



**2021/0191(COD)**

16.3.2022

# **OPINION**

of the Committee on Budgets

for the Committee on Economic and Monetary Affairs

on the proposal for a regulation of the European Parliament and of the Council  
on European Green Bonds  
(COM(2021)0391 – C9-0311/2021 – 2021/0191(COD))

Rapporteur for opinion: José Manuel Fernandes

PA\_Legam

## AMENDMENTS

The Committee on Budgets calls on the Committee on Economic and Monetary Affairs, as the committee responsible, to take into account the following amendments:

### Amendment 1

#### Proposal for a regulation

##### Recital 1

###### *Text proposed by the Commission*

(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.

###### *Amendment*

(1) The transition to a low-carbon, sustainable, **energy and** resource-efficient, circular, **socially inclusive** and fair economy is key to ensuring the long-term competitiveness of the economy of the Union and **improving** the well-being **and the quality of life** 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.

### Amendment 2

#### Proposal for a regulation

##### Recital 1 a (new)

###### *Text proposed by the Commission*

###### *Amendment*

**(1a) The resolution of the European Parliament of 29 May 2018 on sustainable finance and the final report by the High-Level Expert Group (HLEG) on Sustainable Finance of 31 January 2018 proposed developing a European standard for green bonds.**

### Amendment 3

#### Proposal for a regulation

## Recital 1 b (new)

*Text proposed by the Commission*

*Amendment*

***(1b) Sustainability has long been central to the Union project, and the Treaty on European Union and the Treaty on the Functioning of the European Union reflect both its social and environmental dimensions. Action to achieve the Union's environmental and climate objectives, including under this Regulation, needs to be carried out in conjunction and be compatible with the European Pillar of Social Rights. Under Regulation (EU) 2019/2088 of the European Parliament and of the Council, the concept of 'sustainable investment' is defined by reference to environmental and social objectives and includes the requirement that investments should not significantly harm those objectives.***

## Amendment 4

### Proposal for a regulation

#### Recital 2

*Text proposed by the Commission*

*Amendment*

(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 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.

(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 through a clear label ***thus making it possible to combat any risk of greenwashing and tax evasion.*** In its December 2020 conclusions, the European Council invited the Commission to put forward a legislative proposal for a green bond standard.

## Amendment 5

**Proposal for a regulation**  
**Recital 3**

*Text proposed by the Commission*

(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.

*Amendment*

(3) Environmentally sustainable bonds are ***an instrument*** 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 ***and in the United Nations Sustainable Development Goals. A transparent, credible and effective process of defining and labelling such bonds, based on technical, scientific and knowledge-based criteria, is, therefore, important to provide the market and the investors with solid information that aims to facilitate financial flows and investments, in line with the objectives of the Green Deal.***

**Amendment 6**

**Proposal for a regulation**  
**Recital 5**

*Text proposed by the Commission*

(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

*Amendment*

(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, ***which could create uncertainties***

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.

*that could lead to greenwashing or tax evasion* 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.

## Amendment 7

### Proposal for a regulation

#### Recital 6

##### *Text proposed by the Commission*

(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 Council<sup>34</sup> in the market for such bonds.

##### *Amendment*

(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 *and global* 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 *not only* 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<sup>34</sup> in the market for such bonds, *but also make the Union the world leader in sustainable finance, thereby strengthening the international role of the*

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<sup>34</sup> Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (OJ L 198, 22.6.2020, p. 13).

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<sup>34</sup> Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (OJ L 198, 22.6.2020, p. 13).

## **Amendment 8**

### **Proposal for a regulation**

#### **Recital 7**

##### *Text proposed by the Commission*

(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.

## **Amendment 9**

### **Proposal for a regulation**

#### **Recital 10 a (new)**

##### *Amendment*

(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, ***with the transparency of the entire process being ensured***. 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.

***(10a) Union institutions and bodies should adhere to Union standards, including in the pursuit of financing sustainability objectives. As part of Next Generation EU, the Commission established a green bond framework with the objective of financing 30 % of Next Generation EU through green bonds and thereby aiming to foster the green bond market, galvanise other issuers and provide investors with more green diversification options. Furthermore, as a leading global issuer of green bonds, the European Investment Bank has committed to aligning its green bond programme with the European green bond standard. Such activities would increase the credibility and uptake of green bonds by other financial and non-financial undertakings or sovereigns, helping to establish best practice in the area of green bond issuance globally.***

## **Amendment 10**

### **Proposal for a regulation Recital 13**

(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. 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

(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. 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. ***That information should be based on science-based harmonised, comparable and uniform indicators and be consistent with a harmonised life cycle assessment.*** Such transparency can best be



localisation of relevant information, it is necessary to lay down templates for the disclosure of such information.

