



2023/2631

30.11.2023

**REGULATION (EU) 2023/2631 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**

**of 22 November 2023**

**on European Green Bonds and optional disclosures for bonds marketed as environmentally sustainable and for sustainability-linked bonds**

(Text with EEA relevance)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

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

Having regard to the proposal from the European Commission,

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

Having regard to the opinion of the European Economic and Social Committee <sup>(1)</sup>,

Acting in accordance with the ordinary legislative procedure <sup>(2)</sup>,

Whereas:

- (1) The transition to a climate-neutral, sustainable, energy- and resource-efficient, circular and fair economy is key to ensuring the long-term competitiveness of the economy of the Union and the well-being of its peoples. The Paris Agreement, adopted under the United Nations Framework Convention on Climate Change (the 'Paris Agreement'), was approved by the Union on 5 October 2016 <sup>(3)</sup>. Article 2(1), point (c), of the Paris Agreement sets out the objective of strengthening the global response to the threat of climate change by, among other means, making finance flows consistent with climate-resilient development. The Union's target of climate-neutrality by 2050 is consistent with that objective.
- (2) In its communication of 14 January 2020 entitled 'Sustainable Europe Investment Plan. European Green Deal Investment Plan', the Commission envisaged the establishment of a standard for environmentally sustainable bonds to further increase investment opportunities and facilitate the identification of environmentally sustainable investments through clear labels. In its conclusions of 11 December 2020, the European Council invited the Commission to put forward a legislative proposal for a green bond standard. In its resolutions of 29 May 2018 on sustainable finance <sup>(4)</sup> and of 13 November 2020 on the Sustainable Europe Investment Plan – How to finance the Green Deal <sup>(5)</sup>, the European Parliament underlined the need for a European green bond standard.
- (3) Environmentally sustainable bonds are one of the main instruments for financing investment related to environmentally sustainable technologies, energy and resource efficiency as well as environmentally sustainable transport infrastructure and research infrastructure. Financial and non-financial undertakings, as well as non-corporate entities such as sovereigns, can issue such bonds. The various existing initiatives for environmentally sustainable bonds do not contain common definitions of environmentally sustainable economic activities. That prevents investors from easily identifying bonds the proceeds of which are aligned with, or contribute to, the environmental objectives laid down in the Paris Agreement.

<sup>(1)</sup> OJ C 152, 6.4.2022, p. 105.

<sup>(2)</sup> Position of the European Parliament of 5 October 2023 (not yet published in the Official Journal) and decision of the Council of 23 October 2023.

<sup>(3)</sup> Council Decision (EU) 2016/1841 of 5 October 2016 on the conclusion, on behalf of the European Union, of the Paris Agreement adopted under the United Nations Framework Convention on Climate Change (OJ L 282, 19.10.2016, p. 1).

<sup>(4)</sup> OJ C 76, 9.3.2020, p. 23.

<sup>(5)</sup> OJ C 415, 13.10.2021, p. 22.

- (4) On 8 July 2021, the European Central Bank (ECB) adopted a climate roadmap in order to further incorporate climate change considerations into its monetary policy framework and its operations in the areas of disclosure, risk assessment, collateral framework and corporate sector asset purchases. This Regulation can be useful in that regard.
- (5) Diverging rules on the disclosure of information, on the transparency and accountability of external reviewers of environmentally sustainable bonds, and on the eligibility criteria for environmentally sustainable projects, impede the ability of investors to identify, trust and compare environmentally sustainable bonds, and the ability of issuers to use environmentally sustainable bonds to transition their activities towards more environmentally sustainable business models.
- (6) In ensuring alignment with the objectives of the Paris Agreement, and given existing divergences and the absence of common rules, it is likely that Member States will adopt diverging measures and approaches, which will in turn have a direct negative impact on, and create obstacles to, the proper functioning of the internal market, and be detrimental to issuers of environmentally sustainable bonds. The parallel development of market practices based on commercially driven priorities that produce divergent results may cause market fragmentation, and risks further exacerbating inefficiencies in the functioning of the internal market. Divergent standards and market practices make it difficult to compare different bonds, create uneven market conditions for issuers, cause additional barriers within the internal market and increase the risks of greenwashing and distorting investment decisions.
- (7) The lack of harmonised rules for the procedures used by external reviewers for reviewing environmentally sustainable bonds and diverging definitions of environmentally sustainable activities make it increasingly difficult for investors to effectively compare bonds across the Union with respect to their environmental objectives. The market for environmentally sustainable bonds is inherently international, with market participants trading bonds and making use of external review services from third-party service providers across borders. Action at Union level could reduce the risk of fragmentation of the internal market for environmentally sustainable bonds and bond-related external review services, and aid in the application of Regulation (EU) 2020/852 of the European Parliament and of the Council <sup>(6)</sup> in the market for such bonds.
- (8) A uniform set of specific requirements should therefore be laid down for bonds issued by financial and non-financial undertakings and sovereigns that wish to use the designation 'European Green Bond' or 'EuGB' for such bonds. Specifying quality requirements for European Green Bonds in the form of a regulation should ensure that there are uniform conditions for the issuance of such bonds by preventing diverging national requirements that could result from the transposition of a directive, and should also ensure that those conditions are directly applicable to issuers of such bonds. Issuers that wish to use the designation 'European Green Bond' or 'EuGB' should follow the same rules across the Union in order to increase market efficiency by reducing discrepancies and thereby also reducing the costs for investors of assessing such bonds. To facilitate comparison and address greenwashing, optional sustainability disclosure templates should be provided both for bonds marketed as environmentally sustainable and for sustainability-linked bonds.
- (9) In the bond market, sustainability-linked bonds include any type of bond instrument in respect of which the financial or structural characteristics vary depending on whether the issuer achieves predefined sustainability or environmental, social and governance objectives. Since this Regulation covers only environmental sustainability, the definition of sustainability-linked bonds for the purposes of this Regulation should include only bonds whose financial or structural characteristics vary depending on whether the issuer achieves predefined environmental sustainability objectives.

---

<sup>(6)</sup> Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (OJ L 198, 22.6.2020, p. 13).

- (10) Regulation (EU) 2020/852 distinguishes, within environmentally sustainable activities, enabling and transitional activities that qualify as environmentally sustainable under certain conditions. That same distinction should also be made in the disclosures for European Green Bonds as well as bonds marketed as environmentally sustainable and sustainability-linked bonds, with specific transparency requirements for nuclear energy and fossil gas-related activities, where such activities are covered by Commission Delegated Regulation (EU) 2021/2139 <sup>(7)</sup>.
- (11) In accordance with Regulation (EU) 2020/852, and in order to provide investors with clear, quantitative, detailed and common definitions, the criteria set out in that Regulation should be used to determine whether an economic activity qualifies as environmentally sustainable. Proceeds of bonds that use the designation 'European Green Bond' or 'EuGB' should be allocated to economic activities that are either environmentally sustainable, and therefore aligned with the environmental objectives set out in Regulation (EU) 2020/852, or that contribute to the transformation of activities so that they can fulfil the criteria in order to become environmentally sustainable. Issuers should in any case allocate all the proceeds of their European Green Bonds before the maturity of each bond while being allowed to deduct issuance costs that are directly related to the issuance of the bonds. It should be possible to use the proceeds of those bonds to finance such environmentally sustainable activities both directly through the financing of assets and expenditure that relate to economic activities that meet the criteria for environmentally sustainable economic activities set out in Regulation (EU) 2020/852 (the 'taxonomy requirements'), and indirectly, under certain conditions, through financial assets that finance economic activities that meet those criteria. It is therefore necessary to specify the categories of assets and expenditure that can be financed with the proceeds of European Green Bonds.
- (12) The proceeds of European Green Bonds should be used to finance economic activities that have a lasting positive impact on the environment. Such lasting positive impact can be attained in several ways. Since fixed assets are typically long-term assets, a first way is to use the proceeds of European Green Bonds to finance fixed tangible or fixed intangible assets that are not financial assets, provided that those fixed assets relate to economic activities that meet the taxonomy requirements. Since financial assets can also be used to finance economic activities with a lasting positive impact on the environment, a second way is to use the proceeds of European Green Bonds to finance financial assets, provided that the proceeds of those financial assets are directly, or indirectly through subsequent financial assets, allocated to economic activities that meet the taxonomy requirements. It should be possible to allocate those financial assets to a maximum of three subsequent financial assets in succession and issuers should ensure that it is possible for external reviewers to review effectively the final allocation of proceeds. Since the assets of households can also have a lasting positive impact on the environment, a third way is to use the proceeds of European Green Bonds to finance the assets and expenditure of households. Moreover, since capital expenditure and selected operating expenditure can be used to acquire, upgrade or maintain fixed assets, a fourth way is to use the proceeds of European Green Bonds to finance capital and operating expenditure that relate to economic activities that meet the taxonomy requirements or that will meet those requirements within a reasonably short period from the issuance of the bond concerned, provided that the issuer has published a plan to expand economic activities that are aligned with Regulation (EU) 2020/852 ('taxonomy-aligned') or to allow economic activities to become taxonomy-aligned in accordance with Annex I to Commission Delegated Regulation (EU) 2021/2178 <sup>(8)</sup> (CapEx plan). Finally, issuers should be able to allocate proceeds from one or more outstanding European Green Bonds to a portfolio of fixed assets or financial assets ('portfolio approach'), provided that they demonstrate in allocation reports that the total value of fixed assets or financial assets in their portfolio exceeds the total value of their outstanding bonds.

<sup>(7)</sup> Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives (OJ L 442, 9.12.2021, p. 1).

<sup>(8)</sup> Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of information to be disclosed by undertakings subject to Articles 19a or 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities, and specifying the methodology to comply with that disclosure obligation (OJ L 443, 10.12.2021, p. 9).

- (13) For certain economic activities in respect of which there are no technical screening criteria under Regulation (EU) 2020/852 in force or for certain economic activities in the context of international support that contribute to the environmental objectives of that Regulation, a degree of flexibility should be provided. Such flexibility should be appropriately limited in size and scope in order to maintain a very high level of ambition for European Green Bonds. The issuer should demonstrate that the economic activities contribute substantially to one or more of those environmental objectives, that they do not significantly harm any of those environmental objectives and that they are carried out in compliance with minimum safeguards. That demonstration should be included in the European Green Bond factsheet and should be validated by an external reviewer by means of a positive opinion in the pre-issuance review.
- (14) To facilitate the issuance of European Green Bonds by smaller undertakings, the requirement to allocate the proceeds of European Green Bonds to environmentally sustainable economic activities should apply only to the net proceeds of such bonds. The net proceeds comprise the difference between the total bond proceeds and the issuance costs that are directly related to the issuance of the bond, which include the costs of financial intermediaries leading the issuance, advisory costs, legal costs, rating costs and the costs related to the external review. Issuers of European Green Bonds should be able to decide to allocate the gross proceeds, without deduction of costs, to environmentally sustainable economic activities.
- (15) Union and third-country sovereigns are frequent issuers of bonds marketed as environmentally sustainable and should therefore also be allowed to issue European Green Bonds. Union and third-country sovereigns should be allowed to issue European Green Bonds to finance public assets or expenditure that meet or are expected to meet the taxonomy requirements within a reasonably short period from the issuance of the bond concerned, such as assets or expenditure relating to tax relief, subsidies, intermediate consumption, current transfers within a general government and current international cooperation.
- (16) Certain undertakings that have one or more European Green Bonds on the liability side of their balance sheet may not be able to identify, for each European Green Bond issue, the distinct assets on their balance sheet to which the proceeds of that bond have been allocated. In such cases, undertakings should be allowed to disclose the allocation of the aggregate proceeds of their portfolio of European Green Bonds to a portfolio of environmentally sustainable assets on their balance sheet. Those undertakings should then demonstrate in annual allocation reports that the related environmentally sustainable assets meet the applicable technical screening criteria. In order to ensure that all proceeds of European Green Bonds are allocated to environmentally sustainable economic activities, the undertakings should also demonstrate that the value of those environmentally sustainable assets exceeds or equals the value of European Green Bonds that have not yet matured. When issuers use the portfolio approach, the requirement that bond proceeds are to be allocated only to financial assets that are created earlier than five years after the bond issuance should not apply. To ensure that the information provided remains complete and up to date, an external reviewer should review the annual allocation reports each year, except in cases where no change in allocation is made in the portfolio of assets. That external reviewer should in particular focus on assets that were not included in the previous annual allocation report.
- (17) Regulation (EU) 2020/852 requires the Union and the Member States to apply the taxonomy requirements to determine whether an economic activity qualifies as environmentally sustainable for the purposes of any measure setting out requirements for financial market participants or issuers in respect of financial products or corporate bonds that are made available as environmentally sustainable. It is therefore logical that the technical screening criteria established by delegated acts adopted pursuant to Regulation (EU) 2020/852 should determine which fixed assets, expenditure and financial assets may be financed with the proceeds of European Green Bonds. In view of the expected technological progress in the field of environmental sustainability, those technical screening criteria are likely to be reviewed and amended over time. Regardless of such changes, in order to provide legal certainty to issuers and investors and prevent amendments to the technical screening criteria from having a negative impact on the price of European Green Bonds that have already been issued, issuers should be able to apply those technical screening criteria that are applicable at the moment of issuance of the relevant European Green Bond when allocating the proceeds of that bond to eligible fixed assets or expenditure. Where the applicable technical screening criteria are amended, the issuer should ensure that unallocated proceeds and proceeds covered by a CapEx plan that

have not yet met the taxonomy requirements meet the amended technical screening criteria within seven years. If the issuer considers that an economic activity funded by bond proceeds is at risk of not meeting the amended technical screening criteria within seven years, the issuer should be allowed to publish a plan on how to align the economic activity to the amended technical screening criteria and to mitigate the negative consequences, to the extent possible. That plan should be published before the end of the seven-year period that starts from the amendment of the technical screening criteria and be reviewed by an external reviewer. Under the portfolio approach, issuers should include in their portfolio of fixed assets or financial assets only assets that are aligned with any technical screening criteria applicable at any point during the seven years prior to the publication of the relevant allocation report. Thus, if any asset financed by a European Green Bond is not aligned with the amended technical screening criteria, it should be able to continue to be part of the pool of financed assets for up to seven years.

- (18) The time needed to transform an asset to align the economic activity to which it relates with the taxonomy requirements should be in line with the timeframes laid down in Delegated Regulation (EU) 2021/2178. At present, that Delegated Regulation would require eligible capital expenditure to relate to economic activities that meet or are expected to meet the taxonomy requirements within five years of the issuance of the European Green Bond, unless a longer period of up to 10 years is justified by the specific features of the economic activities and investments concerned. The issuer should include a summary of its CapEx plan in its prospectus drawn up in accordance with Regulation (EU) 2017/1129 of the European Parliament and of the Council <sup>(9)</sup>, as well as report on the progress made in the implementation of its plan in the annual allocation reports. At the end of the timeline announced in its CapEx plan, the issuer should obtain an assessment from an external reviewer about the taxonomy alignment of the expenditure financed by the bond. This Regulation is without prejudice to the requirements of Delegated Regulation (EU) 2021/2178.
- (19) Third-country jurisdictions listed in Annex I to the Council conclusions on the revised EU list of non-cooperative jurisdictions for tax purposes or high-risk countries listed in Commission Delegated Regulation (EU) 2016/1675 <sup>(10)</sup>, and issuers established in those jurisdictions or countries, should not be authorised to use the designation 'European Green Bond' or 'EuGB'.
- (20) Union institutions and bodies should adhere to Union standards in the pursuit of sustainability objectives, including those referred to in Regulation (EU) 2020/852. The European Parliament and the Council encourage the use of the European Green Bond standard for the issuance of use-of-proceeds bonds that have environmental sustainability as their objective. The European Investment Bank, as a worldwide leading issuer of green bonds, remains committed to gradually aligning its green bond programme with the European Green Bond standard.
- (21) Investors should be provided with all information that is necessary to evaluate the use of proceeds of European Green Bonds, and to compare such bonds with each other. For that purpose, specific and standardised disclosure requirements should be set out which provide transparency about how the issuer intends to allocate the bond proceeds to eligible fixed assets, expenditure and financial assets and how those proceeds are in fact allocated. Such transparency can best be achieved by means of European Green Bond factsheets and allocation reports. To strengthen the comparability of European Green Bonds and to facilitate the localisation of relevant information, it is necessary to lay down templates for the disclosure of such information.

<sup>(9)</sup> Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (OJ L 168, 30.6.2017, p. 12).

<sup>(10)</sup> Commission Delegated Regulation (EU) 2016/1675 of 14 July 2016 supplementing Directive (EU) 2015/849 of the European Parliament and of the Council by identifying high-risk third countries with strategic deficiencies (OJ L 254, 20.9.2016, p. 1).

- (22) The lack of common standardised disclosure templates for issuers of environmentally sustainable bonds or sustainability-linked bonds at Union level makes it difficult for investors in such bonds to easily and reliably locate the information they need, and to compare and aggregate data on such bonds. In particular, the lack of a common methodology for issuers to report on the alignment of bond proceeds with the taxonomy requirements creates administrative difficulties and uncertainty for bond investors that report pursuant to Regulation (EU) 2019/2088 of the European Parliament and of the Council <sup>(1)</sup>. Therefore, public disclosure templates should be established, which issuers of such bonds can choose to complete and publish alongside their other disclosure documentation. Such templates should contain information on the allocation of bond proceeds to taxonomy-aligned activities, while clearly identifying the share of proceeds allocated to gas and nuclear energy. The templates should be developed by the Commission by means of guidelines for voluntary pre-issuance disclosures, which can serve as inspiration for any future sustainability-related disclosures under Union law, and a delegated act for periodic disclosures. Such disclosures should be consistent with the relevant sections of the European Green Bond factsheet and allocation report.
- (23) Investors should benefit from cost-effective access to reliable information about European Green Bonds. Issuers of European Green Bonds should therefore contract an independent external reviewer to provide a pre-issuance review of the European Green Bond factsheet, and a post-issuance review of the European Green Bond annual allocation reports.
- (24) When providing their services under this Regulation, external reviewers should be allowed to use random sampling techniques in line with best market practices for assurance services when assessing the taxonomy alignment of multiple projects, if justified by the complexity, scale and practical unfeasibility of a full assessment of the underlying activities. Such random sampling should allow external reviewers to be confident that such projects, including those financed through tax incentives and subsidies, are carried out in line with the information provided in the Annexes to this Regulation. Such random sampling should be performed by taking into account data privacy measures in order to ensure a high level of protection of personal and other sensitive data that is not relevant for the purposes of the external review.
- (25) In the course of providing services under this Regulation, external reviewers should give an independent opinion on whether the issuer has aligned with the taxonomy requirements. When assessing the alignment with quantitative criteria, external reviewers should verify that any forward-looking estimates are based on reasonable assumptions, without giving guarantees on outcomes. When assessing the alignment with qualitative criteria, external reviewers should verify the existence of appropriate processes and due diligence systems designed to assess, mitigate and remedy risks and other issues that might arise in relation to those criteria.
- (26) To improve transparency, issuers should also disclose the environmental impact of their bonds by publishing, at least once during the lifetime of the bond and after the full allocation of the proceeds of such bonds, an impact report. In order to provide investors with all the relevant information to assess the environmental impact of European Green Bonds, impact reports should clearly specify the metrics, methodologies and assumptions applied in the assessment of the environmental impact. To strengthen the comparability of European Green Bonds and to facilitate the localisation of relevant information, it is necessary to lay down templates for the disclosure of such information. To ensure the accuracy of impact reports and to protect investors from greenwashing, issuers should be able to contract an independent external reviewer to provide an impact report review.

