General comments	ES: Spain welcomes the initiative on establishing a Green bond standard. We understand that this is a key initiative to profit from the Capital Markets Union and guarantee alignment in the EU. Trust from environmentally conscious investors can only be fostered by avoiding greenwashing and setting a standard of high-quality green bonds, whose green nature is beyond any doubt. There is a trade-off between setting thorough and comprehensive use-of-proceeds protocols and the cost-efficient feasibility of the standard. This trade-off has to be carefully assessed for private and public issuers, and taken into account throughout the negotiation of the standard. PL: Since the official position of Polish Government on this proposal has not been adopted yet, Poland would like to reserve that below comments are of the initial view and may be subject to further changes. Moreover, we would like to reserve the right to submit additional comments at a later stage of work on the proposal. Generally Poland supports the solutions provided for in this draft regulation. In Poland's opinion the proposed solutions will allow to increase the volume of European green bonds, and through this will contribute to the fulfillment of the goals of the Paris Agreement. First of all, it deserves attention that the proposed standard is optional, i.e. it will be used only by those issuers wishing to take advantage of it. In Poland's view, this will allow for the harmonisation of standards for green bonds, increasing the transparency of this market segment and reducing information asymmetry. Nevertheless, Poland notices that the currently proposed shape of standard is very strict. In the case of the some local markets there are doubts about the possibilities for using it in practice in subsequent years, in particular with regard to smaller entities. In this context, the biggest concern are linkages with the EU Taxonomy. In Poland's view it is very difficult to meet this requirement at this stage, due to the relatively recent adoption of EU Taxonomy. Also currently it is difficult to properly assess this issue. In particular, due to the fact that still it is very early development of the EU Taxonomy, it will be very difficult to judge whether the company meets the criteria of the

	Taxonomy or not, which is essential and may limit the possibility of issuing bonds on the basis of this regulation. Having mentioned that, Poland wants to express the reservation that such an approach to determine environmentally sustainable debt instruments (bonds) can limit the possibility of issuing green bonds by SME sector in countries with a similar economic structure to Poland. Therefore, in Poland's opinion it should be considered to develop other evaluation criteria for SME sector. In the Poland's view, NACE v.2/ PKD (Polish code list of classification of business activities) could be considered for this purpose. Additionally, it should be noted that the proposed regulation provides for limiting cost increases for potential issuers in comparison for use of other market standards. However, depending on the size and frequency of bond issues, as well as taking into account the necessity of reporting and being subject to an external review process, these costs may still be higher for SME issuers compared to other issuers, which means that they will not be able to fully use the potential of EuGB. Additionally this may lead to a reduction in funding sources for projects aimed at achieving climate goals or even for a shift towards green and pro-ecological projects. Bearing this in mind, in Poland's opinion some solutions should be proposed that will encourage SMEs to take advantage of the EuGB standard. SE: Swedish standpoints are still only preliminary. That having been pointed out, Sweden welcomes the proposal for a voluntary EU standard for green bonds. Sweden supports the ambition to simplify sustainable investments, improve the possibility to identify and compare sustainable investments and decrease the risk of greenwashing. Clear standards and comparability add to the efficiency of the markets for sustainable investments. Sweden looks favourably upon uniform reporting as well as external review and will aim for sufficient quality of reporting and review without unnecessary costs to issuers, to avoid that

	sustainable investments incur additional costs in the long run. It is of utmost importance from a Swedish perspective to ensure the establishment of a cost-effective supervisory structure that does not unduly increase costs for responsible authorities at the EU or national level. It is also vital to clearly specify tasks for competent authorities, and here we believe that the text could be improved as regards the scope of tasks for national competent authorities. This is not least significant in view of potential necessary changes to national legislation. It is important to ensure sufficient time to cater for national legislative processes. Please find some preliminary comments and questions in the table below. BG: Bulgaria welcomes the efforts of the Commission to work towards the establishment of the EU as a leader in sustainable finance internationally. We support the creation of a voluntary standard for European green bonds with a view of creating a unified framework for the issuing of green bonds with the ambition to be used globally. In this regard, we would like to underline that the right balance should be sought between reliability and avoidance of greenwashing on the one hand and practicability and simplicity on the other hand. We believe that EU ambition should be combined with pragmatic approach. To achieve a global uptake of EU standards we should avoid excessive complexity and especially overburdening of SMEs. Proportionality and capacity building are key taking into account the different starting points in the climate transition of Member states. As COM has stated in the Strategy for Financing the Transition to a Sustainable Economy SMEs are key for the sustainability transition and many sustainable projects will be small and developed at local level – yet essential to supporting the green recovery. If the costs for the external review are disproportionate, there will be no uptake of green bond issuance by SMEs. Bulgaria supports in general the introduction of requirements for external reviewers. However, we consider that the initial registration and ongoing supervision fees that external

	reviewers shall pay to ESMA, which should cover all administrative costs incurred by ESMA, will be disproportionately high for external reviewers from small markets that provide services on the national market. These fees will be passed on to issuers, including small and medium-sized enterprises, which will prevent the use of the "European green bond" standard by SMEs. We consider this approach to be counterproductive to the objectives of Strategy for Financing the Transition to a Sustainable Economy as well as to CMU objectives. Therefore, Bulgaria does not support the introduction of centralised supervision by ESMA of external reviewers, which are of limited relevance for the EU internal market. We consider that such local external reviewers that have limited cross border activity should be supervised nationally. Bulgaria would like to underline that sovereigns that wish to issue "European green bonds" should be provided with sufficient flexibility in view of the specificities of the allocation of the proceeds and the external verification related to public expenditures. Furthermore, Bulgaria would like to stress the need to provide for a sufficient period for the application of the Regulation in order to be able to introduce measures at national level. We would like in the proposal to be further clarified that the national competent authority under Regulation (EU) 2017/1129 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market will be responsible only for the supervision of EU green bonds for which a prospectus has been issued. AT: The establishment of an EU Green Bond Standard is very much appreciated. Please find suggestions and comments regarding - in particular but not exclusively - the following aspects below, in order to create a level playing field and to prevent greenwashing: - To provide for legal certainty, the connection between the obligation to publish a prospectus and supervision according to this Regulation needs to be clarified. - In this respect it is also necessary that sovereigns and state auditors are exempted from the supervisory regime. However, an auditing mandate for “any other public entity that is mandated by the sovereign to assess compliance” seems to be too broad. The regulation should define criteria

	for "any other public entity" to provide for the necessary credibility in the market. We would also be open to define certain minimum standards for state auditors. - Furthermore, the applicability of the EU taxonomy outside the EU is insufficiently defined. The majority of the Taxonomy's DNSH criteria is not applicable for companies / economic activities that are located outside the EU, as most of the DNSH criteria are referring to existing EU legislation. This would put EU companies at a disadvantage. - Disclosure requirements under the 'taxonomy-alignment plan' should be well defined in order to prevent greenwashing and potentially stranded assets, and in order to gain investors' confidence. - In general, we are of the opinion that ESMA's competences are too far-reaching. In view of the fact that this is voluntary standard, the administrative sanctions and inspection rights are exceptional and even exceed the regime of mandatory legal standards. - It is also deemed necessary to further clarify the remits of both ESMA and the national competent authorities and the allocation of responsibilities between external reviewers and national competent authorities. - As there is already knowledge available by established reviewers in MS, it is important that the criteria specifying the application for registration also allow for the inclusion of established, usually smaller, reviewers in Member States by also taking into account the principle of proportionality. To avoid any oligopoly position of a few large auditing firms and therefore limited choice for issuers it is essential to balance demanding and reliable, but not excessive and too cost-intensive requirements. - Finally, transitional provisions for issuers who have already issued according to an established GB standard, e.g. ICMA, to switch to the EuGB-Standard during the term should be foreseen. From our point of view, this would be advantageous to promote the standard, broaden its acceptance and to foster the transition. DK: General comments: We thank the PCY for prioritising the EuGB and approaching sustainable finance with ambition.

	Due to holidays, some of our comments are initial and more general. As we are still analysing the COM proposal fully we expect more comments and suggestions at a later stage in negotiations. Firstly, as mentioned in the hearing in October 2020 it is important that investors can be confident that green bonds will maintain their status as green, even though the definition of green expenses can change over time. If investors cannot have certainty that green bonds will maintain their status as green for the entire maturity, it can have a negative effect on the market. We believe that a requirement to apply amended delegated acts within five years under art. 7 para 1 risk hampering the market uptake of the EuGB-standard and the ultimate objective of facilitating sustainable investments. We believe that the ambitious position here would be to allow grandfathering until maturity regardless of new definitions in the DA of the taxonomy. See more specific comments to art. 7. Secondly, we believe that the proposed period of up to 10 years for issuers to bring their use of proceeds in alignment with the taxonomy is excessive and detrimental to investor protection. We have not seen any evidence for allowing such a long period, which implicates a high risk of greenwashing. See our specific comments to art. 6. Thirdly and on a more general note, we wish to raise our thoughts regarding the proposed role of ESMA for the supervision of external reviewers. We are not necessarily convinced that ESMA is more suited to carry out supervision than NCA's. We do recognise the similarities with credit rating agencies, however, NCA's could be just as suited to carry out supervision, as they draw on more experience with direct supervision. In our view, Title III and Title IV, Chapter 2 require thorough discussion going forward, and we will return with more specific comments regarding these issues. Fourthly, we are still analysing the proposal's link to the prospectus regulation but our immediate impression is that this article does not create any significant or disproportionate additional burdens

	for issuers covered by the prospectus regulation. All issuers of EuGB would have to develop and publish a green bond factsheet no matter whether the prospectus regulation applies to the issuance or not. See our comments for art. 12 and 36. Finally, we believe it is important to get reliable data for de allocation of revenue, but suspect that 30 days following the end of the reference year may not be sufficient to report reliable data, neither for states nor for corporates. See our comment for art. 9. FI: Finland's general remarks At this moment, we haven't a final position regarding the proposal. So, we have a scrutiny reservation on the whole proposal. First, we see that the proposal, in general, supports the objectives of both the Sustainable Finance and the Capital Markets Union. The proposal can advance the development of the green bond market and also more broadly the development of capital markets. Furthermore, we see that the EU green bond standard is an important tool for steering the financial flows to more sustainable projects and investments. We see that the voluntary regime for the EU green bond standard is a right way forward. The green bond market is still evolving and the standard should not damage the market. Furthermore, the Taxonomy is not exhaustive, why it is also important to allow issuances of other kinds of sustainable bonds in the market. For the EU green bond standard to stand out from all green bond standards and frameworks, the credibility of the standard is needed. For that reason, we support credible supervision and disclosure. From our point of view, the registration obligation for external reviewers is a balanced solution. We agree with the regulation proposal that the supervision of the issuers should stay

	within national competent authorities. The greenness of the assets of an issued European green bond should be ensured in a trustworthy way, for all kinds of issuers, for preserving the credibility of the standard. For us, the usability of the standard is important. The green bond standard should be usable, easy to use and ensure a level-playing-field for different kinds of issuers and bond types. LU: LU welcomes the European Green Bond Standard initiative. Indeed, green bonds play an increasingly important role in financing assets needed for the low-carbon transition and this European standard has the potential to become a cornerstone for green financing. Please find hereafter preliminary comments regarding the initial proposal presented by the Commission and note that we reserve the right to provide further comments as necessary. As a general remark, we do not agree that a centralized registration and supervisory regime coordinated by ESMA for external reviewers of European green bonds is needed. ESMA has been set up as a member-driven organization with the objective of furthering supervisory convergence among national competent authorities. Such an organization ensures compliance with the principles of proportionality and subsidiarity foreseen by the treaties. In accordance with these principles, its powers should therefore be limited to what is required for achieving this objective. Moreover, according to the principle of subsidiarity, whatever can be achieved at national level, needs to be done at national level, unless there is clear evidence it can be achieved better at EU level. We do not see any evidence that a supervision of external reviewers of EuGB would be better achieved at EU level than at national level. Besides, granting direct supervisory powers to ESMA risks decreasing the efficiency of administrative processes regarding the authorization/registration and supervision external reviewers. In addition, external reviewers of EuGB are likely to be external auditors, which are already supervised by NCAs. For the above-mentioned reasons, we do not support a centralized registration and supervisory regime for external reviewers. The registration and supervision of external reviewers should

	instead be done at the level of the NCAs. Finally, we would like to highlight the importance of a sufficient period of application and for the preparation of measures at national level in order to implement the Regulation. LT: We broadly support the objectives of the proposal and the aim of strengthening the EU's sustainable financial system by setting a high standard for European green bonds. We believe that the implementation of the proposal will further strengthen the EU's position on sustainable finance. Setting European green bond standard will provide more clarity for investors, make it easier for them to ensure the sustainability of their investments and reduce the risk of eco-manipulation. We believe that we should find the way to make European green bond standard regulation more suitable for SME's in order to reduce potential evaluation costs and thus encourage SME's involvement in green initiatives. CZ: The Czech Republic agrees with the draft regulation as a whole, especially with regard to the voluntary nature of the regime introduced by the draft regulation (no one incurs forced costs), however, it has partial reservations about the individual parts of the proposal listed below. Although the draft regulation does not introduce any advantage for European green bonds in terms of prudential requirements, it is appropriate to state in general that the Czech Republic has long held the view that capital requirements should be based primarily on actual risk assessment, ie risk assessment. The written comments are preliminary and we are open to further discussion. In the opinion of the Czech Republic, it is necessary to clarify in particular the following: 1) The supervisory authority should be designated by the Member State and not by reference to the Prospectus Regulation. 2) The deadline for adapting the Regulation (Articles 36, 37 and 41) should be at least 12 months.

	3) The supervisory authority should supervise the offering of European Green Bonds in and from its Member State (see, for example, Article 15(2) of the PRIIPS Regulation). 4) The supervisory authority should also monitor compliance with Article 3 (use of protected designations). 5) The term "European green bond" (defined as Articles 8 to 13 of the draft regulation) should be defined. 6) It should be clarified whether third country issuers can offer European green bonds in the EU. 7) It should be clarified whether the Regulation also applies to the offer of issuers domiciled in the EU to third countries. 8) The requirements of the draft regulation (including the time of publication of documents) should be until the redemption of the bond, including its yields, ie for the duration of the commitment relationship with investors (and not only until the maturity date of the bond). 9) The Czech Republic considers that capital expenditures (CapEx) always go to fixed assets. From this point of view, it is not necessary to list fixed assets and CapEx at the same time. 10) The Czech Republic believes that it should also be possible to issue European green bonds to (entrepreneurial) natural persons. See our comments bellow, mainly to Articles 1, 2, 3, 4, 5, 13, 36, 37, 41, 62, 63 and 64. MT: Malta sees a potential in the creation of a European Green Bond Standard (EU GBS) for the progression of the sustainable finance market and as a valuable tool in supporting the EU's sustainable finance policy objectives. Thus, Malta welcomes the work done by the European Commission for a voluntary European green bonds standard that will ensure comparability and decrease uncertainty for investors in determining the positive environmental impact of these bonds and compare different green bonds on the market. Malta believes that the six environmental objectives of the Taxonomy are comprehensive and address all environmental challenges. Thus, we regard the requirement on corporate issuers for

	taxonomy compliance as an important element to help mitigate uncertainty and greenwashing. We need to recall however, that the Taxonomy is designed as a private finance tool, and thus, many criteria do not apply for sovereign issuers and we risk a limited applicability of the taxonomy criteria for sovereigns. While we welcome the proposed verification regime for sovereign, with regards to sovereign applicability of an EU GBS, we consider necessary a degree of flexibility that allows for some deviations to the technical taxonomy criteria whereby the specifics of sovereign expenditures and MSs national decarbonisation strategies are considered. Nevertheless, the applied flexibility should be designed in a way to ensure that projects remain green. For sovereigns, one must also keep in mind that not all MSs have the same endowment of resources. Therefore, a relative approach that addresses the national circumstances, specifically the national environmental objectives and climate-transition investment needs, should be more suitable for smaller countries to seek financing through a sovereign green bond supported by the EU GBS. The complexity of the proposal due to the excessive reporting requirements and the supervisory costs, may render the framework unattractive for small-sized issuers. Particularly, it would hamper SMEs from launching a green bond using the EU GBS due to it not being viable in terms of costs. Thus, considerations may be made in relation to reporting costs relative to the project size and issuer size. Given the time and cost associated with the preparation of documentation that would be needed for European green bond certification and reporting, market operators should have better understanding of the costs tied to such requirements. When considering the average size of issuers in Malta, we consider the standard proposed to be excessive and would call for further flexibility to allow for some operating expenditure to be part financed by the proceeds in cases where these are unreasonably high in comparison to the project size or where related capacity building efforts are required as particularly relevant for micro and SMEs and smaller sized jurisdictions. Some flexibility may be warranted to allow for some operating expenditure to be part financed by the proceeds in cases where these are unreasonably high in comparison to the project size or where related capacity building efforts are required as

	particularly relevant for micro and SMEs and smaller sized jurisdictions. This is particularly relevant in instances where alignment with the Taxonomy criteria may pose cumbersome cost constraints which could potentially exclude access to the green bond products that are aligned with the EU GBS. DE: Please note: Subject to the further assessment of the proposal, we reserve the right to provide further comments. **<u>Taxonomy compliance:</u>** The taxonomy alignment is an important feature of the EU GBS proposal in order to reduce uncertainty and greenwashing. However, given that the taxonomy was created for *corporate* issuers financing *economic* activities, the 100% taxonomy compliance for both corporate and sovereign issuers creates a non-level-playing field for sovereign issuers and may significantly impede their market participation.[1] Sovereign issuers should not be penalised for allocating bond proceeds to non-economic activities that are contributing substantially to the environmental objectives set out in Article 9 of Regulation (EU) 2020/852 but that are not covered by the technical screening criteria (TSC) referred to in Article 3, point (d), of Regulation (EU) 2020/852. As long as the TSC are incomplete and do not equally cover non-economic activities financed or re-financed by sovereign issuers, the EU GBS should provide a reasonable degree of flexibility for sovereign issuers, as had also been recommended by the TEG. Moreover, sovereign green bond proceeds often re-/finance a large portfolio of programmes consisting of many smaller-sized projects. Demonstrating 100% compliance with each and every sub-criterion of the TSC – including the "significant contribution" (SC) and "do no significant harm" (DNSH) criteria – is in many cases disproportionately complex, and in many cases even infeasible, thus representing a significant impediment for uptake of the EU GBS for sovereigns. Moreover, the application of the taxonomy may be difficult for activities re-/financed outside the EU and its legal framework. In this context, we want to emphasize the crucial benchmark role of sovereign issuers for developing the EU Green Bond market by providing volume, liquidity and pricing signals. If

[1] Note: In the Impact Assessment, the Commission states that "sovereigns and corporates often ultimately fund the same economic activities" (p.139). However, the Commission does not provide any evidence that would substantiate this statement.

	sovereign specifics are not taken into account by the suggested standard, sovereign issuers might find it difficult to apply and hence support it. This may result in market fragmentation, and the risk of the EuGB market remaining a niche. It should also be noted that the COM's Impact Assessment neglects the additional costs that arise for sovereigns from assessing taxonomy compliance.[2] Consequently, we suggest allowing for a reasonable degree of flexibility for sovereign issuers. This could, for example, include a "comply or explain"-clause, the previously assessed option of a "flexibility pocket", or the principles-based "TEG approach" (also see the Impact Assessment). Such an approach could include a review clause to assess, after a reasonable transition period of [x] years, the feasibility of fully applying the criteria set out by the delegated acts. At the same time, fully applying the taxonomy is likely to be challenging for many corporate issuers as well. The limited experience and uncertainty in applying the criteria, combined with the risk of reputational damage and sanctions, may likely result in a very limited uptake of the EU GBS by all issuer types. Consequently, an alternative option could allow for more flexibility for all issuer types. However, Article 4 of Regulation (EU) 2020/852 explicitly requires Member States and the Union to apply the criteria set out in Article 3 of that Regulation when setting out requirements for financial market participants or issuers in respect of *corporate* bonds that are made available as environmentally sustainable; it does not refer to *sovereign* bonds. The COM acknowledges this legal scope of flexibility for sovereigns in the impact assessment. Hence, while there are reasons to establish a level-playing field for both corporate and sovereign issuers, the fact that the taxonomy criteria are created for *corporate* issuers financing *economic* activities does not establish a level-playing field in terms of the ability to comply with the taxonomy criteria in the first place. On the basis of Article 4 of Regulation (EU) 2020/852, another option worth assessing may hence be to establish a separate regime for sovereign issuers. **<u>Disclosure at project-level</u>** It is stated below that "issuers that are sovereigns can use the proceeds of European green bonds to indirectly finance economic activities that are aligned with the taxonomy requirements through the use of programmes of tax expenditures or programmes of transfers, including subsidies. In such cases, sovereigns ensure that economic activities funded by such programmes comply with the terms and conditions of those programmes." It should therefore be sufficient for sovereign issuers

[2] In the Impact Assessment, the COM states that "such costs would likely need to be absorbed regardless", referring to the mandatory reporting for companies under the scope of the NFRD. That statement does not account for sovereigns since they are not subject to the NFRD.

	to provide disclosure regarding the allocation and impact of proceeds at programme-level. Requiring issuers to provide project-level information results in unnecessary extra work and costs for issuers. **<u>Green bond factsheet:</u>** Requiring issuers to provide detailed indicative allocation information in the factsheet results in unnecessary extra work and costs for issuers, while the additonal benefit for investors is questionable. The proposed information included under point 4 in the template in the annex would basically turn the factsheet into an indicative allocation report, while current good practice is to provide in the pre-issuance document (GB framework) only information on the defined eligible project *categories* or *types*. The proposed provision would require issuers in many cases to prepare and publish a new factsheet with each new bond issuance. For frequent issuers, this creates significant additional work and costs, including to obtain additional pre-issuance reviews with each updated factsheet. To avoid such unnecessary costs, this provision should only refer to *types* of qualifying green projects but not specific projects. It should also be noted that the COM's Impact Assessment neglects those additional costs since it only refers to the additonal registration costs external reviewers may pass on to issuers (quantified as being between EUR 1,334 to EUR 3,281 per issuer). **<u>Grandfathering:</u>** There is some unclarity concerning the grandfathering rule. As we understand Art. 7, grandfathering would be restricted to five years, i.e. issuers of outstanding European green bonds would be required to adjust or replace underlying economic activities within five years after the amendment of a delegated act. This creates unnecessary uncertainty for issuers and investors, and legal risk for issuers, including the risk of potential sudden devaluation of outstanding EuGBs. An unintended consequence could be a bias towards EuGBs with a maximum term of five years, and overall a reluctance in the uptake of the standard, especially for longer tenures. We therefore suggest following the TEG recommendation for unlimited grandfathering, at the very least for those proceeds that have been allocated until the end of the five year grace period. **<u>Supervision by competent authorities:</u>** The provisions in Title IV, Chapter 1 regarding the supervision by competent authorities should not result in an expansion of the scope of the prospectus regulation as set out in Article 1 (2), point

	b) of that regulation. It must therefore be clarified that the provisions in the title and chapter only applies where a prospectus is to be published pursuant to Regulation (EU) 2017/1129. In the case of cross-border offers, the regulation should also be clear about which authority is to be considered the home Member State authority. Further comments on the role of ESMA are under reservation of a further assessment of the proposal and its implications. **<u>Nuclear energy:</u>** Lastly, we want to emphasize that in case that nuclear energy should be classified as sustainable under the taxonomy delegated act, we do not think an EU GBS aligned to such a taxonomy can become a credible global benchmark that is accepted by the market and the public. We do not see nuclear energy as environmentally sustainable. As an issuer, we would have to consider abstaining from using such a label, and will assess which further steps to take if the EU Green Bond label promotes nuclear energy. HR: Thank you for the opportunity to comment the initial draft of EG GB regulation. Due to the summer holiday season, we provide only our initial, conceptual comments and would provide additional comments within the forthcoming discussions. HR welcomes Commission engagement in preparing legislative framework that would set standards for EU green bonds issues. Although envisaged as voluntary standard, we assume that, if it will be tailored in a way which will support participation of the largest group of enterprises in EU i.e. SMEs segment, it may further on be considered as SMEs preferable and widely accepted model of capital raising related to enhancing sustainable business activities or transitioning to greening their business activities. This may, consequently provide for meeting yet another goal, that of further development of Capital markets union with number of SMEs applying for listing their green bonds and providing opportunities for retail investors interested to allocate their financial assets in sustainable investments by choosing from much more diverse pool of

	sustainable investments and financial products. However, as we already commented during first WP meeting, we are concerned that "democratization" aspect of such a standard may be jeopardized in case of centralized supervision over external verifiers by ESMA due to high costs of supervision incurred upon verifiers that would inevitably be transferred on the issuers. As a consequence, this may lead to the situations in which SMEs may find it overly expensive given the potential size of the issues, especially in the cases of smaller markets where issues hardly reach low double digit figures or are even lower. It would be great pity if we miss the opportunity to get "on board" as many SMEs as possible in greening their business activities as economic success of EU does not rely solely upon few thousands of big pan European corporate players that have financial resources to bear such fees. Furthermore, if we consider ESG investment value chain, the "greenness" of big corporates depends on the status of their suppliers like SMEs. Having that in mind, when drafting this regulation, we should be conscious of not creating such a legislative framework that would lead to "crowding out" of SMEs from participating in this exceptionally important civilization goal. As to the role of NCAs, EU GB draft is prepared in a form of a regulation that will be accompanied with number of RTS and ITS. Draft also envisages NCAs being tasked with the supervision of the issuers of GBs. Having in mind future NCAs tasks prescribed in art. 37, and their other sectoral supervisory powers, we consider that NCAs are well placed to perform the supervision also of the external verifiers, especially those providing services on local markets or with limited regional reach. Given NCAs supervisory fees are set taking into consideration local markets' financial capacities, that aspect shouldn't hamper existence and further development of existing local/regional verifiers and could enable them enhancing their expertise. In addition, it could also mitigate risk of the creation of oligopoly in this business segment as well. In that light, we should also be cautious when defining requirements both verifiers and issuers will have to comply with, so that these are at the same time proportionate to the actual nature of their business model, size and complexity but that adequate disclosure levels are met for the sake of investor protection. Regarding that and interrelation of this draft and its references to the

	Taxonomy regulation, we will prepare and provide our comments related to Chapter II, III and IV provisions after the next WP meeting. NL: The Netherlands welcomes the proposal by the Commission. We view the European Green Bond Standard as an important instrument to stimulate investment in sustainable activities, since sustainable bonds play an increasingly important role in financing the sustainable transition. The Netherlands is of the opinion that for the success of the European Green Bond Standard we must strike a balance between high quality and good uptake. As such we are in favour of some flexibility, but we suggest to keep the standards for sovereigns and non-sovereigns as closely aligned as possible to avoid having different quality standards since this would impair the uniformity and strength of the EuGB. In view of the Netherlands it is important develop a high quality standard which ensures investors and other stakeholders that the proceeds of European Green Bonds are invested in sustainable activities. In light of this the Netherlands in general welcomes the proposal that 100 percent of the proceeds must be invested in 'green' activities, in line with the Taxonomy technical screening criteria. Furthermore the Netherlands generally supports the reporting requirements, verification by an external party and supervision on the external reviewer by ESMA. To ensure the high quality, the Netherlands would support imposing some limits to prevent issuers from indefinitely refinancing European Green Bonds based on the same underlying expenditures and/or assets. The proposal contains a provision for refinancing European Green Bonds (article 4.3) and does not include a look-back period for fixed assets and capital expenditures. This is desirable if the term of a bond is shorter than the lifetime of the underlying green asset. However, this also creates the possibility for indefinitely refinancing the same asset and potentially using the proceeds for non-green purposes. This could potentially undermine trust in European green bonds. Some flexibility is required for a good uptake of the standard. To evaluate where flexibility is appropriate we should focus on the practicalities of being able to meet the standard. As such we are a strong supporter of the flexibility for sovereigns mentioned in the proposal to deal with criteria at project level (article 4.2) and to allow the use of a state auditor (article 11).

PT:
Portugal is still scrutinizing the proposal and therefore the positions conveyed are preliminary and may evolve during the discussions.

Portugal strongly supports the proposal, which will address an important gap in the current framework, both for issuers and external reviewers.

Please find below our preliminary general comments:

First, we consider that the proposal lacks clarity in several instances, which should be further detailed.

- The scope of the Regulation needs further clarity and discussion, in particular regarding the concepts of "bond", "made available" "investors" and "external reviewers":
  - Bond - does it include subordinated debt and securitization tranches? Does it include bonds issued through crowdfunding? Why are money market instruments excluded? Are loans effectively excluded?
  - Made available – it would be useful to clarify if this concept includes emissions outside the scope of the Prospectus Regulation (PR) or not, i.e. beyond public offerings and admission to trading. In particular if it includes private placements and retained issuances.
  - Investors – it would be useful to clarify if this concept includes professional and non-professional investors or not.
  - External Reviewers - in order to clarify who can provide verification services under EUGBS a definition of external reviewer should be included.
- We consider that the supervisory arrangements for Title II would benefit from further detail ;the reference in Article 36 to the national competent authorities (NCAs) designated in accordance with the PR does not provide clarity, particularly on the subjective scope of this Regulation.
  - While agreeing that the NCAs should be the same as in the PR, we should have a complete framework in this Regulation - if the scope is broader than the scope of the PR, as explained by the Commission (COM) at the working party meeting on 19 July, it wouldn't be appropriate to leave areas without specific supervision's competences and requirements.
  - In the same context, definitions of home and host Member State should be introduced, which should also include allocation of tasks for third country issuers.
  - It should also be clarified whether there would be a passport for marketing instruments outside the

scope of the PR.

- The enforcement of rules as regards sovereigns should be further clarified:
  - We understand that the COM did not intend to subject sovereign issuers to the supervision of NCAs, which we support, but that should be clearly stated; the same applies for provisions on administrative sanctions and measures.
  - We do not understand what is the COM's aim as regards the enforcement of rules applicable to sovereigns: in our view, the only consequence of a sovereign issuer not complying with the Regulation should be the loss of the "green" label. If that is so, it should be clearly stated.

Second, we are supportive of the COM proposal for ESMA's supervision of external reviews.

Third, we consider that the proposal misses:

- an application date (we propose 18 months);
- grandfathering provisions for bonds issued before the application date which do not comply with all the requirements in Title II, Chapters I and II, not related to the taxonomy (for instance, the pre-issuance review)

Fourth, we consider important to introduce a proportional framework for SMEs issuers, as in the Prospectus Regulation. If green bonds are to become the new normal, it is key to ensure that SMEs are not excluded from this market.

Fifth, we consider important to discuss the treatment of transitional activities. This could be achieved through a "flexibility pocket" that subject to certain requirements, would allow issuers to partly use the proceeds to fund such activities. Such approach is only relevant to the extent that such activities are not covered by the taxonomy.

Sixth, we agree that there should be some flexibility for sovereigns, due to their specific nature. However, this layered approach may contribute to additional fragmentation in the green bonds'

	market, as the standard will be different for corporates and sovereigns. Considering the role of sovereign bonds in defining the pricing of other tradable debt instruments, we see the risk that this dual approach may jeopardize the market pricing of corporate green bonds. We therefore consider important to clarify the approach as regards the concept of sovereign, as far as companies of private law concerns. We also deem important to reconsider the exemption provided to public reviewers. **Finally**, we consider important to clearly not mix up this negotiation with the ongoing discussions on the climate Delegated Act under the taxonomy. **IT** Italy welcomes the initiative for establishing a European Green Bond Standards based on the reasons and the objectives included in the Explanatory Memorandum accompanying the Regulation Proposal. At this stage, however, there are several preliminary comments concerning the general framework adopted as well as some remarks related to specific aspects/articles of the Regulation proposal that may be useful to highlight. We would also like to stress that below comments are only preliminary and they may be subject to further integrations in the next days and weeks to come. From a general perspective, basing these new standards on the EU Taxonomy is something straightforward especially if the objective is to set up a common ground for all European issuers that is consistent with the EU green new deal launched by the Commission in 2019. However, elements of concern arise as to the approach adopted to reach this goal. On the one hand, since the Regulation draft allows only European Taxonomy aligned expenses to be considered as eligible under these European green bonds standards, this seems to not adequately take into account the existence of other standards, upon which a significant amount of European

	green bonds has already been issued. Relating to this, despite the efforts made by many EU issuers over these years to take into considerations the principles and criteria included in the EU Taxonomy, there may be many green eligible expenses/assets that are not fully Taxonomy aligned (for instance as they are not compliant with the TSC or the delegated acts). However, these expenditures/assets instead fully fall into other existing standards. Therefore, while it is understandable the objective for the paving the way to a cross-border implementation of the European green bond standard, excluding bonds issued according to these existing standards from the label "European green bond" may lead to a risk of market segmentation, with significant displacement of existing bonds. That risk should be avoided as much as possible In this regard, a grand-fathering principle - to be introduced in the transitional provisions - for bonds issued before the entry into force of this Regulation according to other well-established standard would represent a step forward to manage the aforementioned risk of market fragmentation. On the other hand, given that we are discussing a Regulation proposal, it would be desirable to foresee in the same Regulation a long-enough period for the introduction of measures at national level – even of organizational type- that would allow for a smooth and cost-effective adoption of these new standards by issuers. Furthermore, a thorough evaluation – that goes beyond the results of the consultation already carried out before the publication of the Regulation proposal - of the implications coming from the application of this Regulation proposal to sovereign issuers is highly recommended. There are objective difficulties for sovereigns for funding large enough volumes of public spending – that by definition cover a very high number of different economic sectors - that are fully EU taxonomy compliant (in particular with the DNSH criterion, as well as the TSCs). As also claimed in the Memorandum, sovereigns have provided with some flexibility on the enforcement of these new standards but not on the application and interpretation of the Taxonomy, which may ends up to be eventually harmful for a large scale adoption by EU sovereign issuers (something that anyone

	would probably consider seriously suboptimal). In order to avoid this risk, degrees of flexibility related to the specificities of public spending when it comes to the selection of green expenditures and the allocation of bonds proceeds should be envisaged. In that respect flexibility introduced in art. 4 (2) and art. 9 (8) may not be enough. One specific aspect that it is worth mentioning among these preliminary general remarks, is the requirement to apply amended delegated acts within five years (art. 7 (1)). Here the risk of hampering the market uptake of the standards and the ultimate objective of facilitating sustainable investments. In this respect, we believe that an appropriate solution would be to allow grandfathering until maturity regardless of new definitions included in the amended DAs of the Taxonomy. Lastly there is a general concern regarding the unintentional disadvantages brought by this Regulation to EU located companies vs non EU located ones to which this new Regulation would not apply. Hampering the access to green finance to EU companies compared to non-EU must be avoided. Finally, while the choice of allowing these new standards to be adopted on a voluntary basis is welcome, it is important that they have the largest possible also with the aim to contribute in bringing forward the CMU project in the EU. This is why some adjustments in line with what highlighted so far, are highly desirable.

