responsibilities are already covered under existing EBA guidelines on operational and reputational risks. One respondent was also of the opinion that referring to the MESGR Guidelines, before the ITS are finalised, could undermine internal control and governance frameworks and increase compliance costs, notably due to potential staff training and process changes while requirements remain subject to change.

Other respondents were of the view that the internal control functions of the manufacturers should monitor the impact of the

Regarding the concern that EBA Guidelines on MESGR follow a purely prudential perspective, the EBA is of the view that the EBA GLs on MESGR expressly address reputational, litigation and conduct-related risks arising from misleading sustainability-related claims and therefore apply to both prudential and consumer-protection outcomes. The EBA is therefore of the view that the reference to EBA Guidelines on the MESGR should be kept in the POG GLs. The EBA however believe that the revision that was proposed in the CP can be further refined to clarify that the reference to the EBA GLs on MESGR is limited only to greenwashing-risk related requirements where products with ESG features are offered or marketed. In addition, the EBA amended paragraph 9 related to the scope of application to specify that the POG Guidelines should be read in conjunction with the EBA Guidelines on the MESGR for the FIs in their scope of application, with the aim to bring further legal certainty. The Final Guidelines have therefore been refined as outlined on the right.

Regarding the concerns raised about the wording used:

- On the term 'perceived greenwashing', the EBA clarifies that it is also used in the EBA Guidelines on MESGR and refers to actual and potential alleged greenwashing occurrences where consumers or stakeholders believe that a financial product or institution may be engaging in greenwashing, even if this cannot be objectively verified until a court ruling confirms it. To this end, the EBA is of the view that the wording 'perceived greenwashing' of Guideline 2.1.a) should remain.
- On the lack of reference to the prevention of greenwashing practices *per se*, the EBA acknowledges that the proposal in the

Amendment to Guideline 2.1.a as follows:

'2.1 a The manufacturer's management body should put in place sound processes to identify, monitor, and prevent and manage greenwashing practices and to manage and monitor risks resulting from greenwashing or perceived greenwashing practices, consistent with the as also set out in the greenwashing-risk related requirements in the EBA Guidelines on the management of ESG risks, where products with ESG

changes in the manufacturer’s sustainability profile that might impact the ESG features of the product e.g. changes in the climate transition commitments of an institution would impact the ESG profile of a green savings account offered by that institution. Finally, several respondents held the view that explicit ESG competency requirements for staff involved in product design would avoid consumers’ misleading information.

In contrast, one respondent highlighted what it considered proportionality concerns for MSEs, proposing reliance on sectoral associations or shared services and free multilingual e-learning modules provided by EBA to meet competence requirements.

CP as currently phrased could be interpreted as concentrating solely on the internal risk implications for institutions, without sufficiently reflecting the overarching objective of ensuring that POG arrangements actively prevent greenwashing practices towards consumers. The EBA has consequently adapted Guideline 2.1.a) to make clear that management bodies must put in place appropriate arrangements that enable both the identification and prevention of greenwashing practices (before greenwashing occurs) and the mitigation and monitoring of greenwashing risks (after it occurs), including the active prevention of misleading ESG related claims or representations throughout product design, approval, monitoring and review.

The Final Guidelines have therefore been refined as outlined on the right.

In addition, the EBA takes note of the respondent’s support for strengthening the knowledge of staff involved in the design, monitoring and distribution of products with ESG features, and is of the view that it is essential that staff fully understand the features and risks of such products.

Regarding the introduction of separate greenwashing-related obligations for the management body, the EBA recalls that staff competence is a core element of effective POG arrangements, particularly for products with ESG features that may entail conduct and greenwashing risks. The proposed amendment therefore serves a clarifying purpose by confirming that the POG Guidelines already cover ESG and greenwashing considerations and should be maintained. Consequently, no further amendment is required.

Regarding the suggestion to refer to changes in a manufacturer’s sustainability profile affecting a product’s ESG features, the EBA recalls that the ESAs’ common high-level understanding of greenwashing already covers situations where sustainability claims do not reflect the

features are offered or sold to consumers.’

Paragraph 9 has been amended accordingly:

‘9. These Guidelines supplement other EBA guidelines that may be relevant to product oversight and governance, in particular, the EBA’s Guidelines on Internal Governance **under Article 74 of the CRD (GL 44)**. **These Guidelines should also be read in conjunction with the EBA Guidelines on the sound management of third-party risk regarding non-ICT services and the EBA Guidelines on management of ESG risks for the financial institutions in their respective scope of application.**

underlying sustainability profile. This is addressed by the expectation that claims be kept up to date and is therefore sufficiently covered by the EBA POG Guidelines.

