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WORKING PAPER

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From:	Presidency
To:	Financial Services Attachés Working Party on Financial Services and the Banking Union (Sustainable Finance)
Subject:	EuGB: Presidency partial compromise proposal on Titles I and II, related recitals and Annexes - VTC 5.11.2021 at 9h00

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Presidency Note on partial compromise proposal (Titles I and II)

I. Introduction

The Council Working Party (CWP) discussed in detail Title I, which sets out the subject matter and definitions, and Title II, which sets out the conditions for the use of the designation “European green bond” or ‘EuGB’. Following the discussions, the Presidency considers that positions on Titles I and II appear to be clear enough to present a partial compromise proposal. However, the issues relating to the relationship between the EuGB Regulation and the Prospectus Regulation need to be further discussed before square brackets can be lifted.

Accordingly, the Presidency would like to devote part of the morning session of the CWP on 5 November 2021 to discussing the proposed compromise text on Titles I and II, including the related recitals and Annexes. The main changes to the Commission’s original proposal are summarized below.

II. Proposed Presidency amendments to the Commission proposal

a) Definitions (Article 2):

- ‘Sovereign’ - all persons of public law shall be included, private law companies are excluded,
- Definitions of ‘trading venue’, ‘offer to the public’, ‘home member state’ and ‘host member state’ are added.

b) Costs related to the issuance of the European green bond will be deducted when allocating the EuGB proceeds (Article 4(1)).

c) In Article 4(2), two bullet points are added regarding sovereign allocation: ‘operating expenditures or intermediate consumption’ and ‘transfers within general government’.

d) ESMA shall develop draft regulatory technical standards specifying the content and form of the taxonomy alignment plan and the Commission shall adopt the regulatory technical standards (Article 6(1a)).

- e) 'Flexibility pocket' – sovereigns may allocate up to 10% of European green bond proceeds for activities that comply with the taxonomy requirements, with the exception of the technical screening criteria. The share for EuGBs issued by 31/12/2025 is 20% (Articles 6(1b) and 61a).
- f) 'Grandfathering' – full grandfathering is allowed (Article 7).
- g) Deadlines for the preparation and publication of the allocation report are extended (Articles 9(6) and 13(1c)).
- h) Allocation to financial assets under promotional banking activities will be assessed only at the level of the terms and conditions governing the use of proceeds of these financial assets (Article 9(9)).
- i) New bullet points are added to the documents to be published by issuers (Article 13(1)): 'the post-issuance review of the impact report if obtained and a link to the website where the prospectus can be found.
- j) The Annexes are adapted to the text of the articles and include some other technical amendments.

III. **Commission proposal remains unchanged**

The CWP has extensively discussed the following topics:

- a) **State auditors and other public entities:** with regard to identified deficiencies in obtaining pre-issuance and post-issuance reviews. Based on the discussions, the compromise proposal retains the original text with some clarifications (Article 11).
- b) **Small and Medium-sized Enterprises (SMEs):** with regard to striking the right balance between investor protection and administrative costs. Based on the discussions, the compromise proposal does not modify the Commission proposal, except in Article 4(1).

IV. **Still pending**

The link between the EuGB and Prospectus Regulations still requires further clarifications and will therefore be further discussed in the afternoon session. Consequently, the proposed Presidency compromise text stays in square brackets for the time being (Articles 12 and 13(4)).

PRESIDENCY COMPROMISE PROPOSAL

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 Committee¹,

Acting in accordance with the ordinary legislative procedure,

Whereas:

- (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 Agreement². Article 2(1), point (c), of the Paris Agreement sets out the objective of strengthening the response to climate change by, among other means, making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development.
- (2) The European Green Deal Investment Plan of 14 January 2020³ envisages the establishment of a standard for environmentally sustainable bonds to further increase investment opportunities and facilitate the identification of environmentally sustainable investments through a clear label. In its December 2020 conclusions, the European Council invited the Commission to put forward a legislative proposal for a green bond standard⁴.
- (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.
- (4) Diverging rules on the disclosure of information, on the transparency and accountability of external reviewers reviewing environmentally sustainable bonds, and on the

1 OJ C , , p. .

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

3 COM(2020) 21 final.

4 EUCO 22/20.

eligibility criteria for eligible environmentally sustainable projects, **could** impede the ability of investors to identify, trust, and compare environmentally sustainable bonds, and the ability of issuers to use environmentally sustainable bonds to transition their activities towards more environmentally sustainable business models.