Commission proposal	**Drafting Suggestions Comments**
2021/0191 (COD) Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on European green bonds (Text with EEA relevance)	

Commission proposal	Drafting Suggestions Comments
THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,	
Having regard to the Treaty on the Functioning of the European Union, and in particular Article 114 thereof,	
Having regard to the proposal from the European Commission,	
After transmission of the draft legislative act to the national parliaments,	
Having regard to the opinion of the European Central Bank,	
Having regard to the opinion of the European Economic and Social Committee ,	
Acting in accordance with the ordinary legislative procedure,	
Whereas:	AT: (Comments):

Commission proposal	Drafting Suggestions Comments
	The Draft lacks any recitals regarding the supervision by competent authorities. It needs to be clarified whether the reporting (according to Art 8 – 13) by issuers who decide to do public offers within the EU and which are exempt from the prospectus obligation according to the PR 2017/1129 are in or out of scope of supervision by the NCAs. The wording is unclear. However, we would be in favour of also including exempt issuances into the scope of supervision if they decide to issue EuGBs and using the standard. Otherwise issuers could offer bonds labelled as EuGBs e.g. to less than 150 persons, without having to fear consequences for not publishing any pre- and post-issuance reports. This could harm the reputation of Green Bond issuance in general. Nevertheless, the specific treatment of sovereigns should be kept, as proposed by the EC.
(1) The transition to a low-carbon, more sustainable, resource-efficient, circular and fair economy is key to ensuring the long-term competitiveness of the economy of the Union and the well-being of its peoples. In 2016, the Union concluded the Paris Agreement . Article 2(1), point (c), of the Paris Agreement sets out the objective of strengthening the response to climate change by, among other means, making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development.	BE: (Drafting): (1) The transition to a low-carbon, sustainable, resource-efficient, circular and fair economy is key to ensuring the long-term competitiveness of the economy of the Union and the well-being of its citizens. In 2016, the Union concluded the Paris Agreement . Article 2(1), point (c), of the Paris Agreement sets out the objective of strengthening the response to climate change by, among other means, making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development. BE: (Comments): Drafting suggestion to better reflect the usual vocabulary in EU initiatives.
(2) The European Green Deal Investment Plan of 14 January 2020 envisages the establishment of a standard for environmentally sustainable bonds to further increase investment opportunities and facilitate the identification of environmentally sustainable investments	

Commission proposal	Drafting Suggestions Comments
through a clear label. In its December 2020 conclusions, the European Council invited the Commission to put forward a legislative proposal for a green bond standard .	
(3) Environmentally sustainable bonds are one of the main instruments for financing investments related to low-carbon technologies, energy and resource efficiency as well as sustainable transport infrastructure and research infrastructure. Financial or non-financial undertakings or sovereigns can issue such bonds. Various existing initiatives for environmentally sustainable bonds do not ensure common definitions of environmentally sustainable economic activities. This prevents investors from easily identifying bonds the proceeds of which are aligned with, or are contributing to environmental objectives as laid down in the Paris Agreement.	ES: (Drafting): (3) Environmentally sustainable bonds are one of the main instruments for financing investments related to low-carbon technologies, energy and resource efficiency as well as sustainable transport infrastructure and research infrastructure. Financial or non-financial undertakings or sovereigns can issue such bonds. Various existing initiatives for environmentally sustainable bonds do not ensure common definitions of environmentally sustainable economic activities. This prevents investors from easily identifying bonds ~~the proceeds of which are aligned with, or are contributing to environmental objectives as laid down in the Paris Agreement.~~ where the use of proceeds is aligned with, or is contributing to environmental objectives as laid down in the Paris Agreement. ES: (Comments): ES: Suggestion to clarify. The use of proceeds contributes to environmental objectives, not the proceeds. A proceed is simply the amount of money received from a particular event or activity or when something is sold. BE: (Drafting): (3) Environmentally sustainable bonds are one of the main instruments for financing investments related to low-carbon technologies, energy and resource efficiency as well as sustainable transport infrastructure and research infrastructure. Financial or non-financial undertakings or sovereigns can issue such bonds. Various existing initiatives for environmentally sustainable bonds do not ensure common definitions of environmentally sustainable economic

Commission proposal	Drafting Suggestions Comments
	activities. This prevents investors from easily identifying bonds the proceeds of which are aligned with, or are contributing to environmental objectives such as those laid down in the Paris Agreement. BE: (Comments): Environmental objectives are broader and go further than those laid down in the Paris Agreement. Are the 'bond proceeds' defined outside of the regulation? We have noted that reference is clearly made to the full amount without deduction of any costs. Market practice is to allocate the issued nominal amounts. IE: (Drafting): Suggest drop section highlighted. IE: (Comments): Investors are identifying bonds using the ICMA principles and the allocation and impact reports. The benefit of EUGB standard can be communicated without criticising the existing bonds on the market.
(4) Diverging rules on the disclosure of information, on the transparency and accountability of external reviewers reviewing environmentally sustainable bonds, and on the eligibility criteria for eligible environmentally sustainable projects, impede the ability of investors to identify, trust, and compare environmentally sustainable bonds, and the ability of issuers to use environmentally	IE: (Drafting): Suggest add word "could" before impede. IE: (Comments): The Section highlighted is very sweeping. Has this been evidenced by survey data? There is an existing Green Bond Market which has a structure of Green Bond Frameworks, allocation and impact reports. We have not heard complaints from investors but that said it could always be

Commission proposal	Drafting Suggestions Comments
sustainable bonds to transition their activities towards more environmentally sustainable business models.	improved
(5) In ensuring alignment with the objectives of the Paris agreement, and given the existing divergences and absence of common rules, it is likely that Member States will adopt diverging measures and approaches, which will have a direct negative impact on, and create obstacles to, the proper functioning of the internal market, and be detrimental to issuers of environmentally sustainable bonds. The parallel development of market practices based on commercially driven priorities that produce divergent results causes market fragmentation and risks further exacerbating inefficiencies in the functioning of the internal market. Divergent standards and market practices make it difficult to compare different bonds, create uneven market conditions for issuers, cause additional barriers within the internal market, and risk distorting investment decisions.	IE: (Drafting): Suggest the highlighted sentence be made more conditional, i.e. 'may cause market fragmentation' IE: (Comments): The possibility of fragmentation remains with the EUGB, between those adopting it and those not. (Comments):IT ITA: Market practice has since long time implemented other standards, some of which have a large common use at European and international level. Hence, claiming the "absence of common rules" sounds not in line with the actual situation of the green bond market. Moreover, the possibility of market fragmentation is still within the EUGB, between those adopting it and those not.
(6) The lack of harmonised rules for the procedures used by external reviewers to review environmentally sustainable bonds and the diverging definitions of environmentally sustainable activities make it increasingly	ES: (Drafting): (6) The lack of harmonised rules for the procedures used by external reviewers to review environmentally sustainable bonds and the diverging definitions of environmentally sustainable activities make it increasingly difficult for investors to effectively compare bonds across the

Commission proposal	Drafting Suggestions Comments
difficult for investors to effectively compare bonds across the internal market with respect to their environmental objectives. The market for environmentally sustainable bonds is inherently international, with market participants trading bonds and making use of external review services from third party providers across borders. Action at Union level could reduce the risk of fragmentation of the internal market for environmentally sustainable bonds and bond-related external review services, and ensure the application of Regulation (EU) 2020/852 of the European Parliament and of the Council in the market for such bonds.	internal market with respect to their environmental objectives. The market for environmentally sustainable bonds is inherently international, with market participants trading bonds and making use of external review services from third party providers across borders. Action at Union level could reduce the risk of fragmentation of the internal market for environmentally sustainable bonds and bond-related external review services, and ensure ~~the application~~ the use of Regulation (EU) 2020/852 of the European Parliament and of the Council in the market for such bonds. ES: (Comments): ES: The scope of application of a Regulation is set out in the internal piece of legislation. The widespread use of the Taxonomy Regulation depends on whether there is a well defined EU GBS.
(7) A uniform set of specific requirements should therefore be laid down for bonds issued by financial or non-financial undertakings or sovereigns that voluntarily wish to use the designation 'European green bond' or 'EuGB' for such bonds. Specifying quality requirements for European green bonds in the form of a Regulation should ensure that there are uniform conditions for the issuance of such bonds by preventing diverging national requirements that could result from a transposition of a Directive, and should also ensure that those conditions are directly applicable to issuers of such bonds. Issuers that voluntarily use the designation 'European green bond' or 'EuGB' should follow	IE: (Comments): Some concerns exist over the broadness of the term 'European Green Bond' (for example its interaction with descriptions of existing green bonds under ICMA principles from Europe), which could be returned to as the text develops. MT: (Comments): Small issuers may experience some challenges in meeting all the conditions set by such regulation given the size of the investment and the needs in relation to climate friendly opportunities. Therefore, this would lead to imbalance between EU countries which might be counterproductive to the comparability aspect as such issuers would rather use already established market guidelines such as the GBPs. The EuGB should contain enough flexibility to enable small issuers to issue green bonds using the EuGB designation. PT:

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the same rules across the Union, to increase market efficiency by reducing discrepancies and thereby also reducing the costs of assessing those bonds for investors.	(Comments): For reasons of proportionality and to avoid unduly burdening smaller (financial and non-financial) institutions, some alignment with the Corporate Sustainability Reporting Directive (CSRD), where the COM envisages separate RTS to be adopted for large companies on the one hand and for SMEs on the other hand, should be considered. (Comments):IT ITA: There seems to be a discrepancy between the *voluntary* aspect of the application and the *high-quality* feature of these bonds, implicitly meaning that all the bonds issued under different standards would have a lower quality causing risks of market fragmentation.
(8) In accordance with Article 4 of Regulation (EU) 2020/852, and in order to provide investors with clear, quantitative, detailed and common definitions, the requirements set out in Article 3 of that Regulation should be used to determine whether an economic activity qualifies as environmentally sustainable. Proceeds of bonds that use the designation 'European green bond' or 'EuGB' should exclusively be used to fund economic activities that either are environmentally sustainable and are thus aligned with the environmental objectives set out in Article 9 of Regulation (EU) 2020/852, or contribute to the transformation of activities to become environmentally sustainable. Those bonds can however be used both to finance such	BE: (Drafting): (8) In accordance with Article 4 of Regulation (EU) 2020/852, and in order to provide investors with clear, quantitative, detailed and common definitions, the requirements set out in Article 3 of that Regulation should be used to determine whether an economic activity qualifies as environmentally sustainable. Proceeds of bonds that use the designation 'European green bond' or 'EuGB' should exclusively be used to fund economic activities that are environmentally sustainable and are thus aligned with the environmental objectives set out in Article 9 of Regulation (EU) 2020/852. Those bonds can however be used both to finance such environmentally sustainable activities directly through the financing of assets and expenditures that relate to economic activities that meet the requirements set out in Article 3 of Regulation (EU) 2020/852, or indirectly through financial assets that finance economic activities that meet those requirements. It is therefore necessary to specify the categories of expenditures and assets that can be financed with the proceeds of bonds that use the designation 'European green bond' or 'EuGB'. BE: (Comments):

Commission proposal	Drafting Suggestions Comments
environmentally sustainable activities directly through the financing of assets and expenditures that relate to economic activities that meet the requirements set out in Article 3 of Regulation (EU) 2020/852, or indirectly through financial assets that finance economic activities that meet those requirements. It is therefore necessary to specify the categories of expenditures and assets that can be financed with the proceeds of bonds that use the designation 'European green bond' or 'EuGB'.	As there is no definition of the 'transforming activities to become environmentally sustainable' within the legal framework for sustainable finance, it might lead to some uncertainties in the allocation. To avoid potential greenwashing, it would be better to avoid references to non-defined activities.
(9) The proceeds of European green bonds should be used to finance economic activities that have a lasting positive impact on the environment. Such lasting positive impact can be attained in several ways. Since fixed assets are long-term assets, a first way is to use the proceeds of such European green bonds to finance fixed tangible or fixed intangible assets that are not financial assets, provided that those fixed assets relate to economic activities that meet the requirements for environmentally sustainable economic activities set out in Article 3 of Regulation (EU) 2020/852 ('taxonomy requirements'). Since financial assets can be used to finance economic activities with a lasting positive impact on the environment, a second way is to use those proceeds to finance financial assets, provided that the proceeds from	

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those financial assets are allocated to economic activities that meet the taxonomy requirements. Since the assets of households can also have a long-term positive impact on the environment, those financial assets should also include the assets of households. Since capital expenditure and selected operating expenditure can be used to acquire, upgrade, or maintain fixed assets, a third way is to use the proceeds of such bonds to finance capital and operating expenditures that relate to economic activities that meet the taxonomy requirements or that will meet those requirements within a reasonably short period from the issuance of the bond concerned, which can be extended however where duly justified by the specific features of the economic activities and investments concerned. For the reasons outlined above, the capital and operating expenditures should also include the expenditures of households.	
(10) Sovereigns are frequent issuers of environmentally sustainable bonds and should therefore also be allowed to issue 'European green bonds', provided that the proceeds of such bonds are used to finance either assets or expenditure that meet the taxonomy, or assets or expenditure that will meet those requirements within a reasonably short period from the issuance of the bond concerned, which can be	IE: (Comments): Ireland is still considering its position on the inclusion of sovereign green bonds and how they should be treated under this regulation. DE: (Comments): See justification under "Taxonomy compliance" in the general comments above.

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extended however where duly justified by the specific features of the economic activities and investments concerned.	We are still assessing the feasibility of the proposal, especially for sovereign issuers, and will submit a drafting suggestion in due time. (Comments):IT ITA: it should be clarified what it is meant for "reasonably short period"
(11) Article 4 of Regulation (EU) 2020/852 requires Member States and the Union to apply the criteria set out in Article 3 of that Regulation to determine whether an economic activity qualifies as environmentally sustainable for the purposes of any measure setting out requirements for financial market participants or issuers in respect of financial products or corporate bonds that are made available as environmentally sustainable. It is therefore logical that the technical screening criteria referred to in Article 3, point (d), of Regulation (EU) 2020/852 should determine which fixed assets, expenditures and financial assets can be financed by the proceeds of European green bonds. In view of the expected technological progress in the field of environmental sustainability, the delegated acts adopted pursuant to Articles 10(3), 11(3), 12(2), 13(2), 14(2) or 15(2) of Regulation (EU) 2020/852 are likely to be reviewed and amended over time. Regardless of such changes, in order to provide legal certainty to issuers and investors and	BE: (Comments): In a context of annual full allocation of the bond proceeds to eligible expenditures of that same or previous years, what is the consequence of amendments of the technical screening criteria? [Preamble (11) and (12), Article 6.1] o Our initial understanding was that during the lifetime of a bond, proceeds may be allocated to expenditures aligned with the technical screening criteria applicable at the moment of issuance of a bond [Preamble (11)] o On the other hand the last sentence of this same paragraph seems to suggest[1] that only during the four years following an amendment to technical screening criteria, proceeds could still be allocated to eligible expenditures by applying the initial technical screening criteria. Does this include proceeds from tapping these bonds after changes to the technical screening criteria? o What happens if a bond is no longer tapped after that fourth year? Does something need to change? If no changes are made and the bond is no longer issued, will the bond still carry the EU GB label? [1] Unless this only applies to green bonds whose proceeds are allocated to financial assets IE: (Comments):

Commission proposal	Drafting Suggestions Comments
prevent amendments to the technical screening criteria from having a negative impact on the price of European green bonds that have already been issued, issuers should be able to apply the technical screening criteria applicable at the moment the European green bond was issued when allocating the proceeds of such bonds to eligible fixed assets or expenditures, until maturity of the bond. To ensure legal certainty for European green bonds whose proceeds are allocated to financial assets, it is necessary to clarify that the underlying economic activities funded by those financial assets should comply with the technical screening criteria applicable at the moment the financial assets were created. Where the relevant delegated acts are amended, the issuer should allocate proceeds by applying the amended delegated acts within five years.	It is key to recognise that EUGB takes account of the Taxonomy rules at time of issuance. Further discussion is required as to whether the five year period is the most appropriate solution. LU: (Drafting): (11) Article 4 of Regulation (EU) 2020/852 requires Member States and the Union to apply the criteria set out in Article 3 of that Regulation to determine whether an economic activity qualifies as environmentally sustainable for the purposes of any measure setting out requirements for financial market participants or issuers in respect of financial products or corporate bonds that are made available as environmentally sustainable. It is therefore logical that the technical screening criteria referred to in Article 3, point (d), of Regulation (EU) 2020/852 should determine which fixed assets, expenditures and financial assets can be financed by the proceeds of European green bonds. In view of the expected technological progress in the field of environmental sustainability, the delegated acts adopted pursuant to Articles 10(3), 11(3), 12(2), 13(2), 14(2) or 15(2) of Regulation (EU) 2020/852 are likely to be reviewed and amended over time. Regardless of such changes, in order to provide legal certainty to issuers and investors and prevent amendments to the technical screening criteria from having a negative impact on the price of European green bonds that have already been issued, issuers should be able to apply the technical screening criteria applicable at the moment the European green bond was issued when allocating the proceeds of such bonds to eligible fixed assets or expenditures, until maturity of the bond. To ensure legal certainty for European green bonds whose proceeds are allocated to financial assets, it is necessary to clarify that the underlying economic activities funded by financial assets should comply with the technical screening criteria applicable at the moment the financial assets were created. Where the relevant delegated acts are amended, the issuer should allocate proceeds **that have not been used up to that point,** by applying the amended delegated acts within five years. LU: (Comments): There seem to be inconsistencies between this recital and article 7. Indeed, according to the recital, in case of proceeds allocated to fixed assets or expenditures, issuers should be able to apply the TSC applicable at the moment of the issue until maturity of the bond, whereas according to article

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	7(1), in case of proceeds allocated to fixed assets, expenditures or equity, issuers have to reallocate proceeds within five years after a delegated act has been amended. There also seems to be an inconsistency at the level of the use of proceeds; indeed, the recital distinguishes between fixed assets and expenditures on the one hand and financial assets on the other hand, whereas Article 7 distinguishes between fixed assets, expenditures and equity on the one hand, and debt on the other hand. In any case, we would suggest an obligation for the issuer to apply a new or amended delegated act only for the proceeds that have not been used up to the moment of the amendment. Cf. our drafting suggestion, in order to clarify that issuers should not have to adapt their already funded projects to the amended version of the delegated acts. DE: (Drafting): (11) Article 4 of Regulation (EU) 2020/852 requires Member States and the Union to apply the criteria set out in Article 3 of that Regulation to determine whether an economic activity qualifies as environmentally sustainable for the purposes of any measure setting out requirements for financial market participants or issuers in respect of financial products or corporate bonds that are made available as environmentally sustainable. It is therefore logical that the technical screening criteria referred to in Article 3, point (d), of Regulation (EU) 2020/852 should determine which fixed assets, expenditures and financial assets can be financed by the proceeds of European green bonds issued by corporate issuers. In view of the expected technological progress in the field of environmental sustainability, the delegated acts adopted pursuant to Articles 10(3), 11(3), 12(2), 13(2), 14(2) or 15(2) of Regulation (EU) 2020/852 are likely to be reviewed and amended over time. Regardless of such changes, in order to provide legal certainty to issuers and investors and prevent amendments to the technical screening criteria from having a negative impact on the price of European green bonds that have already been issued, issuers should be able to apply the technical screening criteria applicable at the moment the European green bond was issued when allocating the proceeds of such bonds to eligible fixed assets or expenditures, until maturity of the bond. To ensure legal certainty for European green bonds whose proceeds are allocated to financial

Commission proposal	Drafting Suggestions Comments
	assets, it is necessary to clarify that the underlying economic activities funded by those financial assets should comply with the technical screening criteria applicable at the moment the financial assets were created. Where the relevant delegated acts are amended, the issuer of bonds that are issued after the amendment should allocate proceeds by applying the amended delegated acts ~~within five years~~. DE: (Comments): On the first drafting suggestion: Article 4 of Regulation (EU) 2020/852 does *not* require Member States and the Union to apply the criteria set out in Article 3 of that Regulation when setting out requirements for financial market participants or issuers in respect of *sovereign* bonds that are made available as environmentally sustainable. Hence, while there are reasons to establish a level-playing field for both corporate and sovereign issuers, the fact that the taxonomy criteria are created for *corporate* issuers financing *economic* activities does not establish a level-playing field in terms of the ability to comply with the taxonomy criteria in the first place. On the second drafting suggestion: The requirement to replace economic activities within five years of the amendments of the delegated acts – i.e. a restricted grandfathering that deviates from the TEG recommendation of full grandfathering – creates unnecessary uncertainty for issuers and investors, and legal risk for issuers, including the risk of potential sudden devaluation of outstanding EuGBs. For example, how would this affect completed projects of outstanding bonds? An unintended consequence could be a bias towards EuGBs with a maximum term of five years, and overall a reluctance in the uptake of the standard, especially for longer tenures. This paragraph should therefore clarify that the application of amended delegated acts only applies to bonds issued after the amendment. Alternatively, this should only be applied to that portion of the bond proceeds that remains unallocated following the end of the transition period of five years after the amended delegated acts have entered into application. Proceeds that have been allocated prior to or within the period of five

Commission proposal	Drafting Suggestions Comments
	years since the entry into application of amended delegated acts should be subject to a clear-cut unrestricted grandfathering. PT: (Drafting): Remove last sentence: "Where the relevant delegated acts are amended, the issuer should allocate proceeds by applying the amended delegated acts within five years." PT: (Comments): Legal certainty is essential, both for issuers and investors. What's more, the possibility that a green bond which was aligned with the taxonomy at the moment of the issuance until its maturity may lose such alignment if the standards are revised meanwhile– which was not recommended by the TEG - creates a risk for which investors will demand additional remuneration in the case of bonds with a longer maturity, more exposed to delegated acts' revisions. We recall the TEG recommendation, which we support, in this regard: "The TEG recommends that Green Bonds issued under earlier Technical Screening Criteria be grandfathered for their entire tenor, as there would otherwise be unacceptable and unpredictability for both issuers and investors." We would welcome additional detail on the practical application of this provision, namely in cases where the maturity is longer than 10 years and where disbursements take place upfront, around the issuance date.

Commission proposal	Drafting Suggestions Comments
(12) The time needed to transform an asset to align the economic activity to which it relates with the taxonomy requirements should reasonably not exceed five years, except in certain circumstances where it may take up to ten years. For that reason, eligible capital expenditure should relate to economic activities that meet or will meet the taxonomy requirements within five years from the issuance of the bond, unless a longer period of up to ten years is justified by the specific features of the economic activities and investments concerned.	PL: (Drafting): The time needed to transform an asset to align the economic activity to which it relates with the taxonomy requirements should reasonably not exceed ~~five~~ **seven** years, except in certain circumstances where it may take up to ~~ten~~ **fifteen** years. For that reason, eligible capital expenditure should relate to economic activities that meet or will meet the taxonomy requirements within ~~five~~ **seven** years from the issuance of the bond, unless a longer period of up to ~~ten~~ **fifteen** years is justified by the specific features of the economic activities and investments concerned PL: (Comments): PL We agree with the merit of this recital, because it includes the specificity of individual economies of the Member States. Nevertheless, we would like to propose to extend the time due to the long term characteristics of economic activity in some sectors such as the energy sector. AT: (Comments): It should be determined - in the Recitals as well as in the legal text - under which circumstances (based on specific requirements) a longer period up to ten years is justified. BE: (Comments): It might be advisable to specify what are the specific features or to include some examples (see our comment on article 6).
(13) Investors should be provided with all	PL:

Commission proposal	Drafting Suggestions Comments
information necessary to evaluate the environmental impact of European green bonds, and to compare such bonds with each other. For that purpose, specific and standardised disclosure requirements need to be set out which provide transparency about how the issuer intends to allocate the bond proceeds to eligible fixed assets, expenditures and financial assets and how those proceeds have actually been allocated. Such transparency can best be achieved by means of European green bond factsheets and annual allocation reports. To strengthen the comparability of European green bonds and to facilitate the localisation of relevant information, it is necessary to lay down templates for the disclosure of such information.	(Drafting): (13) Investors should be provided with all information necessary to evaluate the environmental impact of European green bonds, and to compare such bonds with each other. **Non-professional investors should be provided with information allowing them to assess the future value of the investment, understood both as their financial return and as an improvement of their living conditions as members of the local community or of humanity as a whole.** For that purpose, specific and standardised disclosure requirements need to be set out which provide transparency about how the issuer intends to allocate the bond proceeds to eligible fixed assets, expenditures and financial assets and how those proceeds have actually been allocated. Such transparency can best be achieved by means of European green bond factsheets and annual allocation reports. To strengthen the comparability of European green bonds and to facilitate the localisation of relevant information, it is necessary to lay down templates for the disclosure of such information. PL: (Comments): PL We observe a growing sensitivity to environmental issues and the promotion of actions taken also by individuals to reduce pollution and support (also financially) environmental protection. In our opinion, the incentives for non-professional investors to purchase "green bonds" should never have the character of moral or emotional pressure. On the contrary, such an investor should be given the opportunity to assess the future value of the investment in terms of both his financial return and improvement of his living conditions (as a member of the local community or of humanity as a whole) and be left to decide whether he wants to "donate the green premium" in favour of environmentally (including socially) beneficial investments. It is important that the investor understands and accepts the objectives of the investment and should be transparently informed about the achievement of the objectives of the investment that the investor is co-financing, e.g. the number of people who have gained access to clean energy, reduced water consumption, etc. DE: (Drafting):

Commission proposal	Drafting Suggestions Comments
	Investors should be provided with all information necessary to evaluate the ~~environmental impact~~use of proceeds of European green bonds, (...). DE: (Comments): The following specifications in the paragraph relate to the allocation/use of proceeds, not to the environmental impact.
(14) Investors should benefit from cost-effective access to reliable information about the European green bonds. Issuers of European Green Bonds should therefore contract external reviewers to provide a pre-issuance review of the European green bond factsheet, and post-issuance reviews of European green bond annual allocation reports.	AT: (Comments): Comparing this Recital with the Annex I, point 1 and the Annex II, point 1 there seems to be a discrepancy. For us it is not clear, if all issuers using the EuGB Standard are obliged having the factsheet as well as each annual allocation report reviewed by an external reviewer. This should be clarified and the respective recital, the legal text and the Annexes should be aligned. It should also be clarified at level 1 according to what standards these reviews are conducted. LU: (Drafting): (14) Investors should benefit from cost-effective access to reliable information about the European green bonds. Issuers of European Green Bonds should therefore contract external reviewers to provide a pre-issuance review of the European green bond factsheet, and **a** post-issuance review**s** of **the** European green bond annual allocation report**s drawn up after the full allocation of the proceeds of the European green bonds.** LU: (Comments): Only the final allocation report, which is drawn up after the full allocation of the proceeds of the European green bonds, shall according to Article 9.3, be subject to a post-issuance review. Cf. therefore our drafting suggestion. While a derogation from this requirement is set out in Article 9.5

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	according to which issuers need to obtain a post-issuance review of every allocation report, we note that Recital 17 already covers this situation.
(15) Issuers of European green bonds should abide by their commitments to investors and allocate the proceeds of their bonds within a reasonably short time after issuance. At the same time, issuers should not be penalised for allocating bond proceeds to economic activities that do not yet meet the taxonomy requirements, but will do so within the five year period (or extended ten year period). Issuers should in any case allocate all proceeds of their European green bonds before the maturity of each bond.	PL: (Comments): PL We agree with the merit of this recital, due to the fact, that EuGB standard shouldn't include additional sanctions for entrepreneurs for not fulfilling the requirements covered by the EU Taxonomy in so-called transition period.
(16) Unlike issuers that are financial or non-financial undertakings, issuers that are sovereigns can use the proceeds of European green bonds to indirectly finance economic activities that are aligned with the taxonomy requirements through the use of programmes of tax expenditures or programmes of transfers, including subsidies. In such cases, sovereigns ensure that economic activities funded by such programmes comply with the terms and conditions of those programmes. For that reason, when providing pre- and post-issuance reviews of European green bonds issued by sovereigns and the proceeds of which are	DE: (Drafting): (16) Unlike issuers that are financial or non-financial undertakings, issuers that are sovereigns can use the proceeds of European green bonds to indirectly finance economic activities that are aligned with the taxonomy requirements through the use of programmes of tax expenditures or programmes of transfers, including subsidies. In such cases, sovereigns ensure that economic activities funded by such programmes comply with the terms and conditions of those programmes. For that reason, when providing disclosure on European green bonds issued by sovereigns and the proceeds of which are allocated to expenditures as referred to in Article 4(2) in accordance with terms and conditions that are aligned with taxonomy requirements, a sovereign issuer shall report the alignment of the terms and conditions with the taxonomy requirements as well as the impact at the programme level. Equally, when providing pre- and post-issuance reviews of European green bonds issued by sovereigns and the proceeds of which are allocated to expenditures as referred to in Article 4(2) ~~tax~~

Commission proposal	Drafting Suggestions Comments
allocated to tax expenditures or subsidies in accordance with terms and conditions that are aligned with taxonomy requirements, external reviewers should not be required to assess the taxonomy-alignment of each economic activity funded by such programmes. Where that is the case, it should be sufficient for external reviewers to assess the alignment of the terms and conditions of the funding programmes concerned with the taxonomy requirements.	~~expenditures or subsidies~~ in accordance with terms and conditions that are aligned with taxonomy requirements, external reviewers should not be required to assess the taxonomy-alignment of each economic activity funded by such programmes. Where that is the case, it should be sufficient for external reviewers to assess the alignment of the terms and conditions of the funding programmes concerned with the taxonomy requirements. DE: (Comments): See general comment above on disclosure at project-level.
(17) Certain financial undertakings that have a portfolio of European green bonds may not be able to identify, for each European green bond, the distinct financial assets to which the proceeds of said bond have been allocated. This is due to a mismatch between, on the one hand, the time to maturity and the volume of funding of those bonds, and on the other hand the time to maturity and volume of the financial assets on the balance sheet of the financial undertaking. Financial undertakings should in such cases be required to disclose the allocation of the aggregate proceeds of their portfolio of European green bonds to a portfolio of environmentally sustainable financial assets on the undertaking's balance sheet. Those financial undertakings should then demonstrate in annual allocation reports that the related environmentally sustainable financial assets	BE: (Comments): Clarification is needed in the first sentence. It is not immediately clear that it refers to a portfolio on the liability side of the financial undertaking.

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complied with the taxonomy requirements at the time they were created. In order to ensure that all proceeds of European green bonds are allocated to environmentally sustainable economic activities, the financial undertakings should also demonstrate that the amount of those environmentally sustainable financial assets exceeds or equals the amount of European green bonds that have not yet matured. To ensure that the information provided remains complete and up to date, an external reviewer should review the annual allocation reports each year. That external reviewer should in particular focus on those financial assets that were not on the issuer's balance sheet in the previous year's allocation report.	
(18) To improve transparency, issuers should also disclose the environmental impact of their bonds by means of the publication of impact reports, which should be published at least once during the lifetime of the bond. In order to provide investors with all information relevant to assess the environmental impact of European green bonds, impact reports should clearly specify the metrics, methodologies and assumptions applied in the assessment of the environmental impacts. To strengthen the comparability of European green bonds and to	AT: (Comments): Unlike for pre-issuance factsheets and the post-issuance allocation reports the Regulation does not envisage an external review of the impact reports. What is the reason therefore? The rationale behind should be disclosed in the recitals. BE: (Comments): The frequency of the publication of impact reports should depend on the underlying assets of the bonds. If the bonds is supplemented with other activities over the years, more impact reporting should be done: at least every 5 years. However, if the Bond covers only one activity (example used in Q&A: converting production facility (like a steel plant) to reduce its emissions), or no

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facilitate the localisation of relevant information, it is necessary to lay down templates for the disclosure of such information.	updates are done throughout the life time, at least once is appropriate.
(19) State auditors, or any other public entity that is mandated by a sovereign to assess whether the proceeds of the European green bonds are indeed allocated to eligible fixed assets, expenditures and financial assets, are statutory entities with responsibility for and expertise in the oversight over public spending, and typically have legally guaranteed independence. Sovereigns that issue European green bonds should therefore be allowed to make use of such state auditors or entities for the purposes of the external review of bonds issued by such sovereigns. Such state auditors or entities should not be registered or supervised according to this Regulation.	AT: (Comments): The term "any other public entity that is mandated by the sovereign to assess compliance with this Regulation" seems to be too broad. The regulation should define specific criteria for "any other public entity" to provide for the necessary credibility in the market. Furthermore, as stated above under recital (14) it should also be clarified according to what general standards these reviews are conducted – independent of whether or not the audits are conducted by state auditors. IE: (Drafting): After 'legally guaranteed independence', add "They can therefore confirm the expenditure occurred as in the allocation report" At end, add: "Sovereigns may use a separate entity to confirm that the expenditure is eligible" IE: (Comments): It may be necessary to foresee an external auditor as well as a state auditor, as state auditors may not be mandated or otherwise in a position to comment on eligibility of expenditure.
(20) To ensure the efficiency of the market for European green bonds, issuers should publish on their websites details about the European green bonds they issue. To ensure the	AT: (Drafting): To ensure the efficiency of the market for European green bonds, issuers ~~should~~ shall publish on their websites details about the European green bonds they issue without undue delay. To ensure

Commission proposal	Drafting Suggestions Comments
reliability of information and investor confidence, they shall also publish the pre-issuance review as well as any post-issuance reviews.	the reliability of information and investor confidence, they shall also publish the pre-issuance review as well as any post-issuance reviews without undue delay. AT: (Comments): It should be clear that these requirements are mandatory. Furthermore, it should be clarified when these publications have to take place ("without undue delay"?).
(21) To improve transparency on how external reviewers reach their conclusions, to ensure that external reviewers have adequate qualifications, professional experience, and independence, and to reduce the risk of potential conflicts of interests, and thus to ensure adequate investor protection, issuers of European green bonds should only make use of external reviewers, including from third-countries, that have been registered and are subject to ongoing supervision by the European Securities and Markets Authority (ESMA).	AT: (Drafting): Add a new Recital: (21a) Current national certification schemes requiring external reviewers are carefully chosen as well as registered by Member States. As a consequence, they already represent a wide knowledge and experience in the green finance or bond sector. To provide for a competitive but decentralized and independent market of external reviewers, smaller reviewers should be also granted access to the market by also taking into account the principle of proportionality. AT: (Comments): As there is already knowledge available by established reviewers in MS, it is important that the criteria specifying the application for registration allow for the inclusion of established, usually smaller, reviewers in Member States by also taking into account the principle of proportionality. To avoid any oligopoly position of a few large auditing firms and therefore limited choice for issuers it is essential to balance demanding and reliable, but not excessive and too cost-intensive requirements.
(22) To strengthen transparency towards investors on how the alignment of bond proceeds with the taxonomy requirements is	AT: (Comments): It should be clarified what is understood by "in sufficient detail" and "due account". The current

Commission proposal	Drafting Suggestions Comments
assessed, external reviewers should disclose to users of pre-issuance reviews and post-issuance reviews the methodologies and key assumptions they use in their external review activities in sufficient detail, whilst taking due account of the protection of proprietary data and intellectual property.	wording leaves too much leeway for interpretation.
(23) External reviewers should have in place arrangements for their own sound corporate governance to ensure that their pre- and post-issuance reviews are independent, objective and of good quality. The senior management of external reviewers should therefore have sufficient expertise in financial services and environmental matters and ensure that a sufficient number of employees with the necessary knowledge and experience perform the external review. For the same reason, the compliance function should be able to report its findings to either a supervisory organ or an administrative organ.	AT: (Comments): It should be clarified what is understood by “independent, objective and of good quality” and “supervisory organ or administrative organ”. The current wording leaves too much leeway for interpretation.
(24) To ensure the independence of external reviewers, external reviewers should avoid situations of conflict of interest and manage those conflicts adequately when they are unavoidable. External reviewers should therefore disclose conflicts of interest in a	AT: (Comments): It should be clarified what is understood by “adequately” and “disclose” (disclosure towards clients or towards the public?). The current wording leaves too much leeway for interpretation.

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timely manner. They should also keep records of all significant threats to their independence, to that of their employees and to that of other persons involved in the external review process. They should also keep records of the safeguards applied to mitigate those threats.	
(25) It is necessary to avoid divergent applications of this Regulation by national competent authorities. At the same time, it is necessary to lower transaction and operational costs of external reviewers, to strengthen investor confidence and to increase legal certainty. It is therefore appropriate to give ESMA general competence for the registration and ongoing supervision of registered external reviewers in the Union. Entrusting ESMA with the exclusive responsibility for those matters should ensure a level playing field in terms of registration requirements and on-going supervision and eliminate the risk of regulatory arbitrage across Member States. At the same time, such exclusive responsibility should optimise the allocation of supervisory resources at Union level, thus making ESMA the centre of expertise and enhancing the efficiency of supervision.	AT: (Comments): We would prefer to clarify the remits of both ESMA and the national competent authorities. To our opinion, ESMA should supervise the external reviewers and therefore the (material) compliance with the criterions of the taxonomy, while the national competent authorities should ensure that orderly reviewed disclosure documents are used by issuers. DE: (Comments): The expansion of the supervision of issuers by national competent authorities should be mentioned here as well.
(26) ESMA should be able to require all	

Commission proposal	Drafting Suggestions Comments
information necessary to carry out its supervisory tasks effectively. It should therefore be able to demand such information from external reviewers, persons involved in external review activities, reviewed entities and related third parties, third parties to whom the external reviewers have outsourced operational functions and persons otherwise closely and substantially related or connected to external reviewers or external review activities.	
(27) To enable ESMA to perform its supervisory tasks, and in particular to compel external reviewers to put an end to an infringement, to supply complete and correct information or to comply with an investigation or an on-site inspection, ESMA should be able to impose penalties or periodic penalty payments.	
(28) Issuers of European green bonds may seek access to the services of third country external reviewers. It is therefore necessary to lay down a third-country regime for external reviewers on the basis of an equivalence assessment, recognition or endorsement under which third country external reviewers may provide external review services.	AT: (Comments): We would prefer to clarify within the recitals what is the relationship between equivalence assessment, recognition or endorsement.

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(29) In order to facilitate access for third country external reviewers in the absence of an equivalence decision, it is necessary to lay down a process for the recognition by ESMA of external reviewers located in a third country.	
(30) In order to facilitate the provision of services by third-country external reviewers to issuers of European green bonds, an endorsement regime should be laid down, allowing, under certain conditions, registered external reviewers located in the Union to endorse services provided by a third country external reviewer. An external reviewer that has endorsed services provided by a third country external reviewer should be fully responsible for such endorsed services and for ensuring that such third country external reviewer complies with the requirements laid down in this Regulation.	
(31) In accordance with Article 290 TFEU, power should be delegated to the Commission to specify the procedure for the exercise of the power to impose fines or periodic penalty payments, including provisions on rights of defence, temporal provisions, the collection of fines or periodic penalty payments, and detailed rules on the limitation periods for the imposition	

Commission proposal	Drafting Suggestions Comments
and enforcement of penalties and the type of fees, the matters for which fees are due, the amount of the fees, and the manner in which those fees are to be paid. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making . In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council should receive all documents at the same time as Member States' experts, and their experts should systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts.	
(32) As a body with highly specialised expertise, it would be efficient and appropriate to entrust ESMA with the development of draft regulatory and implementing technical standards that do not involve policy choices for submission to the Commission.	
(33) ESMA should be mandated to develop draft regulatory technical standards to further specify the criteria on which it can assess an	AT: (Drafting): ESMA should be mandated to develop draft regulatory technical standards to further specify, by

Commission proposal	Drafting Suggestions Comments
application for registration by an external reviewer and the provision of information by that external reviewer to determine its level of compliance with the requirements of this Regulation.	also taking into account the principle of proportionality, the criteria on which it can assess an application for registration by an external reviewer and the provision of information by that external reviewer to determine its level of compliance with the requirements of this Regulation. AT: (Comments): As there is already knowledge available by established reviewers in MS, it is important that the criteria specifying the application for registration allow for the inclusion of established, usually smaller, reviewers in Member States by also taking into account the principle of proportionality. To avoid any oligopoly position of a few large auditing firms and therefore limited choice for issuers it is essential to balance demanding and reliable, but not excessive and too cost-intensive requirements.
(34) In order to ensure uniform conditions for the implementation of this Regulation, implementing powers should be conferred on the Commission. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council .	
(35) ESMA should be mandated to develop draft implementing technical standards to specify the standard forms, templates and procedures for the provision of the information for the registration of external reviewers. The Commission should be empowered to adopt those implementing technical standards by means of an implementing act pursuant to	

Commission proposal	Drafting Suggestions Comments
Article 291 TFEU and in accordance with Article 15 of Regulation (EU) No 1095/2010 of the European Parliament and of the Council .	
(36) In order to encourage external reviewers to provide their services to the issuers of European green bonds as of the entry into application of this Regulation, this Regulation sets out a transitional regime for the first 30 months following the entry into force of this Regulation.	
(37) The objectives of this Regulation are twofold. On the one hand, it aims to ensure that uniform requirements apply to the use of the designation of 'European green bond' or 'EuGB'. On the other hand, it aims to establish a simple registration system and supervisory framework for external reviewers by entrusting a single supervisory authority with the registration and supervision of external reviewers in the Union. Both aims should facilitate capital raising for projects that pursue environmentally sustainable objectives. Since those objectives cannot be sufficiently achieved by the Member States but can be better achieved at Union level, the Union may adopt measures in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European	DE: (Comments): The expansion of the supervision of issuers by national competent authorities should be mentioned here as well.