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 ***a suitable digital framework and*** templates for the disclosure of such information, ***which should be available in all official Union languages.***

## Amendment 11

### Proposal for a regulation Recital 13 a (new)

*Text proposed by the Commission*

*Amendment*

***(13a) Disclosure requirements should guarantee high standards of investor protection, transparency and comparability. However, those requirements should not represent an excessive administrative or bureaucratic burden to issuers. Therefore, both the requirements and the templates should be legally certain, accessible and safeguard simple and effective processes to guarantee full compliance.***

## Amendment 12

### Proposal for a regulation Recital 14

*Text proposed by the Commission*

*Amendment*

(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.

(14) Investors should benefit from cost-effective access to reliable ***and reasonably detailed*** 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.

## Amendment 13

### Proposal for a regulation

#### Recital 18

##### *Text proposed by the Commission*

(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.

##### *Amendment*

(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 ***every five years until maturity***. 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. ***To ensure the accuracy of impact reports and protect investors from green washing, impact reports should be subject to scrutiny by an external reviewer.***

## Amendment 14

### Proposal for a regulation

#### Recital 20

##### *Text proposed by the Commission*

(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.

##### *Amendment*

(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. ***To ensure high standards of transparency, accessibility and investor protection, those details and***

*pre- and post-issuance reviews should be published in an accessible way on the issuers' websites, with adequate timelines that allow the user to identify substantive changes from one review to another.*

## Amendment 15

### Proposal for a regulation Recital 24

#### *Text proposed by the Commission*

(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 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.

#### *Amendment*

(24) To ensure the independence of external reviewers **and safeguard high standards of transparency and ethical conduct**, external reviewers should avoid situations of **actual or potential** conflict of interest and manage those conflicts adequately when they are unavoidable. External reviewers should therefore disclose **any** conflicts of interest in a **transparent and** 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.

#### *Justification*

*To take account of the language used in Art 27.*

## Amendment 16

### Proposal for a regulation Recital 25

#### *Text proposed by the Commission*

(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

#### *Amendment*

(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,

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.

***thereby facilitating access for SMEs in all Member States***, 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.

#### **Amendment 17**

##### **Proposal for a regulation Recital 26 a (new)**

*Text proposed by the Commission*

*Amendment*

***(26a) In order to support ESMA's activity in the exercise of its responsibility for the registration and ongoing supervision of registered external reviewers in the Union, the national competent authorities should cooperate with ESMA in a sincere and effective way, with exchange of information mechanisms that guarantee a transparent, credible and effective registration and supervision process. To that end, ESMA should be provided with sufficient resources.***

#### **Amendment 18**

##### **Proposal for a regulation Recital 31**

*Text proposed by the Commission*

*Amendment*

(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 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<sup>35</sup>. 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.

## Amendment 19

### Proposal for a regulation Recital 32

#### *Text proposed by the Commission*

(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.

(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 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 ***transparently*** in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making<sup>35</sup>. 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.

#### *Amendment*

(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. ***The European Parliament should be informed of those draft standards in a proper and timely manner in order to safeguard proper***

## Amendment 20

### Proposal for a regulation

#### Recital 35

##### *Text proposed by the Commission*

(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 Article 291 TFEU and in accordance with Article 15 of Regulation (EU) No 1095/2010 of the European Parliament and of the Council .

##### *Amendment*

(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, ***which should be available in all official languages of the Union***. The Commission should be empowered to adopt those implementing technical standards by means of an implementing act pursuant to Article 291 TFEU and in accordance with Article 15 of Regulation (EU) No 1095/2010 of the European Parliament and of the Council.