---

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

- (27) European Green Bonds, bonds marketed as environmentally sustainable and sustainability-linked bonds can support companies in financing their transition towards becoming sustainable. Issuers of those bonds that are subject to an obligation to publish non-financial information pursuant to Directive 2013/34/EU of the European Parliament and of the Council <sup>(12)</sup>, should state how and to what extent the issuance of the bond increases its proportion of entity-level taxonomy alignment, as provided for in Article 8 of Regulation (EU) 2020/852. That statement could be expressed as a percentage point increase in taxonomy-aligned turnover to be achieved using the bond proceeds. Of those issuers, the ones that are subject to the obligation to publish any plans they may have to ensure that their business model and strategy are compatible with the transition to a sustainable economy pursuant to Directive 2013/34/EU and those who publish such plans voluntarily, should state how the proceeds of their bond contribute to the funding and implementation of such plans. Such statements should be disclosed in the European Green Bond factsheet and allocation report or in the optional pre-issuance and post-issuance periodic disclosure templates, or both.
- (28) State auditors are statutory entities with responsibility for and expertise in the supervision of public spending, and have legally guaranteed independence. Sovereigns that issue European Green Bonds should therefore be allowed to make use of State auditors for the purposes of reviewing the allocation of bond proceeds, alongside the external reviewers who should remain responsible for assessing the taxonomy alignment of the economic activities financed by the bond. State auditors should not be registered or supervised under this Regulation.
- (29) Only bonds in respect of which the issuer has published a prospectus pursuant to Regulation (EU) 2017/1129 and bonds covered by Article 1(2), points (b) and (d), of that Regulation should be allowed to use the designation 'European Green Bond' or 'EuGB'. That Regulation includes liability provisions.
- (30) To ensure the efficiency of the market for European Green Bonds, issuers should publish on their websites details about the European Green Bonds they issue. To ensure the reliability of information and investor confidence, issuers should also publish the pre-issuance review, any post-issuance reviews, as well as, if applicable, any impact report reviews, the CapEx plan and a link to the prospectus required by Regulation (EU) 2017/1129. Those publications should be accessible, with clearly displayed dates of publication that allow the user to identify the changes from one review to another. The information contained in those documents should be drawn up in a language accepted by the competent authority of the home Member State where the bond is offered to the public or admitted to trading, or, alternatively, in a language customary in the sphere of international finance. At the time of adoption of this Regulation, the English language is the language customary in the sphere of international finance but that could evolve in the future.
- (31) In traditional securitisation transactions, the issuer of the bonds is a securitisation special purpose entity (SSPE) that is legally separate from the originator. In turn, the originator is the entity that uses the bond proceeds to allocate financing to economic activities. A European Green Bond securitisation market where all of the underlying exposures are taxonomy aligned would face considerable growth constraints at present, with a scarcity of taxonomy-aligned assets fit for securitisation. Therefore, in its report on 'Developing a Framework for Sustainable Securitisation', the European Supervisory Authority (European Banking Authority) (EBA) established by Regulation (EU) No 1093/2010 of the European Parliament and of the Council <sup>(13)</sup> recommended applying the use-of-proceeds requirement to the securitisation originator, instead of the SSPE, as an efficient and pragmatic approach in the transition phase. That approach would be appropriate until such time as an adequate volume of taxonomy-aligned assets is generated in the Union economy. To ensure enforceability, the responsibility of the originator with respect to the future use of proceeds should be clearly stated in the prospectus published pursuant to Regulation (EU) 2017/1129.

<sup>(12)</sup> Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC (OJ L 182, 29.6.2013, p. 19).

<sup>(13)</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).

- (32) Specific disclosure and exclusion requirements should apply to bonds resulting from securitisation that are designated as 'European Green Bond' or 'EuGB' in order to enhance the confidence of investors and ensure that they are fully informed about the environmental characteristics of the transaction. Sufficient transparency should be assured for investors with different preferences on the environmental characteristics of the underlying pool of assets. Safeguards are necessary to avoid a situation where the selection of assets to be securitised by the originator includes exposures which finance the exploration, mining, extraction, production, processing, storage, refining or distribution, including transportation, and trade of fossil fuels as defined in Regulation (EU) 2018/1999 of the European Parliament and of the Council <sup>(14)</sup>. However, the exclusion requirements should take into account the predominant purpose of the securitised exposures and should not capture exposures where the link with fossil fuel activities is only marginal or incidental, such as a commercial building with a gas storage tank. In addition, the exclusion requirements should not be based solely on the use of fossil fuels, such as in the case of car loans or residential loans. Furthermore, the originator should disclose information about taxonomy eligibility, taxonomy alignment and compliance with the principle of 'do no significant harm' in respect of the activities financed by the securitised exposures. Such disclosure should be on a best efforts basis and to the best of the originator's ability, using available data such as data gathered in the originator's internal database or IT system. Originators are invited to make that information available also via the securitisation repositories registered with the European Supervisory Authority (European Securities and Markets Authority) (ESMA), established by Regulation (EU) No 1095/2010 of the European Parliament and of the Council <sup>(15)</sup>, in accordance with Regulation (EU) 2017/2402 of the European Parliament and of the Council <sup>(16)</sup>.
- (33) Effective supervision by competent authorities is necessary in order to check compliance with the specific requirements applicable to originators and to SSPEs. Regulation (EU) 2017/2402 requires that Member States designate one or more competent authorities responsible for supervising the compliance of securitisation transactions with the 'simple, transparent and standardised' (STS) designation, which also includes specific disclosure and exclusion requirements. In light of the experience that those competent authorities have obtained while reviewing securitisation transactions, it is appropriate that they supervise the compliance of originators with the requirements of this Regulation. However, given that both originators and SSPEs are involved in a securitisation, both the competent authorities of the originator and of the SSPE should be entrusted with the corresponding supervisory powers laid down in this Regulation, and should cooperate to ensure effective and adequate supervision.
- (34) Competent authorities should supervise issuers of bonds marketed as environmentally sustainable and of sustainability-linked bonds who decide to use the common templates for post-issuance periodic disclosures, to ensure that all the elements contained in those templates are correctly published. Where issuers fail to comply with this Regulation, competent authorities should make that fact public.
- (35) The Commission has put forward a proposal for a Regulation of the European Parliament and of the Council establishing a European single access point providing centralised access to publicly available information of relevance to financial services, capital markets and sustainability. Information about European Green Bonds will be of value to investors and other financial market participants as well as to the general public. Therefore, the disclosure documents referred to in this Regulation, including the European Green Bond factsheet, allocation report and impact report, the CapEx plan, where applicable, and optional disclosure templates for bonds marketed as environmentally sustainable and for sustainability-linked bonds, as well as the reviews carried out by external reviewers, should be publicly and freely available. Such a European single access point (ESAP) could be an appropriate mechanism to achieve that objective.

<sup>(14)</sup> Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018 on the Governance of the Energy Union and Climate Action, amending Regulations (EC) No 663/2009 and (EC) No 715/2009 of the European Parliament and of the Council, Directives 94/22/EC, 98/70/EC, 2009/31/EC, 2009/73/EC, 2010/31/EU, 2012/27/EU and 2013/30/EU of the European Parliament and of the Council, Council Directives 2009/119/EC and (EU) 2015/652 and repealing Regulation (EU) No 525/2013 of the European Parliament and of the Council (OJ L 328, 21.12.2018, p. 1).

<sup>(15)</sup> Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/77/EC (OJ L 331, 15.12.2010, p. 84).

<sup>(16)</sup> Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012 (OJ L 347, 28.12.2017, p. 35).



- (36) To improve the transparency of the methodology of external reviewers, to ensure that external reviewers have adequate qualifications, professional experience and independence, and to reduce the risk of potential conflicts of interest, and thus to ensure adequate investor protection, issuers of European Green Bonds should only make use of external reviewers, including from third countries, that have been registered and are subject to ongoing supervision by ESMA.
- (37) To strengthen transparency towards investors on how the taxonomy alignment of the economic activities financed by the bond proceeds is assessed, external reviewers should disclose to users of pre-issuance, post-issuance and, if applicable, impact report reviews, the methodologies and key assumptions they use in their external review activities in sufficient detail, whilst taking due account of the protection of proprietary data and intellectual property.
- (38) External reviewers should have in place arrangements for their own sound corporate governance to ensure that their pre- and post-issuance reviews are independent, objective and of good quality. The senior management of external reviewers should therefore have sufficient expertise in financial services and environmental matters and ensure that a sufficient number of employees with the necessary knowledge and experience perform the external review. For the same reason, the compliance function should be able to report its findings to either a supervisory body or an administrative body of the external reviewer.
- (39) To ensure their independence and safeguard high standards of transparency and ethical conduct, external reviewers should comply with organisational requirements and rules of conduct to mitigate and avoid situations of actual or potential conflict of interest or manage those conflicts adequately when they are unavoidable. External reviewers should not be entitled to conduct an external review in the case of a conflict of interest that cannot be properly addressed. External reviewers should therefore disclose any conflicts of interest in a transparent manner in the external reviews. They should keep records of all significant threats to their independence as well as to the independence of their employees, main shareholders or any other persons involved in the external review process, and records of the safeguards applied to mitigate those threats.
- (40) External reviewers should assess and document whether there is an actual or potential conflict of interest with a client, including in situations where there are significant personal or financial links between the external reviewer and the reviewed entity.
- (41) Regulation (EU) No 537/2014 of the European Parliament and of the Council <sup>(17)</sup> prohibits the provision to an audited entity of non-audit services linked to the financing, capital structure and allocation, and investment strategy of that entity, except for assurance services in relation to financial statements. The provision of external reviews under this Regulation should be without prejudice to Regulation (EU) No 537/2014.
- (42) It is necessary to avoid any divergent application of this Regulation by competent authorities. At the same time, it is necessary to lower transaction and operational costs of external reviewers, to strengthen investor confidence and to increase legal certainty. It is therefore appropriate to give ESMA a general competence for the registration and ongoing supervision of external reviewers in the Union. Entrusting ESMA with the exclusive responsibility for those matters should ensure a level playing field in terms of registration requirements and ongoing supervision and eliminate the risk of regulatory arbitrage across Member States. At the same time, such exclusive responsibility should optimise the allocation of supervisory resources at Union level, thus making ESMA the centre of expertise and enhancing the efficiency of supervision.
- (43) ESMA should be able to require all information that is necessary to carry out its supervisory tasks effectively. It should therefore be able to demand such information from external reviewers, persons involved in external review activities, related third parties, third parties to whom the external reviewers have outsourced operational functions as well as persons otherwise closely and substantially related or connected to external reviewers or external review activities.

---

<sup>(17)</sup> Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC (OJ L 158, 27.5.2014, p. 77).

- (44) To enable ESMA to perform its supervisory tasks, and in particular to compel external reviewers to put an end to an infringement, to supply complete and correct information or to comply with an investigation or an on-site inspection, ESMA should be able to impose fines or periodic penalty payments.
- (45) Issuers of European Green Bonds may need to engage the services of third-country external reviewers from outside the Union. It is therefore necessary to lay down a third-country regime for external reviewers on the basis of an equivalence assessment, recognition or endorsement under which third-country external reviewers may provide external review services. In order to facilitate access for third-country external reviewers in the absence of an equivalence decision, it is necessary to lay down a process for the recognition by ESMA of external reviewers established in a third country.
- (46) In order to facilitate the provision of services by third-country external reviewers to issuers of European Green Bonds, an endorsement regime should be laid down, allowing, under certain conditions, registered external reviewers established in the Union to endorse services provided by a third-country external reviewer. An external reviewer that has endorsed services provided by a third-country external reviewer should be fully responsible for such endorsed services and for ensuring that such third-country external reviewer complies with this Regulation.
- (47) In order to fulfil the objectives of this Regulation, the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union (TFEU) should be delegated to the Commission to supplement this Regulation in respect of the content, methodologies and presentation of the information to be disclosed in the templates for optional periodic post-issuance disclosures, the procedure for the exercise of ESMA's power to impose fines or periodic penalty payments, including provisions on the rights of defence, temporal provisions, the collection of fines or periodic penalty payments and detailed rules on the limitation periods for the imposition and enforcement of penalties, and the procedure for the exercise of ESMA's power to charge fees, including provisions on the type of fees, the matters in respect of which fees are due, the amount of the fees, which should be proportionate to the turnover, and the manner in which those fees are to be paid. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making <sup>(18)</sup>. In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council receive all documents at the same time as Member States' experts, and their experts systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts.
- (48) As a body with highly specialised expertise, it would be efficient and appropriate to entrust ESMA with the development of draft regulatory and implementing technical standards that do not involve policy choices for submission to the Commission.
- (49) ESMA should be mandated to develop draft regulatory technical standards to further specify the criteria for assessing an application for registration by an external reviewer, including the management of conflicts of interest, and the provision of information by that external reviewer to determine its level of compliance with this Regulation. The Commission should be empowered to adopt those regulatory technical standards by means of delegated acts pursuant to Article 290 TFEU and in accordance with Regulation (EU) No 1095/2010.
- (50) In order to ensure uniform conditions for the implementation of this Regulation, implementing powers should be conferred on the Commission. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council <sup>(19)</sup>.

<sup>(18)</sup> OJ L 123, 12.5.2016, p. 1.

<sup>(19)</sup> Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by the Member States of the Commission's exercise of implementing powers (OJ L 55, 28.2.2011, p. 13).

- (51) ESMA should be mandated to develop draft implementing technical standards to specify the standard forms, templates and procedures for the provision of the information for the registration of external reviewers. The Commission should be empowered to adopt those implementing technical standards by means of an implementing act pursuant to Article 291 TFEU and in accordance with Regulation (EU) No 1095/2010.
- (52) The application of this Regulation should be reviewed by the Commission five years after its entry into force, and every three years thereafter, on the basis of input from the Platform on Sustainable Finance established by Regulation (EU) 2020/852 and ESMA, where relevant. Three years after the entry into force of this Regulation, the Commission should also produce a report assessing the need to regulate sustainability-linked bonds. Furthermore, by the end of 2024 and every three years thereafter, the Commission should produce a report based on its review of the technical screening criteria under Regulation (EU) 2020/852.
- (53) To ensure that issuers of European Green Bonds for which a prospectus is published pursuant to Regulation (EU) 2017/1129 comply with the disclosure requirements set out in this Regulation, competent authorities of the home Member State should have the necessary supervisory and investigatory powers. Competent authorities should be able to exercise their supervisory powers before and after the issuance of the European Green Bonds. Competent authorities should not be required, under the supervisory powers granted by this Regulation, to verify the truthfulness or accuracy of the information that issuers are required to provide pursuant to this Regulation, nor whether issuers have complied with the obligations regarding the allocation of proceeds.
- (54) Since this Regulation creates a framework that allows for the designation of sovereign debt as environmentally sustainable, financial undertakings should disclose their exposure to environmentally sustainable sovereign debt within their green asset ratio as provided for in Delegated Regulation (EU) 2021/2178. The review of that Delegated Regulation by 30 June 2024, should assess the inclusion of sovereign exposures in the numerator and denominator of key performance indicators.
- (55) In order to facilitate the provision of services by external reviewers while ensuring that ESMA has the appropriate time to develop the framework for registration and supervision of external reviewers, a transition period should apply during the first 18 months of application of this Regulation. During the transition period, external reviewers should be able to provide services where they notify ESMA and make their best efforts to comply with this Regulation. Third-country external reviewers should, in addition, ensure that they have a legal representative established in the Union during the transition period. ESMA should monitor whether external reviewers comply with this Regulation and take that into account when assessing whether the external reviewer has fulfilled the requirements for registration.
- (56) Since the objectives of this Regulation, namely: to ensure that uniform requirements apply to the use of the designation 'European Green Bond' or 'EuGB'; to establish a simple registration system and supervisory framework for external reviewers by entrusting a single supervisory authority with the registration and supervision of external reviewers in the Union; to establish supervision of issuers of European Green Bonds for which a prospectus is required pursuant to Regulation (EU) 2017/1129; and to provide for optional pre-issuance and post-issuance disclosure templates for bonds marketed as environmentally sustainable and for sustainability-linked bonds to improve transparency and facilitate the comparability of those bonds, with a view to facilitating capital raising for projects that pursue environmentally sustainable objectives, while contributing to the integrity of the market, cannot be sufficiently achieved by the Member States but can rather, by reason of the scale or effects of the action, be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve those objectives.
- (57) The ECB was consulted by the European Parliament and delivered its opinion on 5 November 2021 <sup>(20)</sup>,

<sup>(20)</sup> OJ C 27, 19.1.2022, p. 4.

HAVE ADOPTED THIS REGULATION:

TITLE I

**SUBJECT MATTER AND DEFINITIONS**

*Article 1*

**Subject matter**

This Regulation:

- (a) lays down uniform requirements for issuers of bonds who wish to use the designation 'European Green Bond' or 'EuGB' for their bonds that are made available to investors in the Union;
- (b) establishes a system to register and supervise external reviewers of European Green Bonds; and
- (c) provides optional disclosure templates for bonds marketed as environmentally sustainable and for sustainability-linked bonds in the Union.

*Article 2*

**Definitions**

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

- (1) 'issuer' means an entity that issues bonds;
- (2) 'sovereign' means an entity referred to in Article 1(2), point (b), of Regulation (EU) 2017/1129;
- (3) 'taxonomy requirements' means the criteria for environmentally sustainable economic activities set out in Article 3 of Regulation (EU) 2020/852;
- (4) 'regulated market' means a regulated market as defined in Article 4(1), point (21), of Directive 2014/65/EU of the European Parliament and of the Council <sup>(21)</sup>;
- (5) 'bond marketed as environmentally sustainable' means a bond whose issuer provides investors with a commitment or any form of pre-contractual claim that the bond proceeds are allocated to economic activities that contribute to an environmental objective;
- (6) 'sustainability-linked bond' means a bond whose financial or structural characteristics vary depending on the achievement by the issuer of predefined environmental sustainability objectives;
- (7) 'home Member State' means a home Member State as defined in Article 2, point (m), of Regulation (EU) 2017/1129;
- (8) 'host Member State' means a host Member State as defined in Article 2, point (n), of Regulation (EU) 2017/1129;
- (9) 'financial asset' means debt or equity, or a combination thereof;
- (10) 'made available to investors in the Union' means:
  - (a) an offer to the public within the Union; or
  - (b) the admission to trading of bonds on a trading venue located in the Union;
- (11) 'offer to the public' means an offer of securities to the public as defined in Article 2, point (d), of Regulation (EU) 2017/1129;
- (12) 'trading venue' means a trading venue as defined in Article 4(1), point (24), of Directive 2014/65/EU;

<sup>(21)</sup> Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (OJ L 173, 12.6.2014, p. 349).

- (13) 'CapEx plan' means a CapEx plan as provided for in point 1.1.2.2, point (b), and point 1.1.3.2, point (b), of Annex I to Delegated Regulation (EU) 2021/2178;
- (14) 'issuance costs' means costs that are directly related to the issuance of bonds, including costs incurred for professional advice, legal services, rating, external review, underwriting and placement;
- (15) 'technical screening criteria' means the technical screening criteria set out in the delegated acts adopted pursuant to Article 10(3), 11(3), 12(2), 13(2), 14(2) or 15(2) of Regulation (EU) 2020/852;
- (16) 'transitional economic activity' means an economic activity that complies with Article 10(2) of Regulation (EU) 2020/852;
- (17) 'enabling economic activity' means an economic activity that complies with Article 16 of Regulation (EU) 2020/852;
- (18) 'securitisation' means securitisation as defined in Article 2, point (1), of Regulation (EU) 2017/2402;
- (19) 'originator' means an originator as defined in Article 2, point (3), of Regulation (EU) 2017/2402;
- (20) 'securitisation special purpose entity' or 'SSPE' means a securitisation special purpose entity or SSPE as defined in Article 2, point (2), of Regulation (EU) 2017/2402;
- (21) 'securitised exposure' means an exposure included in a securitisation;
- (22) 'securitisation bond' means a bond issued by an SSPE in accordance with Title II, Chapter 3;
- (23) 'synthetic securitisation' means a synthetic securitisation as defined in Article 2, point (10), of Regulation (EU) 2017/2402;
- (24) 'fossil fuel' mean fossil fuel as defined in Article 2, point (62), of Regulation (EU) 2018/1999.

## TITLE II

### REQUIREMENTS FOR THE USE OF THE DESIGNATION 'EUROPEAN GREEN BOND' OR 'EUGB'

#### CHAPTER 1

##### *Bond-related requirements*

#### Article 3

##### **Designation 'European Green Bond' or 'EuGB'**

The designation 'European Green Bond' or 'EuGB' shall be used only for bonds that comply with the requirements set out in this Title.

#### Article 4

##### **Use of the proceeds of European Green Bonds**

1. Before the maturity of a European Green Bond, the proceeds of such a bond shall be allocated in full, in accordance with the taxonomy requirements, to one or more of the following categories (the 'gradual approach'):
  - (a) fixed assets that are not financial assets;
  - (b) capital expenditure that falls under point 1.1.2.2. of Annex I to Delegated Regulation (EU) 2021/2178;

- (c) operating expenditure that falls under point 1.1.3.2. of Annex I to Delegated Regulation (EU) 2021/2178 and was incurred no more than three years before the issuance of the European Green Bond;
- (d) financial assets that were created no more than five years after the issuance of the European Green Bond;
- (e) assets and expenditure of households.

By way of derogation from the first subparagraph, issuers may deduct issuance costs from the proceeds of the European Green Bond before allocating those proceeds.

2. By way of derogation from paragraph 1, issuers may allocate proceeds from one or more outstanding European Green Bonds to a portfolio of fixed assets or financial assets in accordance with the taxonomy requirements (the 'portfolio approach').

Where issuers allocate proceeds in accordance with the first subparagraph of this paragraph, they shall demonstrate in the allocation reports referred to in Article 11 that the total value of the assets referred to in the first subparagraph of this paragraph in their portfolio exceeds the total value of their portfolio of outstanding European Green Bonds.