Finally, regarding proportionality concerns for MSEs, the EBA reiterates that the principle of proportionality is already embedded in the POG Guidelines, allowing institutions to implement POG arrangements according to their nature, scale, and complexity, organisational structure, product range, and risk. The EBA therefore considers that maintaining this flexible, principles-based approach is sufficient and that no amendment is required.

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13	Guidelines 3: Target market	<p>On one hand, several respondents were of the view that the EBA amendments are not suitable due to the unclear nature of ‘ESG features’ criteria or would need to be reviewed to ensure that any ESG characteristics of the products are taken into account when defining the target market (i.e. Guidelines 3.2 and 3.3). In addition, one respondent was of the opinion that to avoid inconsistencies with ESMA Guidelines, EBA wording should refer instead to ‘products which consider sustainability factors’ and the EBA should provide clear, harmonized guidance before introducing new obligations to avoid dual requirement for banks, in particular regarding distribution location and client residence rules.</p> <p>On the other hand, one respondent welcomed the amendments provided and emphasised that such requirements would facilitate the provision of advice to consumers interested in products with ESG features.</p>	<p>The EBA clarifies that the EBA is not in a position to amend or extend definitions that are set out in Level 1 texts to clarify ‘ESG features’ criteria or ‘sustainability factors’ as set in the ESMA Guidelines. The EBA clarifies that the amendments proposed in the CP aim to ensure that manufacturers establish procedures relevant for ensuring the interests, objectives and characteristics of the target market if they are offering products with ESG features. The EBA therefore decided to keep the wording proposed in the CP as it is.</p> <p>The EBA explains however that the EBA report on greenwashing includes several product examples or the EBA 2021 Report on ESG risks management and supervision which includes in Annex a non-exhaustive list of ESG factors that can help institutions to identify ESG features. The EBA is therefore of the view that no change is needed, and the absence of definition or examples of product-specific EU definitions does not prevent financial institutions from identifying and validating ESG features consistently with the POG Guidelines.</p>	None
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Another respondent raised feasibility concerns for MSEs, being of the view that a simplified tick-box template with qualitative questions and narrative justifications could accommodate limited data capabilities.

Finally, some respondents shared the view that savings and current accounts are the products that are the most advertised to consumers as having ESG characteristics. Those respondents were of the opinion that sophisticated tracing and earmarking techniques could be used by conventional banks to ensure that deposits in sustainable accounts are not contributing to lending to unsustainable activities. In addition, those respondents were of the view that consumers should be prevented from being charged more for green loans/mortgages than for a conventional loan/mortgage and from being financially excluded from accessing products with ESG features in case of lower income.

Regarding the feasibility concerns raised by one respondent regarding MSEs and the suggestions made prevent lending on unsustainable activities. The EBA clarifies that the principle of proportionality is already embedded within the existing POG Guidelines. The POG Guidelines set out high-level, principles-based expectations, providing a framework for effective product oversight and governance without prescribing detailed operational requirements, thereby ensuring that institutions retain the flexibility to implement proportionate arrangements aligned with their nature, scale and complexity. The POG Guidelines therefore allow institutions to calibrate their product-governance arrangements in line with their organisational structure, product range, and risk profile. The EBA considers that maintaining this flexible, principles-based approach is preferable. The EBA therefore arrives at the view that the draft Guidelines do not need to be amended.

Finally, the EBA notes the risks of financial exclusion or the risk for consumers to be charged more for products with ESG features. The EBA is of the view that explicit requirements for products with ESG features would aim at strengthening consumer protection when products with ESG features are sold or offered to consumers. The EBA therefore concludes that the proposal in the CP do not need to be amended.

14 Guidelines 7: Distribution channels

Several respondents were of the view that having staff with the necessary expertise and competence to ensure that consumers only purchase the products that meet their needs is of paramount importance (e.g. staff able to inform consumers about green loans and mortgages and the closest one-stop shop for renovation and energy retrofit projects). Another respondent was of the view that a two-year phase-in period for distributors working with MSEs and recognition of external ESG certificates (e.g., Eurosif, CFA ESG) would be relevant as proof of competence.

The EBA acknowledges the support from some respondents regarding the need for distributors to possess appropriate knowledge and expertise and notes the examples provided as well as the suggestions made for the distributors working with MSEs. EBA clarifies that such example or suggestions cannot be included in the POG Guidelines, which intend to be high-level and principles-based Guidelines.