Commission proposal	Drafting Suggestions Comments
Union. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve those objectives,	
HAVE ADOPTED THIS REGULATION:	
Title I	
Subject matter and definitions	
Article 1	
Subject matter	
This Regulation lays down uniform requirements for issuers of bonds that wish to use the designation ‘European green bond’ or ‘EuGB’ for their environmentally sustainable bonds made available to investors in the Union, and establishes a registration system and supervisory framework for external reviewers of European green bonds.	PL: (Comments): PL We positively assess the fact that the application of the EuGB standard is fully voluntary for issuers. It should be emphasized that if EuGB were obligatory standard, the issuers, mainly from the SME sector, would suffer from serious difficulties in adjusting to the prevailing market practices, and incurring additional, obligatory costs related to external control. In our opinion voluntary application should be maintained.

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	IE: (Comments): Some concerns have been expressed over the broadness of the term 'European Green Bond' (for example its interaction with descriptions of existing green bonds under ICMA principles from Europe), this could be returned to as texts develop. CZ: (Drafting): **1.** This Regulation lays down uniform requirements for issuers of bonds that wish to use the designation 'European green bond' or 'EuGB' for their ~~environmentally sustainable~~ bonds **or other forms of securitised debt, including depositary receipts in respect of such securities, the proceeds of which are associated with economic activities that qualify as environmentally sustainable under Articles 3 and 9 of Regulation (EU) 2020/852 and which are marketed, distributed or sold** to investors **or by issuers established** in the Union, and establishes a registration system and supervisory framework for external reviewers of European green bonds. CZ: (Comments): The Regulation should not use undefined terms, namely "environmentally sustainable bonds" or "make available". One alternative is to define them, the other is to use a more precise description of these terms. Also it should be made clear if the Regulation applies to EU issuers when offering EuGB outside EU. To discuss is also question, if the Regulation applies to issuers from third countries when offering EuGB in EU (or are they banned from using this designation?).. DE: (Comments): The expansion of the supervision of issuers by national competent authorities should be mentioned here as well. PT: (Comments):

Commission proposal	Drafting Suggestions Comments
	The regulation should also apply to retained issuances that are taxonomy-aligned, but not "made available to investors", at least at the moment of the issuance.
	CZ: (Drafting): **2. Without prejudice to paragraph 1, European green bonds issued by issuers established in the Union can be marketed, distributed or sold to investors established in the third countries.** CZ: (Comments): In our opinion, the designations in Art. 3
Article 2	
Definitions	
For the purposes of this Regulation, the following definitions apply:	AT: (Comments): Article 2 should be amended by a definition of "bonds" which shall clarify whether the EuGB standard shall only apply to bonds which are transferable securities as defined in point (44) item (b) of Article 4, para 1 of Directive 2014/65/EU and referred to in Art 2 point (a) of the Regulation (EU) 2017/1129 or whether it shall cover any kind of bonds (including e.g. registered bonds with restrictions in transferability).
(1) 'issuer' means any legal entity that issues bonds;	RO: (Drafting): "issuer" means an issuer as defined in point (h) of Article 2 of Regulation (EU) 2017/1129 of the European Parliament and of Council that issues bonds

Commission proposal	Drafting Suggestions Comments
	RO: (Comments): Align the definition of "issuer" with the Regulation (EU) 2017/1129 in order not to create confusion AT: (Drafting): 'issuer' means a legal entity, which issues or proposes to issue bonds. AT: (Comments): Alignment with Article 2 point (h) of the Prospectus Regulation. CZ: (Drafting): (1) 'issuer **of European green bonds**' means ~~any~~ **a natural person, or a** legal entity **governed by private or public law, including a sovereign,** that issues **European green** bonds; **in the case of depository receipts the issuer means the issuer of the securities represented;** CZ: (Comments): Inspiration in Transparency Directive. Natural persons should be also allowed to issue European green bonds, if they are allowed to issue bonds according to their national law (for example in the Czech Republic).
	CZ: (Drafting): **(1a) 'European green bonds' means bonds or other forms of securitised debt, including depositary receipts in respect of such securities, for which the designation 'European green bond' or 'EuGB' is used;** **(1b) 'depositary receipts' means depositary receipts as defined in Article 4(1), point (45) of**

Commission proposal	Drafting Suggestions Comments
	Directive 2014/65/EU; CZ: (Comments): Inspiration is in MiFID II. The term "European green bonds" is used in the draft Regulation and is not defined (should be defined).
(2) 'financial undertaking' means an AIFM as defined in Article 4(1), point (b), of Directive 2011/61/EU of the European Parliament and of the Council , a UCITS management company as defined in Article 2, point (10), of Regulation (EU) 2019/2088 of the European Parliament and of the Council , a credit institution as defined in Article 4(1), point (1), of Regulation (EU) No 575/2013 of the European Parliament and of the Council , an investment firm as defined in Article 4(1), point (2) of Regulation (EU) No 575/2013, an insurance undertaking as defined in Article 13, point (1), of Directive 2009/138/EC of the European Parliament and of the Council or a reinsurance undertaking as defined in Article 13, point (4), of Directive 2009/138/EC;	BG: (Comments): **BG:** We would like to receive a clarification as to the purpose of the inclusion of such definition in the proposal. The term "financial undertaking" is used only in Article 9, par. 5. In the Commission's presentation of the proposal it has been stated that "issuers could make use of portfolio approach = matching a portfolio of green bonds with portfolio of green loans". If the objective is the derogation provided in Article 9 (5) to be applied only by credit institutions, it should be amended accordingly and we see no need to define the term "financial undertaking". IE: (Comments): We would welcome clarity that covered bond issuers may also issue European green bonds, however we are open to discussing how best to reflect this in the text. CZ: (Drafting): *[to be deleted?]* CZ: (Comments): This term is used only one - see our comments on Art. 9(3). This term does not need to be defined and can be used there.

Commission proposal	Drafting Suggestions Comments
(3) 'sovereign' means any of the following:	BG: (Comments): **BG:** We would like to receive a clarification as to the rationale behind the proposed definition of sovereign as it differs from the wording used for the exemption in Article 1, par. 2, letters b) and d) of the Prospectus Regulation: "(b) non-equity securities issued by a Member State or by one of a Member State's regional or local authorities, by public international bodies of which one or more Member States are members, by the European Central Bank or by the central banks of the Member States; (d) securities unconditionally and irrevocably guaranteed by a Member State or by one of a Member State's regional or local authorities;" and from the definition of sovereign issuer in Art, 4, par.1 (60) Directive 2014/65/EU " 'sovereign issuer' means any of the following that issues debt instruments: (i)the Union; (ii)a Member State, including a government department, an agency, or a special purpose vehicle of the Member State; (iii)in the case of a federal Member State, a member of the federation; (iv)a special purpose vehicle for several Member States; (v)an international financial institution established by two or more Member States which has the purpose of mobilising funding and provide financial assistance to the benefit of its members that are experiencing or threatened by severe financing problems; or (vi)the European Investment Bank;" This inconsistency of these definitions between the EU GBS Regulation and the Prospectus regulation could lead to the situation where a bond is issued by a company fully owned by a state and will be treated as sovereign bond with regard to the use of proceeds and external review in accordance with the EU GBS but will not be exempted from the Prospectus regulation and vice-versa - bonds which are unconditionally and irrevocably guaranteed by a Member State or by one of a Member State's regional or local authorities will be exempted from the Prospectus regulation but will not be treated as "sovereign" bonds under the EU GBS Regulation.

Commission proposal	Drafting Suggestions Comments
	The inconsistency of the definition with the definition in MIFID will lead to the fact that bonds issued by EIB or by international financial institutions will be treated as sovereign bonds according to MIFID, but will not be treated as sovereign bonds according to EU GBS. CZ: (Drafting): *[to be deleted - moved to Art. 4?]* CZ: (Comments): It may be considered to move this definition to Art. 4, as we propose to use the term only there (Art. 4(2)) and delete other references. See also our comments on Art. 11 and Art. 14(3). On the other hand we propose to include sovereigns in the definition of issuer (see above) in inspiration of Transparency Directive, so the definition may remain here (in Art. 4(2).
(a) Euratom, the Union and any of their agencies;	BG: (Comments): BG: We would like to receive a clarification as to the specific mentioning of Euratom. As regards "the Union" we would like to receive a clarification as regards the future treatment of green bonds issued by the Union. It is not clear if the Union will be obliged to use the EU GBS for the issuance of green bonds. CZ: (Drafting): *[to be deleted - see above]*
(b) any State, including a government department, an agency, or a special purpose	LU: (Drafting):

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vehicle of such State;	any State, including a government department, an agency, **any other person governed by public law** or a special purpose vehicle of such State; LU: (Comments): In order to capture all entities governed by public law. We would also suggest an alignment with existing definitions, such as the one provided for by directive 2014/65/UE (MiFID II). CZ: (Drafting): *[to be deleted - see above]*
(c) in the case of a federal State, a member of the federation;	AT: (Comments): It is not clear, whether the term "a member of the federation" refers to sub-sovereigns only or also includes their agencies and SPVs (analogous to lit. b). CZ: (Drafting): *[to be deleted - see above]*
(d) a regional or municipal entity;	CZ: (Drafting): *[to be deleted - see above]*
(e) a collective undertaking of several States in the form of an organisation or a special purpose vehicle;	CZ: (Drafting): *[to be deleted - see above]*

Commission proposal	Drafting Suggestions Comments
(f) a company of private law fully owned by one or more of the entities referred to in points (a) to (e);	BG: (Comments): BG: We would like to receive a clarification as to the rationale behind the inclusion of these companies in the definition of "sovereign" taking into account that they are not included in Prospectus regulation and MIFID definitions. AT: (Drafting): (f) a company of private law fully owned by one or more of the entities referred to in points (a) to (e) and to which the fulfilment of individual sovereign administrative tasks in their own name is transferred by law; AT: (Comments): Companies under private law should be treated as such, also if their owner is a MS or local entity and apply the same provisions as companies in private ownership. EU-wide and globally, many large companies are organized under private law but state-owned. This would lead to unjustifiable unequal treatment compared with all those companies that are not state-owned. What is relevant for the qualification is rather the fact that a company under private law, but owned by a sovereign has sovereign tasks. Therefore, only companies with tasks comparable to that of sovereigns should fall under the definition of sovereigns. FI: (Drafting): FI (f) a company of private law**, including financial undertakings,** fully owned by one or more of the entities referred to in points (a) to (e); FI:

Commission proposal	Drafting Suggestions Comments
	(Comments): FI There is need for clarifying the point that the definition includes different kinds of companies also financial undertakings, including credit institutions. Furthermore, the reporting requirements need to be clarified for public owned financial undertakings. For example, Article 9.5 includes a requirement for financial undertakings to use external reviewers. CZ: (Drafting): *[to be deleted - see above]* MT: (Comments): We propose the inclusion of PPP in this definition. DE: (Drafting): (f) an entity ~~company of private law~~ fully owned by one or more of the entities referred to in points (a) to (e); DE: (Comments): We cannot see any reason for limiting this prong of the definition to private law companies only, thereby excluding from this definition public law entities fully owned by one or more of the entities referred to in points (a) to (e) that themselves are not an entity referred to in points (a) to (e). PT: (Comments): We have some doubts concerning the definition of sovereign. Is this to include public companies

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	that are in competition with private companies? (Comments):IT ITA: We believe that companies under private law should be treated as such, even if their owner is a MS or local entity and apply the same provisions as companies in private ownership.
	FI: (Drafting): **FI** **(g) a company of a private law, including financial undertakings, that is fully owned by one or more of the entities referred to points (a) to (f)** FI: (Comments): FI What if the issuer is a company that is fully owned by companies that are fully owned by sovereign entities? For example, in Finland, one of the largest green bond issuer is an institution owned by municipalities, municipally controlled companies, public sector pension fund and the Republic of Finland. The level-playing-field should be ensured for fully owned public institutions despite their ownership structure.
(4) 'taxonomy requirements means the requirements set out in Article 3 of Regulation (EU) 2020/852;	AT: (Drafting): 'taxonomy requirements' means the requirements set out in Article 3 of Regulation (EU) 2020/852; AT: (Comments): Only layout

Commission proposal	Drafting Suggestions Comments
	BE: (Drafting): 'taxonomy requirements' means the requirements set out in Article 3 of Regulation (EU) 2020/852; BE: (Comments): A quote mark is missing. CZ: (Drafting): *[to be deleted?]* CZ: (Comments): These words are only used in Article 6 and in heading of Article 7. Also because of its brevity, it is question if it is needed and should not be replaced in the text by reference to Art. 3 of Taxonomy Regulation. See our comments on Art. 6 and 7. MT: (Comments): The definition of the Taxonomy shall consider also the forthcoming Delegated Acts (that should include hydrogen-ready gas infrastructures).
	CZ: (Drafting): **(4a) 'capital expenditures' (CapEx) means capital expenditures according to delegated act to Article 8 of Regulation (EU) 2020/852;** **(4b) 'operating expenditures' (OpEx) means an capital expenditures according to delegated act to Article 8 of Regulation (EU) 2020/852;**

Commission proposal	Drafting Suggestions Comments
	(4d) 'financial assets' means equity, quasi-equity or debt; **(4e) 'equity' means ownership interest in an undertaking, represented by the shares or other forms of participation in the capital of the portfolio undertaking, issued to its investors;** **(4f) 'quasi-equity' means any type of financing instrument which is a combination of equity and debt, where the return on the instrument is linked to the profit or loss of the portfolio undertaking and where the repayment of the instrument in the event of default is not fully secured;** **(4g) 'debt' means securitised and un-securitised debt instruments, issued by a portfolio undertaking or secured or unsecured loans granted by the issuer of European green bonds to a portfolio undertaking;** **[OR: 'debt' means debt instruments issued by a portfolio undertaking or loans granted by the issuer of the European green bonds to a portfolio undertaking [with a maturity no longer than the maturity of the European green bonds];]** CZ: (Comments): We propose to move the definitions from Art. 4 and 5 to Art. 2 and elaborate them more. We propose to introduce definition of fixed assets. As CAPEX is defined inter allia as aquisition of fixed assets, it is questionable if fixed assets should be considered as separate asset. In relation to capital expenditures, in our opinion fixed assets cannot be intangible. We propose to replace the term "operating expenditures" with the correct term "operating expenses". In relation to the definition of financial assets, we propose to move it from Art. 5 to Art. 2 and in addition we propose further changes (inspired mainly by EuVECA, EuSEF and ELTIF). To be discussed if it is not also necessary to define "qualifying portfolio undertaking" (for example not financial institutions) - at this moment we use the undefined term "porfolio undertaking" (there are also other options "issuing undertaking" or "concerned undertaking").
(5) 'regulated market' means a regulated	CZ:

Commission proposal	Drafting Suggestions Comments
market as defined in Article 4(1), point (21), of Directive 2014/65/EU of the European Parliament and of the Council .	(Drafting): *[to be deleted?]* CZ: (Comments): Not yet used in the Regulation, however we propose to use it in Art. 13 instead of "listed" (which refers to Listing Directive), the more general term (see for example Transparency Directive, MAR or Prospectus Regulation) "admitted to trading to a regulated market". Also "admission to MTF" may be considered (see UCITS Directive), as it is not per se "public offer" (according to Prospectus Regulation). But we propose to use more general concept used in PRIIPS (see also our comments on Art. 36). PT: (Comments): While the concept of 'regulated market' is defined here, it is not used nowhere else in the text of the Regulation. Why is it necessary to have a definition?
	CZ: (Drafting): **(6) 'competent authority' means the national administrative authority of Member States determined according to Article 36;** **(7) 'home Member State' means the Member State, where the issuer is established;** **(8) 'host Member State' means the Member State, where European green bonds are made marketed, distributed or sold, if different from home Member State;** **(9) 'established' means domiciled or having a registered office;** **(10) 'supervisory authority' in relation to third-country external reviewer means the national authorities of a third country which are empowered by law or regulation to supervise third-country external reviewers;**

Commission proposal	Drafting Suggestions Comments
	(11) 'external reviewer' means a legal entity, governed by private or public law, established in a Member State registered with ESMA in accordance with Articles 15 and 59(1)(a); **(12) 'third-country external reviewer' means external reviewer established in a third country registered in the register of third-country external reviewers kept by ESMA in accordance with Articles 31 or 34 and 59(1) points (d) or (e);** **(13) 'senior management' means senior management as defined in Article 4(1), point (37), of Directive 2014/65/EU;** **(14) 'offer to public' means offer of securities to the public as defined in Article 2, point (d), of Regulation (EU) 2017/1129;** **(15) 'management body' means management body as defined in Article 4(1), point (36), of Directive 2014/65/EU;** **(16) 'proceeds of the European green bonds' means the total proceeds derived from the issuance, sale and delivery of the European green bonds without deducting the costs;** **(16) 'legal representative' means a natural person domiciled in the Union or a legal person with its registered office in the Union, and which, expressly designated by a third-country external reviewer, acts on behalf of such third-country external reviewers vis-à-vis the authorities, clients, bodies and counterparties to the third-country external reviewers in the Union with regard to the third-country external reviewers obligations under this Regulation;** CZ: (Comments): We propose to define some other used terms. See also our comments on Art. 36 (NCA), Art. 40 (home/host/established), Art.

Commission proposal	Drafting Suggestions Comments
Title II	
Conditions for the use of the designation ‘European green bond’ or ‘EuGB’	
Chapter I	
Bond-related requirements	
Article 3	AT: (Comments): Please kindly check the layout; the paragraphs of Art 1 and 2 are in brackets (e.g. “(1)”), whereas as from Art 3 onward they aren’t but include a dot (e.g. “1.”)
Designation	
The designation ‘European green bond’ or ‘EuGB’ shall only be used for bonds that comply with the requirements set out in this Title until their maturity.	IE: (Comments): As flagged above, some concerns have been expressed over the broadness of the term ‘European Green Bond’ (for example its interaction with descriptions of existing green bonds under ICMA principles from Europe), which could be returned to as texts develop. CZ:

Commission proposal	Drafting Suggestions Comments
	(Drafting): **1.** The designation 'European green bond' or 'EuGB' shall ~~only~~ be used ~~for~~ **only in relation to** bonds **or other forms of securitised debt, including depositary receipts in respect of such securities,** that comply with the requirements set out in this Title until their ~~maturity~~ **repayment, including all interests**. CZ: (Comments): In relation to "maturity" see our comments on Art. 13(1). See also our comments on Art. 37 and 41. See our proposal in Art. 2 point (1a). Inspiration taken from Art. 6 of MMF-R. MT: (Comments): Can the Commission elaborate on whether the potential implications, if any, on financial stability has been studied when a bond is verified pre-issuance but not verified post-issuance? PT: (Comments): In our view, provisions regarding the consequences of non-compliance with the requirements are missing. First, the use of the designation for bonds that do not comply with the requirements in the moment of their issuance should be subject to penalties (Article 41). Further, it should be made clear that, in case of non-compliance by sovereigns with the requirements while the bond is outstanding, the sole consequence is that the designation can no longer be used (Comments):IT ITA:

Commission proposal	Drafting Suggestions Comments
	the term 'European Green Bond' is by definition broad, also taking into account that other standards (such the ICMA ones) have a large use among EU issuers already
	CZ: (Drafting): **2. The issuer of European green bonds may be established within the territory of a third country provided that the third country:** **(a) appropriate cooperation arrangements must be in place between the competent authorities of the host Member State and the supervisory authorities of the third country where the issuer is established in order to ensure at least an efficient exchange of information that allows the competent authorities to carry out their duties in accordance with this Regulation;** **(b) is not listed as a Non-Cooperative Country and Territory by the Financial Action Task Force on Anti-Money Laundering and Terrorist Financing,** **[OR: (b) is not a high-risk and non-cooperative jurisdiction identified by the Financial Action Task Force;]** **(c) has signed an agreement with the home Member State of the manager of a qualifying social entrepreneurship fund and with each other Member State in which the units or shares of the qualifying social entrepreneurship fund are intended to be marketed to ensure that the third country fully complies with the standards laid down in Article 26 of the OECD Model Tax Convention on Income and on Capital and ensures an effective exchange of information in tax matters, including any multilateral tax agreements.** CZ: (Comments): It should be made clear under which conditions issuers of EuGB can be established in third country. Inspiration taken from AIFMD and non-EU AIFs (it should be updated, as it may be considered outdated) or EuVECA/EuSEF/ELTIF.

Commission proposal	Drafting Suggestions Comments
Article 4	PT: (Comments): The definitions of "capital expenditures" and "operation expenditures" in Article 4 should be transferred to Article 2. The same for the definition of "Financial Assets" in Article 5.
Use of the proceeds of European green bonds	FI: (Comments): FI There is need for a definition for "the proceeds". The term is used in many places in the regulation proposal. It is unclear what is exactly meant by the proceeds. In this case, it is important to understand, does the proceeds mean the net proceeds or not, because of accounting and audit reasons.
1. Before maturity of the bond, the proceeds of European green bonds shall be exclusively and fully allocated, without deducting costs, to the following, or a combination thereof:	PL: (Comments): PL We support the possibility of applying some exclusions foreseen in case of sovereign issuers. Nevertheless, we are of the opinion that in case of sovereign issuers exception from the Taxonomy regulation should be considered. We believe that it is justified as Taxonomy regulates the economic activity of private entities, not public institutions. According to impact assessment half of the Member States participating in the survey were in favour with the admission of the so-called flexibility pocket, i.e. admissions under certain conditions issuances of green bonds that are not fully compliant with the Taxonomy regulation. Ultimately, this option was not accepted. In our view adoption of the flexibility pocket would widen the range of investment opportunities and thus contribute to popularise both green bonds as such and the EU standard based on the proposed regulation.

Commission proposal	Drafting Suggestions Comments
	AT: (Comments): In our opinion the wording "without deducting costs" is unclear and would benefit from further clarification and a specification what exactly is meant by „costs“. E.g. are costs directly linked to the issuance of a bond as a EuGB included? In our view, the liquidity inflows from the EuGB should be invested net in green investments. Issuing costs are in any case no longer available for investment; clarification is needed here as to whether funds from other sources should then be used in order to comply with the gross principle. BE: (Comments): “Without deducting costs”: to be clarified if this also aims at transaction costs / costs linked to the offering/issuance of the EuGB and whether or not such costs can be deduced. IE: (Comments): Still under consideration CZ: (Drafting): 1. Before maturity of the ~~bond~~ **European green bonds**, the proceeds of **the** European green bonds shall be exclusively and fully allocated~~, without deducting costs,~~ to the following, or a combination thereof: CZ: (Comments): See our comments on Art. 2 (definition of proceeds). MT: (Comments): The option for SMEs to be able to deduct verification costs could attract more use of the EuGB

Commission proposal	Drafting Suggestions Comments
	standard. Operating expenditure can be part financed by the proceeds in cases where these are unreasonably high in comparison to the project size or where related capacity building efforts are required as particularly relevant for micro and SMEs and smaller sized jurisdictions. DE: (Drafting): 1. Before maturity of the bond, the proceeds of European green bonds shall be exclusively and fully allocated, ~~without~~ after deducting costs related to the issuance of the European green bond only, to the following, or a combination thereof: DE: (Comments): It is current market practice to allocate the net proceeds of the green bond issue only, as the costs of issuing the bonds necessarily reduce the funds freely available for making investments. This is of particular relevance for issuers that are special purpose vehicles. Further note: The distinction in terminology between „use of proceeds" and "allocation of proceeds" is of utmost practical importance as in most green bond issuances it is current market practice that the proceeds are allocated in such a way that an amount equal to the (net) proceeds is used for the purposes stipulated in the UoP clause, but that there is no 1:1 use or ear-marking of funds, i.e. the proceeds are usually received in a general payment account of the issuer and are comingled with other incoming payments instead of being received in a ring-fenced, special purpose account from which the payments are made to purchase eligible assets or fund expenditures. For example, the German language translation does not make this necessary distinction and, thus, could be read to require a ring-fenced, special purpose account structure for UoP purposes. For purposes of illustration and taking into account our comments above, it should be corrected as follows:

Commission proposal	Drafting Suggestions Comments
	"Die Erlöse europäischer grüner Anleihen werden vor deren Fälligkeit ausschließlich und vollumfänglich ~~ohne~~ nach Abzug **nur** von **solchen** Kosten**, die anlässlich der Begebung der europäischen grünen Anleihe entstehen,** ~~für~~ folgenden **Verwendungszwecken** oder einer Kombination daraus **zugeordnet**~~verwendet~~." Please have the German language translation of this Regulation checked for consistent use of the terminology "use of proceeds" vs. "allocation of proceeds" throughout the entire text.
(a) fixed assets, including those of households, that are not financial assets;	SE: (Comments): We would welcome some clarification as to why assets and expenditures of households are included in the proposed standard. If an example of how this could come about were to be made, that would help us much. AT: (Comments): "Fixed assets" should be defined. CZ: (Drafting): ~~(a) fixed assets, including those of households, that are not financial assets;~~ CZ: (Comments): In our opinion, all capital expenditures are for update, renewal or purchase of fixed assets. It is not necessary to have fixed assets as separate category. NL: (Comments): The impact assessment (p. 165) recommends to impose limits to prevent issuers from indefinitely refinancing the same expenditure, for example with time-limits to prevent expenditure that predate

Commission proposal	Drafting Suggestions Comments
	the issuance by more than a certain number of years to be used for new green bond issuance. This proposal only contains a so called look-back period for operational expenditures of three years. NL is of the opinion that there should be some limits to prevent indefinite refinancing of existing assets, to prevent greenwashing under the EU standard.
(b) capital expenditures, including those of households;	SE: (Comments): We would welcome some clarification as to why assets and expenditures of households are included in the proposed standard. If an example of how this could come about were to be made, that would help us much. CZ: (Drafting): ~~(b)~~ **(a)** capital expenditures~~, including those of households~~ **in accordance with Article 7**; CZ: (Comments): All expenditures are either capital (CapEx) or operational (OpEx). The quality of CapEx and OpEx are set in Art. 7. It is not clear how CapEx and OpEx apply to households where households are not keeping accounts (they do not have accounting). NL: (Comments): See art. 4, 1 (a).
(c) operating expenditures that were incurred more recently than three years prior to the issuance of the European green bond;	ES: (Drafting): (c) operating expenditures that were incurred more recently than three fiscal years prior to the issuance of the European green bond;

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	ES: (Comments): ES: This clarification will make it easier for issuers and investors to identify the eligibility periods. If this was interpreted as "natural years" it may impose an unnecessary burden in the case of certain issuers (i.e. sovereigns), given that the reporting is usually based on a budget referred to the fiscal year. LU: (Drafting): (c) operating expenditures that were incurred more recently than **two ~~three~~** years prior to the issuance of the European green bond; LU: (Comments): We recommend limiting to 2 years. This would be aligned with ICMA Green Bond Principles CZ: (Drafting): ~~(c)~~ **(b)** operating expenditures that were incurred more recently than three ~~years~~ **accounting periods** prior to the issuance of the European green bond**, in accordance with Article 7**; CZ: (Comments): How can proceeds from EuGB be allocated to expenditures from previous 3 accounting periods/years? PT: (Comments): Scrutiny reservation on the timeframe.

Commission proposal	Drafting Suggestions Comments
(d) financial assets as referred to in Article 5.	CZ: (Drafting): ~~(d)~~ **(c)** financial assets as referred to in Article 5 **the proceeds of which are allocated to capital or operating expenditures in accordance with Article 7 [or to financial assets the proceeds of which are allocated to capital or operating expenditures in accordance with Article 7]**. CZ: (Comments): If the definition of financial assets will be in Art. 2, there is no need to refer to Art. 5. Art. 5(2) may be materially moved here and Art. 5(3) should be explained or deleted. NL: (Comments): See art. 4, 1 (a).
For the purposes of this paragraph, capital expenditures shall mean either additions to fixed tangible and fixed intangible assets during the financial year considered before depreciation, amortisation and any re-measurements, including the additions resulting from revaluations and impairments for the financial year concerned, and excluding fair value or any additions to fixed tangible and fixed intangible assets resulting from business combinations.	BE: (Comments): In current market practice, the proceeds of sovereign bonds are fully allocated to eligible expenditures made during or even one or two years prior to the year of bond issuance. The draft regulation seems based on an inverse logic, where bond issuance often precedes the allocation to eligible expenditures, and allocation can generally take place up to several years after issuance [Preamble (11) and (12)], except for operating expenditures, tax credits and subsidies, where current market practice is described [Articles 4.1.(c), 4.2.(c) and (d)]. What timing considerations need to be taken into account in relation to fixed assets and capital expenditures; can bond proceeds be allocated to fixed assets or capital expenditures preceding issuance by one or two years, as is current market practice? CZ:

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	(Drafting): *[to be deleted?]* CZ: (Comments): We propose to move the definition to Art. 2 and refer to Delegated Act to Art. 8 of Taxonomy Regulation. This Act has not yet been approved and may be subject to changes (also in future), but it is better to be aligned. For example the definition in Draft Delegated Act does not use the words "fixed tangible and fixed intangible assets", but only "tangible and intangible assets". Why is the definition different? PT: (Comments): This definition should be transferred to Article 2. We fail to understand what CAPEX would be included in "fair value or any additions to fixed tangible and fixed intangible assets resulting from business combinations" - further explanation and detail would be welcome.
For the purposes of this paragraph, operating expenditures shall mean direct non-capitalised costs which relate to research and development, education and training, building renovation measures, short-term lease, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of fixed tangible or fixed intangible assets of property, plant and equipment that are necessary to ensure the	CZ: (Drafting): *[to be deleted?]* CZ: (Comments): We propose to move the definition to Art. 2 and refer to Delegated Act to Art. 8 of Taxonomy Regulation. This Act has not yet been approved and may be subject to changes (also in future), but it is better to be aligned.

Commission proposal	Drafting Suggestions Comments
continued and effective functioning of such assets.	PT: (Comments): This definition should be transferred to Article 2.
2. By way of derogation from paragraph 1, a sovereign may also allocate the proceeds of European green bonds it has issued to the following, or any combination thereof:	CZ: (Comments): We propose to move the definition of "sovereign" here and not use this term elsewhere (namely Art. 11 and 14(3). See below. MT: (Comments): Current market standards do not differentiate between sovereigns and corporates. Sovereign issuers have different realities and conditions when issuing bonds and require an element of flexibility. We propose a separate cohesive and comprehensive standard for sovereigns that takes into consideration the specific transition needs of that sovereign. This will ensure fairness and full capturing of the different expenditures and revenue streams. Furthermore, in view of expenditure related to sovereign green bonds which will be allocating proceeds for the conservation and landscaping of natural habitats including the enhancement of their corresponding biodiversity habitat as a public good, direct expenditure related to the employees engaged on the ground on a regular basis should also be considered to be eligible under this paragraph.
(a) fixed assets referred to in point 7.22 of Annex A to Regulation (EU) No 549/2013 of the European Parliament and of the Council ;	CZ: (Drafting): (a) ~~fixed assets~~ **produced non-financial assets** referred to in point 7.22 of Annex A to

Commission proposal	Drafting Suggestions Comments
	Regulation (EU) No 549/2013 of the European Parliament and of the Council ; CZ: (Comments): Fixed assets are AN.11, not AN.1 (Produced non-financial assets). See also points 7.42-7.45. NL: (Comments): See art. 4, 1 (a).
(b) non-produced non-financial assets referred to in point 7.24 of Annex A to Regulation (EU) No 549/2013;	NL: (Comments): See art. 4, 1 (a). PT: (Comments): We would welcome specific examples of proceeds' uses covered by this provision that could be considered taxonomy compliant.
(c) tax relief referred to in point 20.167 of Annex A to Regulation (EU) No 549/2013 that was granted more recently than three years prior to the issuance of the European green bond;	ES: (Drafting): (c) tax relief referred to in point 20.167 of Annex A to Regulation (EU) No 549/2013 that was granted more recently than three fiscal years prior to the issuance of the European green bond; ES: (Comments): ES: Same reasoning as in article 4.1.c). This clarification will make it easier for issuers and investors to identify the eligibility periods.

Commission proposal	Drafting Suggestions Comments
(d) subsidies referred to in point 4.30 of Annex A to Regulation (EU) No 549/2013 that were transferred more recently than three years prior to the issuance of the European green bond;	ES: (Drafting): (d) subsidies referred to in point 4.30 of Annex A to Regulation (EU) No 549/2013 that were transferred more recently than three fiscal years prior to the issuance of the European green bond; ES: (Comments): ES: Same reasoning as in article 4.1.c). This clarification will make it easier for issuers and investors to identify the eligibility periods.
(e) capital expenditures referred to in point 20.104 of Annex A to Regulation (EU) No 549/2013.	
	CZ: (Drafting): **For the purposes of this paragraph, 'sovereign' means any of the following:** **(a) Euratom, the Union and any of their agencies;** **(b) any State, including a government department, an agency, or a special purpose vehicle of such State;** **(c) in the case of a federal State, a member of the federation;** **(d) a regional or municipal entity;** **(e) a collective undertaking of several States in the form of an organisation or a special purpose vehicle;** **(f) a company of private law fully owned by one or more of the entities referred to in points (a) to (e);** CZ: (Comments):

Commission proposal	Drafting Suggestions Comments
	We propose to move the definition of "sovereign" here and not use this term elsewhere (namely Art. 11 and 14(3). DE: (Drafting): (f) environmentally sustainable activities that are aligned with the environmental objectives set out in Article 9 of Regulation (EU) 2020/852, or contribute to the transformation of activities to become environmentally sustainable, but which are not covered by the technical screening criteria referred to in Article 3, point (d), of Regulation (EU) 2020/852. DE: (Comments): See general comments above on taxonomy compliance.
3. A European green bond may be refinanced by issuing a new European green bond.	LU: (Comments): There is no specific provision on how/when to determine Taxonomy-alignment in case of the refinancing of EuGB by new EuGB. It would be important to clarify this point.
Article 5	AT: (Comments): We think that this Article, especially para 3 could profit from further clarification.
Financial assets	
1. Financial assets as referred to in Article 4(1), point (d), shall mean any of the following assets, or any combination thereof:	FI: (Comments): FI

Commission proposal	Drafting Suggestions Comments
	Some green bonds can include also leases. Are leases included in the definition of financial assets as debt? This needs clarifying. IE: (Comments): Still under consideration CZ: (Drafting): 1. Financial assets as referred to in Article 4(1), point ~~(d)~~**(c)**, shall mean any of the following assets, or any combination thereof: *[to be deleted?]* CZ: (Comments): See above our comments on "fixed assets" in Art. 4(1)(a) and definitions in Art. 2. See also our comments on Art. 6(2). PT: (Comments): This definition should be transferred to Article 2.
(a) debt;	CZ: (Drafting): *[to be deleted?]* CZ: (Comments):

Commission proposal	Drafting Suggestions Comments
	We propose a precise definition in Art. 2 inspired by EuVECA, EuSEF and ELTIF. DE: (Comments): Suggest adding a definition under Article 2.
(b) equity.	ES: (Comments): ES: Further clarification is needed on this point. It is hard to think of investing the use of proceeds in a company that is 100% Taxonomy aligned. LU: (Comments): Regarding equity, it could be useful to specify if convertible bonds or payment-in-kind (PIK) bonds can be considered as « equity » or « equity-linked. CZ: (Drafting): *[to be deleted?]* DE: (Comments): Suggest adding a definition under Article 2.
2. The proceeds of the financial assets referred to in paragraph 1 shall only be allocated to fixed assets that are not financial assets as referred to in Article 4(1), point (a), capital expenditures as referred to in Article 4(1), point	CZ: (Drafting): 2. The proceeds of the financial assets referred to in paragraph 1 shall only be allocated to ~~fixed assets that are not financial assets as referred to in Article 4(1), point (a),~~ capital expenditures as referred to in Article 4(1), point ~~(b)~~ **(a)**, or operating expenditures as referred to in Article 4(1),

Commission proposal	Drafting Suggestions Comments
(b), or operating expenditures as referred to in Article 4(1), point (c).	point ~~(c)~~ **(b)**. *[to be deleted?]* CZ: (Comments): See above our comments on "fixed assets" in Art. 4(1)(a) and definitions in Art. 2. See also our comments on Art. 6(2). (Comments):IT ITA: We welcome the efforts of the Commission to apply some derogations for sovereign issuers. Nevertheless, an in-depth analysis of possible flexibility clauses to be Taxonomy aligned for sovereigns is recommended, because a sovereign does not master all the details of production processes and economic activities of private companies that benefit from public spending. Hence, we are of the opinion that adopting the flexibility pocket, as proposed by half of the Member States participating in the survey, would broaden the range of investment opportunities and thus contribute to widen both green bonds as such and the EU standard based on the proposed Regulation.
3. By way of derogation from paragraph 2, the proceeds of the financial asset referred to in paragraph 1 may be allocated to other financial assets provided that the proceeds from those financial assets are allocated according to paragraph 2.	BE: (Comments): We would welcome the clarification that chain-structure as long as they are following the conditions included in this paragraph are indeed allowed. CZ: (Drafting): *[to be deleted?]* CZ: (Comments):

Commission proposal	Drafting Suggestions Comments
	It is not clear if this is one exemption, or if it can be used repeatedly (indefinite linkage of EuGB). What is the purpose of this exception? Is it necessary? If it is for covered bonds or securitisation, this should be made more clear (re-securitisation is not allowed) It is not clear what is the purpose of this exemption - if to allow proceeds from EuGB to be invested in other EuGB, this could be stated more clearly. DE: (Drafting): 3. By way of derogation from paragraph 2, the proceeds of the financial asset referred to in paragraph 1 may be allocated to other financial assets provided that the terms and conditions of these financial assets provide that the proceeds from those other financial assets are allocated, at the level of the final recipient of the proceeds of those other financial assets, according to paragraph 2. DE: (Comments): In the context of lending activities of national promotional banks pursued in accordance with applicable Union state competition law, promotional loans may be granted to final borrowers through one or more intermediary institutions (in vertical order). In fact, where the intermediary institutions are members of the cooperative or savings banks sector, it is typical that a loan is extended from the promotional bank to a central institution of the relevant sector in the first step, which on-lends the loan proceeds to a smaller institution that is a member of its sector and that is then granting the promotional loan to the final borrower/end customer. Article 5 (3) should not be read to limit the number of successive financial assets through which the proceeds are allocated to two, provided that the terms and conditions of these financial assets provide that the proceeds of those financial assets are allocated according to paragraph 2 at the level of the final recipient of the proceeds (i.e. in the case of debt: the final/end borrower).
Article 6	
	MT:

Commission proposal	Drafting Suggestions Comments
	(Comments): The alignment with the Taxonomy shall consider also the forthcoming Delegated Acts (that should include hydrogen ready gas infrastructures).
Taxonomy-alignment of use of proceeds	IE: (Comments): We would appreciate legal analysis of how this article reflects the conditions of Taxonomy Regulation Article 4 and its application to sovereign bond issuers. (Comments):IT ITA: We would welcome a further analysis about the application of the Taxonomy to sovereign issuers
1. The use of proceeds referred to in Article 4 shall relate to economic activities that meet the taxonomy requirements, or that will meet the taxonomy requirements within a defined period of time as set out in a taxonomy-alignment plan.	SE: (Comments): How is it made certain (cf. "assurance") that financed economic activities really meet the requirements for environmentally sustainable economic activities? Which party certifies this (issuer, external reviewer, auditor, etc?) and is it done by way of a desktop analysis or a field study e.g.? We are still analysing how the rules on taxonomy alignment for EU GBS financed economic activities should be designed. In the proposed text, economic activities that will be taxonomy-aligned in ten years are allowed under certain circumstances. It might be worthwhile clarifying what circumstances that justify a longer period. AT: (Drafting): The use of proceeds referred to in Article 4 shall relate to economic activities that meet the taxonomy requirements <u>at the point of time of bond issuance</u>, or that will meet the taxonomy requirements within a defined period of time as set out in a taxonomy-alignment plan.