- (5) In ensuring alignment with the objectives of the Paris agreement, and given the existing divergences and absence of common rules, it is likely that Member States will adopt diverging measures and approaches, which will have a direct negative impact on, and create obstacles to, the proper functioning of the internal market, and be detrimental to issuers of environmentally sustainable bonds. The parallel development of market practices based on commercially driven priorities that produce divergent results **may cause** ~~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.
- (6) The lack of harmonised rules for the procedures used by external reviewers to review environmentally sustainable bonds and the diverging definitions of environmentally sustainable activities make it increasingly difficult for investors to effectively compare bonds across the internal market with respect to their environmental objectives. The market for environmentally sustainable bonds is inherently international, with market participants trading bonds and making use of external review services from third party providers across borders. Action at Union level could reduce the risk of fragmentation of the internal market for environmentally sustainable bonds and bond-related external review services, and ensure the application of Regulation (EU) 2020/852 of the European Parliament and of the Council⁵ in the market for such bonds.
- (7) A uniform set of specific requirements should therefore be laid down for bonds issued by financial or non-financial undertakings or sovereigns that voluntarily wish to use the designation 'European green bond' or 'EuGB' for such bonds. Specifying quality requirements for European green bonds in the form of a Regulation should ensure that there are uniform conditions for the issuance of such bonds by preventing diverging national requirements that could result from a transposition of a Directive, and should also ensure that those conditions are directly applicable to issuers of such bonds. Issuers that voluntarily use the designation 'European green bond' or 'EuGB' should follow the same rules across the Union, to increase market efficiency by reducing discrepancies and thereby also reducing the costs of assessing those bonds for investors.
- (8) In accordance with Article 4 of Regulation (EU) 2020/852, and in order to provide investors with clear, quantitative, detailed and common definitions, the requirements set out in Article 3 of that Regulation should be used to determine whether an economic activity qualifies as environmentally sustainable. Proceeds of bonds that use the designation 'European green bond' or 'EuGB' should exclusively be used to fund economic activities that either are environmentally sustainable and are thus aligned with the environmental objectives set out in Article 9 of Regulation (EU) 2020/852, or contribute to the transformation of activities to become environmentally sustainable. Those bonds can however be used both to finance such environmentally sustainable activities directly through the financing of assets and expenditures that relate to economic activities that meet the requirements set out in Article 3 of Regulation (EU) 2020/852, or indirectly through financial assets that finance economic activities that

⁵ Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (OJ L 198, 22.6.2020, p. 13).

meet those requirements. It is therefore necessary to specify the categories of expenditures and assets that can be financed with the proceeds of bonds that use the designation 'European green bond' or 'EuGB'.

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

- (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 **in terms of budget resources required, business impact and complexity** of the economic activities and investments concerned.
- (13) Investors should be provided with all information necessary to evaluate the **use of proceeds** ~~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.
- (14) Investors should benefit from cost-effective access to reliable information about the European green bonds. **All** issuers of European Green Bonds, **including issuers who are not required to publish a prospectus in accordance with the Regulation (EU) 2017/1129**, should therefore contract external reviewers to provide a pre-issuance review of the European green bond factsheet, and **a** post-issuance review of the European green bond annual allocation reports. **Sovereigns should have a possibility to obtain pre-issuance and post-issuance reviews also from a state auditor or any other public entity that is mandated by the sovereign.**
- (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.
- (16) Unlike issuers that are financial or non-financial undertakings, issuers that are sovereigns can use the proceeds of European green bonds to indirectly finance economic activities that are aligned with the taxonomy requirements through the use of programmes of tax expenditures or programmes of transfers, including subsidies. In such cases, sovereigns ensure that economic activities funded by such programmes comply with the terms and conditions of those programmes. For that reason, when providing pre- and post-issuance reviews of European green bonds issued by sovereigns and the proceeds of which are allocated to tax expenditures or subsidies in accordance with terms and conditions that are aligned with taxonomy requirements, external reviewers should not be required to assess the taxonomy-alignment of each economic activity funded by such programmes. Where that is the case, it should be sufficient for

external reviewers to assess the alignment of the terms and conditions of the funding programmes concerned with the taxonomy requirements.

- (17) Certain financial undertakings that have a portfolio of European green bonds **on the liability side of a balance sheet** may not be able to identify, for each European green bond, the distinct financial assets **on the asset side of a balance sheet** to which the proceeds of said bond have been allocated. This is due to a mismatch between, on the one hand, the time to maturity and the volume of funding of those bonds, and on the other hand the time to maturity and volume of the financial assets on the balance sheet of the financial undertaking. Financial undertakings should in such cases be required to disclose the allocation of the aggregate proceeds of their portfolio of European green bonds to a portfolio of environmentally sustainable financial assets on the undertaking's balance sheet. Those financial undertakings should then demonstrate in annual allocation reports that the related environmentally sustainable financial assets complied with the taxonomy requirements at the time they were created. In order to ensure that all proceeds of European green bonds are allocated to environmentally sustainable economic activities, the financial undertakings should also demonstrate that the amount of those environmentally sustainable financial assets exceeds or equals the amount of European green bonds that have not yet matured. To ensure that the information provided remains complete and up to date, an external reviewer should review the annual allocation reports each year. That external reviewer should in particular focus on those financial assets that were not on the issuer's balance sheet in the previous year's allocation report.
- (18) To improve transparency, issuers should also disclose the environmental impact of their bonds by means of the publication of impact reports, which should be published at least once during the lifetime of the bond. In order to provide investors with all information relevant to assess the environmental impact of European green bonds, impact reports should clearly specify the metrics, methodologies and assumptions applied in the assessment of the environmental impacts. To strengthen the comparability of European green bonds and to facilitate the localisation of relevant information, it is necessary to lay down templates for the disclosure of such information.
- (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.
- (20) To ensure the efficiency of the market for European green bonds, issuers should publish on their websites details about the European green bonds they issue. To ensure the reliability of information and investor confidence, they shall also publish the pre-issuance review as well as any post-issuance reviews.