Regarding the suggestions made by some respondents to add frequency period, the EBA clarifies that as part of its targeted approach to amend the POG Guidelines with textual references to ESG and greenwashing-related aspects where relevant, the EBA does not entail to

None

Another respondent was of the opinion that the minimum frequency of distributor controls as well as the essential elements of distributor controls should be clarified to ensure consistent supervisory expectations and to facilitate practical implementation. Finally, one respondent emphasized that distributors' responsibilities should not be expanded beyond existing obligations, particularly regarding ESG claims, and reiterated that manufacturers should remain the primary source of accurate product information.

introduce new procedural obligations or additional layers of governance beyond those already established under the existing Guidelines. The EBA therefore does not see any needs to amend the proposals set in the CP

Regarding distributors' responsibilities the EBA confirms that the targeted amendments aim only at ensuring clarity when products with ESG features are offered, and do not impose new responsibilities on distributors beyond those already set out in the current POG Guidelines. The EBA reiterates however that the POG Guidelines provide a tool to mitigate the risk of greenwashing at all stages from product manufacturing to distribution of retail banking products To that end, the EBA arrives at the view that no amendment is required.

<p>15 Guidelines 8: Information to distributor</p>	<p>One respondent expressed its support for the amendments provided, stressing the importance for distributors to be well informed about the specific ESG product features and to have continuous support from product manufacturers in this matter to sell/offer the product to consumers for whom the product may be suitable. In addition, others supported the EBA approach being of the view that it would prevent unsustainable FIs to sell products as sustainable and fails to meet consumer expectations which expect to buy a product to a sustainable FI.</p> <p>In addition, several respondents supported the amendment proposed in the CP considering that it is in line with existing non-banking products requirements. Those respondents were however of the view that that the wording 'where applicable' should be removed as it could result in products with ESG characteristics being excluded from the required checks and leading to potential greenwashing.</p> <p>However, other respondents were of the opinion that the EBA used ambiguous language and the wording such as 'fair, clear and not misleading', 'understandable manner', and 'up to date' could lead</p>	<p>The EBA acknowledges the support expressed for the proposed amendments to Guideline 8 and acknowledges the importance of ensuring that distributors receive clear, accurate and up-to-date product information from manufacturers.</p> <p>The EBA assessed the concern raised about the risk of misinterpretation of the requirement which could result in products with ESG features being excluded from the required checks, leading to potential greenwashing. The EBA concluded that Guideline 8.3.C) could be refined to bring further clarity. The Final Guidelines have therefore been amended as stated on the right (including editorial change to clarify that the green washing requirements are also 'set out in the greenwashing-risk related' in line with the wording introduced under Guideline 2.1.a) and 12.1.c)).</p> <p>Regarding the concerns raised about what respondents considered as ambiguous language, the EBA clarifies that formulations such as 'fair, clear, and not misleading' mirror terminology already used in multiple EU legislative acts governing consumer protection as respondents themselves acknowledged. The EBA explains further that the wording</p>	<p>Amendment to Guideline 8.3.c as follows:</p> <p><b><u>c) consistent with the requirements in the EBA Guidelines on the management of ESG risks, where applicable, namely for product with ESG features, to ensure that sustainability related communication is fair, clear, and not misleading, and that sustainability claims are accurate, substantiated, up to date, provide a fair</u></b></p>
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to divergent interpretations. Some suggested adding 'when necessary' or 'annually if necessary' instead of 'up to date' to ensure proportionality and feasibility. In addition, one respondent shared the view that implementing harmonised practices to reduce the risk of divergent supervisory interpretations.

Another respondent was of the view that further clarifications is needed on whether the communication must include a description at both company level and product level – or only at product level.

Finally, in order to reduce compliance burdens for MSEs, one respondent was of the opinion that the Guidelines should include acceptance of recognized third-party labels (e.g., EU Ecolabel, Climate Bonds) and allow for an "as-of-last-financial-year" safe harbour for sustainability claims.

proposed by the EBA in its CP is also aligned with the EIOPA<sup>30</sup> and ESMA<sup>31</sup> guidance which use similar language and approach. See also most recent ESMA thematic note on clear, fair and not misleading sustainability - related claims published on 14 January 2026<sup>32</sup>. The EBA is of the view that it is appropriate to maintain the current wording referring to the ESAs common high-level understanding of greenwashing as set out mentioned in the EBA's report on greenwashing monitoring and supervision and the EBA Guidelines on MESGR because it was developed by the three supervisory authorities for a common understanding across the three sectors (banking, investment and securities, insurance and pensions). Consequently, the EBA is of the view that the proposed wording in the CP should remain as it is.