Commission proposal	Drafting Suggestions Comments
	AT: (Comments): The amendment seems necessary to clarify that the point in time of the emission is relevant for the qualification of the taxonomy conformity of the use of the emission proceeds. Moreover, the taxonomy-alignment plan should be defined. BE: (Comments): Can EU GB proceeds only be used to finance the environmental objectives for which technical screening criteria have already been published? We would support an approach that allows expenditures aligned with the other environmental objectives if in the Green Bond factsheet the logic and benefits of their inclusion are explained. When technical screening criteria are published, the issuer could allocate bond proceeds to the corresponding uses by applying the new delegated acts within five years after their entry into application. (see also comment on recital 11) CZ: (Drafting): 1. The use of proceeds referred to in Article 4 shall relate to economic activities that meet the ~~taxonomy~~ requirements **set out in Article 3 of Regulation (EU) 2020/852**, or that will meet the ~~taxonomy~~ requirements **set out in Article 3 of Regulation (EU) 2020/852** within a defined period of time as set out in a taxonomy-alignment plan. CZ: (Comments): set out in Article 3 of Regulation (EU) 2020/852
	ES: (Drafting): A 10 % of proceeds may be assigned to activities which are not yet covered by the Taxonomy if the issuer justifies compliance with the do no significant harm principle. ES:

Commission proposal	Drafting Suggestions Comments
	(Comments): ES: Some flexibility in the use of proceeds is needed so that issuers can also invest partly in non-EU projects or complex ones, where compliance of the Taxonomy is particularly difficult or activities that are not yet covered by the Taxonomy are targeted.
The taxonomy-alignment plan referred to in the first subparagraph shall describe the actions and expenditures that are necessary for an economic activity to meet the taxonomy requirements within the specified period of time.	AT: (Comments): The wording is not specific and clear enough. E.g. it is not mentioned by whom a taxonomy-alignment plan is drafted and by whom it is confirmed. BE: (Comments): There is too little information and guidance available on the "taxonomy aligned plan". • What should it consist of? • How will it be monitored, and by whom? • Will the plan be subject to audits? Who may perform these audits? What are the control mechanisms? • What assurance does it need to give with regard to investors? • How will greenwashing be avoided? More generally, the taxonomy alignment plan deserves a separate article where these elements are clarified. CZ: (Drafting): The taxonomy-alignment plan referred to in the first subparagraph shall describe the actions and expenditures that are necessary for an economic activity to meet the ~~taxonomy~~ requirements **set out in Article 3 of Regulation (EU) 2020/852** within the specified period of time. MT: (Comments): We welcome the option to provide transitional finance, but can the Commission elaborate on whether there are concerns of greenwashing that harmful activities be financed through this plan?

Commission proposal	Drafting Suggestions Comments
	Necessary safeguards should be put in place to combat greenwashing. (Comments):IT ITA: There is too little information and guidance available on the "taxonomy aligned plan". E.g. it is not mentioned by whom a taxonomy-alignment plan is drafted and by whom it is confirmed
The period referred to in the first and second subparagraph shall not exceed five years from bond issuance, unless a longer period of up to ten years is justified by the specific features of the economic activities concerned as documented in a taxonomy-alignment plan.	ES: (Drafting): The period referred to in the first and ~~second~~ third subparagraph shall not exceed five years from bond issuance, unless a longer period of up to ten years is justified by the specific features of the economic activities concerned as documented in a taxonomy-alignment plan. ES: (Comments): ES: Technical adjustment after introduction of a previous paragraph. PL: (Drafting): The period referred to in the first and second subparagraph shall not exceed ~~five~~ **seven** years from bond issuance, unless a longer period of up to ~~ten~~ **fifteen** years is justified by the specific features of the economic activities concerned as documented in a taxonomy-alignment plan. PL: (Comments): PL We propose to extend the time due to the long term characteristics of economic activity in some sectors such as the energy sector. SE: (Comments):

Commission proposal	Drafting Suggestions Comments
	We believe the time period and justification are issues that will need to be discussed further. AT: (Drafting): The period referred to in the first and second subparagraph shall not exceed five years from bond issuance, unless a longer period of up to ten years is justified by the specific features of the economic activities concerned as documented in a taxonomy-alignment plan. <u>The Commission shall adopt Regulatory Technical Standards setting out specifications and minimum disclosure requirements under the 'taxonomy-alignment plan'</u> AT: (Comments): Minimum disclosure requirements under the 'taxonomy-alignment plan' should be foreseen. Disclosure requirements under the 'taxonomy-alignment plans' need to be defined quite granular in order to prevent greenwashing and potentially stranded assets, and in order to gain investors' confidence. The wording regarding a longer period of up to ten years needs further clarification. In which cases is a longer period justified? The requirement "specific features" should also be defined. Moreover, it should be defined how the exact time period of the longer period is set and what are the relevant criteria. BE: (Comments): It might be better to specify what are the specific features or to include some examples in one recital (see comment on recital 12). DK: (Drafting): "The period referred to in the first and second subparagraph shall not exceed ~~five years~~ **two years** from bond issuance, unless a longer period of up to ~~ten years~~ **five years** is justified by the specific

Commission proposal	Drafting Suggestions Comments
	features of the economic activities concerned as documented in a taxonomy-alignment plan." DK: (Comments): We have not seen any justification for allowing issuers a period of up to ten years to achieve taxonomy alignment. Neither do we see what would justify allowing for an additional period of up to five years in case a project has not managed to achieve taxonomy alignment within the first five years. While some flexibility might be justified by the specific feature of some economic activities, permitting too long a period may involve the risk that issuers in their taxonomy alignment plan rely on uncertain future developments beyond their control (e.g. technological innovation, market trends, consumer preferences etc.). In our view, the standard should allow a limited period of time for alignment. Given the need of achieving climate neutrality as soon as possible and the proposal's objective of establishing a high quality green bond standard, the allowed period of time for taxonomy-alignment should at the least be reduced to two years with an additional possibility of three years under specific circumstances.
2. Where proceeds from a European green bond are allocated by means of financial assets either to capital expenditures as referred to in Article 4(1), point (b), or to operating expenditures as referred to in Article 4(1), point (c), the defined period of time referred to in paragraph 1, first subparagraph, shall start from the moment of the creation of the financial asset.	BE: (Comments): To be clarified what is meant by "the creation of the financial asset". The issuance? The offer period? FI: (Comments): FI Should this include also fixed assets, Article 4.1.a?

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	CZ: (Drafting): 2. Where proceeds from a European green bond are allocated by means of financial assets either to capital expenditures as referred to in Article 4(1), point ~~(b)~~ **(a)**, or to operating expenditures as referred to in Article 4(1), point ~~(c)~~ **(b)**, the defined period of time referred to in paragraph 1, first subparagraph, shall start from the moment of the creation of the financial asset. CZ: (Comments): See above our comments on "fixed assets" in Art. 4(1)(a) and definitions in Art. 2.
	DE: (Drafting): DE: (Comments): See general comments above on taxonomy compliance. We are still assessing the feasibility of the proposed standard, especially for sovereign issuers, and will submit a drafting suggestion in due time.
Article 7	MT: (Comments): The alignment with the Taxonomy shall consider also the forthcoming Delegated Acts (that should include hydrogen-ready gas infrastructures)
Application of the taxonomy requirements	LU: (Comments): The Proposal does not accommodate the TEG's recommendation to apply flexibility in relation to the requirement for EU Taxonomy-alignment where the Technical Screening Criteria (TSC) may

Commission proposal	Drafting Suggestions Comments
	not be directly applicable or have not yet been developed. We believe that this flexibility should be granted by the Proposal. CZ: (Drafting): Application of the ~~taxonomy~~ requirements **set out in Article 3 of Regulation (EU) 2020/852** (Comments):IT ITA: The Proposal does not accommodate the TEG's recommendation to give flexibility in the case the Technical Screening Criteria (TSC) may not be directly applicable or have not yet been developed. We are of the opinion that this flexibility should be granted by the Proposal, to ensure a level-playing-field for different kinds of issuers.
1. Issuers shall allocate bond proceeds to the uses set out in Article 4(1) points (a), (b) and (c), Article 4(2), or the equity referred to in Article 5(1), point (b) by applying the delegated acts adopted pursuant to Articles 10(3), 11(3), 12(2), 13(2), 14(2) or 15(2) of Regulation (EU) 2020/852 applicable at the point in time when the bond was issued.	BE: (Comments): In our opinion, the Use of Proceeds of the EU Green Bond Standard should meet the technical screening criteria as defined by Regulation (EU) 2020/852 in force at that moment. IE: (Comments): It is key to recognise that EUGB takes account of the Taxonomy rules at time of issuance. CZ: (Drafting): 1. Issuers shall allocate bond proceeds to the uses set out in Article 4(1) points (a), (b) and (c)~~,~~

Commission proposal	Drafting Suggestions Comments
	~~Article 4(2), or the equity referred to in Article 5(1), point (b)~~ by applying the delegated acts adopted pursuant to Articles 10(3), 11(3), 12(2), 13(2), 14(2) or 15(2) of Regulation (EU) 2020/852 applicable at the point in time when the bond was issued. CZ: (Comments): See our comment on fixed assets in Art. 2 and 4. See our comments in financial assets in Art. 2, 4 and 5. It is not clear why debt should have different treatment from equity and which rules should apply to quasi-equity (currently combination of equity and debt according to Art. 5). (Comments):IT ITA: The Use of Proceeds of a EUGB bond Standard should meet the DA definitions in force at that moment of issuance.
Where the delegated acts adopted pursuant to Articles 10(3), 11(3), 12(2), 13(2), 14(2) or 15(2) of Regulation (EU) 2020/852 are amended following the issuance of the bond, the issuer shall allocate bond proceeds to the uses referred to in the first subparagraph by applying the amended delegated acts within five years after their entry into application.	ES: (Drafting): Where the delegated acts adopted pursuant to Articles 10(3), 11(3), 12(2), 13(2), 14(2) or 15(2) of Regulation (EU) 2020/852 are amended following the issuance of the bond, the issuer shall allocate bond proceeds ~~to the uses referred to in the first subparagraph by applying the amended delegated acts within five years after their entry into application.~~ that have not yet been assigned, to the uses referred to in the first subparagraph by applying the amended delegated acts after their entry into application. ES: (Comments): ES: This paragraph creates a strong incentive to only issue bonds with a maturity of up to five years. We have to take into account that certainty is crucial in these long term investments and use of proceeds that were green at issuance should maintain their greenness until maturity of the bond. Therefore, an alternative is suggested: only the proceeds that have not yet been assigned should

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	comply with the amended delegated acts. SE: (Comments): We believe that finding the right balance between catering for the development of taxonomy criteria on the one hand and predictability for e.g. issuers and investors on the other hand is an issue that necessitates further discussions. Furthermore, we would be interested in confirming how tap issues should be handled in this respect. BG: (Comments): **BG:** In our view it should be further clarified what would be the consequences in case the bond proceeds have been fully allocated to assets or expenditures that could not comply with the amended criteria. DK: (Comments): To induce the broadest possible uptake of taxonomy-aligned green bonds and thereby accelerate sustainable investments, we suggest removing the requirement to apply amended DA's within five years. We believe that a requirement to apply amended delegated acts within five years risks hampering the market uptake of the EuGB-standard and the ultimate objective of facilitating sustainable investments. For issuers, the uncertainty created by obliging them to adjust to new taxonomy criteria within 5 years could prompt some issuers to postpone or even refrain entirely from applying the regulation. Furthermore, green bond investors would face higher risk in the case of changes to the taxonomy regulation, some being forced to divest from bonds that are no longer considered green due to fiduciary duty.

Commission proposal	Drafting Suggestions Comments
	We believe that the ambitious position here would be to allow grandfathering until maturity. Given that the taxonomy regulation from its outset ought to impose high and science-based technical screening criteria to issuers wanting to issue bonds according to the EU-standard, it should be environmentally justified that issuers make use of the delegated acts applicable at the point in time when the bond was issued until maturity. This would increase certainty for issuers and investors alike, creating stronger incentives for issuers to utilize the framework, without compromising investor protection (under the assumption that the Taxonomy remains a credible and truly, science-based environmental sustainability reference framework). IE: (Comments): Further discussion is required as to whether the five year period is the most appropriate solution. LU: (Drafting): Where the delegated acts adopted pursuant to Articles 10(3), 11(3), 12(2), 13(2), 14(2) or 15(2) of Regulation (EU) 2020/852 are amended following the issuance of the bond, the issuer shall allocate bond proceeds **that have not been used up to that point,** to the uses referred to in the first subparagraph by applying the amended delegated acts within five years after their entry into application. LU: (Comments): As mentioned in our comments to recital 11, there seem to be inconsistencies between the recital and this article. Article7 states that if the relevant Taxonomy criteria change, issuers of EuGBs must apply an

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	amended delegated act within five years after its entry into application: only a partial and temporary grandfathering is allowed, instead of full grandfathering for the full maturity of the bond (as foreseen in recital 11 and recommended by the TEG). This may pose difficulties to issuers for already funded projects. Therefore, we propose to refer to any unused proceeds in order to clarify that issuers should not have to adapt their already funded projects to the amended version of the delegated acts. Please also refer to our comments regarding recital 11. MT: (Comments): We see potential financial stability risk as the restricted grandfathering is concerning and limiting. DE: (Drafting): Where the delegated acts adopted pursuant to Articles 10(3), 11(3), 12(2), 13(2), 14(2) or 15(2) of Regulation (EU) 2020/852 are amended following the issuance of the bond, ~~the issuer shall allocate bond proceeds to the uses referred to in the first subparagraph by applying the amended delegated acts within five years after their entry into application~~ the issuer shall apply the delegated acts adopted pursuant to Articles 10(3), 11(3), 12(2), 13(2), 14(2) or 15(2) of Regulation (EU) 2020/852 applicable at the point in time when the bond was issued. DE: (Comments): The requirement to replace economic activities within five years of the amendments of the delegated acts – i.e. a restricted grandfathering that deviates from the TEG recommendation of full grandfathering – creates unnecessary uncertainty for issuers and investors, and legal risk for issuers, including the risk of potential sudden devaluation of outstanding EuGBs. For example, how would this affect completed projects of outstanding bonds? An unintended consequence could be a bias towards EuGBs with a maximum tenure of five years,

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	and overall a reluctance in the uptake of the standard, especially for longer tenures. Alternatively, this should at least only apply to the portion of the bond proceeds that remains unallocated following the end of the transition period of five years after the amended delegated acts have entered into application. Proceeds that have been allocated prior to or within the period of five years since the entry into application of amended delegated acts should be subject to a clear-cut unrestricted grandfathering. The drafting suggestion would hence be: "Where the delegated acts adopted pursuant to Articles 10(3), 11(3), 12(2), 13(2), 14(2) or 15(2) of Regulation (EU) 2020/852 are amended following the issuance of the bond, the issuer shall allocate bond proceeds to the uses referred to in the first subparagraph by applying the amended delegated acts within five years after their entry into application **when allocating that portion of the proceeds that has not yet been allocated after such period of five years."** NL: (Comments): When bonds risk losing their European green bond label after the Taxonomy delegated acts are amended, this creates uncertainty for investors which will likely limit their appetite for European green bonds. The Netherlands therefore supports grandfathering until maturity. PT: (Comments): We deem the coherence with all the sustainability related EU initiatives, especially with the EU taxonomy, very important. However, the imposition of the reallocation of proceeds following amendments to the taxonomy delegated acts entails certain difficult challenges: (i) it might be a very relevant burden for SMEs (or small financial institutions), which currently have few to none access to this market; (ii) it might jeopardise transparency and undermine the appetite/access of retail investors – unpredicted regulatory changes can discourage investment and trigger the unwinding of positions, as they would no longer be in line with the initial investment's expectations and goals;

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	(iii) the latter might influence the market pricing and liquidity in secondary markets; (iv) this may bring extra costs and complications, as well as legal uncertainty, to all parties involved (e.g. issuers and investors). We therefore believe that the approach "once green, always green", or a midway between the 2 kind of approaches, shall be considered for cases where non-compliance is due to changes in the delegated act. Notwithstanding, non-compliance due to the issuer behaviour should also be discussed. (Comments):IT ITA: To achieve a global uptake of EU taxonomy-aligned green bonds, we are of the opinion that an optimum solution would be to remove the requirement to apply amended DA's within five years and allowing grandfathering for the full maturity of the bond. We see that a requirement to apply amended delegated acts within five years might encourage the issuance of bonds with a maturity of up to five years. Moreover, investors would face higher risk in the case of changes to the taxonomy regulation, with some divesting from bonds that are no longer considered green due to fiduciary duty.
	DK: (Comments): While grandfathering related to taxonomy alignment should apply for the entire term of an issuance, new issuances, including those that refinance existing bonds, should always comply with the most recent DA to ensure that the environmental knowledge embedded in the taxonomy framework is also reflected in the use of proceeds of new issuances.
2. When allocating bond proceeds to the debt referred to in Article 5(1), point (a), issuers shall apply the delegated acts adopted pursuant to Articles 10(3), 11(3), 12(2), 13(2), 14(2) or 15(2) of Regulation (EU) 2020/852 applicable at the point in time when the debt was created.	SE: (Comments): We do not fully understand why debt is treated separately here from the first paragraph. AT: (Comments): Instead of "when the debt was created" it would perhaps be clearer to refer to the point in time

Commission proposal	Drafting Suggestions Comments
	"when the debt was originated". CZ: (Drafting): *[to be deleted?]* CZ: (Comments): It is not clear why debt should have different treatment from equity and which rules should apply to quasi-equity (currently combination of equity and debt according to Art. 5). Also it is not clear if debt can be created less recently than three accounting periods prior to the issuance of the European green bond (see our comment on Art- 4(1)(c)). Also see our comments on Art. 2 and 5.
Where, at the time of the creation of the debt referred to in the first subparagraph, no delegated acts adopted pursuant to Articles 10(3), 11(3), 12(2), 13(2), 14(2) or 15(2) of Regulation (EU) 2020/852 were in force, issuers shall apply the first delegated acts that were adopted pursuant to Articles 10(3), 11(3), 12(2), 13(2), 14(2) or 15(2) of Regulation (EU) 2020/852.	BG: (Comments): **BG:** It is not clear, if no DA were in force, than how the compliance with the Taxonomy requirements has been insured at the moment of the issuance. AT: (Comments): To be consistent we also would suggest to using "origination" instead of "creation" BE: (Comments): The inclusion of this paragraph in paragraph 1 (dedicated to equity green bonds) seems also relevant. LU: (Drafting):

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	Where, at the time of the creation of the debt referred to in the first subparagraph, no delegated acts adopted pursuant to Articles 10(3), 11(3), 12(2), 13(2), 14(2) or 15(2) of Regulation (EU) 2020/852 were in force, issuers shall apply the first delegated acts that were adopted **after the creation of the debt** pursuant to Articles 10(3), 11(3), 12(2), 13(2), 14(2) or 15(2) of Regulation (EU) 2020/852. LU: (Comments): In order to clarify the term "first delegated acts". Indeed, it would not make sense to always refer to the very first adopted delegated acts. CZ: (Drafting): *[to be deleted?]* DE: (Drafting): Where, at the time of the creation of the debt referred to in the first subparagraph, no delegated acts adopted pursuant to Articles 10(3), 11(3), 12(2), 13(2), 14(2) or 15(2) of Regulation (EU) 2020/852 were in force, issuers shall not be required to apply to outstanding debt the ~~first~~new delegated acts that were adopted pursuant to Articles 10(3), 11(3), 12(2), 13(2), 14(2) or 15(2) of Regulation (EU) 2020/852. DE: (Comments): See comment under Art. 7(1). Alternatively, the original text should be amended by: "to that portion of the proceeds that has not yet been allocated five years after that first delegated act went into application." PT: (Comments): Where no delegated acts were in force at the moment of the issuance and are adopted afterwards, shall the taxonomy alignment plan foreseen in Article 6(1) be adjusted?

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	What should happen where, at the moment of the issuance, the economic activity in / to which the issuer will invest / lend the proceeds is not (yet) covered by the delegated acts? Shall the issuer have a "flexibility pocket" to use the proceeds in activities not covered by the delegated acts, subject to a positive assessment of the external reviewer, and then, after the adoption, follow Article 6(1) and this Article as regards the need to apply the new delegated acts?
Where the delegated acts adopted pursuant to Articles 10(3), 11(3), 12(2), 13(2), 14(2) or 15(2) of Regulation (EU) 2020/852 are amended following the creation of the debt referred to in the first subparagraph, the issuer shall allocate bond proceeds to the debt referred to in the first subparagraph by applying the amended delegated acts within five years after their entry into application.	ES: (Drafting): Where the delegated acts adopted pursuant to Articles 10(3), 11(3), 12(2), 13(2), 14(2) or 15(2) of Regulation (EU) 2020/852 are amended following the creation of the debt referred to in the first subparagraph, the issuer shall allocate bond proceeds ~~to the debt referred to in the first subparagraph by applying the amended delegated acts within five years after their entry into application.~~ that have not yet been assigned, to the debt referred to in the first subparagraph by applying the amended delegated acts after their entry into application ES: (Comments): ES: Drafting suggestion following the reasoning of the previous comment in article 7.1. DK: (Comments): We suggest removing the requirement to apply amended DA's within five years. As mentioned above, we believe that the ambitious position here would be to allow grandfathering until maturity, under the assumption that the Taxonomy already from its outset imposes high and science-based technical screening criteria to issuers. This would create greater certainty for issuers and investors alike and could increase the uptake of the standard. IE: (Comments):

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	Further discussion is required as to whether the five year period is the most appropriate solution. LU: (Drafting): Where the delegated acts adopted pursuant to Articles 10(3), 11(3), 12(2), 13(2), 14(2) or 15(2) of Regulation (EU) 2020/852 are amended following the creation of the debt referred to in the first subparagraph, the issuer shall allocate bond proceeds**, <u>that have not been used up to that point</u>**, to the debt referred to in the first subparagraph by applying the amended delegated acts within five years after their entry into application. CZ: (Drafting): *[to be deleted?]* MT: (Comments): We see potential financial stability risk as the restricted grandfathering is concerning and limiting. DE: (Drafting): Where the delegated acts adopted pursuant to Articles 10(3), 11(3), 12(2), 13(2), 14(2) or 15(2) of Regulation (EU) 2020/852 are amended following the creation of the debt referred to in the first subparagraph, the issuer shall allocate bond proceeds to the debt referred to in the first subparagraph by applying the ~~amended~~ delegated acts <u>that applied at the point in time when the debt was created</u> ~~within five years after their entry into application~~. DE: (Comments): See comment under Art. 7(1). Alternatively, the text should be adjusted as follows: “Where the delegated acts adopted pursuant to Articles 10(3), 11(3), 12(2), 13(2), 14(2) or 15(2) of Regulation (EU) 2020/852 are amended following the creation of the debt referred to in the first subparagraph, the issuer shall allocate bond

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	proceeds to the debt referred to in the first subparagraph by applying the amended delegated acts within five years after their entry into application **when allocating that portion of the proceeds that has not yet been allocated after such period of five years**. PT: (Comments): Legal certainty is essential, both for issuers and investors. What's more, the possibility that a green bond which was aligned with the taxonomy at the moment of the issuance until its maturity may lose such alignment if the standards are revised meanwhile– which was not recommended by the TEG - creates a risk for which investors will demand additional remuneration in the case of bonds with a longer maturity, more exposed to delegated acts' revisions. We recall the TEG recommendation, which we support, in this regard: "The TEG recommends that Green Bonds issued under earlier Technical Screening Criteria be grandfathered for their entire tenor, as there would otherwise be unacceptable and unpredictability for both issuers and investors." We would welcome additional detailing on the practical application of this provision, namely in cases where the maturity is longer than 10 years and where disbursements take place upfront, around the issue date. Why wasn't the additional period of 5 years foreseen in Article 6(1) third subparagraph considered?
	DK: (Drafting): **"3. Where a European green bond refinances a previously issued European green bond as**

Commission proposal	Drafting Suggestions Comments
	referred to in Article 4(3), the following shall apply: **(a) the delegated acts referred to in paragraph 1 shall be those applicable at the point in time when the refinancing bond is issued,** **(b) the delegated acts referred to in paragraph 2 shall be those applicable at the point in time when the refinanced bond was issued."** DK: (Comments): As noted above, it is our view that new issuances, including those that refinance existing bonds, should always comply with the most recent DA to ensure that the environmental knowledge embedded in the taxonomy framework is also reflected in the use of proceeds of new issuances.
Chapter II	
Transparency and external review requirements	
Article 8	
European green bond factsheet and pre-issuance review of the European green bond factsheet	
1. Prior to issuing a European green bond, issuers shall:	BE: (Drafting): Prior to issuing a European green bond, and in cases where a prospectus is to be published pursuant to Regulation (EU) 2017/1129 in due time prior to the approval date of such a prospectus, issuers shall:

Commission proposal	Drafting Suggestions Comments
	BE: (Comments): From the current text, it is unclear how the timing of publication of the EUGB factsheet relates to the publication of a prospectus. We would suggest clarifying that the EUGB factsheet needs to be published (and notified to the NCA) prior to the prospectus approval date so as to allow NCAs to align scrutiny of the use of proceeds section of the prospectus (which should clearly state that the EUGB is issued in accordance with this regulation, see article 12) with the NCA's duty to ensure compliance with this Article 8 (see Articles 36-37 of this draft regulation). CZ: (Drafting): 1. Prior to issuing a European green bond, issuers **<u>of European green bonds</u>** shall: CZ: (Comments): See our comments on definition of "issuer" in Art. 2.
(a) complete the European green bond factsheet laid down in Annex I;	IE: (Comments): Cross-reference to Annex comment – concern that too much detail is expected in the factsheet and it essentially will be an indicative allocation report. This could result in unnecessary extra burden and cost for issuers. MT: (Comments): In view that Article 8 (2) indicates that a European green bond factsheet may relate to one or several European green bond issuances, there might be inconsistencies between the green bond factsheet and the allocation of proceeds, unless Article 8 allows for a revision of these specific elements of the factsheet justified by amended delegated acts.

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(b) ensure that the completed European green factsheet has been subject to a pre-issuance review with a positive opinion by an external reviewer.	PL: (Comments): PL Article 8 emphasises on issuer's obligation to ensure factsheet's positive opinion. It seems impossible for issuers to ensure that this condition would be fulfilled. The external reviewer's opinion is unique and independent. SE: (Comments): One issue we would want to discuss is that of "rating shopping" with respect to external reviewers. I.e. is there a risk that an issuer turns to several external reviewers and then chooses the review that endorses the bond? LU: (Drafting): (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. LU: (Comments): In order to ensure full consistency with the terminology used in the proposal. DE: (Drafting): (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. A European green bond factsheet may relate to one or several European green bond	BG: (Comments):

Commission proposal	Drafting Suggestions Comments
issuances.	**BG:** In our view, it should be clarified what is the rationale behind having one bond factsheet for several EU GBS. FI: (Comments): FI Regarding this point a factsheet can relate one or several green bond issuance, however, in the Annex I point the text refers only a bond in singular. PT: (Comments): What specific type of issuances is this provision supposed to cover? Several issuances under the same "programme", independent issuances by the same issuer, or both? Further detail on the purpose of this provision would be welcome. Preliminarily, we cannot identify merit in having a single factsheet covering completely autonomous issuances.
3. The pre-issuance review of the factsheet referred to in paragraph 1, point (b) shall contain all of the following:	
(a) an assessment of whether the completed green bond factsheet complies with Articles 4 to 7 of this Regulation and Annex I to this Regulation;	AT: (Comments): It should also be clarified what the mandated standard of compliance is. See e.g. the Prospectus Regulation "completeness, the consistency and the comprehensibility of the information given in the prospectus".

Commission proposal	Drafting Suggestions Comments
(b) the elements set out in Annex IV.	
Article 9	BG: (Comments): **BG:** Our understanding is that the issuer should draw an allocation report every year but only the report which is issued after the full allocation of the proceeds needs to be subject to post-issuance review (only once during the issuance). In case that the bonds are issued by credit institutions when they allocate proceeds from a portfolio, they need to obtain post issuance review of the allocation report every year. In case that our understanding is correct, we would welcome a clarification at least in a recital that the issues need to obtain a post-issuance review only once during the lifetime of the bonds, when they do not use the derogation in par.5.
Allocation reports and post-issuance review of allocation reports	
1. Every year and until the full allocation of the proceeds of the European green bond concerned, issuers of European green bonds shall draw up a European green bond allocation report by using the template laid down in Annex II, demonstrating that the proceeds of any European green bonds concerned from their issuance date and until the end of the year the report refers to have been allocated in accordance with Articles 4 to 7.	ES: (Drafting): 1. Every fiscal year and until the full allocation of the proceeds of the European green bond concerned, issuers of European green bonds shall draw up a European green bond allocation report by using the template laid down in Annex II, demonstrating that the proceeds of any European green bonds concerned from their issuance date and until the end of the fiscal year the report refers to have been allocated in accordance with Articles 4 to 7. ES: (Comments): ES: Some flexibility regarding the dates has to be granted so that private issuers can publish the

Commission proposal	Drafting Suggestions Comments
	allocation report together with their annual report and sovereigns can publish the allocation reports together with the annual budget reports if they choose to do so. SE: (Comments): Issuers shall draw up an allocation report UNTIL full allocation but obtain post-issuance review of the one drawn up AFTER full allocation – we would be interested in some clarification as to how that could happen, or else if a change to the text is warranted. BG: (Drafting): "Every year ~~and~~ **or the year after the** ~~until~~ the full allocation" BG: (Comments): **BG:** In our view, it should be clarified in case that a bond has been issued with 5-year maturity and the proceeds has been fully allocated within the first year, if only 1 allocation report will be required at the second year of the bond. If this is the case, then we would suggest a slight redrafting. AT: (Comments): It should be possible to integrate the last allocation report on the full allocation of the proceeds as an annex to the actual annual report in order to avoid duplication of reports. BE: (Comments): Even if the proceeds are fully allocated, it must be considered to have an allocation report: - each time the screening criteria change, - as long as uses are being funded that are not yet taxonomy-aligned.

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2. A European green bond allocation report may relate to one or several issuances of European green bonds.	BG: (Comments): **BG:** Please refer to our comments in Art. 8, par. 2 PT: (Comments): Depending on the reply to our question in Article 8(2), the allocation report should relate to a single issuance, in order to ensure transparency and simplicity of the information, as well a reasonable extension of each report.
3. Issuers of European green bonds shall obtain a post-issuance review by an external reviewer of the allocation report drawn up after the full allocation of the proceeds of the European green bond in accordance with Articles 4 to 7.	SE: (Comments): Issuers shall draw up an allocation report UNTIL full allocation but obtain post-issuance review of the one drawn up AFTER full allocation – we would be interested in some clarification as to how that could happen, or else if a change to the text is warranted. AT: (Comments): Comparing this text with Annex II, point 1, final item, there seems to be a discrepancy. For us it is not clear, if all issuers using the EuGB Standard are obliged to having each annual allocation report reviewed by an external reviewer or only the final allocation report. This should be clarified and the respective recital, legal text and Annexe should be aligned. It should also be clarified at level 1 according to what standards these reviews are conducted. LU: (Comments):

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	It would be useful to clarify when **investors** can calculate the taxonomy alignment of their investments. Do they have to wait until this allocation report is produced and verified?
4. Where, following the publication of the allocation report in accordance with Article 13(1), point (c), the allocation of proceeds is corrected, issuers of the European green bonds concerned shall amend the allocation report and obtain a post-issuance review by an external reviewer of that amended allocation report.	PT: (Drafting): 4. Where, following the publication of the allocation report in accordance with Article 13(1), point (c), the allocation of proceeds is corrected, issuers of the European green bonds concerned shall, **without undue delay,** amend the allocation report and obtain a post-issuance review by an external reviewer of that amended allocation report. PT: (Comments): When should the revised report be published? Right after the amendment?
5. By way of derogation from paragraph 3, every allocation report from issuers that are financial undertakings that allocate proceeds from a portfolio of several European green bonds to a portfolio of financial assets as referred to in Article 5 shall be subject to a post-issuance review by an external reviewer. The external reviewer shall pay particular attention to those financial assets that were not included in any previously published allocation report.	BG: (Comments): **BG:** We would like to receive a clarification as regards to the derogation of "financial undertakings" that allocate proceeds from a portfolio of several EU green bonds to a portfolio of financial assets. In the Commission's presentation of the proposal it has been stated that "issuers could make use of portfolio approach = matching a portfolio of green bonds with portfolio of green loans". If the objective of the derogation provided in Article 9 (5) is to be applied by credit institutions, it should be amended accordingly and we see no need to for a definition of "financial undertaking". AT: (Comments): It should be clarified what the standard of scrutiny/review is – "particular attention" seems too

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	wide. CZ: (Drafting): 5. By way of derogation from paragraph 3, every allocation report from issuers that are ~~financial undertakings~~ **an AIFM as defined in Article 4(1), point (b), of Directive 2011/61/EU of the European Parliament and of the Council , a UCITS management company as defined in Article 2, point (10), of Regulation (EU) 2019/2088 of the European Parliament and of the Council , a credit institution as defined in Article 4(1), point (1), of Regulation (EU) No 575/2013 of the European Parliament and of the Council , an investment firm as defined in Article 4(1), point (2) of Regulation (EU) No 575/2013, an insurance undertaking as defined in Article 13, point (1), of Directive 2009/138/EC of the European Parliament and of the Council or a reinsurance undertaking as defined in Article 13, point (4), of Directive 2009/138/EC** that allocate proceeds from ~~a portfolio of several~~ European green bonds to ~~a portfolio of~~ financial assets as referred to in Article 5 shall be subject to a post-issuance review by an external reviewer. The external reviewer shall pay particular attention to those financial assets that were not included in any previously published allocation report. CZ: (Comments): The term "porfolio" in not necessary. It can be one issue of EuGB. It will always be portfolio of financial assets (not one financial assets).
6. Issuers of European green bonds shall provide the allocation reports referred to in paragraph 3, 4, and 5 to an external reviewer within 30 days following the end of the year to which the allocation reports refer. The post-issuance review must be made public within 90 days following the receipt of the allocation	ES: (Drafting): 6. Issuers of European green bonds shall provide the allocation reports referred to in paragraph 3, 4, and 5 to an external reviewer ~~within 30 days following the end of the year to which the allocation reports refer.~~ and make public t~~T~~he post-issuance review on an annual basis and starting within one year after the issuance of the bond ~~must be made public within 90 days following the receipt of the allocation report~~.

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report.	ES: (Comments): ES: We do not see any benefits in stablishing this rigid date requirements. In addition, this will unnecessarily concentrate the activity of the external review companies in the first months of each year, with a potential impact in the efficiency of the market (via price or quantity). We suggest an alternative that will also ensure a yearly report. LV: (Drafting): 6. Issuers of European green bonds shall provide the allocation reports referred to in paragraph 3, 4, and 5 to an external reviewer within 30 days following the end of the year to which the allocation reports refer. The post-issuance review must be made public **by external reviewer** within 90 days following the receipt of the allocation report. LV: (Comments): Article 9, paragraph 6 does not explicitly state which party is to abide by and incur liability for failing to abide by the respective 90-day deadline. Both the issuer (Article 13) and the external reviewer (Article 30) are required to publish the post-issuance review. The issuer can fulfil its obligation only insofar as the post-issuance review has been received from the external reviewer. Accordingly, the Regulation ought to specify the external reviewer is to publish and submit to the issuer the post-issuance review within 90 days following the receipt of the allocation report from the issuer (the deadline can be stipulated in Article 30). SE: (Comments): 30 days after year end might be a short period if an issue is made late in the year. Therefore, it might be worthwhile considering changing this.

