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#### **'I' ITEM NOTE**

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From:	General Secretariat of the Council
To:	Permanent Representatives Committee
No. Cion doc.:	COM(2018) 354 final
Subject:	Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on sustainability-related disclosures in the financial services sector <i>- Confirmation of the final compromise text with a view to agreement</i>

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#### **I. INTRODUCTION**

1. In March 2018, the Commission published its Action Plan 'Financing Sustainable Growth', setting up an ambitious and comprehensive action plan strategy on sustainable finance. One of the objectives of that action plan is to reorient capital flows towards sustainable investment to achieve sustainable and inclusive growth. In line with the Paris Climate Agreement and the 2030 UN Sustainable Development Agenda, this proposal is part of a broader Commission initiative to facilitate investment in sustainable projects and assets across the European Union.

2. In this context, on 24 May 2018, the Commission submitted to the Council a package of legislative proposals:
  - Proposal for a Regulation of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, also referred to as "Taxonomy Regulation";
  - Proposal for a Regulation of the European Parliament and of the Council on disclosures relating to sustainable investments and sustainability risks and amending Directive (EU) 2016/2341, also referred to as "Disclosure Regulation" (doc. 9357/18 + ADD 1 + ADD 2); and
  - Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) 2016/1011 on low carbon benchmarks and positive carbon impact benchmarks, also referred to as "Benchmarks Regulation".
3. As regards the "Disclosure Regulation", the European Economic and Social Committee was invited to deliver its opinion on 6 July 2018 and it delivered its opinion on 3 October 2018<sup>1</sup>.
4. The report of the European Parliament's ECON Committee was adopted on 14 November 2018.
5. At its meeting on 19 December 2018, the Permanent Representatives Committee confirmed the mandate to start negotiations with the European Parliament on the amended text of the proposal as laid down in doc. 15584/18 + ADD 1.

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<sup>1</sup> Doc. 7692/19.

6. On that basis, the Romanian Presidency has conducted negotiations with the European Parliament and the Commission with a view to reach a first reading agreement.
7. On 6 March 2019, a provisional agreement was reached, followed by technical work, resulting in the final compromise text as set out in the Addendum to this note.

## II. CONCLUSION

8. Against this background, the Permanent Representatives Committee is invited to:
  - approve the text of the proposal for a Regulation as set out in the Addendum to this note with a view to reaching an agreement at first reading with the European Parliament; and
  - give to the Chairman of the Permanent Representatives Committee the mandate to inform the Chair of the European Parliament's Economic and Monetary Affairs Committee that, should the European Parliament adopt the text of the proposal in the exact form as set out in the addendum, the Council would adopt the proposed Regulation thus amended, subject to legal-linguistic revision by both Institutions.

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