3. By way of derogation from paragraph 1, a sovereign or a third-country issuer which is a State, a member of a federation in the case of a federal State, or a regional or municipal entity, may also allocate the proceeds of European Green Bonds it has issued to tax relief, subsidies, intermediate consumption, current transfers within a general government, current international cooperation or other types of public expenditure, provided that the proceeds are allocated in accordance with the taxonomy requirements.

#### Article 5

### **Flexibility in the use of the proceeds of European Green Bonds**

1. By way of derogation from Article 4(1), issuers may allocate up to 15 % of the proceeds of a European Green Bond to economic activities that comply with the taxonomy requirements, with the exception of the technical screening criteria, provided that those activities are:

- (a) economic activities in respect of which no technical screening criteria have entered into force by the date of issuance of the European Green Bond; or
- (b) activities in the context of international support reported in accordance with internationally agreed guidelines, criteria and reporting cycles, including climate financing reported to the Commission under the United Nations Framework Convention on Climate Change as referred to in Article 19(3) of Regulation (EU) 2018/1999, and official development assistance reported to the Development Assistance Committee of the Organisation for Economic Cooperation and Development.

2. Where an issuer allocates the proceeds of a European Green Bond in accordance with paragraph 1 of this Article, it shall describe in the European Green Bond factsheet referred to in Article 10 the activities concerned and the estimated percentage of the proceeds intended to finance such activities as a total and also per activity.

3. Where an issuer allocates the proceeds of a European Green Bond to economic activities referred to in paragraph 1, point (a), it shall ensure that those activities meet, where applicable, the generic criteria for 'do no significant harm' set out in Appendices A, B, C and D to Annex I to Delegated Regulation (EU) 2021/2139.

4. Where an issuer allocates the proceeds of a European Green Bond to the activities referred to in paragraph 1, point (b), it shall on a best efforts basis ensure that those activities meet the relevant technical screening criteria.

*Article 6***Financial assets**

1. The proceeds of financial assets shall be allocated only to the uses set out in Article 4(1), or, where applicable, to the uses set out in Article 4(2) and (3).
2. The proceeds of financial assets may be allocated to other, subsequent financial assets, provided that:
  - (a) there are not more than three subsequent financial assets in succession;
  - (b) the proceeds from the financial assets last in the sequence are allocated to the uses set out in Article 4(1), first subparagraph, point (a), (b), (c) or (e), or, where applicable, to the uses set out in Article 4(3); and
  - (c) the issuer ensures that it is possible for external reviewers to review effectively the final allocation of proceeds.

*Article 7***CapEx plans**

1. Where the uses of proceeds referred to in Article 4(1), first subparagraph, points (b) and (c), relate to economic activities that will meet the taxonomy requirements, the issuer shall publish a CapEx plan.
2. The CapEx plan shall specify a deadline, occurring before the European Green Bond reaches maturity, by which all the capital and operating expenditure funded by the European Green Bond are to be taxonomy aligned.
3. The issuer shall, within 60 days of the deadline specified in the CapEx plan, obtain an assessment from an external reviewer of the taxonomy alignment of the capital and operating expenditure that are included in that CapEx plan and funded by the proceeds of the European Green Bond.

*Article 8***Application of the technical screening criteria and grandfathering**

1. Where issuers allocate the proceeds of European Green Bonds to the uses set out in Article 4(1) and (3), they shall ensure that:
  - (a) those proceeds are allocated in alignment with the technical screening criteria applicable at the time of issuance of the bond;
  - (b) where technical screening criteria are amended after the issuance of the bond, the following proceeds be allocated in alignment with the amended technical screening criteria no later than seven years after the date of application of the amended criteria:
    - (i) proceeds that are not yet allocated; and
    - (ii) proceeds that are covered by a CapEx plan in accordance with Article 7, that have not yet met the taxonomy requirements.
2. Where issuers allocate proceeds in accordance with the portfolio approach, issuers shall include in their portfolio only those assets whose underlying economic activity is aligned with any technical screening criteria which were applicable at any point during the seven years prior to the date of publication of the allocation report.
3. Where the proceeds of an outstanding bond are at risk of not being aligned with paragraph 1, point (b)(ii), the issuer shall draw up, submit to external review by an external reviewer and publish a plan for aligning them to the extent possible with the amended technical screening criteria and for mitigating to the extent possible the negative consequences of the lack of full alignment with the amended technical screening criteria. The issuer shall publish that plan before expiry of the period set out in paragraph 1, point (b).

4. Alignment with the relevant technical screening criteria shall be demonstrated in the allocation report referred to in Article 11.

#### *Article 9*

### **Exclusion of non-cooperative jurisdictions for tax purposes**

The competent authorities referred to in Article 44(1) of this Regulation shall not approve a prospectus issued by a jurisdiction listed in Annex I to the Council conclusions on the revised EU list of non-cooperative jurisdictions for tax purposes, by a high-risk country listed in the Annex to Delegated Regulation (EU) 2016/1675, or by issuers established in those jurisdictions or countries, where that prospectus refers to this Regulation or to the designation 'European Green Bond' or 'EuGB'.

#### *CHAPTER 2*

### ***Transparency and external review requirements***

#### *Article 10*

### **European Green Bond factsheet and pre-issuance review**

1. Prior to issuing a European Green Bond, issuers shall:
  - (a) complete the European Green Bond factsheet set out in Annex I;
  - (b) ensure that the completed European Green Bond factsheet has been subject to a pre-issuance review with a positive opinion by an external reviewer.
2. The European Green Bond factsheet referred to in paragraph 1 may relate to more than one European Green Bond issuance.
3. The pre-issuance review referred to in paragraph 1, point (b), shall contain:
  - (a) an assessment of whether the issuer has completed the European Green Bond factsheet in accordance with Articles 4 to 8 and Annex I; and
  - (b) the elements set out in Annex IV.

#### *Article 11*

### **Allocation reports and post-issuance review of allocation reports**

1. For every 12-month period until the date of full allocation of the proceeds of their European Green Bond and, where applicable, until the completion of the CapEx plan, issuers of European Green Bonds shall draw up a European Green Bond allocation report using the template set out in Annex II, demonstrating that the proceeds of the European Green Bond, from its issuance date until the end of the period referred to in the report, have been allocated in accordance with Articles 4 to 8.

The first 12-month period shall begin on the issuance date.

By way of derogation from the second subparagraph, issuers may set the end date of the first reporting period as the last day of the calendar year or of the financial year of issuance.

2. The allocation reports shall contain, where applicable, information on the progress made in the implementation of the CapEx plan.

Issuers shall, in their annual allocation reports, publish the reasons for any delay or deviation that has a significant impact on the implementation of the CapEx plan.



3. The allocation reports may relate to more than one issuance of European Green Bonds.
4. Issuers of European Green Bonds shall obtain a post-issuance review by an external reviewer of the allocation report drawn up after the full allocation of the proceeds of the European Green Bond.
5. Where, following the publication of the allocation report in accordance with Article 15(1), point (d), the allocation of proceeds is corrected, the issuers of the European Green Bonds concerned shall amend the allocation report and obtain a post-issuance review by an external reviewer of that amended allocation report, without undue delay.
6. By way of derogation from paragraph 4, every allocation report by issuers that allocate the proceeds of one or more European Green Bonds to a portfolio of assets shall be subject to a post-issuance review by an external reviewer. The external reviewer shall pay particular attention to those assets that were not included in any previously published allocation report.

Such post-issuance review shall not be required where, during the period covered by the allocation report, no change in allocation was made to the portfolio of assets and no asset in the portfolio was changed or was itself subject to a change in allocation, compared to the period covered by the previous allocation report. In such cases, a statement regarding the absence of post-issuance review due to the absence of such changes shall be included in the corresponding allocation report.

7. Issuers of European Green Bonds shall ensure that the annual allocation reports and, where applicable, any post-issuance review required by this Article are made public within 270 days of the end of every 12-month period referred to in paragraph 1. Within that period of 270 days, issuers shall ensure that the external reviewer has at least 90 days to review an allocation report.
8. The post-issuance review referred to in paragraphs 4, 5 and 6 of this Article shall contain the following:
  - (a) an assessment of whether the issuer has allocated the bond proceeds in accordance with Articles 4 to 8, on the basis of the information provided to the external reviewer;
  - (b) an assessment of whether the issuer has allocated the bond proceeds as set out in the European Green Bond factsheet referred to in Article 10, on the basis of the information provided to the external reviewer;
  - (c) the elements set out in Annex IV.

## Article 12

### European Green Bond impact report

1. Issuers of European Green Bonds shall, after the full allocation of the proceeds and at least once during the lifetime of those bonds, draw up and make public a European Green Bond impact report on the environmental impact of the use of the bond proceeds, using the template set out in Annex III.
2. The European Green Bond impact report may relate to more than one issuance of European Green Bonds.
3. Issuers of European Green Bonds may seek a review by an external reviewer of the impact report. Such impact report reviews shall contain the following:
  - (a) an assessment of whether the bond issuance aligns with the broader environmental strategy of the issuer;
  - (b) an assessment of the indicated environmental impact of the bond proceeds;
  - (c) the elements set out in Annex IV.

*Article 13***Sovereign issuers**

1. A sovereign shall obtain post-issuance reviews of its European Green Bonds from:
  - (a) an external reviewer; or
  - (b) an external reviewer and a State auditor.
2. Where a sovereign obtains a post-issuance review from an external reviewer and a State auditor, the State auditor shall review the allocation of the bond proceeds and the external reviewer shall ascertain whether the economic activities funded through the bond align with the taxonomy requirements.

*Article 14***Prospectus for European Green Bonds**

1. In order to use the designation 'European Green Bond' or 'EuGB', the issuer shall publish a prospectus pursuant to Regulation (EU) 2017/1129 that meets the following conditions:
  - (a) the bonds are designated as 'European Green Bond' or 'EuGB' throughout the prospectus;
  - (b) the prospectus states that the European Green Bond is issued in accordance with this Regulation, in the section of the prospectus containing the information about the use of proceeds.
2. By way of derogation from paragraph 1, the designation 'European Green Bond' or 'EuGB' may be used for bonds covered by Article 1(2), points (b) and (d), of Regulation (EU) 2017/1129.
3. For the purposes of this Regulation, the term 'regulated information' referred to in Article 19(1), point (c), of Regulation (EU) 2017/1129, shall be construed as including the information contained in the European Green Bond factsheet referred to in Article 10 of this Regulation.
4. Where a prospectus is published pursuant to Regulation (EU) 2017/1129, that prospectus shall include a summary of the CapEx plan. That summary shall list the projects carried out by the issuer that are the most significant, measured as a share of the total capital expenditure covered by the CapEx plan, and shall specify the type, sector, location and expected finalisation year of those projects.

*Article 15***Publication on the issuer's website and notification to ESMA and competent authorities**

1. Issuers of European Green Bonds shall publish on their websites and make available, free of charge and in accordance with Article 21(3) and (4) of Regulation (EU) 2017/1129, until at least 12 months have elapsed after the maturity of those bonds, the following, including any amendments or corrections thereto:
  - (a) before the bond is issued, the completed European Green Bond factsheet referred to in Article 10 of this Regulation;
  - (b) before the bond is issued, the pre-issuance review related to the European Green Bond factsheet referred to in Article 10 of this Regulation;
  - (c) before the bond is issued, a link to the website where the prospectus can be consulted in cases where a prospectus is published pursuant to Regulation (EU) 2017/1129;
  - (d) without undue delay after they are drawn up in accordance with Article 11(1) of this Regulation, the European Green Bond allocation reports;

- (e) without undue delay after they are obtained, the post-issuance reviews of the European Green Bond allocation reports referred to in Article 11 of this Regulation;
- (f) without undue delay after it is drawn up in accordance with Article 12 of this Regulation, the European Green Bond impact report;
- (g) where applicable, the CapEx plan;
- (h) where applicable, the impact report review referred to in Article 12(3) of this Regulation.

By way of derogation from the first subparagraph, point (d), where a post-issuance review of a European Green Bond allocation report takes place, that allocation report shall be published without undue delay after the post-issuance review is obtained.

2. The information contained in the documents referred to in paragraph 1, first subparagraph, points (a), (d) and (f), shall be provided, at the choice of the issuer, either in a language customary in the sphere of international finance, or:

- (a) where the European Green Bonds are offered to the public or are admitted to trading in only one Member State, in a language accepted by the competent authority of that Member State;
- (b) where the European Green Bonds are offered to the public or are admitted to trading in two or more Member States, in a language accepted by the competent authority of each of those Member States.

3. By way of derogation from paragraph 2 of this Article, where a prospectus for the European Green Bond is to be published pursuant to Regulation (EU) 2017/1129, the information contained in the documents referred to in paragraph 1, first subparagraph, points (a), (d) and (f), of this Article shall be provided in the language or languages of that prospectus.

4. Where applicable, issuers shall notify the competent authorities referred to in Article 44(1) and (2), of the publication of each of the documents referred to in paragraph 1, first subparagraph, of this Article without undue delay after each publication.

5. Issuers shall notify ESMA of the publication of all documents referred to in paragraph 1, first subparagraph, within 30 days of their publication.

### CHAPTER 3

#### *Conditions for the use of the designation 'European Green Bond' or 'EuGB' in respect of securitisation bonds*

#### Article 16

#### **Application of the designation 'European Green Bond' or 'EuGB' to securitisation bonds**

1. In the case of a securitisation bond designated as 'European Green Bond' or 'EuGB':
  - (a) references in this Regulation to 'issuer' shall be construed as references to 'originator';
  - (b) references in Article 4 to 'proceeds' shall be construed as references to the proceeds obtained by the originator from selling the securitised exposures to the SSPE.
2. By way of derogation from paragraph 1, point (a), references to 'issuer' in Articles 9 and 15, Article 44(3), Article 45(1), Article 48 and Article 49(1) shall be construed as references to 'originator' or to 'SSPE' and references to 'issuer' in Article 14(1) and Article 44(1) shall be construed as references to 'SSPE'.

3. Where the securitised exposures are created by multiple originators, the following shall apply:
  - (a) the requirements for the use of proceeds set out in Articles 4 to 8 shall be fulfilled by each originator on a pro rata basis, with reference to its share in the pool of the securitised exposures;
  - (b) the requirements set out in Articles 10, 11, 12, 15, 18 and 19 shall be fulfilled by the originators jointly, clearly indicating the extent to which each originator has complied with its respective requirements;
  - (c) the requirements to obtain an external review set out in Articles 10 and 11 shall be fulfilled by the originators jointly;
  - (d) where multiple originators decide to seek an impact report review referred to in Article 12(3), they shall jointly comply with the requirements thereof.

#### *Article 17*

### **Exclusion of bonds issued for the purpose of synthetic securitisation**

Bonds issued for the purpose of synthetic securitisation shall not be eligible to use the designation 'European Green Bond' or 'EuGB'.

#### *Article 18*

### **Exclusions of certain securitised exposures**

1. For the purposes of this Regulation, securitised exposures shall not comprise exposures financing the exploration, mining, extraction, production, processing, storage, refining or distribution, including transportation, and trade of fossil fuels.
2. Exposures financing electricity generation from fossil fuels, co-generation of heat/cool and power from fossil fuels, or production of heat/cool from fossil fuels, where the activity meets the criteria for 'do no significant harm' set out in Delegated Regulation (EU) 2021/2139, may be included in the pool of securitised exposures for the purposes of this Regulation.
3. The originator shall explain the extent to which paragraph 1 of this Article has been complied with in the European Green Bond factsheet referred to in Article 10.
4. Upon the request of the competent authority referred to in Article 44, the originator shall demonstrate compliance with paragraph 1 of this Article.

#### *Article 19*

### **Additional disclosure requirements in the case of securitisation**

1. In the case of a securitisation bond designated as 'European Green Bond' or 'EuGB', the prospectus published pursuant to Regulation (EU) 2017/1129 shall include a statement that the bond is a securitisation bond and that the originator is responsible for fulfilling the commitments undertaken in the prospectus regarding the use of proceeds.
2. In order to provide transparency about the environmental characteristics of the securitised exposures, information about the following shall be included in the prospectus on a best efforts basis and to the best of the originator's ability, on the basis of the available data:
  - (a) the share of securitised exposures in the pool of securitised exposures, that finance economic activities which are taxonomy-eligible economic activities as defined in Article 1, point (5), of Delegated Regulation (EU) 2021/2178;
  - (b) per relevant economic activity listed in delegated acts adopted pursuant to Article 10(3), 11(3), 12(2), 13(2), 14(2) or 15(2) of Regulation (EU) 2020/852, in the pool of taxonomy-eligible exposures referred to in point (a) of this paragraph, the share of taxonomy-aligned securitised exposures;

(c) per relevant economic activity listed in delegated acts adopted pursuant to Article 10(3), 11(3), 12(2), 13(2), 14(2) or 15(2) of Regulation (EU) 2020/852, in the pool of taxonomy-eligible exposures referred to in point (a) of this paragraph, the share of securitised exposures that fail to meet the 'do no significant harm' objectives as referred to in Article 3, point (b), of Regulation (EU) 2020/852.

3. The information included in the prospectus in accordance with paragraph 2 of this Article shall also be included in the European Green Bond factsheet referred to in Article 10 and, on the basis of yearly updates to be carried out by the originator, in the European Green Bond allocation report referred to in Article 11.

### TITLE III

#### OPTIONAL DISCLOSURE TEMPLATES FOR BONDS MARKETED AS ENVIRONMENTALLY SUSTAINABLE AND FOR SUSTAINABILITY-LINKED BONDS

##### *Article 20*

#### **Pre-issuance disclosures for issuers of bonds marketed as environmentally sustainable or of sustainability-linked bonds**

1. By 21 December 2024, the Commission shall publish guidelines establishing templates for voluntary pre-issuance disclosures for issuers of bonds marketed as environmentally sustainable and of sustainability-linked bonds.

2. The templates referred to in paragraph 1 of this Article shall indicate whether the issuer intends to use an external reviewer and the common template for periodic disclosures referred to in Article 21.

3. For issuers of bonds marketed as environmentally sustainable, the templates referred to in paragraph 1 of this Article shall include, in addition to the indication referred to in paragraph 2 of this Article, at least the following elements, which shall reflect the issuer's intent based on available data at the time of the bond issuance:

- (a) where the issuer is subject to the obligation to publish plans pursuant to Article 19a(2), point (a)(iii), or Article 29a(2), point (a)(iii), of Directive 2013/34/EU, or where the issuer voluntarily published such plans, the manner in which bond proceeds are intended to contribute to the implementation of those plans;
- (b) where the issuer is subject to the obligation to disclose information pursuant to Article 8 of Regulation (EU) 2020/852, the manner in which bond proceeds are expected to contribute to the issuer's taxonomy-aligned turnover, capital expenditure and operating expenditure;
- (c) the minimum proportion of bond proceeds to be used for activities that are environmentally sustainable under Article 3 of Regulation (EU) 2020/852.

4. For issuers of sustainability-linked bonds, the templates referred to in paragraph 1 of this Article shall include, in addition to the indication referred to in paragraph 2 of this Article, at least the following elements, which shall reflect the issuer's intent based on available data at the time of the bond issuance:

- (a) the rationale, level of ambition, materiality and calculation methodology of the key performance indicators set by the issuer;
- (b) where the issuer is subject to an obligation to publish plans pursuant to Article 19a(2), point (a)(iii), or Article 29a(2), point (a)(iii), of Directive 2013/34/EU, or where the issuer voluntarily published such plans, the manner in which the bond proceeds are intended to contribute to the implementation of those plans;
- (c) where relevant, the manner in which the bond is linked to the issuer's taxonomy-aligned turnover, capital expenditure and operating expenditure by applying Delegated Regulation (EU) 2021/2178;

(d) a description of the bond structure, including the coupon adjustment mechanism.

#### Article 21

### **Periodic post-issuance disclosures for issuers of bonds marketed as environmentally sustainable or of sustainability-linked bonds**

1. Issuers of bonds marketed as environmentally sustainable and of sustainability-linked bonds may make periodic disclosures of post-issuance information by means of common templates.

Where an issuer makes periodic disclosures of post-issuance information in accordance with the first subparagraph of this paragraph, Article 44 shall apply until the maturity of the bond.

2. For an issuer of bonds marketed as environmentally sustainable, the templates referred to in paragraph 1 shall include at least the following elements:

- (a) where the issuer is subject to an obligation to publish plans pursuant to Article 19a(2), point (a)(iii), or Article 29a(2), point (a)(iii), of Directive 2013/34/EU, or where the issuer voluntarily published such plans, the manner in which the bond proceeds contribute to the implementation of those plans;
- (b) where the issuer is subject to the obligation to disclose information pursuant to Article 8 of Regulation (EU) 2020/852, the manner in which the bond proceeds contribute to the issuer's taxonomy-aligned turnover, capital expenditure and operating expenditure;
- (c) the minimum proportion of bond proceeds that are used for activities that are environmentally sustainable under Article 3 of Regulation (EU) 2020/852.