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	AT: (Drafting): 6. Issuers of European green bonds shall provide the allocation reports referred to in paragraph 3, 4, and 5 to an external reviewer within **90** days following the end of the year to which the allocation reports refer. The post-issuance review must be made public within **150** days following the receipt of the allocation report. AT: (Comments): The suggested period of 30 days is very short considering that final allocations can only be made after the end of that year. Therefore, the period for the publication of the review should be prolonged. Furthermore, it should be clarified how the publication is carried out (website?). BE: (Comments): The timeline suggested in respect of the allocation reporting review and publication is strictly impossible to implement. From experience, and in a context of fewer tasks for the external reviewer, 6 months between end of the year and publication of an allocation report is an absolute minimum to foresee. DK: (Comments): While we are still reviewing the feasibility of the proposed deadline for issuers to provide an allocation report, we believe that 30 days following the end of the reference year may not be sufficient, neither for states nor for corporates. In the case of state issuances, the allocation report will rely on the realised expenses, which are only known once the national financial annual report of the year of issuance has been published. This usually happens by April.

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	Given this reliance on the annual financial annual report, we would support the longest possible timeframe for the provision of the allocation report. This would also enable issuers to combine the allocation report with an impact report. LU: (Drafting): Issuers of European green bonds shall provide the allocation reports referred to in paragraph 3, **~~4,~~** and 5 to an external reviewer within 9 months following the end of the year to which the allocation reports refer. The post-issuance review must be made public within 90 days following the receipt of the allocation report. LU: (Comments): We are concerned that the timeframe is too short. Indeed, it is not possible for issuers to provide the report within 30 days following the end of the year since there is a need to wait for audited financial figures, which are often released only We recommend to align with normal market practice which is 1 year after the bond issuance for the establishment of the report and post-issuance review Regarding the deletion of paragraph 4, cf. below. LT: (Comments): Revenue allocation is usually based on planned data, but plans change over the course of a year and the final amounts paid do not necessarily coincide. The amounts paid during the year can still be adjusted after the end of the calendar year, so a longer deadline would be needed to avoid the adjustment to the report and the associated external evaluation costs. We suggest a longer term, for at least 60 days.

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	MT: (Drafting): 6. Issuers of European green bonds shall provide the allocation reports referred to in paragraph 3, 4, and 5 to an external reviewer within 90 days following the end of the year to which the allocation reports refer. The post-issuance review must be made public within 90 days following the receipt of the allocation report. MT: (Comments): Deadline is too tight for both sovereigns and corporate issuers. DE: (Drafting): 6. Issuers of European green bonds shall provide the allocation reports referred to in paragraph 3, 4, and 5 to an external reviewer within ~~3~~90 days following the end of the year to which the allocation reports refer. The post-issuance review must be made public within 90 days following the receipt of the allocation report. DE: (Comments): The deadlines of 30 and 90 days respectively are not realistic. European green bonds may be issued until year-end and the computation and validation of final allocation figures can only be finalised thereafter. Furthermore, the post-issuance review processes for European green bonds are not yet established or tested in practice. The compulsory pre-issuance review for European green bonds should generally give investors sufficient certainty regarding the use of proceeds. A 180-day time period to publish the allocations report should therefore be adequate. PT: (Drafting): 6. Issuers of European green bonds shall provide the allocation reports referred to in

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	paragraph**s** 3, 4, and 5 to an external reviewer within ~~**30**~~ **90** days following the end of the year to which the allocation reports refer. The post-issuance review must be made public within 90 days following the receipt of the allocation report. PT: (Comments): Allocation reports require a thorough preparation process and are extremely burdensome. A more lifelike deadline should be considered. It could be harmonized with similar reporting obligations or with the annual reporting cycle of the institutions. (Comments):IT ITA: We find the suggested period of 30 days very short considering that final allocations can only be made after the end of that year. Hence, the period for the publication of the review should be prolonged. In this sense, we believe that the ambitious position here would be to align with normal market practice which is 1 year after the bond issuance for the establishment of the report and post-issuance review. Furthermore, in the case of sovereign issuers, the allocation report relies on the realised expenses, which are known with certainty once the National Financial Annual report of the year of issuance is published (normally at the end of the first quarter of the following year).
	LU: (Drafting): **Issuers of European green bonds shall provide the amended allocation report, referred to in paragraph 4, without undue delay to an external reviewer. The amended allocation report and the post-issuance review must be made public without undue delay.** LU: (Comments): We consider that the relevant amended allocation report and amended post-issuance review shall be promptly made public.

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7. The post-issuance review referred to in paragraphs 3, 4, and 5 shall contain all of the following:	
(a) an assessment of whether the issuer has allocated the proceeds of the bond in compliance with Articles 4 to 7 based on the information provided to the external reviewer;	
(b) an assessment of whether the issuer has complied with the intended use of proceeds set out in the green bond factsheet based on the information provided to the external reviewer;	
(c) the elements set out in Annex IV.	
8. Where bond proceeds are allocated to tax relief as referred to in Article 4(2), point (c) or subsidies as referred to in Article 4(2), point (d), the post-issuance review shall only assess compliance with Articles 4 to 7 of the terms and conditions under which those expenditures or transfers have been disbursed.	DE: (Drafting): 8. Where bond proceeds are allocated to ~~tax relief~~expenditures as referred to in Article 4(2)~~, point (c) or subsidies as referred to in Article 4(2), point (d)~~, the post-issuance review shall only assess compliance with Articles 4 to 7 of the terms and conditions under which those expenditures or transfers have been disbursed. DE: (Comments): The provision to allow for only assessing the compliance with Articles 4 to 7 of the terms and conditions, under which those expenditures or transfers have been disbursed, should apply to all

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	types of sovereign expenditures as referred to in Article 4(2).
	DE: (Drafting): 9. Where bond proceeds are allocated to financial assets in the context of promotional banking activities pursued in accordance with applicable Union state aid law and with Article 5 (3), the post-issuance review shall only assess compliance with Articles 4 to 7 of the terms and conditions governing the use of proceeds of these financial assets. DE: (Comments): In the context of lending activities of national promotional banks pursued in accordance with applicable Union state competition law, promotional loans eligible for the allocation of the proceeds of green bonds may be extended to a very large number of final borrowers (for certain loan programmes targeting retail borrowers, several thousands or even ten-thousands per year) through one or more intermediary institution(s). It would be impractical in these cases that the external reviewer perform a project-to-project review of the compliance of all projects with Articles 4 to 7. It should be sufficient for the reviewer to assess the compliance with Articles 4 to 7 of the terms and conditions of the loan programme as set up by the relevant national promotional bank and promulgated by the intermediary institutions and to which the proceeds of a European green bond have been allocated to.
Article 10	
European green bond impact report	
1. Issuers of European green bonds shall, after the full allocation of the proceeds of such bonds and at least once during the lifetime of the bond, draw up a European green bond	BG: (Comments): **BG:** In our view it should be clarified if this impact report should be a part of the allocation report which

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impact report on the environmental impact of the use of the bond proceeds by using the template laid down in Annex III.	should be subject to post-issuance review or is a separate document which will not be sent to external reviewer. AT: (Comments): It seems unclear why the legitimate use of the EuGB label does not require a mandatory review of the impact reports. Art 10 does not mention any review at all but according to the wording of Annex III 1. last indent [Where the impact report was assessed by an external reviewer…] any "assessment" is voluntary. The different terminology (review for factsheets and allocation reports vs assessment for impact reports) is also confusing. BE: (Comments): Frequency of publication: This should depend on the underlying assets of the bonds. If the bond is supplemented with other activities over the years, more impact reporting should be done: at least every 5 years. Bonds may cover a longer lifespan than 5 to 10 years. However, if the Bond covers only one activity (example used in Q&A: converting production facility (like a steel plant) to reduce its emissions), or no updates are done throughout the life time, at least once is appropriate. LU: (Drafting): Issuers of European green bonds shall **draw up a European green bond impact report on the environmental impact of the use of the bond proceeds by using the template laid down in Annex III. This impact report should be produced at least twice during the lifetime of the bond: once with the first allocation report and once after the full allocation of the proceeds of such bonds.** LU: (Comments): We believe that drawing up an impact report is an important tool for both sovereign and corporate issuers to get a better understanding of the situation and we therefore think that once during the

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	lifetime of the bond is not sufficient. We recommend drawing up one impact report before the full allocation (such as with the first allocation report) and once more after the full allocation of proceeds. It would be important to clarify whether no external review will be required for impact reports. DE: (Drafting): Issuers of European green bonds shall, after the full allocation of the proceeds of such bonds and at least once during the lifetime of the bond but not later than [x] years after issuance, draw up a European green bond impact report on the environmental impact of the use of the bond proceeds by using the template laid down in Annex III. DE: (Comments): There might be perpetual green bonds without a fixed maturity. In this case, the impact report might never be published. It should therefore be specified, until when an impact report should be published. NL: (Drafting): 1. Issuers of European green bonds shall, after the full allocation of the proceeds of such bonds and at least once during the lifetime of the bond, with a maximum of [3] years after issuance and/or full allocation, draw up a European green bond impact report on the environmental impact of the use of the bond proceeds by using the template laid down in Annex III. NL: (Comments): The impact report is important to enable investors and other stakeholders to evaluate the performance of an issuer on the environmental impact of a European green bond. Therefore we support this reporting obligation. Currently, however, the proposal states that the issuer must

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	publish the impact report 'at least once during the lifetime of the bond'. We are of the opinion that the proposal should include a maximum period after issuance when the report must be published.
2. A single impact report may cover several issuances of European green bonds.	
Article 11	CZ: (Drafting): ~~Article 11~~
Sovereigns as issuer	CZ: (Drafting): ~~Sovereigns as issuer~~
An issuer that is a sovereign may obtain pre-issuance and post-issuance reviews from an external reviewer, or from a state auditor or any other public entity that is mandated by the sovereign to assess compliance with this Regulation.	PL: (Comments): PL According to the draft regulation, each sovereign can appoint his own state auditor. It raises concerns about disproportions between future auditors, as there are no requirements set for them in the project. In our opinion it poses a risk of functioning different peer-review standards, theoretically for the same European green bonds (between Member States, but also, for example, between two neighboring cities, if each appointed a different entity as a "public auditor"). AT: (Drafting): 1. Title IV is not applicable to sovereigns as issuers. 2. An issuer that is a sovereign may obtain pre-issuance….

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	AT: (Comments): The legal text would benefit from explicitly stating that sovereigns do not fall under the supervisory regime by competent authorities and ESMA. The reference to the PR seems to be not sufficiently clear. Moreover, "any other public entity that is mandated by the sovereign to assess compliance with this Regulation" seems to be too broad. The regulation should define criteria for "any other public entity" to provide for the necessary credibility in the market. FI: (Comments): FI From our point of view, the reviewer should be credible and independent even if the reviewer would be a public entity. The reviewer's independency and credibility play key roles regarding the credibility of the EuGB-standard. IE: (Comments): It may be necessary for the sovereign to use a specialised external reviewer as well as the state auditor to cover all relevant duties to assess compliance. We are considering whether additional text on a combination of these might be necessary. CZ: (Drafting): ~~An issuer that is a sovereign may obtain pre-issuance and post-issuance reviews from an external reviewer, or from a state auditor or any other public entity that is mandated by the sovereign to assess compliance with this Regulation.~~ CZ:

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	(Comments): In our opinion, from the perspective of retail investors, it is desirable that sovereign have the same conditions as market participants. We therefore propose to have specific rules for sovereigns only in Art. 4 a delete further exemptions (see also our comments in Art. 2 and Art. 14(3)). MT: (Comments): We welcome this flexibility to sovereigns. In view of compliance with the taxonomy, the state auditor or designated entity, would require expertise of the taxonomy delegated act. This further supports our call that sovereigns should have a separate standard which does not align with the taxonomy, but which takes into consideration transition needs and plans of the sovereign. PT: (Comments): In order to ensure the credibility of the EU GBS and the alignment with current market practices (particularly, the ICMA GB Principles), we believe that the pre-issuance and post-issuance reviews for sovereign issuances should also be obtained from independent third parties. Indeed, we believe that there is the risk of investors fearing some bias in the reviews, particularly from "any other public entity that is mandated by the sovereign to assess compliance with this Regulation.", which could (especially in situations where the analysis is not properly done) hinder the credibility of the standard. Moreover, this is already the most common practise for EU sovereigns. (Comments):IT ITA: Clarification is needed in the term "any other public entity that is mandated by the sovereign to assess compliance with this Regulation" in order to provide for the necessary credibility in the market.
Article 12	CZ:

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	(Drafting): *[to be deleted?]*
Prospectus for European green bonds	DK: (Comments): We are still analysing the proposal's link to the prospectus regulation but our immediate impression is that this article does not create any significant or disproportionate additional burdens for issuers covered by the prospectus regulation. All issuers of EuGB would have to develop and publish a green bond factsheet no matter whether the prospectus regulation applies to the issuance or not. With regards to the supervision of this article, we understand that the requirement for EuGB-issuers to include the information mentioned in para. 1 and 2 in the prospectus entails that NCA's merely ensure its incorporation by reference, according to article 19 of the prospectus regulation. Further, it is our impression that the NCA supervision of article 8-13 of this proposal shall be carried out irrespective of whether the prospectus regulation applies or not. CZ: (Drafting): *[to be deleted?]*
1. Where a prospectus is to be published pursuant to Regulation (EU) 2017/1129, that prospectus shall clearly state, where required to provide information on the use of proceeds, that the European green bond is issued in accordance with this Regulation.	BG: (Comments): BG: In our view it is not clear how "where required" should be applied. AT: (Drafting): 1. Where a prospectus is to be published pursuant to Regulation (EU) 2017/1129, that prospectus

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	shall clearly state that the European green bond is issued in accordance with this Regulation. 2. Prospectus exemptions according to Regulation (EU) 2017/1129 are not affected by this Regulation. AT: (Comments): Ad 1.: Item 3.2 (Reasons for the offer and use of proceeds) of the Annexes 14 and 15 to the delegated regulation (EU) 2019/980 is a category C item and therefore the statement that the EuGB is issued in accordance with this Regulation, would be disclosed only in the final terms issued after the approval of a base prospectus. However, the mandatory incorporation of EuGB factsheets by reference into the corpus of the prospectus already indicates that the issuance of EuGB is envisaged. Consequently, the statement should not only be disclosed in the final terms but be additionally included in the corpus of the prospectus, which is approved. A recital could clarify double disclosure. Ad 2: Text proposal in order to clarify that the prospectus exemptions for certain issuers and issues are not restricted by this provision. However, irrespective of the exemption of the obligation to publish a prospectus, any issuance apart from sovereign issuances under the EuGB Standard should be subject to supervision according to this Regulation. LU: (Drafting): 1. Where a prospectus for **European green bonds** is to be published pursuant to Regulation (EU) 2017/1129, that prospectus shall clearly state~~, where required to provide information on the use of proceeds,~~ **that the European green bond is issued in accordance with this Regulation**. LU: (Comments):

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	We consider that this statement should be required in all cases where a prospectus for European green bonds is produced in order to promote investment in European green bonds and as such information is useful for investors. CZ: (Drafting): *[to be deleted?]* CZ: (Comments): This is unnecessary. The use of proceeds will stem from the name (designation of EuGB), no need to include them in the prospectus or to change (indirectly) the Prospectus Regulation (even direct change is not necessary). The term "proceeds" is used only in Annexes of PR, are these occasions (21) intended? For example: 4.165, 5.109, 5.148, 5.223, 7.48, 15.17, etc. Why is the disclosure related only to proceeds (are the words "where required to provide information on the use of proceeds" necessary?)? DE: (Drafting): 1. Where a prospectus is to be published pursuant to Regulation (EU) 2017/1129, that prospectus shall clearly state, where required to provide information on the use of proceeds, if applicable, or in another prominent place, that the European green bond is issued in accordance with this Regulation. DE: (Comments): In prospectuses for IPOs, there is no section on the use of proceeds. Where this is the case, it is therefore necessary to add that section or include the information in another part of the prospectus. This part should be prominent (e.g. the cover page) as it is an important information for the investor.
	LU:

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	(Drafting): **2. Where a prospectus for European green bonds is to be published pursuant to Regulation (EU) 2017/1129, that prospectus shall, where required to provide information on the use of proceeds, include the information contained in the European green bond factsheet referred to in Article 8(1), point (a) and the pre-issuance review referred to Article 8 (1) point (b) of this Regulation. Where a base prospectus is to be published pursuant to Article 8 of Regulation (EU) 2017/1129, the green bond factsheet referred to in Article 8(1), point (a) and the pre-issuance review referred to Article 8 (1) point (b) may be included in the final terms where the final terms are not included in the base prospectus or a supplement.** LU: (Comments): We consider that the European green bond factsheet along with the pre-issuance review constitute material information to enable investors to make an informed investment decision pursuant to Article 6.1 of Regulation (EU) 2017/1129. In this context and with reference to the current proposal, we would like to note that issuers are not obliged to incorporate information by reference into the prospectus pursuant to Article 19 of Regulation (EU) 2017/1129. As a consequence, the current proposal would likely lead to divergent practices as regards the inclusion of the Green bond factsheet in a prospectus. However, divergent practices may not be justified as the proposal lays down standardized content requirements for the Green bond factsheet.
2. For the purposes of Article 19(1), point (c), of Regulation (EU) 2017/1129, 'regulated information' shall include the information contained in the European green bond factsheet referred to in Article 8(1), point (a) of this Regulation.	LU: (Drafting): ~~3~~**2.** For the purposes of Article 19(1), point (c), of Regulation (EU) 2017/1129, 'regulated information' shall include the information contained in the European green bond factsheet referred to in Article 8(1), point (a) **and the pre-issuance review referred to in Article 8 (1) (b)** of this Regulation. LU:

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	(Comments): Issuers should also be given the possibility to incorporate by reference the pre-issuance review report as such a report is useful to investors. CZ: (Drafting): *[to be deleted?]* CZ: (Comments): Art. 19 of Prospectus Regulation refers to documents included by reference. It is possibility (not duty) of issuer to include some officially published documents (for example financial annual report) only by reference. In addition "regulated information" is defined by reference to Transparency Directive and is relevant to OAMs (in future ESAP). Is this indirect change of Transparency Directive (or Prospectus Regulation)? DE: (Drafting): 2. For the purposes of Article 19(1), point (c), of Regulation (EU) 2017/1129, 'regulated information' shall include the information contained in the European green bond factsheet referred to in Article 8(1), point (a) of this Regulation as well as the pre-issuance review related to the European green bond factsheet referred to in Article 8(3). DE: (Comments): According to Art. 13(1) lit. b, the review of the factsheet shall also be published by the issuer. If the information of the factsheet is incorporated by reference in the prospectus, then it should also be possible to incorporate in the prospectus by reference the information relating to its review, in particular the results of the review

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Article 13	
Publication on the issuer's website and notification to ESMA and national competent authorities	PT: (Comments): Is the information referred to in paragraphs 1 and 2 also required in the case of green bonds issued to refinance green bonds?
1. Issuers of European green bonds shall publish on their website, in a distinct section titled 'European green bonds' and make available free of charge until at least the maturity of the bonds concerned, all of the following:	PL: (Comments): PL Here it is pointed out that the website should have a dedicated section entitled "European Green Bonds". For the avoidance of doubt, we suggest adding that this section may be in the broader section devoted to sustainable finance. Such sections are in practice created in connection with the implementation of the SFDR and we do not see any obstacles for creating new sections devoted to the EuGB within them. BG: (Comments): **BG:** In case the post-issuance report will be done after the maturity, the documents should still be available. AT: (Comments): The wording should be aligned with Art 21(3) and (4) of the PR and require - that the website is easily accessible and that the reports and reviews shall be downloadable, printable and in searchable electronic format that cannot be modified and that

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	access to the documents shall not be subject to the completion of a registration process, the acceptance of a disclaimer limiting legal liability or the payment of a fee. Warnings specifying the jurisdiction(s) in which an offer or an admission to trading is being made shall not be considered to be disclaimers limiting legal liability. BE: (Drafting): 1. Issuers of European green bonds shall publish on their website, in a distinct public section titled 'European green bonds' and make available free of charge until at least the maturity of the bonds concerned, all of the following: BE: (Comments): All information and documents should be made available to the public in our opinion. CZ: (Drafting): 1. Issuers of European green bonds shall publish on their website, in a distinct section titled 'European green bonds' and make available free of charge until at least the ~~maturity~~ **repayment** of the bonds concerned, **including all interests,** all of the following: CZ: (Comments): We propose the documents should be published until the bonds are repaid (until the legal relationship exists). See for example EFTA Court E-4/09 Inconsult Anstalt (on definition of durable medium - when websites can be considered as durable medium). PT: (Drafting): 1. Issuers of European green bonds shall publish on their website, in a distinct section titled '**EuGB -** European green bonds' and make available free of charge until at least the maturity of the

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	bonds concerned, all of the following: PT: (Comments): We suggest, in order to make the designation more explicit, to consider "EuGB - European green bonds".
(a) the completed European green bond factsheet referred to in Article 8, before the issuance of the bond;	PL: (Comments): PL The Article 8 introduces the obligation to prepare a factsheet, together with pre-issuance review related to this factsheet. Article 13 (1) (a) and (b) introduces the obligation to publish the above-mentioned documents together with the opinion on the issuer's website and make them available at least until the bond maturity date. However, there is no indication of a specific date (before issue) from which these documents should be made available. Due to the complex matter of these documents, investors should be given time to read them earlier than when the offer of such bonds is launched. Therefore, we propose that the factsheet and the the pre-issuance review should be available on the website at least a few days before the bond issue. LV: (Comments): The Regulation ought to provide for a deadline. Where the deadline is not expressed as a specific number of days, it could be defined in line with Article 30 – within a reasonable period of time prior to the beginning of the offer to the public or the admission to trading of the European green bond concerned. BE: (Drafting): (a) the completed European green bond factsheet referred to in Article 8, before the offer period of the bond;

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	BE: (Comments): See article 8 FI: (Comments): FI If the factsheet relates several green bonds and there is need to change some information of the factsheet. How the changes could be done or should the issuer publish a new factsheet?
(b) the pre-issuance review related to the European green bond factsheet referred to in Article 8, before the issuance of the bond;	LV: (Comments): The Regulation ought to provide for a deadline. Where the deadline is not expressed as a specific number of days, it could be defined in line with Article 30 – within a reasonable period of time prior to the beginning of the offer to the public or the admission to trading of the European green bond concerned. BE: (Drafting): (b) the pre-issuance review related to the European green bond factsheet referred to in Article 8, before the offer period of the bond;
(c) the European green bond annual allocation reports referred to in Article 9, every year until the full allocation of the proceeds of the European green bond concerned, no later than three months following the end of the year it refers to;	ES: (Drafting): (c) the European green bond annual allocation reports referred to in Article 9, every fiscal year until the full allocation of the proceeds of the European green bond concerned~~, no later than three months following the end of the fiscal year it refers to~~;

Commission proposal	Drafting Suggestions Comments
	ES: (Comments): ES: Please see comment in article 9 paragraph 1 and 6. We do not see any benefits in stablishing this rigid date requirements. LV: (Comments): Whereas solely point (c) of Article 13, paragraph 1 currently stipulates a deadline, points (a), (b), and (d) should, too. LU: (Drafting): the European green bond annual allocation reports referred to in Article 9, every year until the full allocation of the proceeds of the European green bond concerned, **without undue delay.** LU: (Comments): In line with our comments to article 9.6, we believe that requiring the annual allocation report 3 months following the year it refers to is too short and will not allow sufficient time to have the final figures available. We proposed a new timeframe in article 9.6. The reports should then be published without undue delay. DE: (Drafting): (c) the European green bond annual allocation reports referred to in Article 9, every year until the full allocation of the proceeds of the European green bond concerned, no later than ~~three months~~ 180 days following the end of the year it refers to, and no later than the publication of the post-issuance review; DE: (Comments):

Commission proposal	Drafting Suggestions Comments
	To match the changes proposed to Article 9(6). In any case, the period under this Article should be equal to the sum of i) the period within which the issuer is required to provide the allocation report to the external reviewer and b) the period within which the external reviewer is obliged to publish the post-issuance report, both in accordance with Article 9(6). According to the initial text, this would be four months, instead of three months. Otherwise, the issuer could be forced to publish the allocation report prior to the finalization of the post-issuance review by the external reviewer.
(d) the post-issuance reviews of the European green bond allocation reports referred to in Article 9;	LV: (Comments): The Regulation ought to provide for a deadline.
(e) the European green bond impact report referred to in Article 10.	AT: (Drafting): (e) the European green bond impact report referred to in Article 10 and an eventual post-issuance review of the impact report. AT: (Comments): The wording of (e) should be amended by "and an eventual post-issuance review of the impact report".
	LU: (Drafting): (f) the errors referred to in Article 24(1) together with, where relevant, a revised pre-issuance or post-issuance review. The revised documents shall state the reasons for the changes. LU: (Comments): We believe that it would be useful to require publication of revised pre-issuance or post-issuance reviews on the issuer's website and therefore suggest a similar provision for issuers as the one

Commission proposal	Drafting Suggestions Comments
	provided for in article 24(1) for external reviewers. DE: (Drafting): (f) if a prospectus is published, a link to the website where the prospectus is located. DE: (Comments): Such a link would make it easier for the investor to find the prospectus and connect it with the other documents.
2. The information contained in the documents referred to in paragraph 1, points (a), (c) and (e), shall be provided in the following language or languages:	LU: (Drafting): The information contained in the documents referred to in paragraph 1**~~, points (a), (c) and (e),~~** shall be provided **or made available** in the following language or languages: LU: (Comments): We consider that review reports should also be subject to the language rules laid down in this proposal as such reports are useful to investors. Such reports provide investors with valuable information on the external reviewer's assessment as regards the allocation of the proceeds of the European green bonds, whether such proceeds have been allocated pursuant to the green bond factsheet and the taxonomy requirements. The reports also provide information on the methodology and key assumption applied by the external reviewer.
(a) where the European green bonds are offered to the public or are listed on a market in only one Member State, in a language accepted by the competent authority, as referred to in Article 36 of this Regulation, of that Member State;	BG: (Drafting): a) where the European green bonds are offered to the public or are listed on a **regulated** market in only one Member State, in a language accepted by the competent authority, as referred to in Article 36 of this Regulation, of that Member State;

Commission proposal	Drafting Suggestions Comments
	BG: (Comments): **BG:** We suppose it's a technical omission as the definition of a "regulated market" is included in Art. 2(5). LU: (Drafting): (a) where the European green bonds are offered to the public or are listed on a **regulated** market in only one Member State, in a language accepted by the competent authority, as referred to in Article 36 of this Regulation, of that Member State; LU: (Comments): We suppose that the Commission wanted to refer to a regulated market as defined in Article 2(5). CZ: (Drafting): (a) where the European green bonds are ~~offered to the public or are listed on a market~~ **which are marketed, distributed or sold** in only one Member State, in a language accepted by the competent authority, as referred to in Article 36 of this Regulation, of that Member State; CZ: (Comments): See our comments on Art. 1, 2 and 36. Inspiration from Art. 15(2) and 17 of PRIIPS Regulation.
(b) where the European green bonds are offered to the public or are listed on a market in two or more Member States, either in a language accepted by the competent authority,	PL: (Comments): PL According to this provision it seems that it is permissible for the information provided in

Commission proposal	Drafting Suggestions Comments
as referred to in Article 37 of this Regulation, of each Member State, or in a language customary in the sphere of international finance, at the choice of the issuer.	accordance with the templates set out in Annexes I-III to be provided only in English "or in a language customary in the sphere of international finance, at the choice of the issuer." Due to the need to provide information also to non-professional investors (in particular retail investors), as well as due to the complicated matter that should also be expressed in national languages (and this will be a long-term process of learning new concepts and definitions), we see the need for a legislative solution according to which the above-mentioned information will always be made available in the national language of the country where the issue takes place - plus possibly additionally, at the choice of the issuer, in English (or another language recognised as commonly used in finance). BG: (Drafting): (b) where the European green bonds are offered to the public or are listed on a **regulated** market in two or more Member States, either in a language accepted by the competent authority, as referred to in Article 37 of this Regulation, of each Member State, or in a language customary in the sphere of international finance, at the choice of the issuer. BG: (Comments): **BG:** We suppose it's a technical omission as the definition of a "regulated market" is included in Art. 2(5). LU: (Drafting): (b) where the European green bonds are offered to the public or are listed on a **regulated** market in two or more Member States, either in a language accepted by the competent authority, as referred to in Article 3~~7~~**6** of this Regulation, of each Member State, or in a language customary in the sphere of international finance, at the choice of the issuer. LU:

Commission proposal	Drafting Suggestions Comments
	(Comments): We suppose that the Commission wanted to refer to a regulated market as defined in Article 2(5). We consider it more accurate to refer to Article 36 of the proposal. CZ: (Drafting): (b) where the European green bonds are ~~offered to the public or are listed on a market~~ **which are marketed, distributed or sold** in two or more Member States, either in a language accepted by the competent authority, as referred to in Article ~~37~~ **36** of this Regulation, of each Member State, or in a language customary in the sphere of international finance, at the choice of the issuer. CZ: (Comments): See our comments on Art. 1, 2 and 36. Inspiration from Art. 15(2) and 17 of PRIIPS Regulation. DE: (Drafting): (b) where the European green bonds are offered to the public or are listed on a market in two or more Member States, either in a language accepted by the competent authority, as referred to in Article 36~~7~~ of this Regulation, of each Member State, or in a language customary in the sphere of international finance, at the choice of the issuer.
3. By way of derogation from paragraph 2, where a prospectus for the European green bond is to be published in accordance with Regulation (EU) 2017/1129, the information contained in the documents referred to in paragraph 1, points (a), (c) and (e), shall be provided in the language or languages of that prospectus.	LU: (Drafting): 3. By way of derogation from paragraph 2, where a prospectus for the European green bond is to be published in accordance with Regulation (EU) 2017/1129, the information contained in the documents referred to in paragraph **1~~points (a), (c) and (e), shall be provided or made available~~** in the language or languages of that prospectus. LU:

Commission proposal	Drafting Suggestions Comments
	(Comments): We note that this proposal does not lay down language rules for the review reports. However, pursuant to Article 36, competent authorities, designated pursuant to Prospectus Regulation (EU) 2017/1129, shall ensure compliance with Articles 8 to 13 of the proposal. This includes compliance with Article 8.3 and Article 9.7 relating to the content of the pre-issuance and post-issuance review reports. The review reports should therefore be in a language accepted by competent authorities. CZ: (Drafting): *[to be deleted?]* CZ: (Comments): There is no reason to align the language regime to prospectus. In addition, in cases of paragraph 2, prospectus will be almost present (with the exception of private placement, eg. nominal amount larger than 100k EUR). However if our proposals to paragraph 2 are accepted, this regime makes sense (in case EuGB is not offered to retail investors). On references to prospectus see also our comments in Art. 12 and 36.
	CZ: (Drafting): **3a. The information contained in the documents referred to in paragraph 1, points (b) and (d), shall be provided in a language customary in the sphere of international finance.** CZ: (Comments): The language regime for documents referred to in paragraph 1, points (b) and (d) is not clear. We propose English, but other language regime can be considered. For example the same as for documents referred to in paragraph 1, points (a), (c) and (e).
4. Issuers of European green bonds shall notify the National Competent Authority referred to in Article 36 of the publication of all the documents referred to in paragraph 1	ES: (Comments): ES: While the content of the notification to National Competent Authorities is established in paragraph 1, we presume that mechanisms and/or procedures to communicate/notify will be

Commission proposal	Drafting Suggestions Comments
without undue delay.	established by the said NCAs at a later stage. AT: (Drafting): With the exemption of issuers according to Article 2, para 3 *(Sovereigns)* AT: (Comments): Sovereigns as defined in Article 2 shall not fall under the supervisory regime by competent authorities and ESMA and therefore should also not be not be covered by a notifying duty towards a competent authority and/or ESMA. However, (*in line with our comment to Art 12*) any private issuance under the EuGB Standard should be subject to supervision according to this Regulation, irrespective of any exemption of the obligation to publish a prospectus. BE: (Comments): Do we understand correctly that no such documents need to be filed with the NCA prior to the publication of such documents? See comment above on link between timing EGB factsheet and timing prospectus scrutiny and approval. CZ: (Drafting): 4. Issuers of European green bonds shall notify the ~~National Competent Authority referred to in Article 36~~ **competent authority of their home Member State and ESMA** of the publication of all the documents referred to in paragraph 1 without undue delay. CZ: (Comments): Notification of NCA of home MS and ESMA. DE:

Commission proposal	Drafting Suggestions Comments
	(Comments): It should be clarified which authority is to be notified as the home Member State authority in the case of cross-border green bond offers.
	CZ: (Drafting): **4. Issuers of European green bonds shall notify the competent authority of their host Member State and ESMA of the publication of all the documents referred to in paragraph 1 at least 30 days before commencing marketing, distribution or sale.** CZ: (Comments): Notification of NCA of host MS and ESMA.
5. Issuers of European green bonds shall notify ESMA of the publication of all the documents referred to in paragraph 1 within 30 days.	ES: (Comments): ES: We think that it is necessary to provide guidance on how issuers of European green bonds have to notify ESMA. Maybe a future ITS should be developed by ESMA itself on this topic RO: (Drafting): The National Competent Authority shall notify ESMA of the publication of all the documents referred to in paragraph 1 within 30 days. RO: (Comments): Align with the Article 25 paragraph 3 of the Regulation (EU) 2017/1129 in order not to create confusion and other rules for issuers. AT: (Drafting): With the exemption of issuers according to Article 2, para 3 *(Sovereigns)*

Commission proposal	Drafting Suggestions Comments
	AT: (Comments): See comment to para 4. DK: (Drafting): ~~5. Issuers of European green bonds shall notify ESMA of the publication of all the documents referred to in paragraph 1 within 30 days.~~ DK: (Comments): We are still analysing the consequences of the supervisory provisions of the proposal, however, we disagree on the need for issuers to notify ESMA directly of their issuance given that the proposal establishes national competent authorities as supervisors of the application of article 8-13 and suggest removing the provision. In our view, the notification of ESMA, which would be primarily for the purposes of monitoring and evaluating the impact of the legislative initiative, should therefore be carried out by NCAs. This would be similar to the notification procedure of the prospectus regulation article 20. The competent authority shall notify ESMA of the approval of the prospectus and any supplement thereto as soon as possible and in any event by no later than the end of the first working day after that approval is notified to the issuer, the offeror or the person asking for admission to trading on a regulated market. CZ: (Drafting): *[to be deleted?]* CZ: (Comments):

Commission proposal	Drafting Suggestions Comments
	We propose for ESMA the same period of time. Alternative is to have 30 day both for NCA and ESMA.
	DK: (Drafting): "The National Competent Authority shall notify ESMA of the publication of all the documents referred to in paragraph 1 as soon as possible after the NCA has been notified of the publication by the issuer of European green bonds." DK: (Comments): We suggest amending paragraph five to stipulate that the national competent authority shall carry out the notification of ESMA.
Title III	ES: (Comments): ES: We have noticed that the Regulation proposal on external reviewers –although less stringent- is aligned with the Credit Rating Agencies Regulation, something with which we agree. However given that a significant number of implementing provisions have to be developed by ESMA through Level 2 measures, we have a scrutiny reserve on Chapters I and II. LU: (Comments): We do not support a centralized registration and supervisory regime coordinated by ESMA for external reviewers of European green bonds. Please refer to our general comment for more details.
External reviewers for European Green Bonds	
Chapter I	

Commission proposal	Drafting Suggestions Comments
Conditions for taking up activities as external reviewer for European green bonds	
Article 14	
Registration	LU: (Comments): All references to ESMA shall be replaced by references to national authorities. Cf. our general comment.
1. External reviewers for European green bonds shall, before taking up their activities, register with ESMA.	BG: (Comments): **BG:** Please refer to our general comments as regards the supervision of external reviewers. MT: (Comments): Malta agrees that verifiers should be accredited at a European level by ESMA.
2. External reviewers registered with ESMA shall meet the conditions for registration laid down in Article 15(2) at all times.	
3. State auditors and other public entities mandated by sovereign issuers to assess	CZ: (Drafting):

Commission proposal	Drafting Suggestions Comments
compliance with this Regulation shall not be subject to Title III and Title IV of this Regulation.	~~3. State auditors and other public entities mandated by sovereign issuers to assess compliance with this Regulation shall not be subject to Title III and Title IV of this Regulation.~~ CZ: (Comments): In our opinion, from the perspective of retail investors, it is desirable that sovereign have the same conditions as market participants. We therefore propose to have specific rules for sovereigns only in Art. 4 a delete further exemptions (see also our comments in Art. 2 and 11). MT: (Comments): Malta welcomes this exemption. PT: (Comments): Please see our comment to Article 11.
Article 15	
Application for registration as an external reviewer for European Green Bonds	
1. An application for registration as an external reviewer for European green bonds shall contain all of the following information:	

Commission proposal	Drafting Suggestions Comments
(a) the full name of the applicant, the address of the registered office within the Union, the applicant's website and, where available, the legal entity identifier (LEI);	
(b) the name and contact details of a contact person;	
(c) the legal status of the applicant;	
(d) the ownership structure of the applicant;	PL: (Drafting): the **detailed** ownership structure of the applicant PL: (Comments): PL In our opinion a detailed ownership structure should help to avoid possible conflicts of interest.
(e) the identity of the members of the senior management of the applicant and their level of qualification, experience and training;	AT: (Drafting): the identity of the members of the senior management of the applicant and their level of qualification, <u>relevant professional</u> experience and training; AT: (Comments): To be more specific.