## Amendment 21

### Proposal for a regulation

#### Recital 37

##### *Text proposed by the Commission*

(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,

##### *Amendment*

(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 ***a fair and transparent*** 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

the Union may adopt measures in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve those objectives,

*in such a way as to ensure fair access to all entities*, 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 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,

## Amendment 22

### Proposal for a regulation Article 3 – title

*Text proposed by the Commission*

Designation

*Amendment*

Designation *of "European green bond" or "EuGB"*

## Amendment 23

### Proposal for a regulation Article 4 – paragraph 3

*Text proposed by the Commission*

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

*Amendment*

3. A European green bond may be refinanced by issuing a new European green bond *provided that, at the time of the refinancing, the use of proceeds of the refinanced bond comply with the requirements set out in Article 6.*

## Amendment 24

### Proposal for a regulation Article 6 – paragraph 1 – subparagraph 2

*Text proposed by the Commission*

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

*Amendment*

The taxonomy-alignment plan referred to in the first subparagraph shall describe *in detail* the actions and expenditures that are necessary for an economic activity to meet



taxonomy requirements within the specified period of time.

the taxonomy requirements within the specified period of time.

## Amendment 25

### Proposal for a regulation

#### Article 6 – paragraph 1 – subparagraph 3

##### *Text proposed by the Commission*

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.

##### *Amendment*

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 **duly** justified by the specific features of the economic activities concerned as documented in a taxonomy-alignment plan.

## Amendment 26

### Proposal for a regulation

#### Article 7 – paragraph 1 – subparagraph 2

##### *Text proposed by the Commission*

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.

##### *Amendment*

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. ***A bond may not retain its designation as a European green bond if the proceeds have not been allocated to the uses referred to in the first subparagraph by applying the amended delegated acts within five years of the entry into application of the amended delegated acts.***

## Amendment 27

### Proposal for a regulation



## Article 7 – paragraph 2 – subparagraph 3

### *Text proposed by the Commission*

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.

### *Amendment*

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. ***A bond may not retain its designation as a European green bond if the proceeds have not been allocated to the debt referred to in the first subparagraph by applying the amended delegated acts within five years of the entry into application of the amended delegated acts.***

## Amendment 28

### Proposal for a regulation

#### Article 8 – paragraph 1 – point b

### *Text proposed by the Commission*

(b) ensure that the completed European green factsheet has been subject to a pre-issuance review with a positive opinion by an external reviewer.

### *Amendment*

(b) ensure that the completed European green factsheet has been subject to a pre-issuance review with a positive opinion by an external reviewer, ***duly registered with ESMA pursuant to this Regulation.***

## Amendment 29

### Proposal for a regulation

#### Article 9 – paragraph 3

### *Text proposed by the Commission*

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

### *Amendment*

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.

accordance with Articles 4 to 7. ***That external reviewer shall be registered with ESMA.***

## Amendment 30

### Proposal for a regulation Article 9 – paragraph 4

#### *Text proposed by the Commission*

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.

#### *Amendment*

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. ***That external reviewer shall be registered with ESMA.***

## Amendment 31

### Proposal for a regulation Article 9 – paragraph 5

#### *Text proposed by the Commission*

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.

#### *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, ***who shall be duly registered with ESMA***, shall pay particular attention to those financial assets that were not included in any previously published allocation report.

## Amendment 32

**Proposal for a regulation**  
**Article 10 – paragraph 1**

*Text proposed by the Commission*

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.

*Amendment*

1. Issuers of European green bonds shall, after the full allocation of the proceeds of such bonds and at least ***every five years until*** the bond ***reaches maturity***, 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. ***That report shall be subject to scrutiny by external reviewers.***

**Amendment 33**

**Proposal for a regulation**  
**Article 11 – paragraph 1**

*Text proposed by the Commission*

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.

*Amendment*

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. ***For non-Union sovereign issuers, the state auditor or other public entity shall be required to receive pre-approval from ESMA in line with Title III Chapter 1.***

**Amendment 34**

**Proposal for a regulation**  
**Article 13 – paragraph 1 – introductory part**

*Text proposed by the Commission*

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

*Amendment*

1. Issuers of European green bonds shall publish on their website, in a distinct ***and accessible*** section titled ‘European green bonds’ and make available free of charge until at least the maturity of the

the following:

bonds concerned, all of the following:

## Amendment 35

### Proposal for a regulation

#### Article 15 – paragraph 1 – point d a (new)

*Text proposed by the Commission*

*Amendment*

**(da) the governance structures of the applicant;**

## Amendment 36

### Proposal for a regulation

#### Article 15 – paragraph 1 – point h

*Text proposed by the Commission*

*Amendment*

(h) the policies or procedures implemented by the applicant to identify, manage and disclose any conflicts of interests as referred to in Article 27;

(h) the policies or procedures implemented by the applicant to identify **and eliminate or** manage and disclose **in a transparent manner** any **actual or potential** conflicts of interests as referred to in Article 27;

*Justification*

*To ensure consistency with Art 27.*

## Amendment 37

### Proposal for a regulation

#### Article 15 – paragraph 1 – point i

*Text proposed by the Commission*

*Amendment*

(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;

(i) where applicable, documents and information related to any outsourcing arrangements for activities of the external reviewer covered by this Regulation, including information on entities assuming outsourcing functions;

## Amendment 38

### Proposal for a regulation

#### Article 15 – paragraph 3 – subparagraph 2

##### *Text proposed by the Commission*

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.

##### *Amendment*

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 ***without undue delay***.

## Amendment 39

### Proposal for a regulation

#### Article 15 – paragraph 3 – subparagraph 3

##### *Text proposed by the Commission*

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

##### *Amendment*

Where the application is complete, ESMA shall notify the applicant thereof ***without undue delay***.

## Amendment 40

### Proposal for a regulation

#### Article 15 – paragraph 4 – subparagraph 3

##### *Text proposed by the Commission*

ESMA shall notify in writing an applicant of his or her registration as an external reviewer, or of 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.

##### *Amendment*

ESMA shall, ***without undue delay***, notify in writing an applicant of his or her registration as an external reviewer, or of 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.

## Amendment 41

### Proposal for a regulation

#### Article 16 – paragraph 1 – subparagraph 1

*Text proposed by the Commission*

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

*Amendment*

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 ***without undue delay.***

**Amendment 42**

**Proposal for a regulation**

**Article 19 – paragraph 1 – point c**

*Text proposed by the Commission*

(c) that conflicts of interest are properly identified, managed and disclosed;

*Amendment*

(c) that ***any actual or potential*** conflicts of interest are properly identified ***and eliminated or*** managed and disclosed ***in a transparent manner;***

**Amendment 43**

**Proposal for a regulation**

**Article 25 – paragraph 1**

*Text proposed by the Commission*

1. External reviewers that outsource their assessment activities to third party service providers shall ensure that any such third party service provider has the ability and the capacity to perform those assessment activities reliably and professionally. Those external reviewers shall also ensure that the outsourcing does not materially impair the quality of their internal control and the ability of ESMA to supervise the compliance of those external reviewers with this Regulation.

*Amendment*

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 ***and shall provide ESMA with the reasons for outsourcing those assessment activities.*** Those external reviewers shall also ensure that the outsourcing does not materially impair the quality of their internal control and the ability of ESMA to supervise the compliance of those external reviewers with this Regulation.

## Amendment 44

### Proposal for a regulation

#### Article 25 – paragraph 6 – point b a (new)

*Text proposed by the Commission*

*Amendment*

***(ba) the identification and subsequent elimination or management and disclosure of any actual or potential conflicts of interest of third-party service providers within the meaning of Article 27(4a);***

## Amendment 45

### Proposal for a regulation

#### Article 27 – paragraph 1

*Text proposed by the Commission*

*Amendment*

1. External reviewers shall identify, eliminate, manage and disclose in a transparent 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.

1. External reviewers shall identify, eliminate **or** manage and disclose in a transparent 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.

### *Justification*

*The Commission text is not clear: conflicts of interest that are eliminated cannot subsequently be managed. The proposed rewording follows the wording of Regulation (EU) No 462/2013 on credit-rating agencies.*

## Amendment 46

### Proposal for a regulation

#### Article 27 – paragraph 2

*Text proposed by the Commission*

*Amendment*

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.

2. Fees charged by external reviewers for assessment services ***shall be agreed by the reviewer and the issuer prior to the review and*** 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.