3. For an issuer of sustainability-linked bonds, the templates referred to in paragraph 1 shall include at least the following elements:

- (a) the rationale, level of ambition, materiality, and calculation methodology of the key performance indicators set by the issuer;
- (b) where the issuer is subject to an obligation to publish plans pursuant to Article 19a(2), point (a)(iii), or Article 29a(2), point (a)(iii), of Directive 2013/34/EU, or where the issuer voluntarily published such plans, the manner in which the bond proceeds are intended to contribute to the implementation of those plans;
- (c) where relevant, the manner in which the bond proceeds are linked to the issuer's taxonomy-aligned turnover, capital expenditure and operating expenditure by applying Delegated Regulation (EU) 2021/2178;
- (d) a description of the bond structure, including the coupon adjustment mechanism.

4. The Commission shall adopt a delegated act in accordance with Article 68 by 21 December 2024 to supplement this Regulation by establishing the content, methodologies and presentation of the information to be disclosed in the templates referred to in paragraphs 2 and 3 of this Article.

When drafting that delegated act, the Commission shall take into account the information on environmental, social and governance aspects that is required to be disclosed under other relevant legislative acts, including Regulation (EU) 2017/1129, in order to avoid overlapping disclosures for issuers.

When drafting that delegated act, the Commission shall also consider the information needs of financial market participants subject to the disclosure requirements of Regulation (EU) 2019/2088.

## TITLE IV

## EXTERNAL REVIEWERS FOR EUROPEAN GREEN BONDS

## CHAPTER 1

**Conditions for the external review of European Green Bonds**

## Article 22

**Registration**

1. External reviewers for European Green Bonds shall, before taking up their activities, be registered with ESMA.
2. External reviewers registered with ESMA shall meet the conditions for registration set out in Article 23(2) at all times.
3. State auditors shall not be subject to Titles IV and V of this Regulation.

## Article 23

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

1. An application for registration as an external reviewer for European Green Bonds shall contain the following information:
  - (a) the full name of the applicant, the address of its registered office within the Union, the applicant's website and, where available, the legal entity identifier (LEI);
  - (b) the name and contact details of a contact person;
  - (c) the legal form of the applicant;
  - (d) the ownership structure of the applicant;
  - (e) the identities of the members of the senior management and the board of the applicant with their curriculum vitae showing at least their levels of qualification, experience and training;
  - (f) the number of the analysts, employees and other persons directly involved in assessment activities, and their level of knowledge, experience and training gained prior to and while working for the applicant in the provision of external review or similar services;
  - (g) a description of the procedures and methodologies implemented by the applicant to issue reviews;
  - (h) the corporate governance arrangements and the policies or procedures implemented by the applicant to identify, eliminate or manage, and disclose in a transparent manner, any actual or potential conflicts of interest as referred to in Article 35;
  - (i) where applicable, documents and information related to any existing or planned outsourcing arrangements for activities of the external reviewer covered by this Regulation, including information on entities assuming outsourcing functions;
  - (j) where applicable, information about other activities carried out by the applicant.
2. ESMA shall register an applicant as an external reviewer only where the following conditions are met:
  - (a) the senior management and the members of the board of the applicant:
    - (i) are of sufficiently good repute;

- (ii) are sufficiently skilled to ensure that the applicant can perform the tasks required of external reviewers pursuant to this Regulation;
  - (iii) have sufficient professional qualifications;
  - (iv) have relevant experience in activities such as quality assurance, quality control, the performance of pre-issuance, post-issuance and impact report reviews, the provision of second party alignment opinions or financial services;
- (b) the number of analysts, employees and other persons directly involved in the assessment activities of the applicant, and their level of knowledge, experience and training, are sufficient in order for the applicant to perform the tasks required of external reviewers pursuant to this Regulation;
- (c) the applicant's internal arrangements implemented to ensure compliance with Chapter 2 of this Title are appropriate and effective.

When assessing the conditions set out in the first subparagraph of this paragraph, ESMA may take into account whether the applicant, where it has provided services pursuant to Articles 69 and 70, used best efforts to comply with Articles 24 to 38. For that purpose, ESMA may require the applicant to provide it with the necessary information.

3. Within 20 working days of receipt of an application, ESMA shall assess whether the application is complete.

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

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

4. Within 45 working days of receipt of a complete application, ESMA shall register or refuse to register the applicant.

ESMA may extend the period referred to in the first subparagraph by 15 working days where the applicant intends to outsource certain external review activities.

5. ESMA shall notify the applicant in writing of the registration of that applicant as an external reviewer, or of its refusal to register the applicant. A decision to register or to refuse to register an applicant shall provide reasons and shall take effect on the fifth working day after its adoption.

6. ESMA shall develop draft regulatory technical standards specifying the criteria referred to in paragraph 2, first subparagraph, points (a) and (b).

ESMA shall submit those draft regulatory technical standards to the Commission by 21 December 2024.

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

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

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

ESMA shall submit those draft implementing technical standards to the Commission by 21 December 2024.

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



*Article 24***Material changes relevant for the registration**

1. An external reviewer shall notify ESMA of any material changes in the information provided in accordance with Article 23(1) before such changes are implemented.

Where ESMA objects to such material changes, it shall inform the external reviewer within 45 working days of the notification of those changes and shall state the reasons for its objection. The changes referred to in the first subparagraph of this paragraph shall not be implemented if ESMA objects within that period.

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

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

ESMA shall submit those draft implementing technical standards to the Commission by 21 December 2025.

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

*Article 25***Language regime**

An applicant shall submit the application for registration referred to in Article 23 in one of the official languages of the institutions of the Union. Regulation No 1 of 15 April 1958 <sup>(22)</sup> shall apply *mutatis mutandis* to any other communication between ESMA and the applicant and its staff.

*CHAPTER 2****Organisational requirements, processes and documents concerning governance****Article 26***General principles**

1. External reviewers shall employ appropriate systems, resources and procedures to comply with their obligations under this Regulation.

2. External reviewers shall monitor and evaluate the adequacy and effectiveness of their systems, resources and procedures established in accordance with this Regulation at least annually and take appropriate measures to address any deficiencies in that regard.

3. ESMA shall develop draft regulatory technical standards specifying the criteria for assessing the appropriateness, adequacy and effectiveness of the systems, resources and procedures of external reviewers referred to in paragraphs 1 and 2.

ESMA shall submit those draft regulatory technical standards to the Commission by 21 December 2025.

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

<sup>(22)</sup> Regulation No 1 of 15 April 1958 determining the languages to be used by the European Economic Community (OJ 17, 6.10.1958, p. 385/58).

*Article 27***Senior management and members of the board**

1. The senior management and the members of the board of the external reviewer shall, respectively, ensure or oversee the following:

- (a) the sound and prudent management of the external reviewer;
- (b) the independence of assessment activities;
- (c) that any actual or potential conflicts of interest are properly identified, eliminated or managed, and disclosed in a transparent manner;
- (d) that the external reviewer complies with this Regulation at all times.

2. ESMA shall develop draft regulatory technical standards specifying the criteria for assessing the sound and prudent management of the external reviewer referred to in paragraph 1, point (a), and the management of conflicts of interest referred to in paragraph 1, point (c).

ESMA shall submit those draft regulatory technical standards to the Commission by 21 December 2024.

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

*Article 28***Analysts and employees of external reviewers, and other persons directly involved in the assessment activities of external reviewers**

1. External reviewers shall ensure that their analysts and employees, and any other natural person whose services are placed at their disposal or under their control and who are directly involved in assessment activities, have the necessary knowledge, experience and training for the duties assigned.

2. External reviewers shall ensure that the persons referred to in paragraph 1 are not allowed to initiate or participate in negotiations regarding fees or payments with any assessed entity, related third party or any person directly or indirectly linked to the assessed entity by control.

3. ESMA shall develop draft regulatory technical standards specifying the criteria for assessing the appropriateness of the knowledge, experience and training of the persons referred to in paragraph 1.

ESMA shall submit those draft regulatory technical standards to the Commission by 21 December 2024.

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

*Article 29***Compliance function**

1. External reviewers shall establish and maintain a permanent, independent and effective compliance function for the activities performed under this Regulation.

2. External reviewers shall ensure that the compliance function complies with the following:

- (a) it has the authority to discharge its responsibilities properly and independently;
- (b) it has the necessary resources and expertise and access to all relevant information;

- (c) it does not monitor or assess its own activities;
  - (d) it is not compensated in relation to the business performance of the external reviewer.
3. The findings of the compliance function shall be made available to a supervisory body or an administrative body of the external reviewer.
4. ESMA shall develop draft regulatory technical standards specifying the criteria for assessing whether the compliance function has the authority to discharge its responsibilities properly and independently as referred to in paragraph 2, point (a), and the criteria for assessing whether the compliance function has the necessary resources and expertise and has access to all relevant information as referred to in paragraph 2, point (b).

ESMA shall submit those draft regulatory technical standards to the Commission by 21 December 2025.

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

#### *Article 30*

##### **Internal policies and procedures**

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

ESMA shall submit those draft regulatory technical standards to the Commission by 21 December 2025.

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

#### *Article 31*

##### **Assessment methodologies and information used for reviews**

1. External reviewers shall adopt and implement measures to ensure that their reviews provide an opinion based on a thorough analysis of all information available to them and that, according to their methodologies, is relevant to their analysis.
2. External reviewers shall make publicly available the key steps taken in their reasoning to arrive at the conclusions of each of their reviews.
3. External reviewers shall use information of sufficient quality and from reliable sources when providing reviews.
4. ESMA shall develop draft regulatory technical standards specifying the criteria for assessing whether the information referred to in paragraph 3 is of sufficient quality and whether the sources referred to in that paragraph are reliable.

ESMA shall submit those draft regulatory technical standards to the Commission by 21 December 2025.

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

#### Article 32

##### **Errors in assessment methodologies or in their application**

1. External reviewers that become aware of errors in their assessment methodologies or in their application that have a material impact on a review shall immediately notify and explain those errors to ESMA and the issuers of the affected European Green Bonds.
2. External reviewers shall address errors in a timely manner and publish the errors referred to in paragraph 1 on their websites, together with, where relevant, a revised and corrected review as soon as possible. The revised documents shall state the reasons for the changes.

#### Article 33

##### **Outsourcing**

1. External reviewers that outsource their assessment activities to third-party service providers shall ensure that any such third-party service provider has the ability and the capacity to perform those assessment activities reliably and professionally. Those external reviewers shall also ensure that the outsourcing does not materially impair the quality of their internal control and ESMA's ability to supervise the compliance of those external reviewers with this Regulation.
2. External reviewers shall not outsource all their assessment activities or their compliance function.
3. External reviewers shall notify ESMA of the assessment activities that they intend to outsource, including a specification of the level of human and technical resources needed to carry out each of those activities and the reasons for such outsourcing.
4. External reviewers that outsource assessment activities shall ensure that such outsourcing does not reduce or impair the ability of the members of the external reviewer's senior management or management body to perform their function or roles.
5. External reviewers shall ensure that third-party service providers cooperate and comply with any supervisory requests from ESMA in connection with any outsourced assessment activities.
6. External reviewers shall remain responsible for any outsourced activity and shall adopt measures to ensure the following:
  - (a) assessments of whether third-party service providers carry out outsourced assessment activities effectively and in compliance with applicable Union and national laws and regulatory requirements and adequately address identified failures;
  - (b) identification of any potential risks in relation to outsourced assessment activities;
  - (c) adequate periodic monitoring of the outsourced assessment activities;
  - (d) adequate control procedures with respect to outsourced assessment activities, including effective supervision of the outsourced assessment activities and of any potential risks in relation to the third-party service provider;
  - (e) adequate business continuity of outsourced assessment activities.

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

7. ESMA shall develop draft regulatory technical standards specifying the criteria for:
  - (a) assessing the ability and the capacity of third-party service providers to perform the assessment activities reliably and professionally; and

- (b) ensuring that the performance of assessment activities does not materially impair the quality of the external reviewers' internal control or ESMA's ability to supervise the external reviewers' compliance with this Regulation.

ESMA shall submit those draft regulatory technical standards to the Commission by 21 December 2024.

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

#### Article 34

##### **Record-keeping requirements**

1. External reviewers shall keep adequate records of the following:
  - (a) the identity of the persons participating in the determination and approval of the reviews, and the date on which the decisions to approve the reviews were taken;
  - (b) the documentation for the established procedures and methodologies used by the external reviewers to carry out and draw up the reviews;
  - (c) the internal documents, including non-public information and work papers, used to form the basis of any published review;
  - (d) records of the procedures and measures implemented by the external reviewers to comply with this Regulation;
  - (e) copies of internal and external communications that relate to assessment activities, including electronic communications, received and sent by the external reviewer and its employees;
  - (f) the documentation containing pre-contractual assessments as referred to in Article 35(2).
2. The records and documents referred to in paragraph 1 shall be kept until at least five years have elapsed after the maturity of the bond concerned and shall be made available to ESMA upon its request.
3. Where ESMA has withdrawn the registration of an external reviewer in accordance with Article 59(1), that external reviewer shall ensure that the records and documents are kept for five additional years. Records and documents which set out the respective rights and obligations of the external reviewer and the issuer of the European Green Bond under an agreement to provide assessment services shall be retained for the duration of the relationship with that issuer.

#### Article 35

##### **Conflicts of interest and confidentiality of information**

1. External reviewers shall identify, eliminate or manage, and disclose in a transparent manner in their reviews, any actual or potential conflicts of interest that concern any of the following:
  - (a) their analysts or employees;
  - (b) shareholders holding at least 10 % of the capital or the voting rights of the external reviewers or in a company which has the power to exercise control or a dominant influence over the external reviewers;
  - (c) any person that is contractually related to the external reviewers and that is directly involved in assessment activities;
  - (d) any person approving the reviews.

2. Before entering into a contract with an issuer for the provision of services, the external reviewer shall conduct a pre-contractual assessment of whether there is an actual or potential conflict of interest, and shall document that assessment. The external reviewer shall update the pre-contractual assessment and the relating documentation when a material change to the risk of a conflict of interest arises after the conclusion of the contract between the external reviewer and the issuer.

The external reviewer shall not issue a review where it identifies an actual conflict of interest and the external reviewer is not able to implement measures to eliminate or manage that conflict of interest.

3. Fees charged by external reviewers for assessment services shall not depend on the result of the reviews, or on any other result or outcome of the work performed.

4. Analysts, employees of the external reviewer and any other person contractually related to the external reviewers and directly involved in assessment activities shall be bound by the obligation of professional secrecy.

5. External reviewers shall ensure that their analysts and employees or any other natural person contractually related to the external reviewers and directly involved in assessment activities comply with the following:

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

#### *Article 36*

### **Provision of other services**

External reviewers that provide services other than assessment activities shall ensure that those other services do not create conflicts of interest with their assessment activities concerning European Green Bonds. Such external reviewers shall disclose in their reviews any other services provided for the assessed entity or any related third party.

#### *CHAPTER 3*

### **Reviews**

#### *Article 37*

### **References to ESMA or other competent authorities**

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

#### *Article 38*

### **Publication of reviews**

1. External reviewers shall publish and make available on their websites, free of charge, the following:
  - (a) within a reasonable time before the issuance of the bond concerned, the pre-issuance reviews that they have issued;

- (b) without delay following the completion of the assessment of the allocation reports by the external reviewer, the post-issuance reviews that they have issued;
  - (c) without delay following the assessment of the impact reports by the external reviewer, the impact report reviews that they have issued.
2. The reviews shall remain publicly available on the website of the external reviewer until at least the maturity of the bond concerned.
3. External reviewers that decide to discontinue providing a review shall provide information about the reasons for that decision on their websites, without delay following such decision.

#### CHAPTER 4

##### *Provision of services by third-country external reviewers*

#### Article 39

##### **General provisions**

1. A third-country external reviewer may provide its services in accordance with this Regulation to issuers of European Green Bonds where that third-country external reviewer is registered in the register of third-country external reviewers kept by ESMA in accordance with Article 67.
2. ESMA shall register a third-country external reviewer that has applied for the provision of external reviewer services in accordance with this Regulation throughout the Union in accordance with paragraph 1 (the 'applicant third-country external reviewer') only where the following conditions are met:
- (a) the Commission has adopted a decision pursuant to Article 40(1);
  - (b) the applicant third-country external reviewer is registered or authorised to provide the external review services to be provided in the Union and is subject to effective supervision and enforcement ensuring full compliance with the requirements applicable in that third country;
  - (c) cooperation arrangements have been established pursuant to Article 40(3).
3. Where a third-country external reviewer is registered in accordance with this Article, no additional requirements shall be imposed on the third-country external reviewer in respect of matters covered by this Regulation.
4. The applicant third-country external reviewer shall submit its application to ESMA, using the forms and templates referred to in Article 23(7), after the adoption by the Commission of a decision referred to in Article 40(1) in relation to the third country in which that applicant third-country external reviewer is registered or authorised.
5. The applicant third-country external reviewer shall provide ESMA with all information that is necessary for its registration.
6. Within 20 working days of receipt of an application, ESMA shall assess whether the application is complete.

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

Where the application is complete, ESMA shall notify the applicant third-country external reviewer thereof.

7. Within 45 working days of receipt of a complete application, ESMA shall register or refuse to register the applicant third-country external reviewer.

ESMA may extend the period referred to in the first subparagraph by 15 working days where the applicant third-country external reviewer intends to outsource certain external review activities.

8. ESMA shall notify the applicant third-country external reviewer in writing of the registration of that third-country external reviewer, or of the refusal to register the applicant third-country external reviewer. Such decision to register or to refuse to register an applicant third-country external reviewer shall provide reasons and shall take effect on the fifth working day after its adoption.

9. Third-country external reviewers shall, before providing any service in relation to issuers of European Green Bonds established in the Union, offer to submit any disputes relating to those services to the jurisdiction of a court of a Member State or an arbitral tribunal with a seat in a Member State.

#### Article 40

#### **Equivalence decision**

1. The Commission may adopt a decision in relation to a third country stating that the legal and supervisory frameworks of that third country ensure the following:

- (a) that external reviewers registered or authorised in that third country comply with legally binding organisational and business conduct requirements which have equivalent effect to the requirements laid down in this Regulation and in the implementing measures adopted pursuant to this Regulation;
- (b) that the legal framework of that third country provides for an effective equivalent system for the recognition of external reviewers registered or authorised under the law of that third country.

2. The Commission may consider the organisational and business conduct framework of a third country to have equivalent effect to the requirements of this Regulation where, within that framework, entities providing external review services are subject to the following:

- (a) registration or authorisation and effective supervision and enforcement on an ongoing basis;
- (b) adequate organisational requirements in the area of internal control functions;
- (c) appropriate conduct of business rules.

3. ESMA shall establish cooperation arrangements with the relevant competent authorities of third countries whose legal and supervisory frameworks have been recognised as effectively equivalent in accordance with paragraph 1. Such arrangements shall specify the following:

- (a) the mechanism for the exchange of information between ESMA and the competent authorities of the third countries concerned, including access to all information regarding the third-country external reviewers registered or authorised in third countries that is requested by ESMA;
- (b) the mechanism for prompt notification to ESMA where a third-country competent authority deems that a third-country external reviewer that it is supervising and ESMA has registered in the register referred to in Article 67 infringes the conditions of its registration or authorisation or the applicable law;
- (c) the procedures concerning the coordination of supervisory activities including, where appropriate, on-site inspections.



4. A third-country external reviewer established in a country whose legal and supervisory framework has been recognised to be effectively equivalent in accordance with paragraph 1 of this Article, and which is registered in the register referred to in Article 67, shall be able to provide the services covered by the registration to issuers of European Green Bonds throughout the Union.

5. A third-country external reviewer shall no longer use the rights under Article 39 where the Commission revokes its decision referred to in paragraph 1 of this Article in relation to that third country.

#### Article 41

##### **Withdrawal of registration of third-country external reviewer**

1. ESMA shall withdraw the registration of a third-country external reviewer by removing that external reviewer from the register referred to in Article 67 where it has well-founded reasons, based on documentary evidence, to believe that, in the provision of the services under this Regulation in the Union the third-country external reviewer:

- (a) acts in a manner which is clearly prejudicial to the interests of investors or the orderly functioning of markets; or
- (b) has seriously infringed the laws and regulations, applicable to it in the third- country concerned and on the basis of which the Commission has adopted a decision pursuant to Article 40(1).