Commission proposal	Drafting Suggestions Comments
(f) the number of the analysts, employees and other persons directly involved in assessment activities, and their level of experience and training working for the applicant and their level of experience and training;	AT: (Drafting): the number of the analysts, employees and other persons directly involved in assessment activities, and their level of relevant professional experience and training working for the applicant and their level of experience and training; AT: (Comments): See comment to (e). Please also clarify the wording (experience and training are redundant).
(g) a description of the procedures and methodologies implemented by the applicant to issue pre-issuance reviews as referred to in Article 8 and post-issuance reviews as referred to in Article 9;	
(h) the policies or procedures implemented by the applicant to identify, manage and disclose any conflicts of interests as referred to in Article 27;	
(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;	

Commission proposal	Drafting Suggestions Comments
(j) where applicable, information about other activities carried out by the applicant.	AT: (Drafting): where applicable, information about other activities carried out by the applicant and which might lead to potential conflicts of interest. AT: (Comments): It should be clarified what is meant by "other activities carried out by the applicant" since the wording is extremely wide. We suggest to restrict it to "other activities carried out by the applicant which might lead to potential conflicts of interest".
2. ESMA shall only register an applicant as an external reviewer where all of the following conditions are met:	
(a) the senior management of the applicant:	
(i) is of sufficiently good repute;	
(ii) is sufficiently skilled to ensure that the applicant can perform the tasks required of external reviewers pursuant to this Regulation;	

Commission proposal	Drafting Suggestions Comments
(iii) has sufficient professional qualifications;	
(iv) is experienced in quality assurance, quality control, the performance of pre- and post-issuance reviews and financial services;	AT: (Drafting): (iv) is experienced in quality assurance, quality control, the performance of pre- and post-issuance reviews and financial services as well as in the assessment of technical provisions as set out in the delegated Acts adopted pursuant to Articles 10(3), 11(3), 12(2), 13(2), 14(2) or 15(2) of Regulation (EU) 2020/852. AT: (Comments): To date, most auditors have insufficient or even no technical expertise to assess the taxonomy compliance or the credibility of capital expenditures to achieve taxonomy compliance over the 5-10-year period. A proper technical assessment of the taxonomy alignment of the use of proceeds and a proper assessment of the 'taxonomy-alignment plans' is key to prevent from greenwashing.
(b) the number of analysts, employees and other persons directly involved in assessment activities, and their level of experience and training, are sufficient to perform the tasks required from external reviewers pursuant to this Regulation;	
(c) the internal arrangements implemented to ensure compliance with the requirements of	

Commission proposal	Drafting Suggestions Comments
Chapter II of this Section are appropriate and effective.	
3. ESMA shall assess whether the application is complete within 20 working days after its receipt.	
Where the application is not complete, ESMA shall notify the applicant thereof and set a deadline by which the applicant is to provide additional information.	
Where the application is complete, ESMA shall notify the applicant thereof.	
4. ESMA shall register or refuse to register an applicant within 45 working days after receipt of the complete application.	
ESMA may extend the period referred to in the first subparagraph by 15 working days where the applicant intends to use outsourcing to perform its activities as an external reviewer.	
ESMA shall notify in writing an applicant of his or her registration as an external reviewer, or of	

Commission proposal	Drafting Suggestions Comments
its refusal to register an applicant. The decision to register or the refusal to register shall provide reasons and take effect on the fifth working day following its adoption.	
5. ESMA shall develop draft regulatory technical standards specifying the criteria referred to in paragraph 2, points (a) and (b).	
ESMA shall submit those draft regulatory technical standards to the Commission by [PO: Please insert date 12 months after the date of entry into force].	
Power is delegated to the Commission to supplement this Regulation by adopting the regulatory technical standards referred to in the first subparagraph in accordance with Articles 10 to 14 of Regulation (EU) No 1095/2010.	
6. ESMA shall develop draft implementing technical standards to specify the standard forms, templates and procedures for the provision of the information referred to in paragraph 1.	

Commission proposal	Drafting Suggestions Comments
When developing the draft implementing technical standards, ESMA shall take into account digital means of registration.	
ESMA shall submit those draft implementing technical standards to the Commission by [PO: Please insert date 12 months after the date of entry into force].	
Power is conferred on the Commission to adopt the implementing technical standards referred to in the first subparagraph of this paragraph in accordance with Article 15 of Regulation (EU) No 1095/2010.	
Article 16	
Material changes relevant for the registration	
1. An external reviewer shall notify ESMA of any material changes in the information provided in accordance with Article 15(1) or in the facts concerning the information referred to in Article 15(1) before such changes are implemented	AT: (Drafting): An external reviewer shall notify ESMA of any material changes in the information provided in accordance with Article 15(1) or in the facts concerning the information referred to in Article 15(1) before such changes are implemented. AT:

Commission proposal	Drafting Suggestions Comments
	(Comments): Layout: please add a full stop.
ESMA shall analyse those material changes. Where ESMA objects to such material changes, it shall inform the external reviewer within two months of the notification of those changes and shall state the reasons for the objection. The changes referred to in the first subparagraph may only be implemented provided that ESMA does not object to those changes within that period.	
2. ESMA shall develop draft implementing technical standards to specify the standard forms, templates and procedures for the provision of the information referred to in paragraph 1.	
When developing the draft implementing technical standards ESMA shall take into digital means of registration.	PL: (Drafting): When developing the draft implementing technical standards ESMA shall take into **account** digital means of registration. PL: (Comments): PL We propose to add “account” as current wording seems unclear.

Commission proposal	Drafting Suggestions Comments
ESMA shall submit those draft implementing technical standards to the Commission by [PO: Please insert date 12 months after the date of entry into force].	
Power is conferred on the Commission to adopt the implementing technical standards referred to in the first subparagraph of this paragraph in accordance with Article 15 of Regulation (EU) No 1095/2010.	
Article 17	
Language regime	
An external reviewer shall submit the application for registration referred to in Article 15 in any of the official languages of the institutions of the Union. The provisions of Regulation No 1 of 15 April 1958 determining the languages to be used by the European Economic Community shall apply mutatis mutandis to any other communication between ESMA and the external reviewers and their staff.	

Commission proposal	Drafting Suggestions Comments
Chapter II	
Organisational requirements, processes and documents concerning governance	
Article 18	
General principles	
1. External reviewers shall employ appropriate systems, resources and procedures to comply with their obligations under this Regulation.	
2. External reviewers shall monitor and evaluate the adequacy and effectiveness of their systems, resources and procedures established in accordance with this Regulation at least annually and take appropriate measures to address any deficiencies.	
3. ESMA shall develop draft regulatory	LU:

Commission proposal	Drafting Suggestions Comments
technical standards specifying the criteria to assess the appropriateness, adequacy, and effectiveness of the systems, resources, mechanisms, and procedures of external reviewers referred to in paragraphs 1 and 2.	(Drafting): ESMA shall develop draft regulatory technical standards specifying the criteria to assess the appropriateness, adequacy, and effectiveness of the systems, resources, ~~**mechanisms**~~, and procedures of external reviewers referred to in paragraphs 1 and 2. LU: (Comments): The term "mechanisms" is not referred to in paragraphs 1 and 2, therefore, we suggest to delete it is this paragraph.
ESMA shall submit those draft regulatory technical standards to the Commission by [PO: Please insert date 12 months after the date of entry into force].	
Power is delegated to the Commission to supplement this Regulation by adopting the regulatory technical standards referred to in the first subparagraph of this paragraph in accordance with Articles 10 to 14 of Regulation (EU) No 1095/2010.	
Article 19	
Senior management	

Commission proposal	Drafting Suggestions Comments
1. The senior management of the external reviewer shall ensure all of the following:	
(a) the sound and prudent management of the external reviewer;	
(b) the independence of assessment activities;	
(c) that conflicts of interest are properly identified, managed and disclosed;	
(d) that the external reviewer complies with the requirements of this Regulation at all times.	
2. ESMA shall develop draft regulatory technical standards specifying the criteria to assess the sound and prudent management of the external reviewer referred to in paragraph 1, point (a).	
ESMA shall submit those draft regulatory technical standards to the Commission by [PO: Please insert date 12 months after the date of entry into force].	

Commission proposal	Drafting Suggestions Comments
Power is delegated to the Commission to supplement this Regulation by adopting the regulatory technical standards referred to in the first subparagraph of this paragraph in accordance with Articles 10 to 14 of Regulation (EU) No 1095/2010.	
Article 20	
Analysts and employees of external reviewers, 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 and experience for the duties assigned.	
2. External reviewers shall ensure that the persons referred to in paragraph 1 are not allowed to initiate or participate in negotiations regarding fees or payments with any assessed	DE: (Drafting): 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

Commission proposal	Drafting Suggestions Comments
entity, related third party or any person directly or indirectly linked to the assessed entity by control.	third party or any person directly or indirectly linked to the assessed entity by control. If fees or payments are subject of a fee agreement, the respective agreement shall be concluded prior to the assessment and shall explicitly state that fees charged by external reviewers for assessment services shall not depend on the result of the pre-issuance or post-issuance review, or on any other result or outcome of the work performed. DE: (Comments): Amendment with reference to Article 27(2).
3. ESMA shall develop draft regulatory technical standards specifying the criteria to assess the appropriateness of the knowledge and experience of the persons referred to in paragraph 1.	
ESMA shall submit those draft regulatory technical standards to the Commission by [PO: Please insert date 12 months after the date of entry into force].	
Power is delegated to the Commission to supplement this Regulation by adopting the regulatory technical standards referred to in the first subparagraph of this paragraph in accordance with Articles 10 to 14 of Regulation (EU) No 1095/2010.	

Commission proposal	Drafting Suggestions Comments
Article 21	
Compliance function	
1. External reviewers shall establish and maintain a permanent and effective compliance function for the activities performed under this Regulation.	
2. External reviewers shall ensure that the compliance function:	
(a) has the means to discharge its responsibilities properly and independently;	AT: (Comments): Recital (24) uses the word “adequately” instead of “properly” - this should be consistent and it should be clarified in the recital what is meant.
(b) has the necessary resources and expertise and access to all relevant information;	
(c) does not monitor or assess its own activities;	BE: (Drafting): does not monitor or assess its own activities or any activity wherein it has some interests BE:

Commission proposal	Drafting Suggestions Comments
	(Comments): Independence of the reviewers is a key of the system. The provision should refrain external reviewers to review any undertaking wherein it has some interests.
(d) is not compensated in relation to the business performance of the external reviewer.	
3. The findings of the compliance function shall be made available to either a supervisory organ or, where applicable, an administrative organ of the external reviewer.	AT: (Comments): It should be clarified what is understood by "supervisory organ or administrative organ". The current wording leaves too much leeway for interpretation.
4. ESMA shall develop draft regulatory technical standards specifying the criteria to assess whether the compliance function has the means to discharge its responsibilities properly and independently as referred to in paragraph 2, point (a), and the criteria to assess whether the compliance function has the necessary resources and expertise and has access to all relevant information as referred to in paragraph 2, point (b).	
ESMA shall submit those draft regulatory technical standards to the Commission by [PO: Please insert date 12 months after the date of entry into force].	

Commission proposal	Drafting Suggestions Comments
Power is delegated to the Commission to supplement this Regulation by adopting the regulatory technical standards referred to in the first subparagraph of this paragraph in accordance with Articles 10 to 14 of Regulation (EU) No 1095/2010.	
Article 22	
Internal policies and procedures	
1. External reviewers shall adopt and implement internal due diligence policies and procedures that ensure their business interests do not impair the independence or accuracy of the assessment activities.	
2. External reviewers shall adopt and implement sound administrative and accounting procedures, internal control mechanisms, and effective control and safeguard arrangements for information processing systems.	

Commission proposal	Drafting Suggestions Comments
3. ESMA shall develop draft regulatory technical standards specifying the criteria to assess the sound administrative and accounting procedures, internal control mechanisms, and effective control and safeguard arrangements for information processing systems referred to in paragraph 2.	
ESMA shall submit those draft regulatory technical standards to the Commission by [PO: Please insert date 12 months after the date of entry into force].	
Power is delegated to the Commission to supplement this Regulation by adopting the regulatory technical standards referred to in the first subparagraph of this paragraph in accordance with Articles 10 to 14 of Regulation (EU) No 1095/2010.	
Article 23	
Assessment methodologies and information used for the pre-issuance or post-issuance reviews	

Commission proposal	Drafting Suggestions Comments
1. External reviewers shall adopt and implement measures to ensure that their pre-issuance reviews as referred to in Article 8 and their post-issuance reviews as referred to in Article 9 are based on a thorough analysis of all the information that is available to them and that, according to their methodologies, is relevant to their analysis.	PT: (Drafting): 1. External reviewers shall adopt and implement measures to ensure that their pre-issuance reviews as referred to in Article 8 and their post-issuance reviews as referred to in Article 9 are based on a thorough analysis of all the information **deemed necessary and** that is available to them and that, according to their methodologies, is relevant to their analysis.
2. External reviewers shall use information of sufficient quality and from reliable sources when providing pre-issuance or post-issuance reviews.	AT: (Comments): It should be clarified what is understood by "sufficient quality and from reliable sources". The current wording leaves too much leeway for interpretation.
3. ESMA shall develop draft regulatory technical standards specifying the criteria to assess whether the information referred to in paragraph 2 is of sufficient quality and whether the sources referred to in paragraph 2 are reliable.	
ESMA shall submit those draft regulatory technical standards to the Commission by [PO: Please insert date 12 months after the date of entry into force].	
Power is delegated to the Commission to supplement this Regulation by adopting the	

Commission proposal	Drafting Suggestions Comments
regulatory technical standards referred to in the first subparagraph of this paragraph in accordance with Articles 10 to 14 of Regulation (EU) No 1095/2010.	
Article 24	
Errors in assessment methodologies or in their application	
1. External reviewers that become aware of errors in their assessment methodologies or in their application that have a material impact on a pre-issuance review as referred to in Article 8 or a post-issuance review as referred to in Article 9 shall immediately notify and explain those errors to ESMA and the issuers of the affected European green bonds.	AT: (Drafting): 1. External reviewers that become aware of errors in their assessment methodologies or in their application that have a material impact on a pre-issuance review as referred to in Article 8 or a post-issuance review as referred to in Article 9 or in the taxonomy-alignment plan referred to in Article 6, shall immediately notify and explain those errors to ESMA and the issuers of the affected European green bonds. AT: (Comments): See Art. 6
2. External reviewers shall publish the errors referred to in paragraph 1 on their websites, together with, where relevant, a revised pre-issuance or post-issuance review. The revised documents shall state the reasons	PT: (Comments): Shouldn't all issuers (including sovereigns) publish these errors in their websites as well?

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for the changes.	
	DE: (Drafting): 2. Issuers shall not be liable to investors for these errors. DE: (Comments): Errors by external reviewers may have liability consequences for issuers, in particular where the green bond factsheet, as reviewed by the external reviewer in accordance with Article 8 (1) (b), has been incorporated by reference into a prospectus in accordance with Article 12 (2), unless the liability is expressly excluded.
Article 25	
Outsourcing	PT: (Comments): We consider that the outsourcing of all activities should be prohibited, in order to avoid "empty shells". This has been done, for instance, in case of NPLs' Directive negotiation.
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	AT: (Comments): Outsourcing of the assessment activities to non-registered third party service providers poses the risk of greenwashing. It must therefore be prevented that outsourcing is not an instrument to circumvent the strict provisions for external reviewers. Clear requirements on outsourcing, especially a clear definition which functions can be outsourced to third parties should be foreseen in the Regulation.

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control and the ability of ESMA to supervise the compliance of those external reviewers with this Regulation.	
2. External reviewers shall not outsource their compliance function.	
3. External reviewers shall notify ESMA about those of its assessment activities which are to be outsourced, including a specification of the level of human and technical resources needed to carry out each of those activities.	
4. External reviewers that outsource assessment activities shall ensure that such outsourcing does not reduce or impair their ability to perform their function or roles as members of the external reviewer's senior management or management body.	CZ: (Comments): See our comment on definitions in Art. 2.
5. External reviewers shall ensure that third party service providers cooperate with ESMA in connection with any outsourced assessment activities.	
6. External reviewers shall remain responsible for any outsourced activity and shall	

Commission proposal	Drafting Suggestions Comments
adopt organisational measures to ensure the following:	
(a) that they assess whether third party service providers are carrying out outsourced assessment activities effectively and in compliance with applicable Union and national laws and regulatory requirements and adequately addresses identified failures;	
(b) the identification of any potential risks in relation to outsourced assessment activities;	
(c) adequate periodic monitoring of the outsourced assessment activities;	
(d) adequate control procedures with respect to outsourced assessment activities, including effective supervision of the outsourced assessment activities and of any potential risks within the third party service provider;	
(e) adequate business continuity of outsourced assessment activities.	
For the purposes of point (e), external reviewers	

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shall obtain information about the business continuity arrangements of third party service providers, assess their quality, and request improvements to such arrangements where necessary.	
7. ESMA shall develop draft regulatory technical standards specifying:	
(a) the criteria to assess the ability and the capacity of third party service providers to perform the assessment activities reliably and professionally;	
(b) the criteria to ensure that the performance of assessment activities does not materially impair the quality of the external reviewers' internal control or the ability of ESMA to supervise the external reviewers' compliance with this Regulation.	AT: (Comments): This para is very hard to understand and thus unclear. We would ask to rephrase it.
ESMA shall submit those draft regulatory technical standards to the Commission by [PO: Please insert date 12 months after the date of entry into force].	

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Power is delegated to the Commission to supplement this Regulation by adopting the regulatory technical standards referred to in the first subparagraph of this paragraph in accordance with Articles 10 to 14 of Regulation (EU) No 1095/2010.	
Article 26	
Record-keeping requirements	
1. External reviewers shall keep adequate records of all of the following:	AT: (Comments): We would suggest defining “adequate”; the current wording is very vague.
(a) the identity of the persons participating in the determination and approval of the pre-issuance reviews referred to in Article 8 and the post-issuance reviews referred to in Article 9, and the date on which the decisions to approve the pre-issuance and post-issuance reviews were taken;	
(b) the documentation for the established procedures and methodologies used by the external reviewers to carry out and draw up the	

Commission proposal	Drafting Suggestions Comments
pre-issuance and post-issuance reviews;	
(c) the internal documents, including non-public information and work papers, used to form the basis of any published pre-issuance or post-issuance review;	
(d) records of the procedures and measures implemented by the external reviewers to comply with this Regulation;	
(e) copies of internal and external communications that relate to assessment activities, including electronic communications, received and sent by the external reviewer and its employees, that relate to assessment activities.	
2. The records and documents referred to in paragraph 1 shall be kept for five years and shall be made available upon request to ESMA.	AT: (Drafting): 2. The records and documents referred to in paragraph 1 shall be kept <u>until the maturity of the respective EuGB, but at least</u> for five years and shall be made available upon request to ESMA. AT: (Comments): According to Article 30 para 4, “the pre-issuance reviews and the post-issuance reviews shall remain publicly available until at least the maturity of the bond after their publication on the website of the external reviewer.” Therefore, it seems worth considering keeping records and

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	documents related to those pre-issuance reviews and the post-issuance reviews until the maturity of the respective bond too. PT: (Drafting): 2. The records and documents referred to in paragraph 1 shall be kept for five years **after the maturity of the bonds** and shall be made available upon request to ESMA.
3. Where ESMA has withdrawn the registration of an external reviewer in accordance with Article 51(1), that external reviewer shall ensure that the records and documents are kept for an additional five years. Records and documents which set out the respective rights and obligations of the external reviewer and the issuer of the European green bond under an agreement to provide assessment services shall be retained for the duration of the relationship with that issuer.	
Article 27	
Conflicts of interest and confidentiality of information	
1. External reviewers shall identify, eliminate, manage and disclose in a transparent	AT: (Comments):

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manner any actual or potential conflicts of interest, irrespective of whether that conflict of interest concerns their analysts or employees, any person that is contractually related to the external reviewers and that is directly involved in assessment activities, or persons approving pre-issuance reviews and post-issuance reviews.	The obligation to disclose should be clarified – disclosure only towards clients or public disclosure?
2. Fees charged by external reviewers for assessment services shall not depend on the result of the pre-issuance or post-issuance review, or on any other result or outcome of the work performed.	
3. Analysts, employees of the external reviewer and any other person contractually related to the external reviewers and directly involved in assessment activities shall be bound by the obligation of professional secrecy.	PT: (Comments): It should be clarified that they should be legally bound, since and obligation by means of NDA does not constitute an obligation of professional secrecy. Maybe a formulation like "Member States should ensure that …"
4. External reviewers shall ensure that their analysts and employees or any other natural person contractually related to the external reviewers and directly involved in assessment activities:	

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(a) take all reasonable measures to protect property and records in the possession of the external reviewer from fraud, theft or misuse, taking into account the nature, scale and complexity of their business and the nature and range of their assessment activities;	
(b) do not disclose any information about pre-issuance or post-issuance reviews, possible future pre-issuance or post-issuance 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 28	
Provision of other services	
External reviewers that provide services other than assessment activities shall ensure that those other services do not create conflicts of interest with their assessment activities concerning	PT: (Comments): Conflicts of interest should be prevented and properly addressed. We suggest clarifying which

Commission proposal	Drafting Suggestions Comments
European green bonds. Such external reviewers shall disclose in their pre-issuance and post-issuance reviews any other services provided for the assessed entity or any related third party.	services other than assessment activities are admissible.
Chapter III	
Pre-issuance and post-issuance reviews	
Article 29	
References to ESMA or other competent authorities	CZ: (Drafting): References to ESMA or other competent **and supervisory** authorities CZ: (Comments): See our comments on Art. 2 and 36.
In their pre-issuance review or post-issuance 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	PL: (Comments): PL This Article states that external reviewers shall not refer to ESMA or any NCAs in their reviews in a way that would indicate or imply that ESMA or any competent authority approves the review or any external reviewer's assessment activities. In order to avoid such a problem, we would like to

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external reviewer.	propose a solution in the form of a disclaimer, i.e. introducing the obligation on external reviewer to include a clause at the beginning of each document, in which it is indicated that the supervisory authority or ESMA does not approve such a sheet or review In addition, based on the solution adopted for prospectuses, we propose to publish on the website of the supervisory authority (on the sub-website dedicated to green bonds), information addressed to investors, informing about the role of the authority and ESMA in the process of verification of sheets by reviewers. CZ: (Drafting): In their pre-issuance review or post-issuance reviews, external reviewers shall not refer to ESMA or any competent **or supervisory** 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. CZ: (Comments): See our comments on Art. 2 and 36.
Article 30	
Publication of pre-issuance reviews and post-issuance reviews	
1. External reviewers shall publish and make available free of charge on their websites all of the following:	

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(a) in a separate section titled 'European green bond standard - Pre-issuance reviews' pre-issuance reviews that it issued;	CZ: (Drafting): (a) in a ~~separate~~ **distinct** section titled 'European green ~~bond standard~~ **bonds** - Pre-issuance reviews' pre-issuance reviews that it issued; CZ: (Comments): Alignment with Art. 13(1).
(b) in a separate section titled 'European green bond standard - Post-issuance reviews' post-issuance reviews that it issued.	CZ: (Drafting): (b) in a ~~separate~~ **distinct** section titled 'European green ~~bond standard~~ **bonds**- Post-issuance reviews' post-issuance reviews that it issued. CZ: (Comments): Alignment with Art. 13(1).
2. The pre-issuance reviews referred to in paragraph 1, point (a), shall be made available to the public within a reasonable period of time prior to the beginning of the offer to the public or the admission to trading of the European green bond concerned.	PL: (Comments): PL We propose to clarify the term "a reasonable period of time" as it is unclear and may lead to various interpretations. CZ: (Drafting): 2. The pre-issuance reviews referred to in paragraph 1, point (a), shall be made available to the public within a reasonable period of time prior to ~~the beginning of the offer to the public or the admission to trading~~ **marketing, distribution or sale** of the European green bond concerned.

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	CZ: (Comments): See our comments on Art. 1, 2, 3 and 36. DE: (Drafting): 2. The pre-issuance reviews referred to in paragraph 1, point (a), shall be made available to the public ~~within a reasonable period of time prior to~~ at a reasonable time in advance of, and at the latest at the beginning of the offer to the public or the admission to trading of the European green bond concerned. DE: (Comments): This provision should be aligned to Art. 21 of the prospectus regulation (Regulation (EU) 2017/1129). PT: (Comments): While the commonly used terminology is admission to trading, this legislative proposal rather uses listing, this being the single occurrence of admission to trading – to be harmonized.
3. The post-issuance reviews referred to in paragraph 1, point (b), shall be made available to the public without delay following the assessment of the allocation reports by the external reviewer.	LV: (Drafting): 3. The post-issuance reviews referred to in paragraph 1, point (b), shall be made available to the public without delay following the assessment of the allocation reports by the external reviewer **but not later than 90 days following the receipt of the allocation report from issuer**. LV:

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	(Comments): Article 9, paragraph 6 stipulates the post-issuance review is to be published within 90 days following the receipt of the allocation report from the issuer. This deadline ought to be incorporated under Article 30, paragraph 3. AT: (Drafting): The post-issuance reviews referred to in paragraph 1, point (b), shall be made available to the public without undue delay following the assessment of the allocation reports by the external reviewer. AT: (Comments): Typically, this should read "without undue delay" as it foreseen also in other Articles of the regulation. DE: (Drafting): 3. The post-issuance reviews referred to in paragraph 1, point (b), shall be made available to the public without undue delay following the assessment of the allocation reports by the external reviewer. In accordance with Art. 9(8), this should be within 90 days following the receipt of the allocation report. DE: (Comments): This provision should be aligned to Art. 21 of the prospectus regulation (Regulation (EU) 2017/1129) and be coherent with the deadlines set under Art. 9(8): "*The post-issuance review must be made public within 90 days following the receipt of the allocation report*."
4. The pre-issuance reviews referred to in	

Commission proposal	Drafting Suggestions Comments
paragraph 1, point (a), and the post-issuance reviews referred to in paragraph 1, point (b), shall remain publicly available until at least the maturity of the bond after their publication on the website of the external reviewer.	
5. External reviewers that decide to discontinue providing a pre-issuance review or a post-issuance review shall provide information about the reasons for that decision in the sections referred to in paragraph 1, points (a) and (b), without delay following such decision.	AT: (Drafting): External reviewers that decide to discontinue providing a pre-issuance review or a post-issuance review shall provide information about the reasons for that decision in the sections referred to in paragraph 1, points (a) and (b), without undue delay following such decision. AT: (Comments): Typically, this should read "without undue delay" as it foreseen also in other Articles of the regulation. PT: (Comments): We cannot understand this provision: - a concrete review cannot be "discontinued", as it is not a continuous process – the issuance of a review concludes the process as regards the subject of that review; this provision seems to assume a continuous relation between the issuer and a certain reviewer, which is not however imposed by or even mentioned in the legislative proposal; - so, it seems that the discontinuation at stake would be of the provision of such service; that being the case, should a private agent be obliged to disclose to the public the reasons of a business decision?

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Chapter IV	
Provision of services by third-country external reviewers	
Article 31	
General provisions	
1. A third-country external reviewer may provide its services in accordance with this Regulation to issuers that issue European green bonds where that third-country external reviewer is registered in the register of third-country external reviewers kept by ESMA in accordance with Article 59.	SE: (Comments): Can it be confirmed that 'third country' in this proposal means outside of EEA?
2. ESMA shall register a third-country external reviewer that has applied for the provision of external reviewer services in accordance with this Regulation throughout the Union in accordance with paragraph 1 only where the following conditions are met:	PT: (Drafting): ESMA shall register a third-country external reviewer that has applied for the provision of external reviewer services in accordance with this Regulation throughout the Union in accordance with paragraph 1 only where **all of** the following conditions are met: PT:

Commission proposal	Drafting Suggestions Comments
	(Comments): Will such third country reviewers be supervised by ESMA for the services that they are providing in the EU?
(a) the Commission has adopted a decision in accordance with Article 32(1);	
(b) the third-country external reviewer is registered or authorised to provide the external review services to be provided in the Union and is subject to effective supervision and enforcement ensuring full compliance with the requirements applicable in that third country;	
(c) cooperation arrangements have been established pursuant to Article 32(3).	
3. Where a third-country external reviewer is registered in accordance with this Article, no additional requirements on the third-country external reviewer in respect of matters covered by this Regulation shall be imposed.	
4. The third-country external reviewer referred to in paragraph 1 shall submit its application to ESMA after the adoption by the	

Commission proposal	Drafting Suggestions Comments
Commission of the decision referred to in Article 32 determining that the legal and supervisory framework of the third country in which the third-country external reviewer is registered or authorised is equivalent to the requirements described in Article 32(1).	
5. The third-country external reviewer shall submit its application referred to in the first paragraph by using the forms and templates referred to in Article 15.	
6. The applicant third-country external reviewer shall provide ESMA with all information necessary for its registration.	
7. Within 20 working days of receipt of the application, ESMA shall assess whether the application is complete. Where the application is not complete, ESMA shall set a deadline by which the applicant third-country external reviewer is to provide additional information.	
8. The registration decision shall be based on the conditions set out in paragraph 2.	

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9. Within 45 working days of the submission of a complete application, ESMA shall inform the applicant third-country external reviewer in writing with a fully reasoned explanation whether the registration has been granted or refused.	
10. Third-country external reviewers providing services in accordance with this Article shall, before providing any service in relation to issuers of European green bonds established in the Union, offer to submit any disputes relating to those services to the jurisdiction of a court or arbitral tribunal in a Member State.	CZ: (Drafting): 10. Third-country external reviewers providing services in accordance with this Article shall, before providing any service in relation to issuers of European green bonds ~~established~~ **made available to investors** in the Union, offer to submit any disputes relating to those services to the jurisdiction of a court or arbitral tribunal in a Member State. CZ: (Comments): It is possible to consider issuers from third countries offering their EuGB in the Union, this should be reflected here. PT: (Comments): This paragraph should be transformed into an obligation to include a jurisdiction clause in the agreement between the issuer and the third-country reviewer.
Article 32	
Equivalence decision	

Commission proposal	Drafting Suggestions Comments
1. The Commission may adopt a decision in relation to a third country stating that the legal and supervisory arrangements of that third country ensure that external reviewers registered or authorised in that third country comply with legally binding organisational and business conduct requirements which have equivalent effect to the requirements laid down in this Regulation and in the implementing measures adopted pursuant to this Regulation and that the legal framework of that third country provides for an effective equivalent system for the recognition of external reviewers registered or authorised under third-country legal regimes.	PT: (Comments): Does the expression "implementing measures adopted pursuant to this Regulation" covers also the vast number of delegations to the COM to adopt ESMA's RTS?
2. The organisational and business conduct framework of a third country may be considered to have equivalent effect where that framework fulfils all the following conditions:	
(a) entities providing external review services in that third country are subject to registration or authorisation and to effective supervision and enforcement on an ongoing basis;	

Commission proposal	Drafting Suggestions Comments
(b) entities providing external review services are subject to adequate organisational requirements in the area of internal control functions; and	
(c) entities providing external review services are subject to appropriate conduct of business rules.	
3. ESMA shall establish cooperation arrangements with the relevant competent authorities of third countries whose legal and supervisory frameworks have been recognised as effectively equivalent in accordance with paragraph 1. Such arrangements shall specify all of the following:	CZ: (Drafting): 3. ESMA shall establish cooperation arrangements with the relevant ~~competent~~ **supervisory** authorities of third countries whose legal and supervisory frameworks have been recognised as effectively equivalent in accordance with paragraph 1. Such arrangements shall specify all of the following: CZ: (Comments): See our comments on Art. 2 and 36.
(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;	CZ: (Drafting): (a) the mechanism for the exchange of information between ESMA and the ~~competent~~ **supervisory** 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; CZ: (Comments):

Commission proposal	Drafting Suggestions Comments
	See our comments on Art. 2 and 36.
(b) the mechanism for prompt notification to ESMA where a third-country competent authority deems that a third-country external reviewer that it is supervising and ESMA has registered in the register referred to in Article 59 infringes the conditions of its registration or authorisation or other law to which it is obliged to adhere;	CZ: (Drafting): (b) the mechanism for prompt notification to ESMA where a third-country ~~competent~~ **supervisory** authority deems that a third-country external reviewer that it is supervising and ESMA has registered in the register referred to in Article 59 infringes the conditions of its registration or authorisation or other law to which it is obliged to adhere; CZ: (Comments): See our comments on Art. 2 and 36.
(c) the procedures concerning the coordination of supervisory activities including, where appropriate, on-site inspections.	
4. A third-country external reviewer established in a country whose legal and supervisory framework has been recognised to be effectively equivalent in accordance with paragraph 1, and which is registered in the register referred to in Article 59, shall be able to provide the services covered under the registration to issuers of European green bonds throughout the Union.	

Commission proposal	Drafting Suggestions Comments
5. A third-country external reviewer shall no longer use the rights under Article 31 where the Commission withdraws its decision under paragraph 1 of this Article in relation to that third country.	
Article 33	
Withdrawal of registration of third country external reviewer	LU: (Comments): As we do not support a centralized registration and supervisory regime coordinated by ESMA for external reviewers of European green bonds, this article should be redrafted. Please refer to our general comments for more details.
1. ESMA shall withdraw the registration of a third-country external reviewer in the register established in accordance with Article 59 where one or more of the following conditions are met:	
(a) ESMA has well-founded reasons based on documented evidence to believe that, in the provision of the services in the Union, the third-country external reviewer is acting in a manner which is clearly prejudicial to the interests of investors or the orderly functioning of markets;	PT: (Comments): For recognised third-country reviewers, it is foreseen that they can be suspended in the situations for which this Article determines the withdrawal of authorisation (Article 34(6)); shouldn't the registered reviewers from an equivalent third-country benefit also from the possibility of suspension, less severe than the withdrawal of authorisation? Also to be noted that *temporarily prohibit the external reviewer from pursuing the activities* is

Commission proposal	Drafting Suggestions Comments
	foreseen as a supervisory measure by ESMA to all reviewers, with no disction (Article 51(1)(c)).
(b) ESMA has well-founded reasons based on documented evidence to believe that, in the provision of services in the Union, the third-country external reviewer has seriously infringed the provisions applicable to it in the third country and on the basis of which the Commission has adopted the decision in accordance with Article 32(1);	
(c) ESMA has referred the matter to the competent authority of the third country and that third-country competent authority has not taken the appropriate measures needed to protect investors and the proper functioning of the markets in the Union or has failed to demonstrate that the third-country external reviewer concerned complies with the requirements applicable to it in the third country;	CZ: (Drafting): (c) ESMA has referred the matter to the ~~competent~~ **supervisory** authority of the third country and that third-country ~~competent~~ **supervisory** authority has not taken the appropriate measures needed to protect investors and the proper functioning of the markets in the Union or has failed to demonstrate that the third-country external reviewer concerned complies with the requirements applicable to it in the third country; CZ: (Comments): See our comments on Art. 2 and 36.
(d) ESMA has informed the third-country competent authority of its intention to withdraw the registration of the third-country external reviewer at least 30 days before the withdrawal.	CZ: (Drafting): (d) ESMA has informed the third-country ~~competent~~ **supervisory** authority of its intention to withdraw the registration of the third-country external reviewer at least 30 days before the withdrawal.

Commission proposal	Drafting Suggestions Comments
	CZ: (Comments): See our comments on Art. 2 and 36.
2. ESMA shall inform the Commission of any measure adopted in accordance with paragraph 1 without delay and shall publish its decision on its website.	
3. The Commission shall assess whether the conditions under which a decision in accordance with Article 32(1) has been adopted continue to persist in relation to the third country concerned.	PT: (Comments): We see no reason for the behaviour of one concrete registered reviewer to trigger the re-assessment of the equivalence decision. Such decision shall be reassessed with a certain frequency, but in the context of a general framework for all equivalence decisions, which could be clearly stated in Article 32.
Article 34	
Recognition of an external reviewer located in a third country	SE: (Comments): We would be interested to understand if the proposed "three-layer" model to include third-party reviewers is new or has been used elsewhere in the past, and, if so, where.

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1. Until such time as an equivalence decision in accordance with Article 32(1) is adopted, a third country external reviewer may provide its services in accordance with this Regulation provided that the third country external reviewer acquires prior recognition from ESMA in accordance with this Article.	
2. A third country external reviewer intending to obtain prior recognition as referred to in paragraph 1 shall comply with the requirements laid down in Articles 15 to 30 and Articles 47 to 49.	
3. A third country external reviewer intending to obtain prior recognition referred to in paragraph 1 shall have a legal representative located in the Union. That legal representative shall:	
(a) be responsible, together with the third country external reviewer, for ensuring that the provision of services under this Regulation by the third country external reviewer meets the requirements referred to in paragraph 2 and shall in that respect be accountable to ESMA for the conduct of the third country external reviewer in the Union;	

Commission proposal	Drafting Suggestions Comments
(b) act on behalf of the third country external reviewer as the main point of contact with ESMA and any other person in the Union with regard to the external reviewer's obligations under this Regulation;	
(c) have sufficient knowledge, expertise and resources to fulfil its obligations under this paragraph.	
4. An application for prior recognition from ESMA as referred to paragraph 1 shall contain all information necessary to satisfy ESMA that the third country external reviewer has implemented all the necessary arrangements to meet the requirements referred to in paragraphs 2 and 3 and shall, where applicable, indicate the competent authority responsible for its supervision in the third country.	CZ: (Drafting): 4. An application for prior recognition from ESMA as referred to paragraph 1 shall contain all information necessary to satisfy ESMA that the third country external reviewer has implemented all the necessary arrangements to meet the requirements referred to in paragraphs 2 and 3 and shall, where applicable, indicate the ~~competent~~ **supervisory** authority authority responsible for its supervision in the third country. CZ: (Comments): See our comments on Art. 2 and 59(3).
5. ESMA shall assess whether the application for prior recognition from ESMA is complete within 20 working days after receipt of the application.	

Commission proposal	Drafting Suggestions Comments
Where the application is not complete, ESMA shall notify the applicant thereof and set a deadline by which the applicant is to provide additional information.	
Where the application is complete, ESMA shall notify the applicant thereof.	
Within 45 working days of receipt of the complete application referred to in the first subparagraph of this paragraph, ESMA shall verify that the conditions laid down in paragraphs 2 and 3 are fulfilled.	
ESMA shall notify an applicant of its recognition as a third country external reviewer or of its refusal. The decision to recognise or the refusal to recognise shall provide reasons and take effect on the fifth working day following its adoption.	
6. ESMA shall suspend or, where appropriate, withdraw the recognition granted in accordance with paragraph 5 where it has well-founded reasons, based on documented evidence, to consider that the third country	PT: (Comments): The qualification "clearly" should be deleted, as it is undetermined and could lead to legal uncertainty as regards the very important matter of suspension or withdrawal of the recognition.