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.

Article 2 **Definitions**

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

- (1) ‘issuer’ means any legal entity that issues bonds;
- (2) ‘financial undertaking’ means an AIFM as defined in Article 4(1), point (b), of Directive 2011/61/EU of the European Parliament and of the Council⁶, a UCITS management company as defined in Article 2, point (10), of Regulation (EU) 2019/2088 of the European Parliament and of the Council⁷, a credit institution as defined in Article 4(1), point (1), of Regulation (EU) No 575/2013 of the European Parliament and of the Council⁸, 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 Council⁹ or a reinsurance undertaking as defined in Article 13, point (4), of Directive 2009/138/EC;
- (3) ‘sovereign’ means any of the following:
 - (a) Euratom, the Union and any of their agencies;
 - (b) any State, including a government department, an agency, **another legal entity of public law** or a special purpose vehicle of such State;
 - (c) in the case of a federal State, a member of the federation **including a government department, an agency, another legal entity of public law or a special purpose vehicle of such member;**
 - (d) a regional or municipal entity;

⁶ Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010 (OJ L 174, 1.7.2011, p. 1).

⁷ Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability- related disclosures in the financial services sector (OJ L 317, 9.12.2019, p. 1).

⁸ Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (OJ L 176, 27.6.2013, p. 1).

⁹ Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II) (OJ L 335, 17.12.2009, p. 1).

- (e) a collective undertaking of several States in the form of an organisation or a special purpose vehicle;
- (f) ~~a company of private law fully owned by one or more of the entities referred to in points (a) to (e);~~
- (4) 'taxonomy requirements' means the requirements set out in Article 3 of Regulation (EU) 2020/852;
- (5) ~~'trading venue regulated market'~~ means a **trading venue regulated market** as defined **in point 24 of Article 4(1)** ~~Article 4(1), point (21),~~ of Directive 2014/65/EU of the European Parliament and of the Council¹⁰
- (6) 'offer to the public' means an offer of securities to the public as defined in point (d) of Article 2 of Regulation (EU) 2017/1129 of the European Parliament and of the Council¹¹;**
- (7) 'home Member State' means a home Member State as defined in point (i) of Article 2(1) of Directive 2004/109/EC¹²;**
- (8) 'host Member State' means a host Member State as defined in point (j) of Article 2(1) of Directive 2004/109/EC;**

¹⁰ Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (OJ L 173, 12.6.2014, p. 349).

¹¹ REGULATION (EU) 2017/1129 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market (OJ L 168 30.6.2017, p. 12).

¹² DIRECTIVE 2004/109/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 15 December 2004 on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market (OJ L 390 31.12.2004, p. 38).

Title II

Conditions for the use of the designation ‘European green bond’ or ‘EuGB’

Chapter I

Bond-related requirements

Article 3

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.

Article 4

Use of the proceeds of European green bonds

1. Before maturity of the bond, the proceeds of European green bonds, **after deducting commissions and costs related to their issuance and offering**, shall be exclusively and fully allocated, ~~without deducting costs~~, to the following, or a combination thereof:
 - (a) fixed assets, including those of households, that are not financial assets;
 - (b) capital expenditures, including those of households;
 - (c) operating expenditures that were incurred more recently than three years prior to the issuance of the European green bond;
 - (d) financial assets as referred to in Article 5.

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

For the purposes of this paragraph, operating expenditures shall mean direct non-capitalised costs which relate to research and development, education and training, building renovation measures, short-term lease, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of ~~fixed tangible or fixed intangible assets~~ of property, plant and equipment that are necessary to ensure the continued and effective functioning of such assets.
2. By way of derogation from paragraph 1, a sovereign may also allocate the proceeds of European green bonds it has issued to the following, or any combination thereof:
 - (a) fixed assets referred to in point 7.22 of Annex A to Regulation (EU) No 549/2013 of the European Parliament and of the Council¹³;

¹³ Regulation (EU) No 549/2013 of the European Parliament and of the Council of 21 May 2013 on the European system of national and regional accounts in the European Union (OJ L 174, 26.6.2013, p. 1).