2. ESMA shall take a decision pursuant to paragraph 1 after:

- (a) referring the matter to the supervisory authority of the third country concerned and that supervisory authority has not taken the measures necessary to protect investors and the orderly functioning of the markets in the Union or has failed to demonstrate that the third-country external reviewer concerned complies with the requirements applicable to it in that third-country; and
- (b) informing the supervisory authority of the third country concerned of its intention to withdraw the registration of the third-country external reviewer at least 30 days before the withdrawal.

3. ESMA shall inform the Commission without delay of a decision taken pursuant to paragraph 1 and shall publish its decision on its website.

4. In the event of the withdrawal of the registration of a third-country external reviewer, the Commission shall assess whether the conditions under which a decision pursuant to Article 40(1) has been adopted continue to exist in relation to the third country concerned.

#### Article 42

##### **Recognition of a third-country external reviewer**

1. Until the adoption of a decision pursuant to Article 40(1), a third-country external reviewer may provide its services in accordance with this Regulation provided that the third-country external reviewer acquires recognition from ESMA in accordance with this Article.

2. A third-country external reviewer who intends to obtain recognition as referred to in paragraph 1 of this Article (the 'third-country external reviewer seeking recognition') shall comply with the requirements laid down in Articles 23 to 38 and Articles 54 to 56.

3. A third-country external reviewer seeking recognition shall have a legal representative established in the Union. That legal representative shall:

- (a) be responsible, together with the third-country external reviewer seeking recognition, for ensuring that the provision of services under this Regulation by the third-country external reviewer seeking recognition fulfils the requirements referred to in paragraph 2 and shall in that respect be accountable to ESMA for the conduct of the third-country external reviewer seeking recognition in the Union;

- (b) act on behalf of the third-country external reviewer seeking recognition as the main point of contact with ESMA and any other person in the Union with regard to the external reviewer's obligations under this Regulation; and
- (c) have sufficient knowledge, expertise and resources to fulfil its obligations under this paragraph.

4. An application for recognition from ESMA as referred to in paragraph 1 shall contain all information necessary to satisfy ESMA that the third-country external reviewer seeking recognition has implemented all necessary arrangements to fulfil the requirements referred to in paragraphs 2 and 3 and shall, where applicable, indicate the competent authority responsible for supervision of the third-country external reviewer seeking recognition in the third country.

5. Within 30 working days of receipt of an application for recognition, ESMA shall assess whether the application is complete.

Where the application is not complete, ESMA shall notify the third-country external reviewer seeking recognition thereof and shall set a deadline by which the third-country external reviewer seeking recognition is to provide additional information.

Where the application is complete, ESMA shall notify the third-country external reviewer seeking recognition thereof.

6. Within 45 working days of receipt of a complete application for recognition, ESMA shall verify that the requirements laid down in paragraphs 2 and 3 are fulfilled.

ESMA may extend the period referred to in the first subparagraph of this paragraph by 15 working days where the third-country external reviewer seeking recognition intends to outsource certain external review activities.

7. ESMA shall notify the third-country external reviewer seeking recognition in writing of its decision to recognise or to refuse to recognise the third-country external reviewer seeking recognition as a third-country external reviewer. A decision to recognise or to refuse to recognise a third-country external reviewer seeking recognition shall provide reasons and shall take effect on the fifth working day after its adoption.

8. ESMA shall suspend or, where appropriate, withdraw the recognition granted in accordance with paragraph 7 where it has well-founded reasons, based on documentary evidence, to consider that the third-country external reviewer is acting in a manner which is prejudicial to the interests of users of its services or the orderly functioning of markets, or has seriously infringed this Regulation, or that the third-country external reviewer made false statements or used any other irregular means to obtain recognition.

9. ESMA shall develop draft regulatory technical standards specifying the information and the form and content of the application referred to in paragraph 4.

ESMA shall submit those draft regulatory technical standards to the Commission by 21 December 2025.

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

#### Article 43

### Endorsement of services under this Regulation provided in a third country

1. An external reviewer established in the Union registered in accordance with Article 23 may apply to ESMA for an authorisation of an endorsement of the services provided by a third-country external reviewer on an ongoing basis in the Union, provided that the following conditions are fulfilled:

- (a) the external reviewer has verified and is able to demonstrate to ESMA on an ongoing basis that the provision of services under this Regulation by the third-country external reviewer fulfils requirements which are at least as stringent as the requirements laid down in this Regulation;

- (b) the external reviewer has the necessary expertise to monitor effectively the activity of the provision of services under this Regulation by the third-country external reviewer and to manage the associated risks;
- (c) the services of the third-country external reviewer are used for any of the following objective reasons:
  - (i) the specificities of the underlying markets or investments;
  - (ii) the proximity of the third-country external reviewer to third-country markets, issuers or investors;
  - (iii) the expertise of the third-country external reviewer in providing the services of external review or in specific markets or investments.

2. An external reviewer who submits an application referred to in paragraph 1 (the 'endorsing external reviewer') shall provide all information that is necessary to satisfy ESMA that, at the time of application, all conditions referred to in that paragraph are fulfilled.

3. ESMA shall assess whether the application referred to in paragraph 1 is complete within 20 working days of receipt of the application.

Where the application is not complete, ESMA shall notify the endorsing external reviewer accordingly and shall set a deadline by which the endorsing external reviewer is to provide additional information.

Where the application is complete, ESMA shall notify the endorsing external reviewer accordingly.

Within 45 working days of receipt of the complete application, ESMA shall examine the application and adopt a decision to authorise or refuse the endorsement. ESMA shall notify the endorsing external reviewer of its decision. The decision shall provide reasons and shall take effect on the fifth working day after its adoption.

4. Services provided under this Regulation by a third-country external reviewer whose services have been endorsed shall be considered to be services provided by the endorsing external reviewer. The endorsing external reviewer shall not use the endorsement with the intention of avoiding the requirements of this Regulation.

5. The endorsing external reviewer shall remain fully responsible for the services provided under this Regulation by the third-country external reviewer whose services have been endorsed and for compliance with this Regulation.

6. Where ESMA has well-founded reasons to consider that the conditions laid down in paragraph 1 are no longer fulfilled, it shall have the power to require the endorsing external reviewer to cease the endorsement.

7. The endorsing external reviewer shall publish the information referred to in Article 38 on its website.

8. The endorsing external reviewer shall report to ESMA annually on the services it has endorsed during the previous 12 months.

## TITLE V

**SUPERVISION BY COMPETENT AUTHORITIES AND ESMA**

## CHAPTER 1

**Competent authorities**

## Article 44

**Supervision by competent authorities**

1. The competent authority of the home Member State designated pursuant to Article 31 of Regulation (EU) 2017/1129 shall supervise the following:
  - (a) issuers of European Green Bonds as regards compliance with their obligations under Title II, Chapter 2, and Articles 18 and 19;
  - (b) issuers that use the common templates provided for in Article 21 as regards compliance with those templates.
2. Competent authorities designated in accordance with Article 29(5) of Regulation (EU) 2017/2402 shall supervise the compliance of originators with their obligations under Title II, Chapter 2, and Articles 18 and 19 of this Regulation.
3. By way of derogation from paragraphs 1 and 2 of this Article, competent authorities shall not supervise issuers of European Green Bonds that are covered by Article 1(2), points (b) and (d), of Regulation (EU) 2017/1129.

## Article 45

**Powers of competent authorities**

1. In order to fulfil their duties under this Regulation, competent authorities shall have, in accordance with national law, at least the following supervisory and investigatory powers:
  - (a) to require issuers to publish the European Green Bond factsheets referred to in Article 10 or to include in those factsheets the information referred to in Annex I;
  - (b) to require issuers to publish reviews and assessments;
  - (c) to require issuers to publish annual allocation reports or include in annual allocation reports the information referred to in Annex II;
  - (d) to require issuers to publish an impact report or include in the impact report the information referred to in Annex III;
  - (e) to require issuers to notify the competent authority of the publication in accordance with Article 15(4);
  - (f) where issuers use the common templates provided for in Article 21, to require those issuers to include the elements referred to therein in their periodic post-issuance disclosures;
  - (g) to require auditors and the senior management of the issuer to provide relevant information and documents;
  - (h) to suspend an offer or admission to trading on a regulated market of European Green Bonds for a maximum of 10 consecutive working days on any single occasion where there are reasonable grounds for suspecting that the issuer has failed to comply with an obligation pursuant to Title II, Chapter 2, or Article 18 or 19;

- (i) to prohibit an offer or admission to trading on a regulated market of European Green Bonds where there are reasonable grounds for suspecting that the issuer continues to fail to comply with an obligation pursuant to Title II, Chapter 2, or Article 18 or 19;
- (j) to suspend advertisements for a maximum of 10 consecutive working days, or require issuers of European Green Bonds or financial intermediaries concerned to suspend advertisements for a maximum of 10 consecutive working days on any single occasion where there are reasonable grounds for suspecting that the issuer has failed to comply with an obligation pursuant to Title II, Chapter 2, or Article 18 or 19;
- (k) to prohibit advertisements, or require issuers of European Green Bonds or financial intermediaries concerned to cease advertisements where there are reasonable grounds for suspecting that the issuer continues to fail to comply with an obligation pursuant to Title II, Chapter 2, or Article 18 or 19;
- (l) to make public the fact that an issuer of European Green Bonds fails to comply with this Regulation, and to require that issuer to publish that information on its website;
- (m) to prohibit an issuer from issuing European Green Bonds for a period not exceeding one year in the event that an issuer has repeatedly and severely infringed Title II, Chapter 2, or Article 18 or 19;
- (n) following a three-month period after the requirement referred to in point (l) of this subparagraph, to make public the fact that the issuer of European Green Bonds no longer complies with Article 3 as regards the use of the designation 'European Green Bond' or 'EuGB', and to require that issuer to publish that information on its website;
- (o) to carry out on-site inspections or investigations at sites other than the private residences of natural persons, and for that purpose to enter premises in order to access documents and other data in any form, where a reasonable suspicion exists that documents and other data related to the subject matter of the inspection or investigation may be relevant to prove an infringement of this Regulation.

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

2. Competent authorities shall exercise their functions and powers referred to in paragraph 1 in any of the following ways:

- (a) directly;
- (b) in collaboration with other authorities;
- (c) under their responsibility by delegation to the authorities referred to in point (b);
- (d) by application to the competent judicial authorities.

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

4. A person making information available to a competent authority pursuant to this Regulation shall not be considered to be infringing any restriction on the disclosure of information imposed by contract or by any legislative, regulatory or administrative provision, and shall not be subject to liability of any kind for making such information available to a competent authority.

#### Article 46

### Cooperation between competent authorities

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

Member States that have chosen, in accordance with Article 49(5), to lay down criminal penalties for infringements of this Regulation shall ensure that appropriate measures are in place so that competent authorities have all the necessary powers to liaise with judicial authorities within their jurisdiction to receive specific information related to criminal investigations or legal proceedings initiated for alleged infringements of this Regulation and provide the same to other competent authorities to fulfil their obligation to cooperate with each other for the purposes of this Regulation.

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

- (a) where complying with the request is likely to adversely affect its own investigation, enforcement activities or a criminal investigation;
- (b) where legal proceedings have already been initiated in respect of the same actions and against the same persons before the relevant authorities of that competent authority's Member State;
- (c) where a final judgment has already been delivered in respect of the persons referred to in point (b), for the same actions in that competent authority's Member State.

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

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

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

4. In the case of a securitisation bond, where a competent authority referred to in Article 44(2) finds, or has reason to believe, that an obligation under Title II, Chapter 2, or Article 18 or 19 has not been complied with, it shall inform the competent authority of the Member State of the entity or entities suspected of such non-compliance of its findings in a sufficiently detailed manner. Upon receipt of that information, the competent authority of the Member State of the entity suspected of the non-compliance shall, within 15 working days, take any necessary action to address the non-compliance identified and notify the other competent authority involved. When a competent authority referred to in Article 44(2) disagrees with another competent authority regarding the procedure or content of its action or inaction, it shall notify all other competent authorities involved about its disagreement without undue delay.

5. The competent authorities may bring the matter to the attention of ESMA in situations where a request for cooperation, in particular to exchange information, has been rejected or has not been acted upon within a reasonable time. Without prejudice to Article 258 TFEU, ESMA may in such situations act in accordance with the power conferred on it by Article 19 of Regulation (EU) No 1095/2010.

6. ESMA may develop draft regulatory technical standards to specify the information to be exchanged in accordance with paragraph 1.

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

7. ESMA may develop draft implementing technical standards to establish standard forms, templates and procedures for the purposes of the cooperation and exchange of the information referred to in paragraph 1.

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

#### *Article 47*

### **Professional secrecy**

1. All information exchanged between the competent authorities under this Regulation that concerns business or operational conditions and other economic or personal affairs shall be confidential and shall be subject to professional secrecy, except where the competent authority states, when it exchanges such information with another competent authority, that such information may be disclosed or where such disclosure is necessary for legal proceedings.

2. The obligation of professional secrecy shall apply to all persons who work or who have worked for the competent authority or for any third party to whom the competent authority has delegated its powers. Information subject to professional secrecy shall not be disclosed to any other person or authority except by virtue of Union or national law.

#### *Article 48*

### **Precautionary measures**

1. A competent authority of the host Member State that has clear and demonstrable grounds for believing that irregularities have been committed by an issuer of a European Green Bond or that such an issuer has infringed this Regulation shall transmit those findings to the competent authority of the home Member State and to ESMA.

2. Where, despite the measures taken by the competent authority of the home Member State, an issuer of a European Green Bond persisted in infringing this Regulation, the competent authority of the host Member State, after informing the competent authority of the home Member State and ESMA, shall take all appropriate measures to protect investors and shall inform the Commission and ESMA thereof without undue delay.

3. A competent authority that disagrees with any of the measures taken by another competent authority pursuant to paragraph 2 may bring the matter to the attention of ESMA. ESMA may act in accordance with the powers conferred on it by Article 19 of Regulation (EU) No 1095/2010.

#### *Article 49*

### **Administrative penalties and other administrative measures**

1. Without prejudice to the supervisory and investigatory powers of competent authorities pursuant to Article 45, and the right of Member States to provide for and impose criminal penalties, Member States shall, in accordance with national law, provide for competent authorities to have the power to impose administrative penalties and take other appropriate administrative measures which shall be effective, proportionate and dissuasive. Those administrative penalties and other administrative measures shall apply to:

- (a) infringements by issuers of their obligations under Title II, Chapter 2, or Article 18, 19 or 21;
- (b) failure to cooperate or comply with an investigation, with an inspection or with a requirement under Article 45(1).

2. Member States may decide not to lay down rules concerning the power of competent authorities to impose administrative penalties and take other appropriate administrative measures as referred to in paragraph 1 where the infringements referred to in point (a) or (b) of that paragraph are already subject to criminal penalties in their national law by 21 December 2024. Where they so decide, Member States shall notify to the Commission and to ESMA, in detail, the relevant parts of their criminal law.

3. By 21 December 2024, Member States shall notify to the Commission and to ESMA, in detail, the rules referred to in paragraphs 1 and 2. They shall notify the Commission and ESMA without delay of any subsequent amendment thereto.

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

- (a) a public statement indicating the natural or legal person responsible and the nature of the infringement in accordance with Article 45(1), point (l);
- (b) an order requiring the natural or legal person responsible to cease the conduct constituting the infringement;
- (c) an order prohibiting the natural or legal person responsible from issuing European Green Bonds for a period not exceeding one year;
- (d) maximum administrative fines of at least twice the amount of the profits gained or losses avoided because of the infringement where those can be determined;
- (e) in the case of a legal person, maximum administrative fines of at least EUR 500 000, or, in the Member States whose currency is not the euro, the corresponding value in the national currency on 20 December 2023, or 0,5 % of the total annual turnover of that legal person according to the most recent available financial statements approved by the management body;
- (f) in the case of a natural person, maximum administrative fines of at least EUR 50 000, or, in the Member States whose currency is not the euro, the corresponding value in the national currency on 20 December 2023.

For the purposes of the first subparagraph, point (e), where the legal person is a parent undertaking or a subsidiary of a parent undertaking which is required to prepare consolidated financial statements in accordance with Directive 2013/34/EU, the relevant total annual turnover shall be the total annual turnover or the corresponding type of income in accordance with the applicable Union law in the field of accounting according to the most recent available consolidated accounts approved by the management body of the ultimate parent undertaking.

5. Member States may provide for additional penalties or measures and for higher levels of administrative fines than those provided for in this Regulation.

#### *Article 50*

#### **Exercise of supervisory powers and powers to impose penalties**

1. When determining the type and level of administrative penalties and other administrative measures, the competent authorities shall take into account all relevant circumstances including, where appropriate:

- (a) the gravity and the duration of the infringement;
- (b) the degree of responsibility of the person responsible for the infringement;
- (c) the financial strength of the person responsible for the infringement, as indicated by the total turnover of the responsible legal person or the annual income and net assets of the responsible natural person;
- (d) the impact of the infringement on the interests of investors;



- (e) the importance of the profits gained or losses avoided by the person responsible for the infringement or the losses for third parties caused by the infringement, to the extent that they can be determined;
- (f) the level of cooperation of the person responsible for the infringement with the competent authority, without prejudice to the need to ensure disgorgement of profits gained or losses avoided by that person;
- (g) previous infringements of this Regulation by the person responsible for the infringement;
- (h) any measures taken after the infringement by the person responsible for the infringement to prevent its repetition.

2. In the exercise of their powers to impose administrative penalties and other administrative measures under Article 49, competent authorities shall cooperate closely to ensure that the exercise of their supervisory and investigative powers and the administrative penalties and other administrative measures that they impose are effective and appropriate. They shall coordinate their action in order to avoid duplication and overlaps when exercising their supervisory and investigative powers and when imposing administrative penalties and other administrative measures in cross-border cases.

#### Article 51

### Right of appeal

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

#### Article 52

### Publication of decisions

1. A decision imposing an administrative penalty or other administrative measure for an infringement of this Regulation shall be published by competent authorities on their official websites immediately after the person subject to that decision has been informed of that decision. The publication shall include information on the type and nature of the infringement and the identity of the persons responsible. That obligation shall not apply to decisions imposing measures that are of an investigatory nature.

2. Where the publication of the identity of the legal persons, or of the identity or personal data of natural persons, is considered by the competent authority to be disproportionate following a case-by-case assessment conducted on the proportionality of the publication of such data, or where such publication would jeopardise the stability of financial markets or an ongoing investigation, competent authorities shall do one of the following:

- (a) defer the publication of the decision to impose an administrative penalty or other administrative measure until the moment where the reasons for non-publication cease to exist;
- (b) publish the decision to impose an administrative penalty or other administrative measure on an anonymous basis in a manner which is in conformity with national law, where such anonymous publication ensures the effective protection of the personal data concerned;
- (c) not publish the decision to impose an administrative penalty or other administrative measure in the event that the options provided for in points (a) and (b) are considered insufficient to ensure:
  - (i) that the stability of financial markets would not be put in jeopardy; or
  - (ii) the proportionality of the publication of such a decision with regard to measures which are deemed to be of a minor nature.

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

3. Where the decision to impose an administrative penalty or other administrative measure is under appeal before the relevant court or administrative body, the competent authority referred to in Article 44(1) and (2) shall also publish, immediately, on its official website such information and any subsequent information on the outcome of such appeal. Moreover, any decision annulling a previous decision to impose an administrative penalty or other administrative measure shall also be published.

4. Competent authorities shall ensure that any publication in accordance with this Article shall remain on their official website for a period of at least five years after its publication. Personal data contained in the publication shall be limited to what is necessary for the purposes of the specific case and shall be kept on the official website of the competent authority only for the period which is necessary in accordance with the applicable data protection rules.

#### Article 53

### **Reporting of administrative penalties and other administrative measures to ESMA**

1. Competent authorities shall, on an annual basis, provide ESMA with aggregate information regarding all administrative penalties and other administrative measures imposed in accordance with Article 49. ESMA shall publish that information in an annual report.

2. Where Member States have chosen, in accordance with Article 49(5), to lay down criminal penalties for the infringements of the provisions referred to therein, their competent authorities shall provide ESMA annually with anonymised and aggregated data regarding all criminal investigations undertaken and criminal penalties imposed. ESMA shall publish data on criminal penalties imposed in an annual report.

3. A competent authority that has disclosed administrative penalties, other administrative measures or criminal penalties to the public shall simultaneously report those penalties or measures to ESMA.

4. Competent authorities shall inform ESMA of all administrative penalties or other administrative measures imposed but not published in accordance with Article 52(2), first subparagraph, point (c), including any appeal in relation thereto and the outcome thereof. Member States shall ensure that competent authorities receive information and the final judgment in relation to any criminal penalty imposed and submit it to ESMA. ESMA shall maintain a central database of penalties communicated to it solely for the purposes of exchanging information between competent authorities. That database shall be accessible only to competent authorities and shall be updated on the basis of the information provided by the competent authorities.