Commission proposal	Drafting Suggestions Comments
external reviewer is acting in a manner which is clearly prejudicial to the interests of users of its services or the orderly functioning of markets or the third country external reviewer has seriously infringed the relevant requirements set out in this Regulation, or that the third country external reviewer made false statements or used any other irregular means to obtain the recognition.	The Regulation should determine the framework for the suspension of the recognition – ESMA should set a certain deadline for the reviewer to cease the conduct or to comply with the requirement that based the decision of suspension; only if the reviewer ceases the conduct or complies with the requirement shall the suspension be lifted; otherwise, the reviewer's recognition should be withdrawn.
7. ESMA shall develop draft regulatory technical standards specifying the information and the form and content of the application referred to in paragraph 4.	
ESMA shall submit those draft regulatory technical standards to the Commission by [PO: Please insert date 16 months after the date of entry into force].	CZ: (Drafting): ESMA shall submit those draft regulatory technical standards to the Commission by [PO: Please insert date ~~16~~ **12** months after the date of entry into force]. CZ: (Comments): In our opinion the term should be the same as for other technical standards - see Art. 15(5 and 6), 16(2), 18(3), 19(2), 20(3), 21(4), 22(3), 23(3) and 25(7).
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	

Commission proposal	Drafting Suggestions Comments
accordance with Articles 10 to 14 of Regulation (EU) No 1095/2010.	
Article 35	
Endorsement of services under this Regulation provided in a third country	
1. An external reviewer located in the Union registered in accordance with Article 15 and entered in the register in accordance with Article 59, may apply to ESMA to endorse the services provided by a third country external reviewer on an ongoing basis in the Union, provided that all of the following conditions are fulfilled:	SE: (Comments): We would be interested to understand how this is envisaged to work and would welcome any example to this end. Specifically, we have tried to understand whether the idea is that external reviewers would endorse competitors and for what reasons that would happen.
(a) the endorsing external reviewer has verified and is able to demonstrate on an on-going basis to ESMA that the provision of services under this Regulation by the endorsed third country external reviewer fulfils, on a mandatory or on a voluntary basis, requirements which are at least as stringent as the requirements of this Regulation;	

Commission proposal	Drafting Suggestions Comments
(b) the endorsing external reviewer has the necessary expertise to monitor effectively the activity of the provision of services under this Regulation by that third country external reviewer and to manage the associated risks;	
(c) the third country external reviewer is relied upon for any of the following objective reasons:	
i. Specificities of the underlying markets or investments;	
ii. Proximity of the endorsed reviewer to third country markets, issuers or investors;	
iii. Expertise of the third country reviewer in providing the services of external review or in specific markets or investments.	
2. An external reviewer that makes an application for endorsement as referred to in paragraph 1 shall provide all information necessary to satisfy ESMA that, at the time of application, all the conditions referred to in that paragraph are fulfilled.	

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3. ESMA shall assess whether the application for endorsement referred to in paragraph 1 is complete within 20 working days after receipt of the application.	
Where the application is not complete, ESMA shall notify the applicant thereof and set a deadline by which the applicant is to provide additional information.	
Where the application is complete, ESMA shall notify the applicant thereof.	
Within 45 working days of receipt of the complete application, ESMA shall examine the application and adopt a decision either to authorise the endorsement or to refuse it.	
ESMA shall notify an applicant of its decision regarding endorsement referred to in paragraph 1. The decision shall provide reasons and take effect on the fifth working day following its adoption.	
4. Services provided under this Regulation	

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by an endorsed third country external reviewer shall be considered to be services provided by the endorsing external reviewer. The endorsing external reviewer shall not use the endorsement with the intention of avoiding the requirements of this Regulation.	
5. An external reviewer that has endorsed services provided under this Regulation by a third country external reviewer shall remain fully responsible for such services and for compliance with the obligations under this Regulation.	
6. Where ESMA has well-founded reasons to consider that the conditions laid down under paragraph 1 of this Article are no longer fulfilled, it shall have the power to require the endorsing external reviewer to cease the endorsement.	PT: (Comments): Same question as in Article 33(1)(a) and (b) for registered reviewers from an equivalent third-country: shouldn't the endorsement framework provide also for the suspension, rather than only for the cessation of the endorsement?
7. An external reviewer that endorses services provided under this Regulation by a third country external reviewer shall publish the information referred to in Article 13 on its website.	DE: (Drafting): 7. An external reviewer that endorses services provided under this Regulation by a third country external reviewer shall publish the information referred to in Article 30~~13~~ on its website. DE:

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	(Comments): This should (presumably) refer to Article 30 (*Publication of pre-issuance reviews and post-issuance reviews*), instead of Article 13 (*Publication on the issuer's website and notification to ESMA and national competent authorities*) which refers to issuers.
8. An external reviewer that endorses services provided under this Regulation by a third country external reviewer shall report to ESMA annually on the services it has endorsed in the previous twelve months.	
Title IV	
Supervision by competent authorities and ESMA	AT: (Comments): In general, we are of the opinion that ESMA's competences are generally too far-reaching. In view of the fact that this is voluntary standard, the administrative sanctions and inspection rights are exceptional and even exceed the regime of mandatory legal standards. BE: (Comments): As a general comment, we note that it should be further clarified what is expected from NCAs where it is now stated that "Competent authorities…shall ensure that Articles 8 to 13 of this Regulation are applied". Does an NCA need to proactively verify whether all documents are published and whether such documents include all information required by the Annexes, or would it be sufficient for an NCA to perform random checks?

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Chapter 1	DE: (Comments): The role of competent authorities and provisions for supervision of issuers by competent authorities should already be mentioned in the introductory part of the legislative text, which only mentions the registration system and supervisory framework for external reviewers under a single supervisory authority.
Competent authorities	SE: (Comments): We would be interested to know if an assessment of costs for the supervision carried out by national authorities has been made, and, if so, be grateful to take part of it. MT: (Comments): It is noted that the continuing reporting obligations also apply to companies offering bonds to the public without a listing. This will have an impact on the competent authority's resources.
Article 36	
Supervision by competent authorities	
Competent authorities designated in accordance with Article 31 of Regulation (EU) 2017/1129 shall ensure that Articles 8 to 13 of this Regulation are applied.	PL: (Comments): PL We would like to point out that the NCAs oversee the application of Art. 8-13. It should be noted that the NCAs do not supervise the state (sovereign) as the issuer and the indicated provisions also apply to the sovereigns issuing bonds. Additionally, Art. 11 of the draft regulation concerns only

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	sovereigns and creates a power for these entities, which cannot be supervised. Therefore, we propose to introduce in Art. 36 of this regulation a relevant exemption so that there is no doubt that NCAs supervise only supervised entities, excluding sovereigns. SE: (Comments): We would need to understand when in time national legislation needs to be in place, where applicable. The scope of the responsibilities of national competent authorities may need further clarification. AT: (Comments): It needs to be clarified that the reporting according to Art 8 – 13 by (non-sovereign) issuers is subject to supervision according to this Regulation, irrespective of their obligation to publish a prospectus according to the PR 2017/1129. Otherwise, such issuers would be in the position to offer bonds labelled as EuGBs within the EU without having to fear consequences for not publishing the relevant documentation. This would endanger the quality of the label. For third country issuers offering within the EU a legal representative located in the Union shall be required in order to ensure enforcement. BE: (Drafting): Competent authorities designated in accordance with Article 31 of Regulation (EU) 2017/1129 <u>to approve a prospectus in accordance with Article 20 of the same Regulation regarding an offer to the public of European green bonds,</u> shall ensure that Articles 8 to 13 of this Regulation are applied. BE: (Comments): To be clarified that this supervision authority is limited to cases were the competent NCAs, as designated in accordance with Article 31 of Regulation (EU) 2017/1129 (“PR”), actually have the

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	authority to scrutinize and approve a prospectus in accordance with Article 20 PR (see drafting suggestion). If Article 36 is indeed intended to be limited to these cases, this would imply that there is no supervision on the application of the transparency requirements (Articles 8 to 13) of this draft Regulation if no obligation to publish a prospectus is triggered, i.e. not only for sovereign bonds, but also for other EuGB that are out of scope of the PR, for example corporate bond issues below the thresholds, correct? DK: (Comments): We are still analysing the consequences of the proposal for national supervision and its link to the prospectus regulation, but our immediate impression is that the proposal establishes NCA's (according to the prospectus regulation) as the supervisors of article 8-13 of this proposal. This means that national supervision of the transparency and external review requirements of article 8-13 is carried out irrespective of whether the requirements of the prospectus regulation applies to an issuance or not. Additionally, in our understanding, this means that there is no hindrances for NCA's to also supervise sovereign EuGB-issuances to which the prospectus regulation does not apply. FI: (Comments): FI The competent authorities designated in accordance of the Prospectus Regulation ((EU) 2017/1129) do not supervise issuances that are not bound by the Prospectus Regulation and its requirements. Could there be European green bonds that are issued by parties, which would not be supervised regarding the disclosure requirements of this regulation, because the Prospectus Regulation does not bind them? This needs clarifying. IE:

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	(Comments): It is not sufficiently clear that only those issuers using the Prospectus Regulation are subject to supervision by competent authorities. The text should be amended in that regard. LU: (Drafting): **Where a prospectus is to be published pursuant to Regulation (EU) 2017/1129**, c~~C~~ompetent authorities designated in accordance with Article 31 of Regulation (EU) 2017/1129 shall ensure that Articles 8 to 13 of this Regulation are applied. LU: (Comments): Our understanding is that the supervision of competent authorities should be limited to cases where a prospectus is to be published pursuant to Regulation (EU) 2017/1129. For the sake of clarity, we consider necessary to insert an explicit reference to the publication of such prospectus in the text. CZ: (Drafting): **1. Without prejudice to the competences of the judicial authorities, each Member State shall designate a single administrative competent authority for the purpose of this Regulation.** **2. Member States shall inform by [PO: Please insert date 12 months after the date of entry into force] the Commission, ESMA and the other competent authorities of other Member States accordingly.** **3.** Competent authorities ~~designated in accordance with Article 31 of Regulation (EU) 2017/1129~~ shall ensure that Articles **3 and** 8 to 13 of this Regulation are applied. CZ: (Comments): In our opinion, NCAs should be determined by the Member States and not by reference to

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	Prospectus Regulation (there can be European green bonds without prospectus, also annual allocation report is more close to Transparency Directive, than to Prospectus Regulation). Member States should have 12 months to adapt to the Regulation (see also Art. 37, 41 and 64). We suggest adding Article 3 into the list to ensure that NCA are competent to supervise application of this Article and punish, if not. Article 3 should be also mentioned in Art. 37(1) and 41(1) (see our comments thereto). DE: (Drafting): Where a prospectus is to be published pursuant to Regulation (EU) 2017/1129, c~~C~~ompetent authorities designated in accordance with Article 31 of Regulation (EU) 2017/1129 shall ensure that Articles 8 to 13 of this Regulation are applied. DE: (Comments): The provisions of this Regulation should not result in an expansion of the scope of the prospectus regulation. It must therefore be clarified that the provisions in this title and chapter only applies where a prospectus is to be published pursuant to Article 1 (2), point b) of Regulation (EU) 2017/1129. Expanding the scope to securities not subject to the prospectus regulation would require introducing further reporting requirements as the national authority responsible for prospectus approvals in accordance with the prospectus regulation usually has no knowledge of whether the issue actually takes place and when the redemption of bonds issued has taken place. However, this information is required for the supervision of ongoing or subsequent reporting obligations. Moreover, it is not yet clear how responsibilities are designated in case of cross-border offers. See Art. 2 lit. m of the prospectus regulation (EU) 2017/1129 for a definition of the home Member State authority. The reference to Art. 31 Regulation (EU) 2017/1129 is not sufficient in this respect.

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	NL: (Comments): The Netherlands in of the opinion that the supervisory role of the NCA should be more clearly specified. For example, should the NCA only check the presence of an allocation/impact report or should it also judge its contents. In case of the latter, this will significantly impact the required level of expertise at, as well as the costs of, the NCA. The Netherlands supports a limited supervisory role for the NCA regarding the issuers, in line with the prospectus regulation. This would limit the supervisory costs. Furthermore, it is unclear whether sovereign issuers will fall under the supervision of the NCA. The Netherlands would not support this. PT: (Comments): Does this provision means that only those issuances where a prospectus is to be published are subject to supervision? If so, How does this relate with Article 12? Please see our general comment on scope. It should be clearly stated that sovereigns are out of the scope of this supervision.
	CZ: (Drafting): **4. Competent authorities shall monitor the market for European green bonds which are marketed, distributed or sold in or from their Member State.** CZ: (Comments): Inspiration taken mainly from Art. 15(2) of PRIIPS Regulation, but see also Art. 22 of MAR. The competent authority should be home Member State for issuers established in that Member State. It shall be host Member State when marketing, distributing or selling on the territory of the Member State.
Article 37	

Commission proposal	Drafting Suggestions Comments
Powers of competent authorities	IE: (Comments): Still under consideration in Ireland, notably as to whether domestic legislation will be required.
1. In order to fulfil their duties under this Regulation, competent authorities shall have, in accordance with national law, the following supervisory and investigatory powers:	LU: (Drafting): 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: LU: (Comments): We believe that it should be made clear that this provision includes a list of minimum set of powers of competent authorities as Member States shall ensure that appropriate measures are in place pursuant to Article 37.3 of the proposal. This would be consistent with the Prospectus Regulation (EU) 2017/1129 (Article 32.1) and the Benchmark Regulation (EU) 2016/1011 (Article 41).
(a) to require issuers to include the information referred to in Annex I in the European green bond factsheet;	
	AT: (Drafting): (ab) to require an outstanding review of the factsheet and the allocation reports. AT: (Comments): Further NCAs shall have the power to require an outstanding review of the factsheet and the allocation reports.

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(b) to require issuers to publish yearly allocation reports or include in yearly allocation reports the information about all the elements referred to in Annex II;	
(c) to require issuers to publish an impact report or include in the impact report the information about all the elements referred to in Annex III;	
(d) to require auditors and senior management of the issuer to provide information and documents;	AT: (Drafting): to require auditors and senior management of the issuer to provide <u>all necessary</u> information and documents; AT: (Comments): "to provide information and documents" seems to be very wide, this could be specified, i.e. "all necessary […]".
(e) to suspend an offer of European green bonds for a maximum of 10 consecutive working days on any single occasion where there are reasonable grounds for suspecting that Articles 8 to 13 of this Regulation have been infringed;	LU: (Drafting): (e) to suspend an <u>offer **of securities to the public or admission to trading on a regulated market**</u> of European green bonds for a maximum of 10 consecutive working days on any single occasion where there are reasonable grounds for suspecting that Articles 8 to 13 of this Regulation have been infringed; LU:

Commission proposal	Drafting Suggestions Comments
	(Comments): The amendment would be consistent with Article 32.1 (d) of Regulation 2017/1129. CZ: (Drafting): (e) to suspend an offer of European green bonds **in or from its Member State** for a maximum of 10 consecutive working days on any single occasion where there are reasonable grounds for suspecting that Articles **3 or** 8 to 13 of this Regulation have been infringed; CZ: (Comments): See also our comments on Art. 36. In relation to territoriality, inspiration taken from Art. 17 of PRIIPS Regulation. National competent authority should supervise also Article 3 and be able to punish infringements related thereto.
	AT: (Comments): The Regulation lacks any power for final prohibition of using the designation/label EuGB (final prohibition of an offer/advertisement) in case of non-compliance with the obligations under Art 8 – 13, e.g. when no factsheet and no allocation reports are published at all.
(f) to prohibit or suspend advertisements or require issuers of European green bonds or financial intermediaries concerned to cease or suspend advertisements for a maximum of 10 consecutive working days on any single occasion where there are reasonable grounds for believing that Articles 8 to 13 of this Regulation have been infringed;	LU: (Drafting): to prohibit or suspend advertisements or require issuers, **offerors or persons asking for admission to trading on a regulated market** of European green bonds or relevant financial intermediaries concerned to cease or suspend advertisements for a maximum of 10 consecutive working days on any single occasion where there are reasonable grounds for believing that Articles 8 to 13 of this Regulation have been infringed ;

Commission proposal	Drafting Suggestions Comments
	LU: (Comments): The amendment would be consistent with Article 32.1 (e) of Regulation (EU) 2017/1129. CZ: (Drafting): (f) to prohibit or suspend advertisements **in or from its Member State** or require issuers of European green bonds or ~~financial intermediaries~~ **persons marketing, distributing or selling** concerned to cease or suspend advertisements for a maximum of 10 consecutive working days on any single occasion where there are reasonable grounds for believing that Articles **3 or** 8 to 13 of this Regulation have been infringed; CZ: (Comments): See our comments on Art. 36. The term "financial intermediary" is not defined (in Prospectus Regulation this term is used, but not defined - but Prospectus Regulation should not apply to EuGB exempted under Articles 1 and 3 of PR). See also our comments on Art. 1, 2 and 13. National competent authority should supervise also Article 3 and be able to punish infringements related thereto.
(g) to make public the fact that an issuer of European green bonds is failing to comply with its obligations under Articles 8 to 13 of this Regulation;	CZ: (Drafting): (g) to make public the fact that an issuer of European green bonds is failing to comply with its obligations under Articles **3 and** 8 to 13 of this Regulation; CZ: (Comments): See our comments on Art. 36. National competent authority should supervise also Article 3 and be able to punish infringements related thereto.

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(h) to carry out on-site inspections or investigations at sites other than the private residences of natural persons, and for that purpose to enter premises in order to access documents and other data in any form, where a reasonable suspicion exists that documents and other data related to the subject-matter of the inspection or investigation may be relevant to prove an infringement of this Regulation.	AT: (Comments): Nevertheless, is should be clear that the external reviewers are in charge of verifying the (material) compliance with the criterions of the taxonomy, while the national competent authorities should ensure that orderly reviewed disclosure documents are used by issuers and that the disclosed documents justify the use of the EuGB label. Where investigations of ESMA relating to the reviewer have revealed irregularities as to the contents of the review (e.g. incorrect allocations), the NCAs of the MS where offers are being or have been made shall be informed in order to enable them to sanction the issuer.
Where necessary under national law, the competent authority may ask the relevant judicial authority to decide on the use of the powers referred to in the first subparagraph.	
2. Competent authorities shall exercise their functions and powers referred to in paragraph 1 in any of the following ways:	
(a) directly;	
(b) in collaboration with other authorities;	

Commission proposal	Drafting Suggestions Comments
(c) under their responsibility by delegation to such authorities;	
(d) by application to the competent judicial authorities.	
3. Member States shall ensure that appropriate measures are in place so that competent authorities have all the supervisory and investigatory powers that are necessary to fulfil their duties.	CZ: (Drafting): 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 **by [PO: Please insert 12 months after the date of entry into force]**. CZ: (Comments): In our opinion, Member States should have 12 months to adapt to this Regulation (see also our comments on Articles 36, 41 and 64).
4. A person making information available to the competent authority in accordance with this Regulation shall not be considered to be infringing any restriction on disclosure of information imposed by contract or by any legislative, regulatory or administrative provision, and shall not be subject to liability of any kind related to such notification.	

Commission proposal	Drafting Suggestions Comments
Article 38	
Cooperation between competent authorities	
1. Competent authorities shall cooperate with each other for the purposes of this Regulation. They shall exchange information without undue delay and cooperate in investigation, supervision and enforcement activities.	
Member States that have chosen, in accordance with Article 41(3), to lay down criminal sanctions for infringements of this Regulation shall ensure that appropriate measures are in place so that competent authorities have all the necessary powers to liaise with judicial authorities within their jurisdiction to receive specific information related to criminal investigations or proceedings commenced for possible infringements of this Regulation and provide the same to other competent authorities to fulfil their obligation to cooperate with each other for the purposes of this Regulation.	
2. A competent authority may refuse to act	

Commission proposal	Drafting Suggestions Comments
on a request for information or a request to cooperate with an investigation only in any of the following exceptional circumstances:	
(a) where complying with the request is likely to adversely affect its own investigation, enforcement activities or a criminal investigation;	
(b) where judicial proceedings have already been initiated in respect of the same actions and against the same persons before the authorities of the Member State addressed;	
(c) where a final judgment has already been delivered in relation to such persons for the same actions in the Member State addressed.	
3. The competent authority may request assistance from the competent authority of another Member State with regard to on-site inspections or investigations.	
Where a competent authority receives a request from a competent authority of another Member State to carry out an on-site inspection or an investigation, it may do any of the following:	

Commission proposal	Drafting Suggestions Comments
(a) carry out the on-site inspection or investigation itself;	
(b) allow the competent authority which submitted the request to participate in an on-site inspection or investigation;	
(c) allow the competent authority which submitted the request to carry out the on-site inspection or investigation itself;	
(d) appoint auditors or experts to carry out the on-site inspection or investigation;	
(e) share specific tasks related to supervisory activities with the other competent authorities.	
4. The competent authorities may refer to ESMA situations where a request for cooperation, in particular to exchange information, has been rejected or has not been acted upon within a reasonable time. Without prejudice to Article 258 TFEU, ESMA may, in the situations referred to in the first sentence of	DE: (Drafting): 4. The competent authorities may refer to 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 the situations referred to in the first sentence of this paragraph, act in accordance with the power conferred on it under Article 19 of Regulation (EU) No 1095/2010.

Commission proposal	Drafting Suggestions Comments
this paragraph, act in accordance with the power conferred on it under Article 19 of Regulation (EU) No 1095/2010.	DE: (Comments): Syntax
5. ESMA is empowered to develop draft regulatory technical standards to specify the information to be exchanged between competent authorities in accordance with paragraph 1.	
Power is delegated to the Commission to adopt the regulatory technical standards referred to in the first subparagraph in accordance with Articles 10 to 14 of Regulation (EU) No 1095/2010.	
6. ESMA may develop draft implementing technical standards to establish standard forms, templates and procedures for the cooperation and exchange of information between competent authorities.	
Power is conferred on the Commission to adopt the implementing technical standards referred to in the first subparagraph in accordance with Article 15 of Regulation (EU) No 1095/2010.	

Commission proposal	Drafting Suggestions Comments
Article 39	SE: (Comments): We need to understand whether this article concerns the issue of originator control.
Professional secrecy	
1. All information exchanged between the competent authorities under this Regulation that concerns business or operational conditions and other economic or personal affairs shall be considered to be confidential and shall be subject to the requirements of professional secrecy, except where the competent authority states at the time of communication that such information may be disclosed or such disclosure is necessary for legal proceedings.	
2. The obligation of professional secrecy shall apply to all persons who work or who have worked for the competent authority or for any third party to whom the competent authority has delegated its powers. Information covered by professional secrecy may not be disclosed to any other person or authority except by virtue of provisions laid down by Union or national law.	SE: (Comments): The matter of professional secrecy for public servants in Sweden will require further analysis.

Commission proposal	Drafting Suggestions Comments
Article 40	
Precautionary measures	
1. A competent authority of the host Member State that has clear and demonstrable grounds for believing that irregularities have been committed by an issuer of an European green bond or that it has infringed its obligations under this Regulation shall refer those findings to the competent authority of the home Member State and to ESMA.	AT: (Comments): The legal term "host Member State" is usually only used if an approved prospectus is passported according to the PR. Therefore, the term "host MS" is confusing when no prospectus according to the PR is required. LU: (Drafting): 1. A competent authority of the host Member State**, as defined in Article 2 (n) of Regulation (EU) 2017/1129,** that has clear and demonstrable grounds for believing that irregularities have been committed by an issuer of an European green bond or that it has infringed its obligations under this Regulation shall refer those findings to the competent authority of the home Member State**, as defined in Article 2 (m) of Regulation (EU) 2017/119,** and to ESMA. LU: (Comments): For ease of reference and clarity purposes, we suggest to refer to the relevant definitions set out in Prospectus Regulation (EU) 2017/1129. CZ: (Comments): It is not clear which country is the home Member state (and which is host), especially if PR should be involved. See also our comments on Art. 2 and 36. We propose inspiration in Art. 15(2) of PRIIPS.

Commission proposal	Drafting Suggestions Comments
	DE: (Comments): See comment above. The regulation regarding the home Member State designation should be clarified. PT: (Comments): This Article contains the single references in the legislative proposal to home and host Member States. However, differently from Article 2(m) and (n) of the Prospectus Regulation, there are no definitions of such concepts. We fear that this may create uncertainty. This is relevant both as regards EU and third-country issuers.
2. Where, despite the measures taken by the competent authority of the home Member State, an issuer of an European green bond persists in infringing this Regulation, the competent authority of the host Member State, after informing the competent authority of the home Member State and ESMA, shall take all appropriate measures to protect investors and shall inform the Commission and ESMA thereof without undue delay.	PT: (Comments): Same comment.
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	

Commission proposal	Drafting Suggestions Comments
conferred on it under Article 19 of Regulation (EU) No 1095/2010.	
Article 41	
Administrative sanctions and other administrative measures	IE: (Comments): Still under consideration in Ireland, notably as to whether domestic legislation will be required. PT: (Comments): For a while now, the terminology used in the European financial services legislation has been *penalties*, rather than *sanctions*.
1. Without prejudice to the supervisory and investigatory powers of competent authorities under Article 37, and the right of Member States to provide for and impose criminal sanctions, Member States shall, in accordance with national law, provide for competent authorities to have the power to impose administrative sanctions and take appropriate other administrative measures which shall be effective, proportionate and dissuasive. Those administrative sanctions and other administrative measures shall apply to:	

Commission proposal	Drafting Suggestions Comments
(a) infringements of Articles 8 to 13;	AT: (Comments): It should be clear that the external reviewers are in charge of verifying the (material) compliance with the criteria of the taxonomy and that issuers are allocating the funds correctly, while the national competent authorities should ensure that orderly reviewed disclosure documents are used by issuers and that the disclosed documents justify the use of the EuGB label. Therefore, the wording of lit. a is too unspecific and should take into account the allocation of responsibilities. CZ: (Drafting): (a) infringements of Articles **3 or** 8 to 13; (b) CZ: (Comments): See our comments on Art. 36. National competent authority should supervise also Article 3.
(b) failure to cooperate or comply in an investigation or with an inspection or request covered by Article 37.	
Member States may decide not to lay down rules for administrative sanctions as referred to in the first subparagraph where the infringements referred to in point (a) or point (b) of that subparagraph are already subject to criminal sanctions in their national law by [date of application of this Regulation]. Where they	CZ: (Drafting): Member States may decide not to lay down rules for administrative sanctions as referred to in the first subparagraph where the infringements referred to in point (a) or point (b) of that subparagraph are ~~already~~ subject to criminal sanctions in their national law by [~~date of application of this Regulation~~ **PO: Please insert 12 months after the date of entry into force**]. Where they so decide, Member States shall notify, in detail, to the Commission and to ESMA, the relevant parts of

Commission proposal	Drafting Suggestions Comments
so decide, Member States shall notify, in detail, to the Commission and to ESMA, the relevant parts of their criminal law.	their criminal law. CZ: (Comments): We suggest to set a longer period of time for implementation (at least 12 month after the date of entry into force) to allow Member States to change their criminal law. Also ensure consistency with other parts of the Regulation, namely Art. 15(5 and 6), 16(2), 18(3), 19(2), 20(3), 21(4), 22(3), 23(3), 25(7), 34(7), 55(10), 58(3), 60(2), 62, 63 and 64. See also our comments to Art. 64.
By [date of application of this Regulation], Member States shall notify, in detail, the rules referred to in the first and second subparagraph to the Commission and to ESMA. They shall notify the Commission and ESMA without delay of any subsequent amendment thereto.	CZ: (Drafting): By [~~date of application of this Regulation~~ **PO: Please insert 12 months after the date of entry into force**], Member States shall notify, in detail, the rules referred to in the first and second subparagraph to the Commission and to ESMA. They shall notify the Commission and ESMA without delay of any subsequent amendment thereto. CZ: (Comments): We suggest to set a longer period of time for implementation and notification (at least 12 month after the date of entry into force) due to necessity of implementation which requires the knowledge of number under which the Regulation will be published in OJ. Also ensure consistency with other parts of the Regulation, namely Art. 15(5 and 6), 16(2), 18(3), 19(2), 20(3), 21(4), 22(3), 23(3), 25(7), 34(7), 55(10), 58(3), 60(2), 62, 63 and 64. See also our comments to Art. 64. PT: (Comments): There is no date of application specified in Article 64. We cannot understand which is the *first application date* mentioned in Article 62. Member States shall have the same period as the application date (we propose 18 months) from the date of entry into force to enact the provisions on

Commission proposal	Drafting Suggestions Comments
	administrative sanctions and other measures.
2. Member States shall, in accordance with national law, ensure that competent authorities have the power to impose the following administrative sanctions and other administrative measures in relation to the infringements listed in paragraph 1, point (a):	
(a) a public statement indicating the natural person or the legal entity responsible and the nature of the infringement in accordance with Article 37(1), point (g);	
(b) an order requiring the natural person or legal entity responsible to cease the conduct constituting the infringement;	
(c) maximum administrative pecuniary sanctions of at least twice the amount of the profits gained or losses avoided because of the infringement where those can be determined;	PL: (Comments): PL We propose that the minimum administrative pecuniary sanctions are included. This in our view may ensure that potential sanctions are dissuasive /and informative.
(d) in the case of a legal person, maximum administrative pecuniary sanctions of at least	PL: (Comments):

Commission proposal	Drafting Suggestions Comments
EUR [500 000], or, in the Member States whose currency is not the euro, the corresponding value in the national currency on [please add entry into force], or 0.5 % of the total annual turnover of that legal person according to the last available financial statements approved by the management body.	PL We propose that the minimum administrative pecuniary sanctions are included
(e) in the case of a natural person, maximum administrative pecuniary sanctions of at least EUR [50 000], or, in the Member States whose currency is not the euro, the corresponding value in the national currency on [date of entry into force of this Regulation].	PL: (Comments): PL As above.
For the purposes of point (d), where the legal person is a parent undertaking or a subsidiary of a parent undertaking which is required to prepare consolidated financial accounts in accordance with Directive 2013/34/EU of the European Parliament and of the Council , the relevant total annual turnover shall be the total annual turnover or the corresponding type of income in accordance with the relevant Union law in the area of accounting according to the last available consolidated accounts approved by the management body of the ultimate parent undertaking.	

Commission proposal	Drafting Suggestions Comments
3. Member States may provide for additional sanctions or measures and for higher levels of administrative pecuniary sanctions than those provided for in this Regulation.	
Article 42	
Exercise of supervisory powers and powers to impose sanctions	
1. Competent authorities, when determining the type and level of administrative sanctions and other administrative measures, shall take into account all relevant circumstances including, where appropriate:	
(a) the gravity and the duration of the infringement;	
(b) the degree of responsibility of the person responsible for the infringement;	
(c) the financial strength of the person responsible for the infringement, as indicated by the total turnover of the responsible legal person or the annual income and net assets of the	

Commission proposal	Drafting Suggestions Comments
responsible natural person;	
(d) the impact of the infringement on retail investors' interests;	
(e) the importance of the profits gained, losses avoided by the person responsible for the infringement or the losses for third parties derived from the infringement, insofar as they can be determined;	
(f) the level of cooperation of the person responsible for the infringement with the competent authority, without prejudice to the need to ensure disgorgement of profits gained or losses avoided by that person;	
(g) previous infringements by the person responsible for the infringement;	
(h) measures taken after the infringement by the person responsible for the infringement to prevent its repetition.	
2. In the exercise of their powers to impose administrative sanctions and other	

Commission proposal	Drafting Suggestions Comments
administrative measures under Article 41, competent authorities shall cooperate closely to ensure that the exercise of their supervisory and investigative powers and the administrative sanctions and other administrative measures that they impose are effective and appropriate under this Regulation. They shall coordinate their action in order to avoid duplication and overlaps when exercising their supervisory and investigative powers and when imposing administrative sanctions and other administrative measures in cross-border cases.	
Article 43	
Right of appeal	
Member States shall ensure that decisions taken under this Regulation are properly reasoned and subject to a right of appeal before a tribunal.	
Article 44	
Publication of decisions	

Commission proposal	Drafting Suggestions Comments
1. A decision imposing an administrative sanction or other administrative measure for infringement of this Regulation shall be published by competent authorities on their official websites immediately after the person subject to that decision has been informed of that decision. The publication shall include information on the type and nature of the infringement and the identity of the persons responsible. That obligation shall not apply to decisions imposing measures that are of an investigatory nature.	SE: (Comments): We need to make sure that Swedish competent authorities do not commit to make public information covered by confidentiality rules.
2. Where the publication of the identity of the legal entities, or identity or personal data of natural persons, is considered by the competent authority to be disproportionate following a case-by-case assessment conducted on the proportionality of the publication of such data, or where such publication would jeopardise the stability of financial markets or an on-going investigation, Member States shall ensure that the competent authorities do one of the following:	
(a) defer the publication of the decision to impose a sanction or a measure until the moment where the reasons for non-publication	

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cease to exist;	
(b) publish the decision to impose a sanction or a measure on an anonymous basis in a manner which is in conformity with national law, where such anonymous publication ensures an effective protection of the personal data concerned;	
(c) not publish the decision to impose a sanction or measure in the event that the options laid down in points (a) and (b) are considered to be insufficient to ensure:	
(i) that the stability of financial markets would not be put in jeopardy;	
(ii) the proportionality of the publication of such decisions with regard to measures which are deemed to be of a minor nature.	
In the case of a decision to publish a sanction or measure on an anonymous basis, as referred to in point (b) of the first subparagraph, the publication of the relevant data may be deferred for a reasonable period where it is expected that within that period the reasons for anonymous	

Commission proposal	Drafting Suggestions Comments
publication shall cease to exist.	
3. Where the decision to impose a sanction or measure is subject to appeal before the relevant judicial or other authorities, competent authorities shall also publish, immediately, on their official website such information and any subsequent information on the outcome of such appeal. Moreover, any decision annulling a previous decision to impose a sanction or a measure shall also be published.	
4. Competent authorities shall ensure that any publication in accordance with this Article shall remain on their official website for a period of at least five years after its publication. Personal data contained in the publication shall be kept on the official website of the competent authority only for the period which is necessary in accordance with the applicable data protection rules.	
Article 45	
Reporting sanctions to ESMA	

Commission proposal	Drafting Suggestions Comments
1. The competent authority shall, on an annual basis, provide ESMA with aggregate information regarding all administrative sanctions and other administrative measures imposed in accordance with Article 41. ESMA shall publish that information in an annual report.	
Where Member States have chosen, in accordance with Article 41(3), to lay down criminal sanctions for the infringements of the provisions referred to in that paragraph, their competent authorities shall provide ESMA annually with anonymised and aggregated data regarding all criminal investigations undertaken and criminal sanctions imposed. ESMA shall publish data on criminal sanctions imposed in an annual report.	
2. A competent authority that has disclosed administrative sanctions, other administrative measures or criminal sanctions to the public shall simultaneously report those sanctions or measures to ESMA.	
3. Competent authorities shall inform ESMA of all administrative sanctions or other administrative measures imposed but not published in accordance with Article 44(2), first	

Commission proposal	Drafting Suggestions Comments
subparagraph, point (c), including any appeal in relation thereto and the outcome thereof. Member States shall ensure that competent authorities receive information and the final judgment in relation to any criminal sanction imposed and submit it to ESMA. ESMA shall maintain a central database of sanctions communicated to it solely for the purposes of exchanging information between competent authorities. That database shall be accessible to competent authorities only and it shall be updated on the basis of the information provided by the competent authorities.	
Chapter 2	
ESMA	LU: (Comments): As we do not support a centralized registration and supervisory regime coordinated by ESMA for external reviewers of European green bonds, the articles 46 to 59 should be deleted or redrafted. Please also refer to our general comments. PT: (Comments): A provision granting supervisory powers to ESMA seems to be missing.
Article 46	

Commission proposal	Drafting Suggestions Comments
Exercise of the powers referred to in Articles 47, 48 and 49	
The powers conferred on ESMA, any of its officials or any other person authorised by ESMA by Articles 47, 48 and 49 shall not be used to require the disclosure of information or documents that are subject to legal privilege.	
Article 47	
Requests for information	
1. ESMA may by simple request or by decision require the following persons to provide all information that is necessary to carry out its duties under this Regulation:	
(a) persons who effectively conduct the business of the external reviewer;	
(b) members of the supervisory organ, management organ or administrative organ of	CZ: (Drafting):

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the external reviewer;	(b) members of the ~~supervisory organ,~~ management ~~organ or administrative organ~~ **body** of the external reviewer; CZ: (Comments): See our comments on definitions in Art. 2. In relation to the management body in its supervisory function, see the definition in MiFID: "Where this Directive refers to the management body and, pursuant to national law, the managerial and supervisory functions of the management body are assigned to different bodies or different members within one body, the Member State shall identify the bodies or members of the management body responsible in accordance with its national law, unless otherwise specified by this Directive.".
(c) members of the senior management of the external reviewer;	
(d) any person directly involved in assessment activities of the external reviewer;	
(e) legal representatives and employees of entities to which an external reviewer has outsourced certain functions in accordance with Article 25;	
(f) persons otherwise closely and substantially related or connected to the process of managing the external reviewer;	

Commission proposal	Drafting Suggestions Comments
(g) anyone that acts like, or pretends to be, an external reviewer, without being registered as such, and any person that performs any of the functions referred to in points (a) to (f) for such person.	
2. When sending a simple request for information under paragraph 1, ESMA shall:	
(a) refer to this Article as the legal basis of that request;	
(b) state the purpose of the request;	
(c) specify what information is required;	
(d) set a time-limit within which the information is to be provided;	
(e) inform the person from whom the information is requested that there is no obligation to provide the information but that in case of a voluntary reply to the request the information provided must not be incorrect or misleading;	

Commission proposal	Drafting Suggestions Comments
(f) indicate the potential fine provided for in Article 52, where the answers to the questions asked are incorrect or misleading.	
3. When requiring to supply of information under paragraph 1 by decision, ESMA shall:	
(a) refer to this Article as the legal basis of that request;	
(b) state the purpose of the request;	
(c) specify what information is required;	
(d) set a time-limit within which the information is to be provided;	
(e) indicate the periodic penalty payments provided for in Article 53 where the production of the required information is incomplete;	
(f) indicate the fine provided for in Article	

Commission proposal	Drafting Suggestions Comments
52 where the answers to questions asked are incorrect or misleading;	
(g) indicate the right to appeal the decision before Board of Appeal accordance with Articles 58 and 59 of Regulation (EU) No 1095/2010 and to have the decision reviewed by the Court of Justice of the European Union in accordance with Articles 60 and 61 of that Regulation.	
4. The persons referred to in paragraph 1 or their representatives and, in the case of legal persons or associations having no legal personality, the persons authorised to represent them by law or by their constitution, shall supply the information requested. Lawyers duly authorised to act may supply the information on behalf of their clients. The latter shall remain fully responsible if the information supplied is incomplete, incorrect or misleading.	
5. ESMA shall, without delay, send a copy of the simple request or of its decision to the competent authority of the Member State where the persons referred to in paragraph 1 concerned by the request for information are domiciled or established.	