Regarding the clarification requested by a respondent on the content of the communication to consumers, the EBA clarifies that it should provide a fair representation of the institution' overall profile or the profile of the product depending on the nature of the claims that are made. The EBA recalls that such greenwashing requirements are consistent with the greenwashing-risk related requirements in the EBA Guidelines on MESGR which also specifies that it should be done at both financial institution level (e.g. in relation to sustainability commitments including forward-looking targets) and the product or activity level (e.g. in relation to products and activities marketed as sustainable), including by monitoring legal developments, market practices, and controversies around alleged greenwashing practices.

Regarding the suggestion made by one respondent to reduce MSEs compliance burden, the EBA consider inappropriate to introduce labels,

representation of the institution's overall profile or the profile of the product, including where applicable, of the product with ESG features, and are presented in an understandable manner, as also set out in the greenwashing-risk related requirements in the EBA Guidelines on the management of ESG risks, where applicable for products with ESG features.

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<sup>30</sup> EIOPA -BoS-24/160: [Microsoft Word - EIOPA-BoS-24-160- Opinion on sustainability claims and greenwashing](#)

<sup>31</sup> ESMA35-43-3448: [ESMA35-43-3448 Final report on MiFID II guidelines on product governance](#)

<sup>32</sup> ESMA 36-429234738-165: [ESMA36-429234738-165 Thematic notes on clear, fair and not misleading sustainability-related claims - ESG strategies](#)

as this could conflict with other EU initiatives, noting in addition that currently there is no well-established EU-wide ESG labelling framework for retail banking products. The EBA concludes that no amendment is necessary.

<p>16 Guidelines 12: Information and support for the manufacturer's arrangements</p>	<p>One respondent was of the view that the provision was redundant, as similar obligations already exist under MiFID and ESMA guidelines and warned against unnecessary granularity.</p> <p>Other respondents opposed to placing responsibility on distributors for verifying sustainability claims under Guideline 12.1.a), stating that, according to their view, this should remain with manufacturers who are supposed to provide all the relevant information for the distribution channels. Conversely, several respondents were of the view that requiring distributors to ensure that sustainability claims provide a fair representation of the institution's overall profile and of the product with ESG features, in line with MESGR guidelines, would maintain consumer confidence.</p> <p>Finally, several respondents recommended removing references to MESGR Guidelines in Guideline 12.1a to avoid inconsistency and confusion or because they are already included in guideline 8.3 c) (manufacturer obligations).</p>	<p>The EBA confirms that manufacturers remain the main source of accurate product information, however, the EBA reiterates that the POG Guidelines provide a tool to mitigate the risk of greenwashing at all stages from product manufacturing to distribution of retail banking products and confirms the responsibility also lies with the distributors. The EBA is therefore of the view that no amendment is required to the proposal in the CP.</p> <p>The EBA notes that some respondents consider that the obligation under Guideline 12.1.a) is already covered under Guideline 8.3.c) and under MiFID or ESMA Guidelines and should not be included again. The EBA is however of the view that such clarification should be included in Guideline 12 to avoid giving the wrong impression that distributors do not have any obligations to comply with greenwashing requirements. To that end, the EBA is of the view that no further amendment is required, except an editorial change to clarify that greenwashing-risk related requirements are also 'set out in the greenwashing-risk related' requirements of the ESG risks management Guidelines, in line with the wording introduced under Guideline 2.1.a and 8.3.c).</p>	<p>Amendment to Guideline 12.1. a)</p> <p><u>12.1a The distributor should, for products with ESG features offered and sold, ensure that sustainability related communication is fair, clear, and not misleading, and that sustainability claims are accurate, substantiated, up to date, provide a fair representation of the institution's overall profile or the profile of the product, and are presented in an understandable manner as also set out in the greenwashing-risk related requirements in the EBA Guidelines on</u></p>
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Feedback on responses to Question 3. Do you have any comments on the consequential changes made to chapter 6 of the POG Guidelines on 'third-party arrangements'?

17 Chapter 6 on third party-arrangements /EBA Guidelines related to 'third-party' arrangements

While several respondents expressed support for the EBA amendments to Chapter 6 on outsourcing because they could ensure regulatory and supervisory consistency, several respondents disagreed with the approach. The latter were of the view that the proposed amendment could broaden the scope of the 'third-party', lead to more complexity and uncertainty (e.g. expansion to 'other external procurement' including one-off or occasional purchases of services, which could discourage banks from engaging with new service providers, or from entering into one-off or urgent arrangements to avoid the administrative burden, or more responsibility of the senior management of the entity outsourcing services, about the risks associated with the outsourcing services).