#### CHAPTER 2

#### ESMA

#### Article 54

### **Requests for information**

1. ESMA may, by simple request or by a decision, require the following persons to provide all information that is necessary to carry out its duties under this Regulation:

- (a) persons who effectively conduct the business of the external reviewer;
- (b) members of the supervisory, management or administrative bodies of the external reviewer;
- (c) members of the senior management of the external reviewer;
- (d) any person directly involved in assessment activities of the external reviewer;

- (e) legal representatives and employees of entities to which an external reviewer has outsourced certain functions in accordance with Article 33;
- (f) persons otherwise closely and substantially related or connected to the process of managing the external reviewer, including shareholders holding at least 10 % of the capital or the voting rights of the external reviewer or in a company which has the power to exercise control or a dominant influence over the external reviewer;
- (g) anyone who acts as, or purports to be, an external reviewer, without being registered as such, and any person that performs any of the functions referred to in points (a) to (f) on behalf of such a person.

2. When sending a simple request for information under paragraph 1, ESMA shall:

- (a) refer to this Article as the legal basis of that request;
- (b) state the purpose of the request;
- (c) specify what information is required;
- (d) set a time limit within which the information is to be provided;
- (e) inform the person from whom the information is requested that there is no obligation to provide the information but that, in the case of a voluntary reply to the request, the information provided is required to be correct and not misleading; and
- (f) indicate the potential fine provided for in Article 60 where the answers to the questions asked are incorrect or misleading.

3. When requiring the provision of information by decision under paragraph 1, ESMA shall:

- (a) refer to this Article as the legal basis of that request;
- (b) state the purpose of the request;
- (c) specify what information is required;
- (d) set a time limit within which the information is to be provided;
- (e) indicate the periodic penalty payments provided for in Article 61 where the production of the required information is incomplete;
- (f) indicate the fine provided for in Article 60 where the answers to questions asked are incorrect or misleading;
- (g) indicate the right to appeal the decision before the Board of Appeal in accordance with Articles 58 and 59 of Regulation (EU) No 1095/2010 and to have the decision reviewed by the Court of Justice of the European Union (the 'Court of Justice') in accordance with Articles 60 and 61 of that Regulation.

4. The persons referred to in paragraph 1 or their representatives and, in the case of legal persons or associations having no legal personality, the persons authorised to represent them by law, shall provide the information requested. Duly authorised lawyers may provide the information on behalf of their clients. The latter shall remain fully responsible if the information provided proves to be incomplete, incorrect or misleading.

5. ESMA shall, without delay, send a copy of the simple request or of its decision referred to in paragraph 1 to the competent authority of the Member State where the persons to whom such request or decision is addressed are domiciled or established.

#### Article 55

### General investigations

1. In order to carry out its duties under this Regulation, ESMA may conduct necessary investigations of persons referred to in Article 54(1). To that end, the officials and other persons authorised by ESMA shall be empowered to:

- (a) examine any records, data, procedures and any other material relevant to the execution of its tasks irrespective of the medium on which they are stored;

- (b) take or obtain certified copies of or extracts from such records, data, procedures and other material;
- (c) summon and ask any person referred to in Article 54(1) or their representatives or staff for oral or written explanations on facts or documents relating to the subject matter and purpose of the inspection and to record the answers;
- (d) interview any other natural or legal person who consents to be interviewed for the purposes of collecting information relating to the subject matter of an investigation;
- (e) request records of telephone and data traffic.

2. The officials of and other persons authorised by ESMA for the purposes of the investigations referred to in paragraph 1 of this Article shall exercise their powers upon production of a written authorisation specifying the subject matter and purpose of the investigation. That authorisation shall also indicate the periodic penalty payments provided for in Article 61 where the production of the required records, data, procedures or any other material, or the answers to questions asked of the persons referred to in Article 54(1), are not provided or are incomplete, and the fines provided for in Article 60 where the answers to questions asked of the persons referred to in Article 54(1) prove to be incorrect or misleading.

3. The persons referred to in Article 54(1) shall submit to investigations initiated on the basis of a decision of ESMA. The decision shall specify the subject matter and purpose of the investigation, the periodic penalty payments provided for in Article 61, the legal remedies available under Regulation (EU) No 1095/2010 and the right to have the decision reviewed by the Court of Justice.

4. Within a reasonable time before the investigation, ESMA shall inform the competent authority referred to in Article 44 of the Member State where the investigation is to be carried out of the investigation and of the identity of the authorised persons. Officials of the competent authority concerned shall, upon the request of ESMA, assist those authorised persons in carrying out their duties. Officials of the competent authority concerned may also attend the investigations upon request.

5. If a request for records of telephone or data traffic referred to in paragraph 1, point (e), requires a competent authority to obtain the authorisation of a judicial authority in accordance with national law, ESMA shall apply for such authorisation. ESMA may also apply for such authorisation as a precautionary measure.

6. Where an authorisation as referred to in paragraph 5 is applied for, the national judicial authority shall verify that the decision of ESMA is authentic and that the coercive measures envisaged are neither arbitrary nor excessive having regard to the subject matter of the investigations. In its verification of the proportionality of coercive measures, the national judicial authority may ask ESMA for detailed explanations, in particular relating to the grounds ESMA has for suspecting that an infringement of this Regulation has taken place and the seriousness of the suspected infringement and the nature of the involvement of the person subject to the coercive measures. However, the national judicial authority shall not review the necessity of the investigation or demand that it be provided with the information on ESMA's file. The lawfulness of ESMA's decision shall be subject to review only by the Court of Justice following the procedure set out in Regulation (EU) No 1095/2010.

#### Article 56

#### **On-site inspections**

1. In order to carry out its duties under this Regulation, ESMA may conduct all necessary on-site inspections at the business premises, land or property of the legal persons referred to in Article 54(1). Where the proper conduct and efficiency of the inspection so require, ESMA may carry out the on-site inspection without prior announcement.

2. The officials of and other persons authorised by ESMA to conduct an on-site inspection may enter any business premises, land or property of the legal persons subject to an investigation decision adopted by ESMA and shall have all the powers referred to in Article 55(1). They shall also have the power to seal any business premises, property and books or records for the period of, and to the extent necessary for, the inspection.

3. The officials of and other persons authorised by ESMA to conduct an on-site inspection shall exercise their powers upon production of a written authorisation specifying the subject matter and purpose of the inspection and the periodic penalty payments provided for in Article 61 where the persons concerned do not submit to the inspection. In good time before the inspection, ESMA shall give notice of the inspection to the competent authority of the Member State where the inspection is to be conducted.

4. The persons referred to in Article 54(1) shall submit to on-site inspections ordered by a decision of ESMA. The decision shall specify the subject matter and purpose of the inspection, appoint the date on which it is to begin and indicate the periodic penalty payments provided for in Article 61, the legal remedies available under Regulation (EU) No 1095/2010 as well as the right to have the decision reviewed by the Court of Justice. ESMA shall take such decisions after consulting the competent authority of the Member State where the inspection is to be conducted.

5. Officials of, as well as those authorised or appointed by, the competent authority of the Member State where the inspection is to be conducted shall, at the request of ESMA, actively assist the officials of, and other persons authorised by, ESMA. To that end, they shall enjoy the powers set out in paragraph 2. Officials of that competent authority may also attend the on-site inspections upon request.

6. ESMA may require competent authorities of the Member State where the inspection is to be conducted to carry out on its behalf specific investigatory tasks and on-site inspections as provided for in this Article and in Article 55(1). To that end, the competent authorities shall enjoy the same powers as ESMA as set out in this Article and in Article 55(1).

7. Where the officials of, and other accompanying persons authorised by, ESMA find that a person opposes an inspection ordered pursuant to this Article, the competent authority of the Member State concerned shall afford them the necessary assistance, requesting, where appropriate, the assistance of the police or of an equivalent enforcement authority, to enable them to conduct their on-site inspection.

8. If the on-site inspection provided for in paragraph 1 or the assistance provided for in paragraph 7 requires authorisation by a judicial authority pursuant to applicable national law, ESMA shall apply for such authorisation. ESMA may also apply for such authorisation as a precautionary measure.

9. Where authorisation as referred to in paragraph 8 is applied for, the national judicial authority shall verify that ESMA's decision is authentic and that the coercive measures envisaged are neither arbitrary nor excessive having regard to the subject matter of the inspection. In its verification of the proportionality of the coercive measures, the national judicial authority may ask ESMA for detailed explanations, in particular relating to the grounds ESMA has for suspecting that an infringement of this Regulation has taken place, as well as to the seriousness of the suspected infringement and the nature of the involvement of the person who is subject to the coercive measures. However, the national judicial authority shall not review the necessity of the investigation or demand that it be provided with the information on ESMA's file. The lawfulness of ESMA's decision shall be subject to review only by the Court of Justice following the procedure set out in Regulation (EU) No 1095/2010.

#### *Article 57*

### **Exercise of the powers referred to in Articles 54, 55 and 56**

The powers conferred on ESMA, any of its officials or any other person authorised by ESMA pursuant to Article 54, 55 or 56 shall not be used to require the disclosure of information or documents that are subject to legal privilege.

#### *Article 58*

### **Exchange of information**

1. Competent authorities referred to in Article 44, ESMA, and other relevant authorities shall, without undue delay, provide one another with the information required for the purposes of carrying out their duties under this Regulation.

2. Competent authorities referred to in Article 44, ESMA, other relevant authorities and other bodies or natural and legal persons receiving confidential information in the exercise of their duties under this Regulation, shall use such information only in the course of their duties.

#### Article 59

#### Supervisory measures by ESMA

1. Where, in accordance with Article 63(8), ESMA finds that a person has committed an infringement listed in Article 60(1), it shall adopt a decision to take one or more of the following actions:

- (a) withdraw the registration of an external reviewer;
- (b) withdraw the recognition of a third-country external reviewer;
- (c) temporarily prohibit the external reviewer from pursuing the activities under this Regulation throughout the Union, until the infringement has been brought to an end;
- (d) suspend the registration of a third-country external reviewer;
- (e) require the person to bring the infringement to an end;
- (f) impose fines pursuant to Article 60;
- (g) impose periodic penalty payments pursuant to Article 61;
- (h) issue a public notice.

2. ESMA shall withdraw the registration or the recognition of an external reviewer in any of the following circumstances:

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

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

The withdrawal shall have immediate effect.

3. For the purposes of paragraph 1, ESMA shall take into account the nature and seriousness of the infringement, having regard to the following criteria:

- (a) the duration and frequency of the infringement;
- (b) whether financial crime has been occasioned, facilitated or otherwise attributable to the infringement;
- (c) whether the infringement has been committed by intent or negligence;
- (d) the degree of responsibility of the person responsible for the infringement;
- (e) the financial strength of the person responsible for the infringement, as indicated by the total turnover of the responsible legal person or the annual income and net assets of the responsible natural person;
- (f) the impact of the infringement on the interests of investors;
- (g) the importance of the profits gained or losses avoided by the person responsible for the infringement or the losses for third parties caused by the infringement, to the extent that they can be determined;

- (h) the level of cooperation with ESMA of the person responsible for the infringement, without prejudice to the need to ensure disgorgement of profits gained or losses avoided by that person;
- (i) previous infringements of this Regulation by the person responsible for the infringement;
- (j) any measures taken after the infringement by the person responsible for the infringement to prevent its repetition.

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

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

- (a) a statement affirming the right of the person responsible for the infringement to appeal the decision;
- (b) where relevant, a statement affirming that an appeal has been lodged and specifying that such an appeal does not have suspensive effect;
- (c) a statement asserting that it is possible for ESMA's Board of Appeal to suspend the application of the decision in accordance with Article 60(3) of Regulation (EU) No 1095/2010.

#### Article 60

##### Fines

1. ESMA shall adopt a decision imposing a fine in accordance with paragraph 2 of this Article where, in accordance with Article 63(8), it finds that an external reviewer or any of the persons referred to in Article 54(1) has, by intent or negligence, committed one or more of the following infringements:

- (a) non-compliance with Article 24(1) or any provision of Title IV, Chapters 2 and 3;
- (b) the submission of false statements when applying for registration as an external reviewer, or the use of any other irregular means to obtain such registration;
- (c) failure to provide information in response to a decision requiring information pursuant to Article 54 or the provision of incorrect or misleading information in response to a request for information or a decision;
- (d) the obstruction of, or non-compliance with, an investigation pursuant to Article 55(1), point (a), (b), (c) or (e);
- (e) non-compliance with Article 56, by not providing an explanation on facts or documents related to the subject matter and purpose of an inspection, or by providing an incorrect or misleading explanation;
- (f) taking up the activity of external reviewers or purporting to be an external reviewer, without having been registered as an external reviewer.

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

2. Without prejudice to paragraph 3, the minimum amount of the fine referred to in paragraph 1 shall be EUR 20 000. The maximum amount shall be EUR 200 000.

When determining the level of a fine pursuant to paragraph 1 of this Article, ESMA shall take into account the criteria set out in Article 59(3).

3. Where a person has committed an infringement listed in paragraph 1 and directly or indirectly benefited financially from the infringement, the amount of the fine shall be at least equal to that financial benefit.

4. Where an act or omission constitutes a combination of several infringements, ESMA shall apply a single fine. That fine shall be the highest of the applicable fines for that act or omission.

#### Article 61

##### **Periodic penalty payments**

1. ESMA shall, by decision, impose a periodic penalty payment in order to compel:

(a) a person to put an end to an infringement, in accordance with a decision taken pursuant to Article 59(1), point (e);

(b) a person as referred to in Article 54(1):

(i) to provide complete information which has been required by a decision pursuant to Article 54;

(ii) to submit to an investigation and in particular to produce complete records, data, procedures or any other material required and to complete and correct other information provided in an investigation launched by a decision pursuant to Article 55; or

(iii) to submit to an on-site inspection ordered by a decision taken pursuant to Article 56.

2. The periodic penalty payment shall be imposed for each day of delay.

3. The amount of the periodic penalty payments shall be 3 % of the average daily turnover in the preceding business year, or, in the case of natural persons, 2 % of the average daily income in the preceding calendar year. It shall be calculated from the date stipulated in the decision imposing the periodic penalty payment.

4. A periodic penalty payment shall be imposed for a maximum period of six months following the notification of ESMA's decision. Following the end of the period, ESMA shall review the measure.

#### Article 62

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

1. ESMA shall disclose to the public every fine and periodic penalty payment that has been imposed pursuant to Articles 60 and 61, unless such disclosure to the public would seriously jeopardise the financial markets or cause disproportionate damage to the parties involved. Such disclosure shall not contain personal data within the meaning of Regulation (EU) 2018/1725 of the European Parliament and of the Council <sup>(23)</sup>.

2. Fines and periodic penalty payments imposed pursuant to Articles 60 and 61 shall be of an administrative nature.

3. Fines and periodic penalty payments imposed pursuant to Articles 60 and 61 shall be enforceable.

For the purposes of enforcement of fines and periodic penalty payments, ESMA shall apply the rules of civil procedure in force in the Member State or third country in which the fine or periodic penalty payment is enforced.

<sup>(23)</sup> Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision No 1247/2002/EC (OJ L 295, 21.11.2018, p. 39).



4. The amounts of the fines and periodic penalty payments shall be allocated to the general budget of the Union.
5. Where ESMA decides to impose no fine or penalty payment upon closing an investigation, it shall inform the European Parliament, the Council, the Commission, and the competent authorities of the Member State concerned accordingly and shall set out the reasons for its decision.

### Article 63

#### **Procedural rules for taking supervisory measures and imposing fines**

1. Where, in carrying out its duties under this Regulation, ESMA finds that there are serious indications of the possible existence of facts liable to constitute one or more of the infringements listed in Article 60(1), ESMA shall appoint an independent investigating officer within ESMA to investigate the matter. The investigating officer shall not be involved or have been involved in the direct or indirect supervision or registration process of the external reviewer concerned and shall perform his or her functions independently from ESMA's Board of Supervisors.
2. The investigating officer shall investigate the alleged infringements, taking into account any comments submitted by the persons subject to investigation, and shall submit a complete file with his or her findings to ESMA's Board of Supervisors.
3. In order to carry out his or her tasks, the investigating officer may exercise the power to require information in accordance with Article 54 and to conduct investigations and on-site inspections in accordance with Articles 55 and 56. When using those powers, the investigating officer shall comply with Article 57.
4. Where carrying out his or her tasks, the investigating officer shall have access to all documents and information gathered by ESMA in its supervisory activities.
5. Upon completion of his or her investigation and before submitting the file with his or her findings to ESMA's Board of Supervisors, the investigating officer shall give the persons subject to an investigation the opportunity to be heard on the matters being investigated. The investigating officer shall base his or her findings only on facts on which the persons subject to investigation have had the opportunity to comment.
6. The rights of defence of the persons concerned shall be fully respected during investigations under this Article.
7. Upon submission of the file with his or her findings to ESMA's Board of Supervisors, the investigating officer shall notify that fact to the persons who are subject to investigations. The persons subject to investigations shall be entitled to have access to the file, subject to the legitimate interest of other persons in the protection of their professional secrets. The right of access to the file shall not extend to confidential information affecting third parties.
8. On the basis of the file containing the investigating officer's findings and, when requested by the persons concerned, after having heard those persons in accordance with Article 64, ESMA shall decide if one or more of the infringements listed in Article 60(1) has been committed by the persons subject to an investigation, and in such a case, shall take a supervisory measure in accordance with Article 59 and impose a fine in accordance with Article 60.
9. The investigating officer shall not participate in the deliberations of ESMA's Board of Supervisors or in any other way intervene in its decision-making process.
10. The Commission shall adopt delegated acts in accordance with Article 68 by 21 December 2024 to supplement this Regulation by further specifying the procedure for the exercise of ESMA's power to impose fines or periodic penalty payments, including provisions on the rights of defence, temporal provisions, the collection of fines or periodic penalty payments, and detailed rules on the limitation periods for the imposition and enforcement of penalties.

11. ESMA shall refer matters for criminal prosecution to the relevant national authorities where, in carrying out its duties under this Regulation, it finds that there are serious indications of the possible existence of facts liable to constitute criminal offences. In addition, ESMA shall refrain from imposing fines or periodic penalty payments where a prior acquittal or conviction arising from identical facts, or from facts which are substantially the same, has acquired the force of *res judicata* as the result of criminal proceedings under national law.

#### Article 64

### Hearing of the persons subject to decisions pursuant to Articles 59, 60 and 61

1. Before taking any decision pursuant to Articles 59, 60 and 61, ESMA shall give the persons subject to such a decision the opportunity to be heard on ESMA's findings. ESMA shall base its decisions only on findings on which those persons have had the opportunity to comment.
2. Paragraph 1 of this Article shall not apply if urgent action pursuant to Article 59 is needed in order to prevent significant and imminent damage to the financial system. In such a case, ESMA may adopt an interim decision and shall give the persons concerned the opportunity to be heard as soon as possible after taking its decision.
3. The rights of defence of the persons subject to a decision of ESMA shall be fully respected during the respective proceedings. Those persons shall be entitled to have access to ESMA's file, subject to the legitimate interest of other persons in the protection of their professional secrets. The right of access to the file shall not extend to confidential information or internal preparatory documents of ESMA.

#### Article 65

### Review by the Court of Justice

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

#### Article 66

### Registration, recognition and supervisory fees

1. ESMA shall charge fees to external reviewers for the expenditure relating to their registration, recognition and supervision and for any costs that ESMA may incur in carrying out its tasks under this Regulation.
2. The total fees charged by ESMA to the applicant external reviewers, registered external reviewers or recognised external reviewers in accordance with this Regulation shall cover the administrative costs incurred by ESMA in its activities in relation to the registration and supervision of all external reviewers. Concurrently, any fee shall be proportionate to the turnover of the external reviewer concerned.

By way of derogation from the first subparagraph, external reviewers whose annual turnover is below a certain amount may be exempted from the obligation to pay a fee, as further specified in the delegated act to be adopted by the Commission pursuant to paragraph 3.

3. The Commission shall adopt a delegated act, in accordance with Article 68 by 21 December 2024 to supplement this Regulation by specifying, in particular, the type of fees, the matters in respect of which fees are due, the amount of the fees and the manner in which they are to be paid.

When drafting the delegated act, the Commission shall specify the threshold of the annual turnover of external reviewers at group level below which no fee is to be charged, and shall also specify the manner in which the annual turnover is to be calculated for the purposes of applying that threshold.

4. Prior to the adoption of the delegated act referred to in paragraph 3, the Commission shall consult ESMA regarding the fees referred to in that paragraph.