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Article 48	
General investigations	
1. In order to carry out its duties under this Regulation, ESMA may conduct necessary investigations of persons referred to in Article 47(1). To that end, the officials and other persons authorised by ESMA shall be empowered to:	
(a) examine any records, data, procedures and any other material relevant to the execution of its tasks irrespective of the medium on which they are stored;	
(b) take or obtain certified copies of or extracts from such records, data, procedures and other material;	
(c) summon and ask any person referred to in Article 47(1) or their representatives or staff for oral or written explanations on facts or documents relating to the subject matter and	

Commission proposal	Drafting Suggestions Comments
purpose of the inspection and to record the answers;	
(d) interview any other natural or legal person who consents to be interviewed for the purpose of collecting information relating to the subject matter of an investigation;	
(e) request records of telephone and data traffic.	
2. The officials of and other persons authorised by ESMA for the purposes of the investigations referred to in paragraph 1 shall exercise their powers upon production of a written authorisation specifying the subject matter and purpose of the investigation. That authorisation shall also indicate the periodic penalty payments provided for in Article 53 where the production of the required records, data, procedures or any other material, or the answers to questions asked of the persons referred to in Article 47(1), are not provided or are incomplete, and the fines provided for in Article 52 where the answers to questions asked of the persons referred to in Article 47(1) are incorrect or misleading.	

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3. The persons referred to in Article 47(1) shall submit to investigations launched on the basis of a decision of ESMA. The decision shall specify the subject matter and purpose of the investigation, the periodic penalty payments provided for in Article 53, the legal remedies available under Regulation (EU) No 1095/2010 and the right to have the decision reviewed by the Court of Justice of the European Union.	
4. In good time before the investigation, ESMA shall inform the competent supervisory authority referred to in Article 36 of the Member State where the investigation is to be carried out of the investigation and of the identity of the authorised persons. Officials of the competent authority concerned shall, upon the request of ESMA, assist those authorised persons in carrying out their duties. Officials of the competent authority concerned may also attend the investigations upon request.	PT: (Drafting): 4. In good time before the investigation, ESMA shall inform the competent ~~**supervisory**~~ authority referred to in Article 36 of the Member State where the investigation is to be carried out of the investigation and of the identity of the authorised persons. Officials of the competent authority concerned shall, upon the request of ESMA, assist those authorised persons in carrying out their duties. Officials of the competent authority concerned may also attend the investigations upon request.
5. If a request for records of telephone or data traffic referred to in paragraph 1, point (e) requires a competent authority to be authorised by a judicial authority in accordance with national rules, ESMA shall also apply for such authorisation. ESMA may also apply for such authorisation as a precautionary measure.	

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6. Where authorisation as referred to in paragraph 5 is applied for, the national judicial authority shall control that the decision of ESMA is authentic and that the coercive measures envisaged are neither arbitrary nor excessive having regard to the subject matter of the investigations. In its control of the proportionality of the coercive measures, the national judicial authority may ask ESMA for detailed explanations, in particular relating to the grounds ESMA has for suspecting that an infringement of this Regulation has taken place and the seriousness of the suspected infringement and the nature of the involvement of the person subject to the coercive measures. However, the national judicial authority shall not review the necessity for the investigation or demand that it be provided with the information on ESMA's file. The lawfulness of ESMA's decision shall be subject to review only by the Court of Justice following the procedure set out in Article 61 of Regulation (EU) No 1095/2010.	
Article 49	
On-site inspections	

Commission proposal	Drafting Suggestions Comments
1. In order to carry out its duties under this Regulation, ESMA may conduct all necessary on-site inspections at the business premises, land or property of the legal persons referred to in Article 47(1). Where the proper conduct and efficiency of the inspection so require, ESMA may carry out the on-site inspection without prior announcement.	
2. The officials of and other persons authorised by ESMA to conduct an on-site inspection may enter any business premises, land or property of the legal persons subject to an investigation decision adopted by ESMA and shall have all the powers referred to in Article 48(1). They shall also have the power to seal any business premises, property and books or records for the period of, and to the extent necessary for, the inspection.	
3. In sufficient time before the inspection, ESMA shall give notice of the inspection to the competent supervisory authority of the Member State where the inspection is to be conducted. Inspections in accordance with this Article shall be conducted provided that the relevant authority has confirmed that it does not object to those inspections.	BE: (Comments): It might be interesting to specify a notification time prior an inspection rather than using 'sufficient'. PT: (Drafting):

Commission proposal	Drafting Suggestions Comments
	3. In sufficient time before the inspection, ESMA shall give notice of the inspection to the competent ~~**supervisory**~~ authority of the Member State where the inspection is to be conducted. Inspections in accordance with this Article shall be conducted provided that the ~~**relevant**~~ **competent** authority has confirmed that it does not object to those inspections. PT: (Comments): Second sentence: does this mean that the NCA may prevent ESMA from exercising one of its supervisory powers? If so, why?
4. The officials of and other persons authorised by ESMA to conduct an on-site inspection shall exercise their powers upon production of a written authorisation specifying the subject matter and purpose of the inspection and the periodic penalty payments provided for in Article 53 where the persons concerned do not submit to the inspection. In good time before the inspection, ESMA shall give notice of the inspection to the competent authority of the Member State where the inspection is to be conducted.	AT: (Comments): The last sentence of this para is either redundant or there is a mismatch between the notice obligation 'in good time before the inspection' according to para 4 and the notice obligation 'in sufficient time before the inspection' according to para 3.
5. The persons referred to in Article 47(1) shall submit to on-site inspections ordered by decision of ESMA. The decision shall specify the subject matter and purpose of the inspection, appoint the date on which it is to begin and	

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indicate the periodic penalty payments provided for in Article 53, the legal remedies available under Regulation (EU) No 1095/2010 as well as the right to have the decision reviewed by the Court of Justice of the European Union. ESMA shall take such decisions after consulting the competent authority of the Member State where the inspection is to be conducted.	
6. Officials of, as well as those authorised or appointed by, the competent authority of the Member State where the inspection is to be conducted shall, at the request of ESMA, actively assist the officials of and other persons authorised by ESMA. To that end, they shall enjoy the powers set out in paragraph 2. Officials of that competent authority may also attend the on-site inspections upon request.	
7. ESMA may also require competent authorities to carry out specific investigatory tasks and on-site inspections as provided for in this Article and in Article 48(1) on its behalf. To that end, competent authorities shall enjoy the same powers as ESMA as set out in this Article and in Article 48(1).	
8. Where the officials of and other accompanying persons authorised by ESMA	

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find that a person opposes an inspection ordered pursuant to this Article, the competent authority of the Member State concerned shall afford them the necessary assistance, requesting, where appropriate, the assistance of the police or of an equivalent enforcement authority, to enable them to conduct their on-site inspection.	
9. If the on-site inspection provided for in paragraph 1 or the assistance provided for in paragraph 8 requires authorisation by a judicial authority according to the applicable national rules, ESMA shall also apply for such authorisation. ESMA may also apply for such authorisation as a precautionary measure.	
10. Where authorisation as referred to in paragraph 9 is applied for, the national judicial authority shall verify that ESMA's decision is authentic and that the coercive measures envisaged are neither arbitrary nor excessive having regard to the subject matter of the inspection. In its control of the proportionality of the coercive measures, the national judicial authority may ask ESMA for detailed explanations. Such a request for detailed explanations may in particular relate to the grounds ESMA has for suspecting that an infringement of this Regulation has taken place,	

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as well as to the seriousness of the suspected infringement and the nature of the involvement of the person who is subjected to the coercive measures. However, the national judicial authority shall not review the necessity for the investigation or demand that it be provided with the information on ESMA's file. The lawfulness of ESMA's decision shall be subject to review only by the Court of Justice following the procedure set out in Article 61 of Regulation (EU) No 1095/2010.	
Article 50	
Exchange of information	
1. Competent authorities referred to in Article 36, ESMA, and other relevant authorities shall, without undue delay, provide one another with the information required for the purposes of carrying out their duties.	
2. Competent authorities referred to in Article 36, ESMA, other relevant authorities and other bodies or natural and legal persons receiving confidential information in the	

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exercise of their duties under this Regulation shall use it only in the course of their duties.	
Article 51	
Supervisory measures by ESMA	
1. Where, in accordance with Article 55(8), ESMA finds that a person has committed one of the infringements listed in Article 52(2), it shall take one or more of the following actions:	
(a) withdraw the registration of an external reviewer	
(b) withdraw the recognition of an external reviewer located in a third country;	
(c) temporarily prohibit the external reviewer from pursuing the activities under this Regulation throughout the Union, until the infringement has been brought to an end;	

Commission proposal	Drafting Suggestions Comments
(d) adopt a decision requiring the person to bring the infringement to an end;	
(e) adopt a decision imposing fines pursuant to Article 52;	
(f) adopt a decision imposing periodic penalty payments pursuant to Article 53;	
(g) issue public notices.	
2. ESMA shall withdraw the registration or the recognition of an external reviewer in the following circumstances:	
(a) the external reviewer has expressly renounced the registration or the recognition or has not made use of the registration or the recognition within 36 months after the registration or the recognition has been granted;	
(b) the external reviewer has obtained the registration or the recognition by making false statements or by any other irregular means;	

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(c) the external reviewer no longer meets the conditions under which it was registered or recognised.	
Where ESMA withdraws the registration or the recognition of the external reviewer, it shall provide full reasons in its decision. The withdrawal shall have immediate effect.	
3. When taking the decisions referred to in paragraph 1, ESMA shall take into account the nature and seriousness of the infringement, having regard to the following criteria:	
(a) the duration and frequency of the infringement;	
(b) whether financial crime has been occasioned, facilitated or otherwise attributable to the infringement;	
(c) whether the infringement has been committed intentionally or negligently;	
(d) the degree of responsibility of the person responsible for the infringement;	

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(e) the financial strength of the person responsible for the infringement, as indicated by the total turnover of the responsible legal person or the annual income and net assets of the responsible natural person;	
(f) the impact of the infringement on retail investors' interests;	
(g) the importance of the profits gained, losses avoided by the person responsible for the infringement or the losses for third parties derived from the infringement, insofar as they can be determined;	
(h) the level of cooperation of the person responsible for the infringement with ESMA, without prejudice to the need to ensure disgorgement of profits gained or losses avoided by that person;	
(i) previous infringements by the person responsible for the infringement;	
(j) measures taken after the infringement by	

Commission proposal	Drafting Suggestions Comments
the person responsible for the infringement to prevent its repetition.	
4. Without undue delay, ESMA shall notify any action taken pursuant to paragraph 1 to the person responsible for the infringement, and shall communicate it to the competent authorities of the Member States and to the Commission. It shall publicly disclose any such action on its website within 10 working days from the date when it was adopted.	
The disclosure to the public referred to in the first subparagraph shall include the following:	
(a) a statement affirming the right of the person responsible for the infringement to appeal the decision;	
(b) where relevant, a statement affirming that an appeal has been lodged and specifying that such an appeal does not have suspensive effect;	
(c) a statement asserting that it is possible for ESMA's Board of Appeal to suspend the application of the contested decision in	

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accordance with Article 60(3) of Regulation (EU) No 1095/2010.	
Article 52	PT: (Comments): We suggest to consult the Council Legal Services on the need to include a list of infringements as an annex to the Regulation as in other legal acts confering sanctioning powers to ESMA.
Fines	
1. Where, in accordance with Article 55(8), ESMA finds that an external reviewer and persons referred to in Article 47(1) have, intentionally or negligently, committed one or more of the infringements listed in paragraph 2, it shall adopt a decision imposing a fine in accordance with paragraph 3 of this Article.	
An infringement shall be considered to have been committed intentionally if ESMA finds objective factors which demonstrate that a person acted deliberately to commit the infringement.	
2. The infringements referred to in	

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paragraph 1 are the following:	PT: (Comments): Failure to comply with Article 16(1) (obligation to notify ESMA of any material change in the information provided in the application for registration or in the facts concerning that information) should also be punishable with a fine.
(a) non-compliance with Articles 18 to 30;	
(b) the submission of false statements when applying for registration as an external reviewer, or the use of any other irregular means to obtain such registration;	
(c) failure to provide information in response to a decision requiring information pursuant to Article 47 or the provision of incorrect or misleading information in response to a request for information or a decision;	
(d) the obstruction of or non-compliance with an investigation pursuant to Article 48, paragraph 1, points (a), (b), (c), or (e);	
(e) non-compliance with Article 49, by not providing an explanation on facts or documents related to the subject matter and purpose of an	

Commission proposal	Drafting Suggestions Comments
inspection, or by providing an incorrect or misleading explanation;	
(f) taking up the activity of external reviewers or pretending to be an external reviewer, without having been registered as an external reviewer.	
3. The minimum amount of the fine referred to in paragraph 1 shall be EUR 20 000. The maximum amount shall be EUR 200 000.	
When determining the level of a fine pursuant to paragraph 1, ESMA shall take into account the criteria set out in Article 51(3).	
4. Where a person has directly or indirectly benefited financially from the infringement, the amount of the fine shall be at least equal to that financial benefit.	
5. Where an act or omission constitutes a combination of several infringements, only the fine for the highest fined infringement shall apply.	

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Article 53	
Periodic penalty payments	
1. ESMA shall, by decision, impose a periodic penalty payment in order to compel:	
(a) a person to put an end to an infringement, in accordance with a decision taken pursuant to Article 52(1), point (c);	CZ: (Comments): We suggest correction - Article 52(1), point (c) does not exist. PT: (Comments): There is no Article 52(1)(c). It seems that the correct reference would be to Article 51(1)(d) (*adopt a decision requiring the person to bring the infringement to an end*).
(b) a person as referred to in Article 47(1):	
(i) to supply complete information which has been requested by a decision pursuant to Article 47;	

Commission proposal	Drafting Suggestions Comments
(ii) to submit to an investigation and in particular to produce complete records, data, procedures or any other material required and to complete and correct other information provided in an investigation launched by a decision pursuant to Article 48;	
(iii) to submit to an on-site inspection ordered by a decision taken pursuant to Article 49.	
2. The periodic penalty payment shall be imposed for each day of delay.	
3. The amount of the periodic penalty payments shall be 3% of the average daily turnover in the preceding business year, or, in the case of natural persons, 2% of the average daily income in the preceding calendar year. It shall be calculated from the date stipulated in the decision imposing the periodic penalty payment.	PL: (Drafting): The amount of the periodic penalty payments shall be **2%** ~~3%~~ of the average daily turnover in the preceding business year, or, in the case of natural persons, **1%** ~~2%~~ of the average daily income in the preceding calendar year. PL: (Comments): PL We propose to decrease the penalty payment due to the high potential value of turnover or income. CZ: (Comments): We suggest including the minimum amount of the fine in this provision as well for determining the periodic penalty, in case where the percentage rate cannot be applied (the person did not report any

Commission proposal	Drafting Suggestions Comments
	turnover or income in the past year).
4. A periodic penalty payment shall be imposed for a maximum period of six months following the notification of ESMA's decision. Following the end of the period, ESMA shall review the measure.	
Article 54	
Disclosure, nature, enforcement and allocation of fines and periodic penalty payments	
1. ESMA shall disclose to the public every fine and periodic penalty payment that has been imposed pursuant to Articles 52 and 53, unless such disclosure to the public would seriously jeopardise the financial markets or cause disproportionate damage to the parties involved. Such disclosure shall not contain personal data within the meaning of Regulation (EC) No 45/2001.	
2. Fines and periodic penalty payments imposed pursuant to Articles 52 and 53 shall be	

Commission proposal	Drafting Suggestions Comments
of an administrative nature.	
3. Where ESMA decides to impose no fines or penalty payments, it shall inform the European Parliament, the Council, the Commission, and the competent authorities of the Member State concerned accordingly and shall set out the reasons for its decision.	CZ: (Comments): We recommend that this provision states clearly under which conditions ESMA can decide to impose no fines or penalty, especially because Art. 52 (3) clearly states the minimum amount of the fines. We also suggest that this provision be adapted to apply only to situations where ESMA decides an offense was committed but does not impose a fine (it should not apply to situation when ESMA decides no offense was committed).
4. Fines and periodic penalty payments imposed pursuant to Articles 52 and 53 shall be enforceable.	
For the purposes of enforcement of fines and periodic penalty payments, ESMA shall apply the rules of civil procedure in force in the Member State or third-country in which it is carried out.	
5. The amounts of the fines and periodic penalty payments shall be allocated to the general budget of the Union.	
Article 55	

Commission proposal	Drafting Suggestions Comments
Procedural rules for taking supervisory measures and imposing fines	
1. Where, in carrying out its duties under this Regulation, ESMA finds that there are serious indications of the possible existence of facts liable to constitute one or more of the infringements listed in Article 52(2), ESMA shall appoint an independent investigating officer within ESMA to investigate the matter. The investigating officer shall not be involved or have been involved in the direct or indirect supervision or registration process of the external reviewer concerned and shall perform his functions independently from ESMA's Board of Supervisors.	
2. The investigating officer shall investigate the alleged infringements, taking into account any comments submitted by the persons subject to investigation, and shall submit a complete file with his findings to ESMA's Board of Supervisors.	
3. In order to carry out his tasks, the investigating officer may exercise the power to require information in accordance with Article 47 and to conduct investigations and on-site inspections in accordance with Articles 48 and	

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49. When using those powers, the investigating officer shall comply with Article 46.	
4. Where carrying out his tasks, the investigating officer shall have access to all documents and information gathered by ESMA in its supervisory activities.	
5. Upon completion of his investigation and before submitting the file with his findings to ESMA's Board of Supervisors, the investigating officer shall give the persons subject to investigation the opportunity to be heard on the matters being investigated. The investigating officer shall base his findings only on facts on which the persons subject to investigation have had the opportunity to comment.	
6. The rights of defence of the persons concerned shall be fully respected during investigations under this Article.	
7. Upon submission of the file with his findings to ESMA's Board of Supervisors, the investigating officer shall notify that fact to the persons who are subject to investigations. The persons subject to investigations shall be	

Commission proposal	Drafting Suggestions Comments
entitled to have access to the file, subject to the legitimate interest of other persons in the protection of their business secrets. The right of access to the file shall not extend to confidential information affecting third parties.	
8. On the basis of the file containing the investigating officer's findings and, when requested by the persons concerned, after having heard those persons in accordance with Article 56, ESMA shall decide if one or more of the infringements listed in Article 52(2) has been committed by the persons subject to investigation, and in such case, shall take a supervisory measure in accordance with Article 51 and impose a fine in accordance with Article 52.	
9. The investigating officer shall not participate in the deliberations of ESMA's Board of Supervisors or in any other way intervene in the decision-making process of ESMA's Board of Supervisors.	
10. The Commission shall adopt delegated acts in accordance with Article 60 by [PO: Please insert date 12 months after date of entry into force] to further specify the procedure for the exercise of the power to impose fines or	CZ: (Drafting): 10. The Commission shall adopt delegated acts in accordance with Article 60 by [PO: Please insert date 12 months after **the** date of entry into force] to further specify the procedure for the exercise of the power to impose fines or periodic penalty payments, including provisions on rights

Commission proposal	Drafting Suggestions Comments
periodic penalty payments, including provisions on rights of defence, temporal provisions, the collection of fines or periodic penalty payments, and detailed rules on the limitation periods for the imposition and enforcement of penalties.	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. CZ: (Comments): Consistency with other parts of the Regulation (namely Art. 15(5 and 6), 16(2), 18(3), 19(2), 20(3), 21(4), 22(3), 23(3), 25(7)). We propose consistency also for Art. 34(7), 41(1), 55(10), 58(3), 60(2), 62, 63 and 64.
11. ESMA shall refer matters for criminal prosecution to the relevant national authorities where, in carrying out its duties under this Regulation, it finds that there are serious indications of the possible existence of facts liable to constitute criminal offences. In addition, ESMA shall refrain from imposing fines or periodic penalty payments where a prior acquittal or conviction arising from identical facts, or from facts which are substantially the same, has acquired the force of res judicata as the result of criminal proceedings under national law.	
Article 56	
Hearing of the persons subject to the proceedings	

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

Commission proposal	Drafting Suggestions Comments
Article 57	
Review by the Court of Justice of the European Union	
The Court of Justice of the European Union shall have unlimited jurisdiction to review decisions whereby ESMA has imposed a fine or a periodic penalty payment. It may annul, reduce or increase the fine or periodic penalty payment imposed.	
Article 58	
Registration, recognition, and supervisory fees	
1. ESMA shall charge external reviewers for the expenditure relating to their registration, recognition, and supervision and for any costs that it may incur carrying out work pursuant to this Regulation.	ES: (Comments): ES: In light of previous experiences related to fees charged to supervisory entities and its unintended consequences, we would suggest to apply a proportional approach on this topic to avoid that the activity of external reviewers is limited to big international corporations. PT:

Commission proposal	Drafting Suggestions Comments
	(Drafting): 1. ESMA shall charge **<u>fees to</u>** external reviewers for the expenditure relating to their registration, recognition, and supervision and for any costs that it may incur carrying out work pursuant to this Regulation.
2. Any fee charged by ESMA to an applicant external reviewer or a registered external reviewer or a recognised external reviewer shall cover all administrative costs incurred by ESMA for its activities in relation to that particular applicant or external reviewer. Any fee shall be proportionate to the turnover of the external reviewer concerned.	PT: (Drafting): 2. Any fee charged by ESMA to an applicant external reviewer or a ~~**registered external reviewer or a**~~ recognised external reviewer shall cover all administrative costs incurred by ESMA for its activities in relation to that particular applicant or external reviewer. Any fee shall be proportionate to the turnover of the external reviewer concerned.
3. The Commission shall adopt delegated acts in accordance with Article 60 by [PO: Please insert date 12 months after date of entry into force] to specify the type of fees, the matters for which fees are due, the amount of the fees, and the manner in which they are to be paid.	CZ: (Drafting): 3. The Commission shall adopt delegated acts in accordance with Article 60 by [PO: Please insert date 12 months after **<u>the</u>** date of entry into force] to specify the type of fees, the matters for which fees are due, the amount of the fees, and the manner in which they are to be paid. CZ: (Comments): Consistency with other parts of the Regulation (namely Art. 15(5 and 6), 16(2), 18(3), 19(2), 20(3), 21(4), 22(3), 23(3), 25(7)). We propose consistency also for Art. 34(7), 41(1), 55(10), 58(3), 60(2), 62, 63 and 64.

Commission proposal	Drafting Suggestions Comments
Article 59	
ESMA register of external reviewers and third-country external reviewers	
1. ESMA shall maintain on its website a publicly accessible register that shall list all of the following:	PT: (Comments): ESMA (or the COM) should also maintain on its website a list of the State auditors or any other public entity that is mandated by a sovereign to conduct the assessment according to Article 11 (in case the possibility of mandating other public entities is kept – please see our comment to Article 11). This is relevant not only to harmonize to the extent possible the treatment of sovereign and other issuers (in line with the strong support for maintaining a consistent approach with regards to sovereign and corporate issuers evidenced in the stakeholders consultations), but also to help the investors in their due diligence processes.
(a) all the external reviewers registered in accordance with Article 15	
(b) those external reviewers that are temporarily prohibited from pursuing their activities in accordance with Article 51;	
(c) those external reviewers that have had their registration withdrawn in accordance with Article 51;	

Commission proposal	Drafting Suggestions Comments
(d) third-country external reviewers allowed to provide services in the Union in accordance with Article 31;	
(e) third-country external reviewers recognised in accordance with Article 34;	
(f) external reviewers registered in accordance with Article 15 that endorse services of third country external reviewers in accordance with Article 35;	
(g) those third-country external reviewers that have had registration withdrawn and that shall no longer use the rights under Article 31 where the Commission adopts a withdrawing decision in relation to that third country referred to in Article 32;	
(h) third-country external reviewers whose recognition has been suspended or withdrawn and external reviewers registered in accordance with Article 15 that shall no longer endorse services of third country external reviewers.	

Commission proposal	Drafting Suggestions Comments
2. The register shall contain contact details of external reviewers, their websites and the dates by which the decisions of ESMA concerning those external reviewers take effect.	
3. For third-country reviewers, the register shall also contain information on the services that third-country external reviewers may provide and the contact details of the competent authority responsible for their supervision in the third country.	CZ: (Drafting): 3. For third-country reviewers, the register shall also contain information on the services that third-country external reviewers may provide and the contact details of the ~~competent~~ **supervisory** authority responsible for their supervision in the third country. CZ: (Comments): See our comments on Art. 2 and 36.
Title V	
Delegated Acts	
Article 60	
Exercise of the delegation	

Commission proposal	Drafting Suggestions Comments
1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.	
2. The power to adopt delegated acts referred to in Articles on Procedural rules for taking supervisory measures and imposing fines, Registration, recognition, and supervisory fees, 55(10) and 58(3) shall be conferred on the Commission for an indeterminate period of time from [PO: Please insert date of entry into force].	CZ: (Drafting): 2. The power to adopt delegated acts referred to in Articles on Procedural rules for taking supervisory measures and imposing fines, Registration, recognition, and supervisory fees, 55(10) and 58(3) shall be conferred on the Commission for an indeterminate period of time from [PO: Please insert **the** date of entry into force]. CZ: (Comments): Consistency with other parts of the Regulation (namely Art. 15(5 and 6), 16(2), 18(3), 19(2), 20(3), 21(4), 22(3), 23(3), 25(7)). We propose consistency also for Art. 34(7), 41(1), 55(10), 58(3), 60(2), 62, 63 and 64. PT: (Comments): *"on Procedural rules for taking supervisory measures and imposing fines, Registration, recognition, and supervisory fees"* shall be replaced by the indication of all relevant provisions.
3. The delegation of power referred to in Articles on Procedural rules for taking supervisory measures and imposing fines, Registration, recognition, and supervisory fees may be revoked at any time by the European Parliament or by the Council. A decision to	PT: (Comments): *"on Procedural rules for taking supervisory measures and imposing fines, Registration, recognition, and supervisory fees"* shall be replaced by the indication of all relevant provisions.

Commission proposal	Drafting Suggestions Comments
revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.	Additionally, the reference to *55(10) and 58(3)* is missing.
4. Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down in the Inter-institutional Agreement of 13 April 2016 on Better Law-Making.	
5. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.	
6. A delegated act adopted pursuant to Articles on Procedural rules for taking supervisory measures and imposing fines, Registration, recognition, and supervisory fees shall enter into force only if no objection has been expressed either by the European Parliament or by the Council within a period of [two months] of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European	PT: (Comments): The 2-months scrutiny period should be replaced by 3 months, as in all financial services legislation. Additionally, the reference to *55(10) and 58(3)* is missing.

Commission proposal	Drafting Suggestions Comments
Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by [two months] at the initiative of the European Parliament or of the Council.	
Article 61	
Committee procedure	PT: (Comments): This provision seems to be a mistake – there are no implementing acts foreseen in the legislative proposal and no provision refers to this Article.
The Commission shall be assisted by the European Securities Committee established by Commission Decision 2001/528/EC . That committee shall be a committee within the meaning of Regulation (EU) No 182/2011 of the European Parliament and of the Council .	
Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply.	NL: (Comments): The proposal does not include a reference to this article. We would like to hear from the Commission why this paragraph is included in the proposal.

Commission proposal	Drafting Suggestions Comments
Title VI	
Final provisions	
Article 62	
	AT: (Comments): Transitional provisions for issuers who have already issued according to an established GB standard, e.g. ICMA, to switch to the EuGB-Standard during the term should be foreseen. From our point of view, this would be advantageous to promote the standard, broaden its acceptance and to foster the transition.
Transitional provision	BG: (Comments): **BG:** In our view the transitional provision should be clarified and simplified. PT: (Comments): We cannot understand which is the *first application date* mentioned in this Article. We propose the application date to be 18 months from the date of entry into force (please see our general comments).
1. Any external reviewer that intends to	CZ:

Commission proposal	Drafting Suggestions Comments
provide services in accordance with this Regulation from its entry into force until [OJ please insert date 30 months after the first application date of this Regulation, thank you], shall only provide such services after having notified ESMA to that effect and having provided the information referred to in Article 15(1).	(Drafting): 1. Any external reviewer that intends to provide services in accordance with this Regulation from its entry into force until [~~OJ please~~ **PO: Please** insert date 30 months after the ~~first application date of this Regulation, thank you~~ **date of entry into force**], shall only provide such services after having notified ESMA to that effect and having provided the information referred to in Article 15(1). CZ: (Comments): Ensure consistency with other parts of the Regulation, namely Art. 15(5 and 6), 16(2), 18(3), 19(2), 20(3), 21(4), 22(3), 23(3), 25(7), 34(7), 55(10), 58(3) and 60(2). Similar change should be done in paragraphs 2 to 4 and in Art. 63(1, 3 and 4) and in Art. 41(1). PT: (Comments): The period of 30 monhts seems excessive.
2. Until [OJ please insert date 30 months after the first application date of this Regulation, thank you] external reviewers referred to in paragraph 1 shall comply with Articles 16 to 30 with the exception of the requirements laid down by the delegated acts referred to in Article 16(2), Article 19(2), Article 20(3), Article 21(4), Article 22(3), Article 23(3) and Article 25(7).	LU: (Drafting): 2. Until [OJ please insert date 30 months after the first application date of this Regulation, thank you] external reviewers referred to in paragraph 1 shall comply with Articles 16 to 30 with the exception of the requirements laid down by the delegated acts referred to in Article 16(2), **Article 18 (3),** Article 19(2), Article 20(3), Article 21(4), Article 22(3), Article 23(3) and Article 25(7). LU: (Comments): For the sake of completeness, it seems necessary to add reference to the delegated act referred to in Article 18 (3) according to which ESMA shall submit the relevant regulatory technical standards to

Commission proposal	Drafting Suggestions Comments
	the Commission 12 months after the entry of force of the proposal. CZ: (Drafting): 2. Until [~~OJ please~~ **PO: Please** insert date 30 months after the ~~first application date of this Regulation, thank you~~ **date of entry into force**] external reviewers referred to in paragraph 1 shall comply with Articles 16 to 30 with the exception of the requirements laid down by the delegated acts referred to in Article 16(2), **Article 18(3),** Article 19(2), Article 20(3), Article 21(4), Article 22(3), Article 23(3) and Article 25(7). CZ: (Comments): See our comment on Art. 62(1).
3. After [OJ please insert date one day following 30 months after the first application date of this Regulation, thank you] external reviewers referred to in paragraph 1 shall only provide services in accordance with this Regulation after having being registered in accordance with Article 15 and comply with Articles 14 and Articles 16 to 30 as supplemented by the delegated acts referred to in paragraph 2.	CZ: (Drafting): 3. After [~~OJ please~~ **PO: Please** insert date one day following 30 months after the ~~first application date of this Regulation, thank you~~ **date of entry into force**] external reviewers referred to in paragraph 1 shall only provide services in accordance with this Regulation after having being registered in accordance with Article 15 and comply with Articles 14 and Articles 16 to 30 as supplemented by the delegated acts referred to in paragraph 2. CZ: (Comments): See our comment on Art. 62(1).
4. After [OJ please insert date one day following 30 months after the first application date of this Regulation, thank you] ESMA shall	CZ: (Drafting): 4. After [~~OJ please~~ **PO: Please** insert date one day following 30 months after the ~~first~~

Commission proposal	Drafting Suggestions Comments
examine whether external reviewers referred to in paragraph 1, and the services provided by those providers until [OJ please insert date 30 months after the first application date of this Regulation, thank you] comply with the conditions laid down in this regulation.	~~application date of this Regulation, thank you~~ **date of entry into force**] ESMA shall examine whether external reviewers referred to in paragraph 1, and the services provided by those providers until [OJ please insert date 30 months after the ~~first application date of this Regulation, thank you~~ **date of entry into force**] comply with the conditions laid down in this regulation. CZ: (Comments): See our comment on Art. 62(1).
Where ESMA considers that the external reviewer or the services provided referred to in the first subparagraph do not comply with the conditions laid down in this regulation, ESMA shall take one or more of the actions in accordance with Article 52.	
Article 63	
Transitional provision for third country external reviewers	
1. Any third country external reviewer that intends to provide services in accordance with this Regulation from its entry into force until [OJ please insert date 30 months after the first application date of this Regulation, thank you], shall only provide such services after having	CZ: (Drafting): 1. Any third country external reviewer that intends to provide services in accordance with this Regulation from its entry into force until [~~OJ please~~ **PO: Please** insert date 30 months after the ~~first application date of this Regulation, thank you~~ **date of entry into force**], shall only provide such services after having notified ESMA to that effect and having provided the information referred to

Commission proposal	Drafting Suggestions Comments
notified ESMA to that effect and having provided the information referred to in Article 15 (1).	in Article 15-(1). CZ: (Comments): See our comment on Art. 62(1). Reference should be to Art. 15(1) not 15 (1) to ensure consistency.
2. Third country external reviewers referred to in paragraph 1 shall:	
(a) comply with Articles 16 to 30 with the exception of the requirements laid down by the delegated acts referred to in Article 16(2), Article 19(2), Article 20(3), Article 21(4), Article 22(3), Article 23(3) and Article 25(7).	LU: (Drafting): (a) comply with Articles 16 to 30 with the exception of the requirements laid down by the delegated acts referred to in Article 16(2), **Article 18 (3),** Article 19(2), Article 20(3), Article 21(4), Article 22(3), Article 23(3) and Article 25(7). LU: (Comments): For the sake of completeness, we suggest to add reference to the delegated act referred to in Article 18 (3) according to which ESMA shall submit the relevant regulatory technical standards to the Commission 12 months after the entry of force of the proposal. CZ: (Drafting): (a) comply with Articles 16 to 30 with the exception of the requirements laid down by the delegated acts referred to in Article 16(2), **Article 18(3),** Article 19(2), Article 20(3), Article 21(4), Article 22(3), Article 23(3) and Article 25(7).
(b) have a legal representative located in the Union that shall comply with Article 34,	

Commission proposal	Drafting Suggestions Comments
paragraph 3, points (a) to (c).	
3. After [OJ please insert date one day following 30 months after the first application date of this Regulation, thank you] Articles 32, 34 and 35 shall apply.	CZ: (Drafting): 3. After [~~OJ please~~ **PO: Please** insert date one day following 30 months after the ~~first application date of this Regulation, thank you~~ **date of entry into force**] Articles 32, 34 and 35 shall apply. CZ: (Comments): See our comment on Art. 62(1).
4. After [OJ please insert date one day following 30 months after the first application date of this Regulation, thank you] ESMA shall examine whether external reviewers referred to in paragraph 1, and the services provided by those providers until [OJ please insert date 30 months after the first application date of this Regulation, thank you] comply with the conditions laid down in this regulation.	CZ: (Drafting): 4. After [~~OJ please~~ **PO: Please** insert date one day following 30 months after ~~the first application date of this Regulation, thank you~~ **date of entry into force**] ESMA shall examine whether external reviewers referred to in paragraph 1, and the services provided by those providers until [~~OJ please~~ **PO: Please** insert date 30 months after the~~ first application date of this Regulation, thank you~~ **date of entry into force**] comply with the conditions laid down in this regulation. CZ: (Comments): See our comment on Art. 62(1).
Where ESMA considers that the external reviewer or the services provided referred to in the first subparagraph do not comply with the conditions laid down in this Regulation, ESMA shall take one or more of the actions in accordance with Article 52.	

Commission proposal	Drafting Suggestions Comments
Article 64	
Entry into force	BG: (Drafting): Entry into force **and application** BG: (Comments): **BG:** We would like to stress that an adequate period for adoption of national measures to ensure the application of the Regulation should be provided.
This Regulation shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union.	BE: (Comments): It will be necessary to clarify the time articulation between the entry in application and the deliverance of the EU GB denomination with the entry in application of the EU taxonomy for sustainable activities. In case no screening criteria are available at the time of entry in application, will it be possible to have an alignment-plan with the taxonomy or an allocation plan aligned with the taxonomy, despite all screening criteria being unknown?
	LU: (Drafting): **It shall apply from XX XX 202X** LU: (Comments): The date of application should be different from the date of entry into force in order to allow

Commission proposal	Drafting Suggestions Comments
	Member States to adapt their legal framework since new powers have to be foreseen for NCAs. The applicability date should be a least 12 to 18 months after the entry into force date. CZ: (Drafting): **This Regulation shall apply from [PO: Please insert the date of entry into force].** **Member States shall take the necessary measures to comply with Articles 36, 37 and 41 by [PO: Please insert date 12 months after the date of entry into force].** CZ: (Comments): We suggest adding the date of application and date for implementation by Member States (inspiration taken from Art. 49 of Prospectus Regulation). Be aware that "application date" is necessary also for transitional periods in Art. 62 and 63. Changes are required also in Art. 41(1) in fine.
This Regulation shall be binding in its entirety and directly applicable in all Member States.	
Done at Strasbourg,	
For the Council For the Parliament	
The President The President	
	End

Council of the European Union
General Secretariat

Interinstitutional files:
2021/0191(COD)

Brussels, 06 September 2021

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CONTRIBUTION

From:	Presidency
To:	Working Party on Financial Services and the Banking Union (Sustainable Finance) Financial Services Attachés
Subject:	European Green Bond Regulation - Consolidation of comments - ddl 18.08.2021 (20 MS)