In this regard, some respondents were of the view that the two years transition period of the EBA GLs on SMTPR should be added to the POG GLs. Another respondent suggested defining the terms 'third-party service providers' and 'third-party arrangement'.

One respondent was also of the view that the POG Guidelines should clarify, that only the FIs in scope of the SMTPR GLs should apply them.

Finally, one respondent, was of the view that the POG Guidelines should be amended to lower costs, avoid duplication, and support a proportionate application of the GLs for MSEs by aligning DORA and POG requirements, clarifying that occasional use of non-critical third-party services, should not in its view, meet full governance

The EBA clarifies that outsourcing is a subset of third party-risk management which needs to comply with the BCBS principles, DORA and the EBA guidelines on SMTPR, for this reason EBA is therefore of the view that a reference to the EBA GLs on SMTPR should be kept in the POG GLs.

The EBA agrees with some respondents views that the proposed amendment to Chapter 6 on outsourcing could be interpreted as adding more complexity and uncertainty or being redundant with the EBA Guidelines on SMTPR. The EBA therefore decided to add a simple cross-reference to the EBA Guidelines on SMTPR in the scope of application instead of updating the chapter 6 on outsourcing to align it with DORA requirements on ICT and EBA Guidelines on SMTPR. Final Guidelines have therefore been amended as outlined on the right.

In addition, to address the concern raised by one respondent that the POG Guidelines should clarify further that only the FIs in scope of the SMTPR GLs should apply those GLs, EBA clarifies that such clarification was already mentioned in the proposal for CP, the EBA agrees however to specify it again in the scope of application where the EBA GLs on SMTPR is referenced. Final Guidelines have therefore been amended as outlined on the right.

The EBA also acknowledges the comment received regarding the need to have a two-year transition period for the institutions as set in the draft Guidelines on the sound management of the third-party risk **regarding non-ICT services**. The EBA is of the view that the deletion of Chapter 6 and the addition of a cross-reference to the EBA Guidelines on SMTPR in

Amendment to the scope of application:

'9. These Guidelines supplement other EBA guidelines that may be relevant to product oversight and governance, in particular, the EBA's Guidelines on Internal Governance **under Article 74 of the CRD (GL 44)**. **These Guidelines should also be read in conjunction with the EBA Guidelines on the sound management of third-party risk regarding non-ICT services and the EBA Guidelines on management of ESG risks for the financial institutions in their**

rules, but instead be subject to proportionate rules through model contract clauses and shared due diligence arrangements..

the scope of application addresses this concern as this amendment clarifies that only FIs in scope of those GLs will have to comply with the EBA GLs on SMTPR.

**respective scope of application.**

Finally, the EBA notes the suggestion that the Guidelines should define the terms ‘third-party service provider’ and ‘third-party arrangement’ within Guideline 6. The EBA clarifies that these definitions are already provided in the EBA GLs on SMTPR and, for ICT services, in DORA. The EBA is therefore of the view that the amendment proposed above will overcome this concern.

Amendment to Chapter 6:

Chapter 6 is deleted

The EBA, however, disagrees with two concerns raised:

- Regarding the risk of including occasional or one-off procurement, including short-term engagements in the scope of the POG GLs while referring to the EBA GLs on SMTPR and thereby discouraging institutions from contracting new service providers: the EBA recalls that, while entities must map all third-party arrangements in accordance with risk-management obligations, the substantive focus of the EBA GLs on SMTPR remains on critical or important functions. This approach ensures proportionality and prevents undue administrative burden for non-material arrangements. This principle is embedded in the EBA GLs on SMTPR which should be read in conjunction with the POG GLs for FIs in their scope of application. To that end, the EBA is of the view that no amendment is required.
- Regarding the risk of uncertainty regarding the responsibility of senior management when institutions outsource services, the EBA clarifies that the final responsibility, when institutions rely on third-party services providers, always lies with institutions and the management body in line with DORA and the EBA Guidelines on sound management of third-party risk **regarding**

**non-ICT services.** The EBA is of the view that adding a cross-reference under Chapter 6 addresses this concern. To that end, no further amendment is needed.

- Regarding the risk of disproportionate obligations for MSEs, the EBA reiterates that there is no overlap between the POG Guidelines requirements and DORA as they apply to different domains. The EBA clarifies that those Guidelines remain focused on critical or important functions and therefore already apply proportionately. The EBA also clarifies that the development of model contractual clauses falls outside the scope of the POG Guidelines. Finally, the EBA explains that the reliance on collective due diligence is already foreseen under the EBA GLs on SMTPR. To that end, the EBA is of the view that no further amendment is required.
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