#### Article 67

##### ESMA register of external reviewers and third-country external reviewers

1. ESMA shall maintain on its website a publicly accessible register that lists the following:
  - (a) external reviewers registered in accordance with Article 23;
  - (b) external reviewers that are temporarily prohibited from pursuing their activities in accordance with Article 59;
  - (c) external reviewers whose registration has been withdrawn in accordance with Article 59;
  - (d) third-country external reviewers allowed to provide services in the Union in accordance with Article 39;
  - (e) third-country external reviewers recognised in accordance with Article 42;
  - (f) external reviewers registered in accordance with Article 23 that endorse the services provided by third-country external reviewers in accordance with Article 43;
  - (g) third-country external reviewers whose registration has been withdrawn and that no longer use the rights under Article 39, where the Commission withdraws its decision under Article 40(1) in relation to that third country;
  - (h) third-country external reviewers whose recognition has been suspended or withdrawn;
  - (i) external reviewers registered in accordance with Article 23 that are no longer able to endorse the services provided by third-country external reviewers in accordance with Article 43.
2. The register shall contain contact details of external reviewers, their websites and the dates on which the decisions of ESMA concerning those external reviewers take effect.
3. For third-country external reviewers, the register shall also contain information on the services that third-country external reviewers provide and the contact details of the competent authority responsible for their supervision in the third country.

#### TITLE VI

##### DELEGATED ACTS

#### Article 68

##### Exercise of the delegation

1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.
2. The power to adopt delegated acts referred to in Articles 21(4), 63(10) and 66(3) shall be conferred on the Commission for an indeterminate period from 20 December 2023.
3. The delegation of power referred to in Articles 21(4), 63(10) and 66(3) may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect on the day following the publication of the decision in the *Official Journal of the European Union* or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.
4. Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down in the Inter-institutional Agreement of 13 April 2016 on Better Law-Making.
5. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.

6. A delegated act adopted pursuant to Articles 21(4), 63(10) and 66(3) shall enter into force only if no objection has been expressed either by the European Parliament or by the Council within three months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by three months at the initiative of the European Parliament or of the Council.

## TITLE VII

### FINAL PROVISIONS

#### *Article 69*

#### **Transitional provisions concerning external reviewers**

1. An external reviewer that intends to provide services in accordance with this Regulation from 21 December 2024 until 21 June 2026, shall provide such services only after notifying ESMA to that effect and providing the information referred to in Article 23(1).
2. Until 21 June 2026 the external reviewers referred to in paragraph 1 of this Article shall use best efforts to comply with Articles 24 to 38, with the exception of the requirements laid down in the implementing acts referred to in Article 24(2) and the delegated acts referred to in Articles 26(3), 27(2), 28(3), 29(4), 30(3), 31(4) and 33(7).
3. After 21 June 2026 the external reviewers referred to in paragraph 1 of this Article shall provide services in accordance with this Regulation only after registering in accordance with Article 23, provided that they comply with Article 22 and Articles 24 to 38 as supplemented by the delegated acts referred to in paragraph 2 of this Article.

#### *Article 70*

#### **Transitional provisions concerning third-country external reviewers**

1. A third-country external reviewer that intends to provide services in accordance with this Regulation from 21 December 2024 until 21 June 2026, shall provide such services only after notifying ESMA to that effect and providing the information referred to in Article 23(1).
2. The third-country external reviewers referred to in paragraph 1 shall:
  - (a) use best efforts to comply with Articles 24 to 38 with the exception of the requirements laid down in the implementing acts referred to in Article 24(2) and the delegated acts referred to in Articles 26(3), 27(2), 28(3), 29(4), 30(3), 31(4) and 33(7);
  - (b) have a legal representative established in the Union that shall comply with Article 42(3).
3. ESMA may, at any time from 21 December 2024 until 21 June 2026, enforce compliance by third-country external reviewers in respect of paragraph 2, point (b), by imposing supervisory measures in accordance with Title V.

## Article 71

**Review**

1. By 21 December 2028 and every three years thereafter, the Commission shall, after consulting ESMA and the Platform on Sustainable Finance established by Article 20 of Regulation (EU) 2020/852, submit a report to the European Parliament and to the Council on the application of this Regulation. That report shall evaluate, to the extent possible, at least the following:

- (a) the uptake of the European Green Bond standard and its market share, both in the Union and globally, in particular by small and medium-sized enterprises;
- (b) the impact of this Regulation on the transition to a sustainable economy, on the gap of investments needed to meet the Union climate targets as set out in Regulation (EU) 2021/1119 of the European Parliament and of the Council <sup>(24)</sup>, and on redirecting private capital flows towards sustainable investments;
- (c) the functioning, and the supervision by ESMA, of the market for external reviewers;
- (d) the appropriateness, and the impact on external reviewers and on ESMA's budget, of the delegated acts adopted pursuant to Article 66(3);
- (e) the credibility, and any cases of abuse, of environmental claims in the green bond market;
- (f) the functioning of the sustainability-linked bond market, including the credibility and quality of relevant claims;
- (g) the need to recognise a third country's criteria for determining environmentally sustainable economic activities as equivalent to the taxonomy requirements, provided that there are specific safeguards in place in order to ensure equivalent objectives, for the purposes of authorising the allocation of the use of proceeds of a European Green Bond in accordance with such third-country criteria;
- (h) the practical impact of Article 5 on the use of European Green Bonds, the environmental quality of the use of their proceeds, and the reasons why the flexibility provided for in that Article does not prevent the transition towards the financing of environmentally sustainable activities;
- (i) the implementation of Title III of this Regulation, including the use of the templates referred to in that Title by issuers of bonds marketed as environmentally sustainable or of sustainability-linked bonds, whether or not such bonds are marketed in the European Economic Area, an analysis of the uptake of those templates, the evolution of the market and the consistency of those templates with relevant Union law, including Regulation (EU) 2019/2088.

2. The reports referred to in paragraph 1 shall, where appropriate, be accompanied by a legislative proposal, including as regards disclosures for issuers of bonds marketed as environmentally sustainable and of sustainability-linked bonds.

3. By 21 December 2026, the Commission shall publish a report on the need to regulate sustainability-linked bonds, accompanied by a legislative proposal, where appropriate.

4. The Commission shall, by 31 December 2024 and every three years thereafter, publish a report to inform issuers of European Green Bonds about the review conducted pursuant to Article 19(5), third subparagraph, of Regulation (EU) 2020/852, including the consistency of the technical screening criteria with the criteria laid down in Article 10(2) of that Regulation, taking into account the grandfathering rules laid down in Article 8 of this Regulation.

---

<sup>(24)</sup> Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law') (OJ L 243, 9.7.2021, p. 1).

5. By 21 December 2028 EBA, in close cooperation with ESMA and the European Supervisory Authority (European Insurance and Occupational Pensions Authority) (EIOPA) established by Regulation (EU) No 1094/2010 of the European Parliament and of the Council <sup>(25)</sup> (known collectively as the 'European Supervisory Authorities' or the 'ESAs'), shall publish a report on the feasibility of extending the eligibility to use the designation 'European Green Bond' or 'EuGB' for the purpose of synthetic securitisations.
6. By 21 December 2029, the Commission may, based on the report referred to in paragraph 5, submit a report to the European Parliament and the Council. The Commission's report may be accompanied, if appropriate, by a legislative proposal.
7. By 21 December 2028 and, where appropriate, every three years thereafter, the ESAs shall, through the Joint Committee referred to in Article 54 of Regulations (EU) No 1093/2010, (EU) No 1094/2010 and (EU) No 1095/2010, publish a report on the evolution of the market for securitisation bonds. Those reports shall assess, among others, whether the volume of taxonomy-aligned assets has increased sufficiently for the purpose of reviewing the application of the use-of-proceeds rules for securitisation bonds whose issuers seek to use the designation 'European Green Bond' or 'EuGB'.
8. The Commission shall, based on the report referred to in paragraph 7, submit a report to the European Parliament and to the Council. The Commission's report shall be accompanied, if appropriate, by a legislative proposal.

#### Article 72

#### Entry into force and application

1. This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.
2. This Regulation shall apply from 21 December 2024.
3. By way of derogation from paragraph 2 of this Article, Articles 20, 21(4), 23(6) and (7), 24(2), 26(3), 27(2), 28(3), 29(4), 30(3), 31(4), 33(7), 42(9), 46(6) and (7), 49(1), (2) and (3), 63(10), 66(3), and Articles 68, 69 and 70 shall apply from 20 December 2023.
4. By way of derogation from paragraph 2 of this Article, Article 40, Article 42(1) to (8) and Article 43 shall apply from 21 June 2026.
5. Member States shall take the necessary measures to comply with Articles 45 and 49 by 21 December 2024.

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

Done at Strasbourg, 22 November 2023.

*For the European Parliament*  
*The President*  
R. METSOLA

*For the Council*  
*The President*  
P. NAVARRO RÍOS

---

<sup>(25)</sup> Regulation (EU) No 1094/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Insurance and Occupational Pensions Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/79/EC (OJ L 331, 15.12.2010, p. 48).

## ANNEX I

## EUROPEAN GREEN BOND FACTSHEET

This document and its contents are not subject to any approval or endorsement from ESMA or any other competent authority.

**1. General information**

- [Date of publication of the European Green Bond factsheet]
- [The legal name of the issuer]
- [Where available, the legal entity identifier (LEI) of the issuer]
- [Website address providing investors with information on how to contact the issuer]
- [Where available, the name of the bond(s) assigned by the issuer]
- [Where available, the international securities identification numbers (ISIN) of the bond(s)]
- [Where available, the planned issuance date or period]
- [The identity and contact details of the external reviewer]
- [Where applicable, the name of the competent authority that has approved the bond prospectus(es)]

**2. Important information**

- [The following statement: “[This bond uses] [These bonds use] the designation ‘European Green Bond’ or ‘EuGB’ in accordance with Regulation (EU) 2023/2631 of the European Parliament and of the Council <sup>(1)</sup>.”]
- [Where bonds proceeds are intended to be allocated in accordance with Article 5 of that Regulation, the following statement: “[This European Green Bond makes] [These European Green Bonds make] use of the flexibility permitting a partial non-alignment with the technical screening criteria set out in the delegated acts adopted pursuant to Article 10(3), 11(3), 12(2), 13(2), 14(2) or 15(2) of Regulation (EU) 2020/852 of the European Parliament and of the Council <sup>(2)</sup> (‘the technical screening criteria’), as further described in Section 4 of this factsheet.”]

**3. Environmental strategy and rationale**

[A statement about whether or not the issuer intends to obtain an external review of the information submitted under this Section via a review of the impact report.]

Overview

- [Information on the manner in which the bond(s) is/are expected to contribute to the broader environmental strategy of the issuer, including the environmental objectives referred to in Article 9 of Regulation (EU) 2020/852 pursued by the bond(s).]

Link with the assets, turnover, CapEx, and OpEx key performance indicators

- [To the extent available to the issuer at the time of issuance, and where the issuer is subject to Article 8 of Regulation (EU) 2020/852, a description of how and to what extent (e.g., expressed as an estimated percentage change year-on-year) bond proceeds are expected to contribute to the issuer’s key performance indicators for taxonomy-aligned assets, turnover, capital expenditure and operating expenditure.]

Link to the transition plans

- [Where the issuer is subject to an obligation to publish plans pursuant to Article 19a(2), point (a)(iii), or, where applicable, Article 29a(2), point (a)(iii), of Directive 2013/34/EU of the European Parliament and of the Council <sup>(3)</sup>, or where the issuer voluntarily publishes transition plans:

<sup>(1)</sup> Regulation (EU) 2023/2631 of the European Parliament and of the Council of 22 November 2023 on European Green Bonds and optional disclosures for bonds marketed as environmentally sustainable and for sustainability-linked bonds (OJ L, 2023/2631, 30.11.2023, ELI: <http://data.europa.eu/eli/reg/2023/2631/oj>).

<sup>(2)</sup> Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (OJ L 198, 22.6.2020, p. 13).

<sup>(3)</sup> Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC (OJ L 182, 29.6.2013, p. 19).

- the manner in which bond proceeds are intended to contribute to funding and implementing those plans. The information may be given at an economic activity level or at a project-by-project level; and
- a link to the website where those plans are published.]

#### Securitisation

[Where applicable in the case of a securitisation, a description of the manner in which Article 18(1) of Regulation (EU) 2023/2631 is complied with and the information required in Article 19(2) of that Regulation.]

#### **4. Intended allocation of bond proceeds**

[The information listed below shall be provided at least at the level of the economic activity, and ideally at the level of the project or group of projects. Confidentiality agreements, competitive considerations or a large number of underlying qualifying projects and similar considerations may justify limiting the amount of detail that is made available. Where bond proceeds are allocated to expenditure as referred to in Article 4(3) of Regulation (EU) 2023/2631, the information may be provided at programme level.]

##### Intended allocation to taxonomy-aligned economic activities

- [Whether the issuer is allocating proceeds in accordance with the gradual or portfolio approach, and whether the bond(s) [is a/are] securitisation bond(s).]
- [The minimum proportion of bond proceeds that is required according to the issuer's plans to be used for activities that are environmentally sustainable under Article 3 of Regulation (EU) 2020/852, according to the methodology in the allocation report (the proportion shall be at least 85 %): [XX] % of the bond proceeds.]
- [Where available, an indication of the share of the bond proceeds to be used for financing (in the year of issuance or after the year of issuance) and refinancing.]
- [Where the issuer is a sovereign, and bond proceeds are planned to be allocated to tax relief as set out in Article 4(3) of Regulation (EU) 2023/2631, an estimate of the expected volume of revenue loss associated with eligible tax relief.]
- [Where available, the targeted environmental objective(s), as referred to in Article 9 of Regulation (EU) 2020/852.]
- [For each of the economic activities to which proceeds are intended to be allocated, information on their types, sectors and respective NACE codes in accordance with the statistical classification of economic activities established by Regulation (EC) No 1893/2006 of the European Parliament and of the Council (\*).]

##### Intended allocation to specific taxonomy-aligned economic activities

- [Where bond proceeds are intended to be allocated to an enabling or transitional economic activity, which type of enabling or transitional economic activity is intended to be financed and, where available, the amount and proportion of proceeds intended to be allocated to each type of enabling or transitional economic activity.]
- [Where applicable, the amount and proportion of proceeds intended to be allocated to taxonomy-aligned activities related to nuclear energy and fossil gas in accordance with Articles 10(2) and 11(3) of Regulation (EU) 2020/852.]

##### Intended allocation to economic activities not aligned with the technical screening criteria

- [Where bond proceeds are intended to be allocated in accordance with Article 5 of Regulation (EU) 2023/2631, a statement that the [net] proceeds of the bond are intended to be partially allocated to economic activities that are not aligned with the technical screening criteria. The issuer shall describe such non-alignment, the activities concerned and, where available the estimated percentage of the proceeds intended to finance such activities as a total and on a per-activity basis, including a breakdown describing which point(s) of Article 5(1) of Regulation (EU) 2023/2631 is/are being used. Furthermore, an explanation why the technical screening criteria cannot be applied and an explanation of the manner in which the issuer intends to ensure that those activities comply with Article 5(3) and (4) of Regulation (EU) 2023/2631 and Article 3, points (a), (b) and (c), of Regulation (EU) 2020/852.]

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



**Process and timeline for allocation**

[The estimated time following bond issuance until the full allocation of bond proceeds.]

[A description of the processes by which the issuer will determine how projects align with the criteria for environmentally sustainable economic activities set out in Article 3 of Regulation (EU) 2020/852 ('taxonomy requirements').]

**Issuance costs**

[An estimate of the amount of cumulative issuance costs that are deducted from the proceeds, as permitted under Article 4(1) of Regulation (EU) 2023/2631, with an accompanying explanation.]

**5. Environmental impact of bond proceeds**

[Where available, an estimate of the anticipated environmental impacts of the proceeds of the bond(s). Where this information is not available, this must be justified.]

**6. Information on reporting**

[A link to the issuer's website as required by Article 15(1) of Regulation (EU) 2023/2631.]

[Where applicable, a link to the issuer's relevant reports, such as the consolidated management report or the consolidated sustainability report pursuant to Directive 2013/34/EU.]

The date on which the first reporting period starts, if different from the issuance date, as set out in Article 11(1) of Regulation (EU) 2023/2631.

— [An indication of whether allocation reports will include project-by-project information on amounts allocated and the expected environmental impacts.]

**7. CapEx plan**

— [Where applicable, a detailed description of the CapEx plan referred to in Article 7 of Regulation (EU) 2023/2631 including the main parameters used by the issuer to determine the alignment of the relevant assets or activities with the taxonomy requirements by the end of the period provided for in that Article.]

**8. Other relevant information**

[In the case of a securitisation bond, references in this document to the issuer shall be construed as and, where appropriate, replaced with references to the originator.]

## ANNEX II

## EUROPEAN GREEN BOND ANNUAL ALLOCATION REPORT

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

This document and its contents are not subject to any approval or endorsement from ESMA or any other competent authority.

### 1. General information

- [Date of issuance of the bond(s) or tranches of the bond(s)]
- [Date of publication of the allocation report]
- [The first and last date of the period to which the annual allocation report refers: [date – date]]
- [The legal name of the issuer]
- [Where available, the legal entity identifier (LEI) of the issuer]
- [Website address providing investors with information on how to contact the issuer]
- [Where available, the name of the bond(s) assigned by the issuer]
- [Where available, the international securities identification numbers (ISIN) of the bond(s) and its/their tranches]
- [Where the allocation report has been subject to post-issuance review, the identity and contact details of the external reviewer]
- [Where applicable, the name of the competent authority that has approved the bond prospectus(es)]

### 2. Important information

[The following statement: “[This bond uses] [These bonds use] the designation ‘European Green Bond’ or ‘EuGB’ in accordance with Regulation (EU) 2023/2631 of the European Parliament and of the Council <sup>(1)</sup>.”]  
 [Where the proceeds of the bonds [are intended to be] [have been] allocated in accordance with Article 5 of that Regulation, the following statement: “[This European Green Bond makes] [These European Green Bonds make] use of the flexibility permitting a partial non-alignment with the technical screening criteria set out in the delegated acts adopted pursuant to Article 10(3), 11(3), 12(2), 13(2), 14(2) or 15(2) of Regulation (EU) 2020/852 of the European Parliament and of the Council <sup>(2)</sup> (‘the technical screening criteria’), as further described in Section 4 of this allocation report.”]

### 3. Environmental strategy and rationale

#### Overview

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

#### Link with assets, turnover, CapEx, and OpEx key performance indicators

[Where the issuer is subject to Article 8 of Regulation (EU) 2020/852, a description of how, to what extent (e.g., expressed as a percentage change year-on-year), and in which financial periods, bond proceeds contribute to the issuer’s key performance indicators for taxonomy-aligned assets, turnover, capital expenditure and operating expenditure, taking into account the amounts in the ‘Totals’ table in Table A, where applicable.]

<sup>(1)</sup> Regulation (EU) 2023/2631 of the European Parliament and of the Council of 22 November 2023 on European Green Bonds and optional disclosures for bonds marketed as environmentally sustainable and for sustainability-linked bonds (OJ L, 2023/2631, 30.11.2023, ELI: <http://data.europa.eu/eli/reg/2023/2631/oj>).

<sup>(2)</sup> Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (OJ L 198, 22.6.2020, p. 13).

Link to the transition plan

[Where the issuer is subject to an obligation to publish plans pursuant to Article 19a(2), point (a)(iii), or, where applicable, Article 29a(2), point (a)(iii), of Directive 2013/34/EU of the European Parliament and of the Council <sup>(3)</sup>, or where the issuer voluntarily publishes transition plans:

- the manner in which bond proceeds contribute to funding and implementing those plans. The information may be given at an economic activity level or at a project-by-project level; and
- a link to the website where those plans are published.]

Securitisation

[Where applicable in the case of securitisation, the information required in Article 19(2) of Regulation (EU) 2023/2631.]

**4. Allocation of bond proceeds**

[The information listed below shall be provided at least at the level of the economic activity, and ideally at the level of the project or group of projects. Confidentiality agreements, competitive considerations, or a large number of underlying qualifying projects and similar considerations may justify limiting the amount of detail that is made available. Where bond proceeds are allocated to expenditure as referred to in Article 4(3) of Regulation (EU) 2023/2631 the information may be provided at programme level.]

Allocation to taxonomy-aligned economic activities

- [Whether the issuer is allocating proceeds in accordance with the gradual approach or the portfolio approach, and whether the bond(s) is a/are securitisation bond(s).]
- [Where applicable in accordance with Article 11(6) of Regulation (EU) 2023/2631, a statement that the composition of the portfolio of financial assets and/or fixed assets has not changed, compared to the year covered by the previous allocation report.]
- [The issuer shall complete either Table A or Table B below, depending on whether the gradual approach or the portfolio approach to the allocation of proceeds is used. The corresponding totals shall also be completed.]
- [Confirmation of compliance with Article 3, point (c), of Regulation (EU) 2020/852 (minimum safeguards).]
- [Where the issuer is a sovereign, and bond proceeds have been allocated to tax relief as set out in Article 4(3) of Regulation (EU) 2023/2631, an estimate of the revenue loss associated with eligible tax relief.]