- (b) non-produced non-financial assets referred to in point 7.24 of Annex A to Regulation (EU) No 549/2013;
- (c) tax relief referred to in point 20.167 of Annex A to Regulation (EU) No 549/2013 that was granted more recently than three years prior to the issuance of the European green bond;
- (d) subsidies referred to in point 4.30 of Annex A to Regulation (EU) No 549/2013 that were transferred more recently than three years prior to the issuance of the European green bond;
- (e) capital expenditures referred to in point 20.104 of Annex A to Regulation (EU) No 549/2013.
- (f) operating expenditures or intermediate consumption referred to in point 3.88 of Annex A to Regulation (EU) No 549/2013 that were incurred more recently than three years prior to the issuance of the European green bond.**
- (g) transfers to sovereigns provided that the proceeds from those transfers are allocated according to points (a) to (d) of paragraph 1, or points (a) to (f) of this paragraph.**

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

Article 5 ***Financial assets***

1. Financial assets as referred to in Article 4(1), point (d), shall mean any of the following assets, or any combination thereof:
 - (a) debt **(including leases)**;
 - (b) equity.
2. The proceeds of the financial assets referred to in paragraph 1 shall only be allocated to fixed assets that are not financial assets as referred to in Article 4(1), point (a), capital expenditures as referred to in Article 4(1), point (b), or operating expenditures as referred to in Article 4(1), point (c).
3. By way of derogation from paragraph 2, the proceeds of the financial asset referred to in paragraph 1 may be allocated to other financial assets provided that the proceeds from those financial assets are allocated according to paragraph 2.

Article 6 ***Taxonomy-alignment of use of proceeds***

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.

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

The 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.

- 1a. **ESMA shall develop draft regulatory technical standards specifying the content and the form of taxonomy-alignment plan.**

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.

- 1b. **A sovereign, insofar as it is not subject to Article 1(2) of Regulation (EU) 2020/852, may allocate up to 10% of the proceeds of European green bonds to activities that comply with the taxonomy requirements, with the exception of the technical screening criteria referred to in Article 3, point (d), of Regulation (EU) 2020/852.**

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.

Article 7

Application of the taxonomy requirements

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

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

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.

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.

~~[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.]~~

Chapter II

Transparency and external review requirements

Article 8

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

1. Prior to issuing a European green bond issuers shall:
 - (a) complete the European green bond factsheet laid down in Annex I;
 - (b) ensure that the completed European green **bond** factsheet has been subject to a pre-issuance review with a positive opinion by an external reviewer.
2. A European green bond factsheet may relate to one or several European green bond issuances.
3. The pre-issuance review of the factsheet referred to in paragraph 1, point (b) shall contain all of the following:
 - (a) an assessment of whether the completed green bond factsheet complies with Articles 4 to 7 of this Regulation and Annex I to this Regulation;
 - (b) the elements set out in Annex IV.

Article 9

Allocation reports and post-issuance review of allocation reports

1. ~~For Every year and until~~ **For Every year and until (and including) the year of** full allocation of the proceeds of the European green bond concerned, issuers of European green bonds shall draw up a European green bond allocation report by using the template laid down in Annex II, demonstrating that the proceeds of any European green bonds concerned from their issuance date and until the end of the year the report refers to have been allocated in accordance with Articles 4 to 7.
2. A European green bond allocation report may relate to one or several issuances of European green bonds.
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.
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.
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.

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~~**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.
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 shall be made public without undue delay.
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.
- 9. Where bond proceeds are allocated in accordance with Article 5(3) to financial assets in the context of promotional banking activities that are consistent with applicable Union state aid rules, 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.**

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 impact report on the environmental impact of the use of the bond proceeds by using the template laid down in Annex III.
2. A single impact report may cover several issuances of European green bonds.

Article 11

Sovereigns as issuer

1. 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. **Such public entity shall have the ability and capacity to perform pre-issuance and post-issuance reviews in accordance with requirements set out in this Regulation and shall comply with Articles 18 to 24, paragraphs 1 and 2 of Article 26, Articles 27 and Article 28, except for the requirements to notify ESMA pursuant to**

paragraph 1 of Article 24 and availability of records and documents to ESMA in paragraph 2 of Article 26.

2. **Paragraphs 3 of Article 8 and paragraph 7 of Article 9 shall apply to the state auditors and other public entities that were mandated by the sovereign to assess compliance with this Regulation when performing pre-issuance reviews and post-issuance reviews of allocation reports.**

[Article 12

Prospectus for European green bonds

1. Where a prospectus is to be published pursuant to Regulation (EU) 2017/1129 **in relation to the European green bond**, that prospectus shall clearly state, ~~where required to provide information on the use of proceeds,~~ **in the section describing the use of proceeds**, that the European green bond is issued in accordance with this Regulation.
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.]