Allocation to specific taxonomy-aligned economic activities

- [Where bond proceeds are allocated to an enabling or transitional economic activity, which type of enabling or transitional economic activity is financed and the amount and proportion of proceeds allocated to each type of enabling or transitional economic activity.]
- [Where applicable, the amount and proportion of assets relating to taxonomy-aligned activities related to nuclear energy and fossil gas in accordance with Articles 10(2) and 11(3) of Regulation (EU) 2020/852.]

Allocation to economic activities not aligned with the technical screening criteria

- [Where bond proceeds are allocated in accordance with Article 5 of Regulation (EU) 2023/2631, a statement that the [net] proceeds of the bond are partially allocated to economic activities that are not aligned with the technical screening criteria. The issuer shall describe such non-alignment, the activities concerned and the percentage of the proceeds that have been allocated to such activities as a total and on a per-activity basis, including a breakdown describing which point(s) of Article 5(1) of Regulation (EU) 2023/2631 is/are being used. Furthermore, an explanation why the technical screening criteria cannot be applied and an explanation of the manner in which the issuer has ensured that those activities comply with Article 5(3) and (4) of Regulation (EU) 2023/2631 and Article 3, points (a), (b) and (c), of Regulation (EU) 2020/852.]

<sup>(3)</sup> Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC (OJ L 182, 29.6.2013, p. 19).

<p><u>Issuance costs</u></p> <ul style="list-style-type: none"> <li>— [An estimate of the amount of cumulative issuance costs that are deducted from the proceeds, as permitted under Article 4(1) Regulation (EU) 2023/2631, with an accompanying explanation.]</li> </ul> <p><b>5. Environmental impact of bond proceeds</b></p> <p>[No information is required to be provided under this Section of the report.]</p>
<p><b>6. Information on reporting</b></p> <ul style="list-style-type: none"> <li>— [A link to the issuer’s website referred to in Article 15(1) of Regulation (EU) 2023/2631.]</li> <li>— [Where applicable, a link to the issuer’s relevant reports, such as the consolidated management report or the consolidated sustainability report pursuant to Directive 2013/34/EU.]</li> </ul>
<p><b>7. CapEx plan</b></p> <ul style="list-style-type: none"> <li>— [Where applicable, progress made in the implementation of the CapEx plan referred to in Article 7 of Regulation (EU) 2023/2631 and the estimated date of completion of the projects therein.]</li> <li>— [Where there has been any delay or deviation that has a significant impact on the implementation of the CapEx plan, the issuer shall provide the reasons therefor, in accordance with Article 11(2) of that Regulation.]</li> <li>— [Where applicable, the plan referred to in Article 8(3) of that Regulation.]</li> </ul>
<p><b>8. Other relevant information</b></p>

[In the case of a securitisation bond, references to the issuer in this document shall be construed as and, where appropriate, replaced with references to the originator.]

Table A: Taxonomy alignment of proceeds information for bonds making use of the gradual approach to the allocation of bond proceeds

[The information in the table below shall be provided at least at the level of the economic activity and ideally at the level of the project or group of projects. Confidentiality agreements, competitive considerations or a large number of underlying qualifying projects and similar considerations may justify limiting the amount of detail that is made available. Where bond proceeds are allocated to expenditure as referred to in Article 4(3) the information may be provided at programme level.]

The information in the table below covers the period from the issuance of the bond concerned up to the reporting date.

1. Project (or group of projects or economic activity) name, location and description
1.1. (for each project/group of projects/economic activity, as applicable) [Name]
1.2. [Location]
1.3. [Basic description]
2. Amount of proceeds allocated from the bond(s)
2.1. [bond proceeds allocated to this project/group of projects/economic activity since the issuance date]
2.2. [bond proceeds allocated to this project/group of projects/economic activity in the reporting period]
2.3. Share of project that is funded by the bond(s)

3.	Share of total proceeds used for financing (in the year of issuance or after the year of issuance) or refinancing (earlier)
3.1.	[the share of the amount in row 2.1 used for financing and refinancing]
3.2.	[the share of the amount in row 2.2 used for financing and refinancing]
4.	Type and sector of economic activities funded by the bond(s)
4.1.	[For each of the economic activities related to the project funded by the bond(s): the types/sectors]
4.2.	[For each of the economic activities related to the project funded by the bond(s): where applicable, the respective NACE codes in accordance with the statistical classification of economic activities established by Regulation (EC) No 1893/2006 of the European Parliament and of the Council (*)]
5.	Amount of proceeds allocated from the bond(s) that are taxonomy-aligned
5.1.	[of the total bond proceeds allocated to the project, the amount that is allocated to an activity which is taxonomy-aligned since the issuance date]
5.2.	[percentage share of amount given in row 2.1]
5.3.	[of the bond proceeds allocated to the project in the reporting period, the amount that is allocated to an activity which is taxonomy-aligned in the reporting period]
5.4.	[percentage share of amount given in row 2.2]
6.	Environmental objectives and technical screening criteria
6.1.	[The targeted environmental objective(s), as referred to in Article 9 of Regulation (EU) 2020/852]
6.2.	[An indication of which delegated acts adopted in accordance with Article 10(3), 11(3), 12(2), 13(2), 14(2) or 15(2) of Regulation (EU) 2020/852 are used to determine the technical screening criteria, and their application dates]
6.3.	[Information on the methodology and assumptions used for the calculation of key impact metrics in accordance with delegated acts adopted under Articles 10(3), 11(3), 12(2), 13(2), 14(2) and 15(2) of Regulation (EU) 2020/852, and for any additional impact metrics]
7.	Nature of environmentally sustainable assets and expenditure
7.1.	[of the amount allocated in the reporting period in row 5.3, capital expenditure amount]
7.2.	[of the amount allocated in the reporting period in row 5.3, operating expenditure amount]
7.3.	[of the amount allocated in the reporting period in row 5.3, fixed assets amount]
7.4.	[of the amount allocated in the reporting period in row 5.3, financial assets amount]
8.	Other relevant information
8.1.	[Other relevant information, such as relevant environmental key performance indicators, and also links to websites with relevant information and links to relevant public documents with more detailed information, such as the website of the company describing the project or a report by an environmental consultancy]

Totals:

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

Since issuance	[reporting period]
Total amount of bond proceeds allocated since issuance: [X] Of which, total amount of bond proceeds allocated to taxonomy-aligned economic activities since issuance: [X]	Total amount of bond proceeds allocated in the reporting period: [X] Of which, total amount of bond proceeds allocated to taxonomy-aligned economic activities in the reporting period: [X] Of which: — Total amount of bond proceeds allocated to taxonomy-aligned capital expenditure in the reporting period: [X] — Total amount of bond proceeds allocated to taxonomy-aligned operating expenditure in the reporting period: [X] — Total amount of bond proceeds allocated to taxonomy-aligned [other] in the reporting period: [X]

Table B: Taxonomy alignment of proceeds information for bonds making use of the portfolio approach to the allocation of bond proceeds

[The information in the table below shall be provided at least at the level of the economic activity, and ideally at the level of the project or group of projects. Confidentiality agreements, competitive considerations or a large number of underlying qualifying projects and similar considerations may justify limiting the amount of detail that is made available. Some or all of the required information may be given outside of the table format.]

The information in the table below covers the reporting period.

Outstanding European Green Bonds	Portfolio of environmentally sustainable assets
[An overview over all outstanding European Green Bonds, indicating their individual and combined value.]	[An overview over the eligible financial assets and assets as referred to in Article 4(2) of Regulation (EU) 2023/2631 on the issuer’s balance sheet, indicating: 1. [Name, location, and basic description of project] 2. [Where available, an indication of the proceeds that are intended to be allocated to this project from the bond] 3. [Where available, an indication of the share of the amount in point 2 to be used for financing and refinancing] 4. [For each of the economic activities related to the project funded by the bond: the types/sectors and, where applicable, the respective NACE codes in accordance with the statistical classification of economic activities established by Regulation (EC) No 1893/2006] 5. [Where available, the amount of the proceeds for that project funded by the bond that are allocated to an activity which is taxonomy-aligned] [percentage share of amount given in point 2] 6. [The targeted environmental objective(s), as referred to in Article 9 of Regulation (EU) 2020/852] [An indication of which delegated acts adopted in accordance with Article 10(3), 11(3), 12(2), 13(2), 14(2) or 15(2) of Regulation (EU) 2020/852 are used to determine the technical screening criteria, and their application dates] [Information on the methodology and assumptions used for the calculation of key impact metrics in accordance with delegated acts adopted under Articles 10(3), 11(3), 12(2), 13(2), 14(2) and 15(2) of Regulation (EU) 2020/852, and for any additional impact metrics.]

	<ol style="list-style-type: none"> <li>7. [Where available, the breakdown of the amount referred to in point 5 according to whether proceeds are allocated to fixed assets or financial assets.]</li> <li>8. [Where applicable, additions or removals from the project portfolio in the event that new European Green Bonds are added to the portfolio or that (maturing) European Green Bonds are removed from the portfolio].</li> <li>9. [Where available, indicate the amount and/or number of new projects versus the amount of new European Green Bond issuance in the calendar year of issuance.]</li> <li>10. [Other relevant information, such as relevant environmental key performance indicators, and also links to websites with relevant information and links to relevant public documents with more detailed information.]</li> </ol>
Total value of portfolio of outstanding European Green Bonds:	<p>Total value of portfolio of environmentally sustainable assets:</p> <p>Total value of portfolio of environmentally sustainable assets related to an activity that is taxonomy-aligned:</p>

## ANNEX III

## EUROPEAN GREEN BOND IMPACT REPORT

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

This document and its contents are not subject to any approval or endorsement from ESMA or any other competent authority.

### 1. General information

- [Date of publication of the impact report]
- [Where applicable, the date of publication of the revised impact report]
- [Date of issuance of the bond(s) or tranches of the bond(s)]
- [The legal name of the issuer]
- [Where available, the legal entity identifier (LEI) of the issuer]
- [Website address providing investors with information on how to contact the issuer]
- [Where available, the name of the bond(s) assigned by the issuer]
- [Where available, the international securities identification numbers (ISIN) of the bond(s) and its/their tranches]
- [Where the impact report was assessed by an external reviewer, the identity and contact details of the external reviewer]
- [Where applicable, the name of the competent authority that has approved the bond prospectus(es)]

### 2. Important information

- [The following statement: “[This bond uses] [These bonds use] the designation ‘European Green Bond’ or ‘EuGB’ in accordance with Regulation (EU) 2023/2631 of the European Parliament and of the Council <sup>(1)</sup>.”]
- [Where bond proceeds have been allocated in accordance with Article 5 of that Regulation, the following statement: “[This European Green Bond makes] [These European Green Bonds make] use of the flexibility permitting a partial non-alignment with the technical screening criteria set out in the delegated acts adopted pursuant to Article 10(3), 11(3), 12(2), 13(2), 14(2) or 15(2) of Regulation (EU) 2020/852 of the European Parliament and of the Council <sup>(2)</sup> (‘the technical screening criteria’), as further described in Section 4 of this impact report.”]

### 3. Environmental strategy and rationale

#### Overview

- [Information on the manner in which the bond(s) has (have) contributed to the broader environmental strategy of the issuer.]
- [Where applicable, an explanation of any changes to the broader environmental strategy of the issuer since the publication of the European Green Bond factsheet.]
- [The environmental objectives referred to in Article 9 of Regulation (EU) 2020/852 pursued by the bond(s).]

#### Capital expenditure and operating expenditure key performance indicators

- [Where the issuer is subject to Article 8 of Regulation (EU) 2020/852, a description of how, to what extent (e.g., expressed as a percentage change year-on-year) and in which financial periods bond proceeds have contributed to the issuer’s key performance indicators for taxonomy-aligned assets, turnover, capital expenditure and operating expenditure.]

<sup>(1)</sup> Regulation (EU) 2023/2631 of the European Parliament and of the Council of 22 November 2023 on European Green Bonds and optional disclosures for bonds marketed as environmentally sustainable and for sustainability-linked bonds (OJ L, 2023/2631, 30.11.2023, ELI: <http://data.europa.eu/eli/reg/2023/2631/oj>).

<sup>(2)</sup> Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (OJ L 198, 22.6.2020, p. 13).



Link to the transition plan

- [Where the issuer is subject to an obligation to publish plans pursuant to Article 19a(2), point (a)(iii), or, where applicable, Article 29a(2), point (a)(iii), of Directive 2013/34/EU of the European Parliament and of the Council <sup>(3)</sup>, or where the issuer voluntarily publishes transition plans:
  - the manner in which bond proceeds have contributed to funding and implementing those plans. The information may be given at an aggregate economic activity level or at a project-by-project level; and
  - a link to the website where those plans are published.]

**4. Allocation of bond proceeds**

[The information listed below shall be provided at least at the level of the economic activity, and ideally at the level of the project or group of projects. Confidentiality agreements, competitive considerations or a large number of underlying qualifying projects and similar considerations may justify limiting the amount of detail that is made available. Where bond proceeds are allocated to expenditure as referred to in Article 4(3) of Regulation (EU) 2023/2631 the information may be provided at programme level.]

Allocation to specific taxonomy-aligned economic activities

[The proportion of bond proceeds that was allocated to activities that are environmentally sustainable under Article 3 of Regulation (EU) 2020/852, according to the methodology set out in Annex II to Regulation (EU) 2023/2631:] [XX] % of the bond proceeds.]

[Where bond proceeds were allocated to an enabling or transitional economic activity, specifying the enabling or transitional economic activity and the amount and proportion of proceeds allocated to each type of enabling or transitional economic activity.]

[Where applicable, the amount and proportion of assets relating to taxonomy-aligned activities related to nuclear energy and fossil gas in accordance with Article 10(2) and 11(3) of Regulation (EU) 2020/852.]

Allocation to economic activities not aligned with the technical screening criteria

[Where bond proceeds were allocated in accordance with Article 5 of Regulation (EU) 2023/2631, a statement that the [net] proceeds of the bond were partially allocated to economic activities which are not aligned with the technical screening criteria. The issuer shall describe such non-alignment, the activities concerned and the percentage of the proceeds that have been allocated to such activities as a total and on a per-activity basis, including a breakdown describing which point(s) of Article 5(1) of Regulation (EU) 2023/2631 was/were used. Furthermore, an explanation why the technical screening criteria could not be applied and an explanation of the manner in which the issuer has ensured that those activities comply with Article 5(3) and (4) of Regulation (EU) 2023/2631 and Article 3, points (a), (b) and (c), of Regulation (EU) 2020/852.]

**5. Environmental impact of bond proceeds**

- [An estimate of positive and adverse environmental impacts in aggregated form.]
- [Information on the methodology and assumptions used to evaluate the impacts of projects, where the European green bond factsheet of the bond did not include this information.]
- [Information about the projects' positive and negative environmental impacts and, where available, related metrics. Where this information is not available at project level, this must be explained.]
- [Where the issuer wishes to include it, information about whether and how the project has contributed to other sustainability aspects of the bond, including the social aspects of the transition towards climate neutrality, such as by providing new jobs, re-skilling and local infrastructure to communities affected by the transition of economic activities towards sustainability.]
- [Where bond proceeds are allocated in accordance with Article 5 of Regulation (EU) 2023/2631, the issuer shall report this information separately for those projects and activities.]

<sup>(3)</sup> Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC (OJ L 182, 29.6.2013, p. 19).

**6. Information on reporting**

- [A link to the issuer's website referred to in Article 15(1) of Regulation (EU) 2023/2631.]
- [Where applicable, a link to the issuer's relevant reports, such as the consolidated management report or the consolidated sustainability report pursuant to Directive 2013/34/EU.]

**7. CapEx plan**

[Where applicable, progress made in the implementation of the CapEx plan referred to in Article 7 of Regulation (EU) 2023/2631.]

**8. Other relevant information**

[In the case of a securitisation bond, references to the issuer in this document shall be construed as and, where appropriate, replaced with references to the originator.]

## ANNEX IV

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

This document and its contents are not subject to any approval or endorsement from ESMA or any other competent authority.

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

### 1. General information

- [Date of publication of the review]
- [Date of issuance of the bond(s) or tranches of the bond(s)]
- [Date of publication of the related European Green Bond factsheet, and where applicable, of the related allocation report, or the impact report]
- [The legal name of the issuer]
- [Where available, the legal entity identifier (LEI) of the issuer]
- [Where available, the name of the bond(s) assigned by the issuer]
- [Where available, the international securities identification numbers (ISIN) of the bond(s) and its/their tranches]
- [The identity and contact details of the external reviewer, including its website address]
- [The name and job title of the lead analyst in a given assessment activity]
- [The name and position of the person primarily responsible for approving the review]
- [Where relevant, the date on which the review was last updated and an explanation detailing the reason for the update]
- [Where applicable, other services provided by the external reviewer for the assessed entity together with a description of any actual or potential conflicts of interest]

### 2. Introductory statements

[For pre-issuance reviews: A statement that the external reviewer has assessed the completed European Green Bond factsheet laid down in Annex I to Regulation (EU) 2023/2631 of the European Parliament and of the Council <sup>(1)</sup>]

[For post-issuance reviews: A statement that the external reviewer has assessed the completed European Green Bond allocation report laid down in Annex II to Regulation (EU) 2023/2631]

[For impact report reviews: A statement that the external reviewer has assessed the completed European Green Bond impact report laid down in Annex III to Regulation (EU) 2023/2631]

[A statement that this review represents an independent opinion of the external reviewer, and is to be relied upon only to a limited degree]

### 3. Statements on the alignment of use of proceeds with Regulation (EU) 2020/852 of the European Parliament and of the Council <sup>(2)</sup>

[This section shall only be completed in the case of a pre-issuance review or a post-issuance review.]

[A statement regarding the alignment of the use of proceeds of the European Green Bond (or Bonds) with Regulation (EU) 2020/852 based on the information provided by the issuer to the external reviewer:

- where the opinion expressed by the independent reviewer is positive, a statement that the bond(s) meets – or is expected to meet, where relevant – the requirements of Regulation (EU) 2023/2631 as regards the use of proceeds;

<sup>(1)</sup> Regulation (EU) 2023/2631 of the European Parliament and of the Council of 22 November 2023 on European Green Bonds and optional disclosures for bonds marketed as environmentally sustainable and for sustainability-linked bonds (OJ L, 2023/2631, 30.11.2023, ELI: <http://data.europa.eu/eli/reg/2023/2631/oj>).

<sup>(2)</sup> Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (OJ L 198, 22.6.2020, p. 13).

- where the opinion expressed by the independent reviewer is negative, a statement that the bond(s) does not meet – or is not expected to meet, where relevant – the requirements of Regulation (EU) 2023/2631 as regards the use of proceeds, and that the designation ‘European Green Bond’ or ‘EuGB’ can only be used if the bond is submitted for a new review and obtains a positive opinion.]

#### 4. Sources, assessment methodologies, and key assumptions

- [Information about the sources relied upon to prepare the review, including links to measurement data and the methodology applied, where available]
- [An explanation of the assessment methodologies and key assumptions]
- [An explanation of the assumptions and taxonomy requirements used, of the limits and uncertainties surrounding the methodologies used and a clear statement about whether the external reviewer considers that the quality of information provided by the issuer or related third party is sufficient to perform the review and the extent to which the external reviewer has attempted to verify the information so provided]

#### 5. Assessment and opinion

[In each case based on the information provided by the issuer to the external reviewer – to be specified, where appropriate.]

[For pre-issuance reviews:

- A detailed assessment of whether the completed factsheet aligns with Articles 4 to 8 of Regulation (EU) 2023/2631;
- The opinion of the external reviewer on the assessment mentioned above;
- Where bond proceeds are intended to be allocated in accordance with Article 5 of Regulation (EU) 2023/2631, the assessment and opinion shall be provided in a dedicated section.]

[For post-issuance reviews:

- A detailed assessment of whether the issuer has allocated the proceeds of the bond in alignment with Articles 4 to 8 of Regulation (EU) 2023/2631;
- An assessment of whether the issuer has complied with the intended use of proceeds set out in the European Green Bond factsheet;
- The opinion of the external reviewer on the two assessments referred to in the first and second indent;
- For assets or activities that are subject to a CapEx plan, an assessment upon its completion of whether those assets or activities meet the taxonomy requirements;
- Where bond proceeds are allocated in accordance with Article 5 of Regulation (EU) 2023/2631, the assessment and opinion shall be provided in a dedicated section. The assessment shall indicate whether each of the relevant requirements of that Article have been met.]

[For impact report reviews:

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

#### 6. Any other information

[Any other information that the reviewer may deem relevant to its review.]

[In the case of a securitisation bond, references to the issuer in this document shall be construed as and, where appropriate, replaced with references to the originator.]