Article 13

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

1. Issuers of European green bonds shall publish on their website, in a distinct section titled ‘European green bonds’ and make available, free of charge ~~until at least,~~ **and otherwise as provided for in paragraphs 3 and 4 of Article 21 of Regulation (EU) 2017/1129, at the latest 12 months after** the maturity of the bonds concerned, all of the following:
 - (a) the completed European green bond factsheet referred to in Article 8, before the issuance of the bond;
 - (b) the pre-issuance review related to the European green bond factsheet referred to in Article 8, before the issuance of the bond;
 - (c) the European green bond annual allocation reports referred to in Article 9, **for every year until (and including) the year of** the full allocation of the proceeds of the European green bond concerned, no later than ~~three~~ **six** months following the end of the year it refers to;
 - (d) the post-issuance reviews of the European green bond allocation reports referred to in Article 9;
 - (e) the European green bond impact report referred to in Article 10;
 - (f) the post-issuance review of the impact report if obtained;**
 - (g) if a prospectus is published, a link to the website where the prospectus is published.**
2. The information contained in the documents referred to in paragraph 1, ~~points (a), (c) and (e),~~ shall be provided in the following language or languages:

- (a) where the European green bonds are offered to the public **in only one Member State and are not admitted to trading** or are listed on a market **trading venue in any other** ~~in only one~~ Member State, in a language accepted by the competent authority, as referred to in Article 36 of this Regulation, of that Member State;
 - (b) where the European green bonds are offered to the public **in more than one Member State** or are listed **admitted to trading** on a market **trading venue in a Member State different from the Member State in which they are offered to the public** ~~in two or more Member States~~, either in a language accepted by the competent authority, as referred to in Article 36⁷ of this Regulation, of each **such** 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 4, points (a), (c) and (e), shall be provided in the language or languages of that prospectus.
- [4. **An Issuers** of European green bonds shall, **where a prospectus for European green bonds is required to be published pursuant to Regulation (EU) 2017/1129**, notify the ~~National~~ Competent authority referred to in Article 36 **of its home Member State** of the publication of all the documents referred to in paragraph 1 without undue delay.]
- 5. The competent authority referred to in paragraph 4** ~~Issuers of European green bonds shall notify ESMA~~ **of each notification received pursuant to that paragraph 4** ~~of the publication of all the documents referred to in paragraph 1 within 60~~ **30 days after the receipt thereof.**

New Article to be inserted in Title VI (Final provisions)

Article 61a

Transitional provision on Taxonomy-alignment of use of proceeds

By way of derogation from paragraph 1b of Article 6, a sovereign, insofar as it is not subject to Article 1(2) of Regulation (EU) 2020/852, may allocate up to 20% of the proceeds of European green bonds issued on or before 30 December 2025 to activities that comply with the taxonomy requirements, with the exception of the technical screening criteria referred to in Article 3, point (d), of Regulation (EU) 2020/852.

ANNEX I

EUROPEAN GREEN BOND FACTSHEET

<p>1. General Information</p> <ul style="list-style-type: none"> – [Date of the publication of the European green bond factsheet] – [The legal name of the issuer] [where available, legal entity identifier (LEI)] [website address providing investors with information on how to get in contact, and a telephone number] – [Name of the bond assigned by the issuer] [where available, international securities identification numbers (ISIN)] – [The identity and contact details of the external reviewer, including website address providing investors with information on how to get in contact, and a telephone number]
<p>2. Adhesion to the requirements of the European Green Bonds Regulation</p> <p>[A statement showing that the issuer of the given bonds, <u>to which this factsheet applies</u>, voluntarily adheres to the requirements of this Regulation]</p>
<p>3. Environmental strategy and rationale</p> <ul style="list-style-type: none"> – [Information on how the <u>allocation of</u> bond <u>proceeds</u> aligns with the broader environmental strategy of the issuer] – [The environmental objectives referred to in Article 9 of Regulation 2020/852 pursued by the bond]
<p>4. Intended allocation of bond proceeds</p> <p>4.1 Estimated Time until full allocation of proceeds</p> <ul style="list-style-type: none"> – [The period within which the proceeds are expected to be allocated <u>after the issuance of each bond</u>] – [The date by which proceeds are expected to be fully allocated] – [If the date <u>end of the</u> above <u>period</u> is more than five years after the date of the issuance of the bond: a justification for the longer period, based on the specific features of the economic activities concerned, accompanied by relevant documentation in an annex] <p>4.2 Process for selecting green projects <u>and activities</u> and estimated environmental impact</p> <ul style="list-style-type: none"> – [A description of the processes by which the issuer will determine how <u>projects and activities</u> align with the taxonomy requirements] – [A description of the relevant technical screening criteria referred to in Articles 10 to 15 of Regulation (EU) 2020/852, and a specification of which delegated acts adopted under Articles 10(3), 11(3), 12(2), 13(2), 14(2) and 15(2) of Regulation

(EU) 2020/852 are taken into account **(having regard to the sovereign flexibility referred to in Article 6(1c))**

- [Where available: information on the methodology and assumptions to be used for the calculation of key impact metrics in accordance with delegated acts adopted under Articles 10(3), 11(3), 12(2), 13(2), 14(2) and 15(2) of Regulation (EU) 2020/852, and for any additional impact metrics. ~~Where this information is not available, this must be justified.~~]
- [Where applicable, information on any related standardisation or certification process in project **or activity** selection]
- [Where available, an estimation of expected positive ~~and adverse~~ environmental impacts in aggregated form. ~~Where this information is not available, this must be justified.~~]

4.3 Intended ~~qualifying green~~ projects **and activities**

[The issuer shall provide the following information at the project/activity type level.

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

For intended ~~qualifying~~ **types of** projects **and activities**:

- Their environmental objectives referred to in Article 9 of Regulation 2020/852
- Their ~~types~~, sectors, and **where applicable** the respective NACE codes in accordance with the statistical classification of economic activities established by Regulation (EC) No 1893/2006¹⁴
- Their countries
- ~~**Where available,** The respective amount to be allocated from bond proceeds, and the **indicative or intended** percentage of proceeds to be allocated respectively to projects **and activities** financed after bond issuance and projects before bond issuance~~
- Where the issuer is a sovereign, and bond proceeds are planned to be allocated to the tax relief referred to in Article 4(2), point (c), an estimation of the expected volume of revenue loss associated with eligible tax relief
- ~~Where a bond co-finances intended qualifying projects, an indication of the proportion financed by the bond~~
- **Where the issuer is a sovereign, and bond proceeds are planned to be allocated in accordance with paragraph 1c of Article 6 to activities and projects that do**

¹⁴ Regulation (EC) No 1893/2006 of the European Parliament and of the Council of 20 December 2006 establishing the statistical classification of economic activities NACE Revision 2 and amending Council Regulation (EEC) No 3037/90 as well as certain EC Regulations on specific statistical domains (OJ L 393, 30.12.2006, p. 1).

<p><u>not meet the Technical Screening Criteria, an assessment of the proportion and the reasons for including these activities and projects in the use of proceeds</u></p>
<ul style="list-style-type: none"> – Where available, links to websites with relevant information – Where available, links to relevant public documents with more detailed information]
<p>4.4 Unallocated proceeds</p> <p>[Information on how the temporary use of unallocated proceeds will not affect the delivery of the environmental objectives]</p>
<p>5. Information on reporting</p> <ul style="list-style-type: none"> – [A link to the <u>issuer's</u> website where allocation reports and impact reports will be published <u>referred to in Article 13(1)</u>] – [An indication of whether allocation reports will include project-by-project information on amounts disbursed <u>allocated</u> and the expected positive and negative environmental impacts]
<p>6. Other relevant information</p>

ANNEX II

EUROPEAN GREEN BOND ANNUAL ALLOCATION REPORT

[where the allocation report is revised, the title shall reflect this]
1. General Information <ul style="list-style-type: none"> – [Date of the publication of the allocation report] [where applicable, date of the publication of the final allocation report or date of the publication of the revised allocation report] – [The legal name of the issuer] [where available, LEI], [website address providing investors with information on how to get in contact, and a telephone number] – [Name of the bonds assigned by the issuer] [where available, ISIN] – [where the allocation report has been subject to post-issuance review, the identity and contact details of the external reviewer, including a website address providing investors with information on how to get in contact, and a telephone number]
2. Adhesion to the requirements of the European Green Bonds Regulation <p>[A statement showing that proceeds have been allocated according to the requirements of this Regulation]</p>
3. Allocation of bond proceeds <p>A. For issuers except those referred to in point A1 and B below:</p> <p>[The following information shall be provided at project or activity level, unless confidentiality agreements, competitive considerations, or a large number of underlying qualifying projects limit the amount of detail that can be made available, in which case the information shall be provided at least at aggregate level, with an explanation of why project or activity-level information is not given:</p> <ul style="list-style-type: none"> – The environmental objectives referred to in Article 9 of Regulation 2020/852 – The types and sectors of projects and activities, and where applicable the respective NACE codes in accordance with the statistical classification of economic activities established by Regulation (EC) No 1893/2006¹⁵ – The countries where bond proceeds have been allocated – The respective amount allocated from bond proceeds, and the percentage of proceeds allocated respectively to projects and activities financed after bond issuances and projects and activities financed before bond issuances

¹⁵ Regulation (EC) No 1893/2006 of the European Parliament and of the Council of 20 December 2006 establishing the statistical classification of economic activities NACE Revision 2 and amending Council Regulation (EEC) No 3037/90 as well as certain EC Regulations on specific statistical domains (OJ L 393, 30.12.2006, p. 1).

- Where the issuer is a sovereign, and bond proceeds are allocated to tax relief referred to in Article 4(2), point (c), an estimation of the volume of revenue loss associated with eligible tax relief
- **Where the issuer is a sovereign, and bond proceeds are allocated in accordance with paragraph 1c of Article 6 to activities and projects that do not meet the Technical Screening Criteria, an indication of the proportion of these activities and projects in the use of proceeds**
- Where a bond co-finances qualifying projects, an indication of the proportion financed by the bond
- For assets that are concerned by a taxonomy alignment plan: the progress in the implementation of the plan during the reporting period, and the estimated date of completion;
- Confirmation of compliance with Point (c) of Article 3 of Regulation (EU) 2020/852 (minimum safeguards)
- An indication of which delegated acts adopted in accordance with Articles 10(3), 11(3), 12(2), 13(2), 14(2) or 15(2) of Regulation (EU) 2020/852 were used to determine the taxonomy technical screening criteria, and their application dates]

A1. For sovereign issuers:

[Where bond proceeds are allocated to expenditures as referred to in Article 4(2), information may be provided at program level.]

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

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

- An overview over all outstanding European green bonds **of the issuer**, indicating their individual and combined value **and their date of maturity**.
- An overview over the eligible financial assets as referred to in Article 5 on the issuer’s balance sheet, indicating:
 - a) their total amortised value,
 - b) the environmental objectives referred to in Article 9 of Regulation (EU) 2020/852,
 - c) their types, sectors and countries,
 - d) where a bond~~s~~ co-finances qualifying projects, an indication of the proportion financed by the bond~~s~~, where available,
 - e) an indication of which delegated acts adopted in accordance with Articles 10(3), 11(3), 12(2), 13(2), 14(2) or 15(2) of Regulation (EU) 2020/852 were used to determine the taxonomy technical screening criteria, at least at sector and country level, and where applicable, at individual asset level,
 - f) where relevant, the value of each asset, or group of assets
- A comparison of the total value of outstanding European green bonds **issued by the issuer** and the total amortised value of eligible financial assets as referred to in

–	<p>Article 5. The comparison shall show that the latter is either equal to or higher than the former.</p> <p>For the purposes of the above comparison, the total outstanding value of European green bonds shall be based on the yearly average of quarter-end values of such bonds issued by that issuer, and the total amortised value of the financial assets shall be based on the yearly average of quarter-end values of such assets on the issuer's balance sheet.]</p>
	<p>4. Environmental impact of bond proceeds</p> <p>[No information is required under this heading for this report]</p>
	<p>5. Other relevant information</p>

ANNEX III

EUROPEAN GREEN BOND IMPACT REPORT

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

1. General Information

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

2. Environmental strategy and rationale

- [Information on how the bonds align with the broader environmental strategy of the issuer as set out in the factsheet]
- [Where applicable, an explanation of any changes to broader environmental strategy of the issuer since the publication of the factsheet]
- [The environmental objectives referred to in Article 9 of Regulation 2020/852 pursued by the bonds]

3. Allocation of bond proceeds

[The following information shall be provided at project **or activity** level, unless confidentiality agreements, competitive considerations, or a large number of underlying qualifying projects **and activities** limit the amount of detail that can be made available, in which case the information shall be provided at least at aggregate level, with an explanation of why project or **activity**-level information is not ~~given~~ **provided**. The provision of detailed content under this section can be replaced by a reference to the respective allocation report, provided that all information requested in this section are available in that allocation report:

- The environmental objectives referred to in Article 9 of Regulation 2020/852,
- The types and sectors of projects **and activities**, and countries where bond proceeds have been allocated
- The respective amount ~~to~~ allocated from bond proceeds, and the percentage of proceeds ~~to~~ allocated respectively to projects **and activities** financed after bond issuances ~~and~~ projects **or activities** financed before bond issuances

–	Where the issuer is a sovereign, and bond proceeds are allocated to the tax relief referred to in Article 4(2), point (c), an estimation of the volume of revenue loss associated with eligible tax relief
–	<u>Where the issuer is a sovereign, and bond proceeds are allocated in accordance with paragraph 1c of Article 6 to activities and projects that do not meet the Technical Screening Criteria, the proportion of these activities and projects in the use of proceeds</u>
–	Where a bond co-finances qualifying projects, an indication of the proportion financed by the bond
–	Where applicable, an indication of those assets that were concerned by a taxonomy alignment plan, the duration of each plan, and the date of completion of each asset
–	An indication of which delegated acts adopted in accordance with Articles 10(3), 11(3), 12(2), 13(2), 14(2) or 15(2) of Regulation (EU) 2020/852 were used to determine the taxonomy technical screening criteria, and their application date]
4. Environmental impact of bond proceeds	
–	[An estimation of positive and adverse environmental impacts in aggregated form]
–	[Information on the methodology and assumptions used to evaluate the impacts of projects <u>and activities</u> , where the European green bond factsheet of the bond did not include this information]
–	[Information about the projects' <u>and activities</u> ' positive and negative environmental impacts and, where available, related metrics. Where this information is not available at project <u>or activity</u> level, this must be justified]
5. Other relevant information	

ANNEX IV:

CONTENTS OF PRE-ISSUANCE AND POST-ISSUANCE REVIEWS

The title 'Pre-issuance review' or 'Post-issuance review' shall appear prominently at the top of the first page of the document.	
1. General Information	
–	[Date of the publication of the pre-issuance review or post-issuance review]
–	[The legal name of the issuer]
–	[Name of the bond assigned by the issuer] [where available, ISIN]
–	[The identity and contact details of the external reviewer, including website address providing investors with information on how to get in contact, and a telephone number]
–	[The name and job title of the lead analyst in a given assessment activity]

<ul style="list-style-type: none"> – – – 	<p>[The name and position of the person primarily responsible for approving the pre-issuance review or post-issuance review]</p> <p>[The date on which the pre-issuance review or the post-issuance review was first released for distribution and, where relevant, when it was last updated]</p> <p><u>[Other services provided by the external reviewer for the assessed entity or any related third party]</u></p>
<p>2. Introductory statements</p> <p>[For pre-issuance reviews:</p> <ul style="list-style-type: none"> – – – <p>[For post-issuance reviews:</p> <ul style="list-style-type: none"> – – – 	<p>A statement that an external reviewer has assessed the completed European green bond factsheet laid down in Annex I in accordance with this Regulation;</p> <p>A statement that this pre-issuance review represents an independent opinion of the external reviewer;</p> <p>A statement that the independent opinion of the external review is to be relied upon only to a limited degree;]</p> <p>A statement that an external reviewer has assessed the completed allocation report laid down in Annex II in accordance with this Regulation;</p> <p>A statement that this post-issuance review represents an independent opinion of the external reviewer;</p> <p>A statement that the independent opinion of the external review is to be relied upon only to a limited degree;]</p>
<p>3. Statements on the compliance with the European green bonds Regulation</p> <p>[a statement regarding the compliance of the European green bonds with this Regulation, and in particular:</p> <ul style="list-style-type: none"> (a) (b) (c) 	<p>where the opinion expressed by the independent reviewer is positive, a statement that the bonds meet the requirements of this Regulation and that the designation ‘European green bond’ can be applied to those bonds;</p> <p>where the opinion expressed by the independent reviewer is negative, a statement that the bonds do not meet the requirements of this Regulation and that the designation ‘European green bond’ cannot be applied to those bonds;</p> <p>where the opinion expressed by the independent reviewer indicates that the issuer does not intend to comply with Articles 3 to 7, or will not be able to do so, a statement that the designation ‘European green bond’ can only be used for the bond in question if the necessary steps have been taken to ensure that the bond complies with the requirements of this Regulation]</p>
<p>4. Sources, assessment methodologies, and key assumptions</p>	

<ul style="list-style-type: none"> – [Information about the sources relied upon to prepare the pre-issuance review or the post-issuance review, including links to measurement data and the methodology applied, when available] – [An explanation of the assessment methodologies and key assumptions] – [An explanation of the assumptions and taxonomy requirements used, of the limits and uncertainties surrounding the methodologies used and a clear statement that the external reviewer considers the quality of information provided by the issuer or a related third party is sufficient to perform the pre-issuance review or the post-issuance review and the extent to which, if any, the external reviewer has attempted to verify the information so provided]
<p>5. Assessment and opinion</p> <p>[For pre-issuance reviews:</p> <ul style="list-style-type: none"> – An detailed assessment of whether the completed green bond factsheet complies with Articles 4 to 7 of this Regulation – The opinion of the external reviewer on the assessment mentioned above] <p>[For post-issuance reviews:</p> <ul style="list-style-type: none"> – An detailed assessment of whether the issuer has allocated the proceeds of the bonds in compliance with Articles 4 to 7 of this Regulation, based on the information provided to the external reviewer – An assessment of whether the issuer has complied with the intended use of proceeds set out in the green bond factsheet, based on the information provided to the external reviewer – The opinion of the external reviewer on the two assessments referred to directly above]
<p>6. Any other information</p> <p>[Any other information that the reviewer may deem relevant to its pre or post-issuance review]</p>