## Amendment 47

### Proposal for a regulation

#### Article 27 – paragraph 4 a (new)

*Text proposed by the Commission*

*Amendment*

***4a. A conflict of interest shall be deemed to exist inter alia where:***

***(a) the external reviewer is directly or indirectly linked to the reviewed entity or a related third party by control;***

***(b) the reviewed entity or related third party holds a significant amount of either the capital or the voting rights of the external reviewer;***

***(c) the external reviewer has ownership interests in the reviewed entity or a related third party; or***

***(d) a person referred to in paragraph 1 is a member of the administrative or supervisory board of there viewed entity or a related third party, or is otherwise in a position to exercise influence on the business activities of the external reviewer, including through the ownership of shares in the reviewed entity.***

## Amendment 48

### Proposal for a regulation

#### Article 30 – paragraph 1 – introductory part

*Text proposed by the Commission*

*Amendment*

1. External reviewers shall publish

1. External reviewers shall publish



and make available free of charge on their websites all of the following:

and make available free of charge on their websites ***and on the relevant trading venue*** all of the following:

#### **Amendment 49**

##### **Proposal for a regulation**

##### **Article 31 – paragraph 9 – subparagraph 1 a (new)**

*Text proposed by the Commission*

*Amendment*

***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.***

#### **Amendment 50**

##### **Proposal for a regulation**

##### **Article 34 – paragraph 5 – subparagraph 5**

*Text proposed by the Commission*

*Amendment*

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.

ESMA shall, ***without undue delay***, 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.

#### **Amendment 51**

##### **Proposal for a regulation**

##### **Article 35 – paragraph 3 – subparagraph 3**

*Text proposed by the Commission*

*Amendment*

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

Where the application is complete, ESMA shall notify the applicant thereof, ***without undue delay***.

#### **Amendment 52**

## Proposal for a regulation

### Article 37 – paragraph 1 – point g

*Text proposed by the Commission*

(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;

*Amendment*

(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 ***and to require the issuer to publish that information on its website and inform investors in the bond of that failure to comply;***

## Amendment 53

### Proposal for a regulation

#### Article 37 – paragraph 3

*Text proposed by the Commission*

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.

*Amendment*

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

## Amendment 54

### Proposal for a regulation

#### Article 63 a (new)

*Text proposed by the Commission*

*Amendment*

#### ***Article 63a***

##### ***Review***

***By ... [three years after the date of entry into force of this Regulation] and every five years thereafter, the Commission shall submit a report to the European Parliament and to the Council on the application of this Regulation. That report shall evaluate at least the following:***

***(a) the uptake of the European green bond standard and its market share, both***

*in the Union and globally;*

*(b) the impact of this Regulation on the transition to a sustainable economy;*

*(c) the functioning of the market of external reviewers, specifying market concentration and the impartiality of external reviewers;*

*(d) the ability of ESMA and national competent authorities to exercise their supervisory duties;*

*(e) the appropriateness of funding of ESMA through recognition, endorsement and supervisory fees;*

*(f) the operation of the provisions relating to third-country external reviewers laid down in Chapter IV of Title III;*

*(g) any continued existence of greenwashing in the sustainable bond market.*

*As part of the first evaluation report, as provided for under the first paragraph, the Commission shall assess whether the scope of this Regulation should be extended to include bonds the proceeds of which are allocated to an economic activity that contributes to a social objective.*

*The Commission's evaluation reports may be accompanied, where appropriate, by a legislative proposal to amend this Regulation.*

## PROCEDURE – COMMITTEE ASKED FOR OPINION

<b>Title</b>	European green bonds						
<b>References</b>	COM(2021)0391 – C9-0311/2021 – 2021/0191(COD)						
<b>Committee responsible</b> Date announced in plenary	ECON 13.9.2021						
<b>Opinion by</b> Date announced in plenary	BUDG 13.9.2021						
<b>Rapporteur for the opinion</b> Date appointed	José Manuel Fernandes 16.11.2021						
<b>Discussed in committee</b>	1.2.2022						
<b>Date adopted</b>	16.3.2022						
<b>Result of final vote</b>	<table> <tr> <td>+:                   </td><td>32</td></tr> <tr> <td>–:                   </td><td>2</td></tr> <tr> <td>0:                   </td><td>6</td></tr> </table>	+:	32	–:	2	0:	6
+:	32						
–:	2						
0:	6						
<b>Members present for the final vote</b>	Rasmus Andresen, Anna Bonfrisco, Olivier Chastel, Lefteris Christoforou, David Cormand, Paolo De Castro, Andor Deli, José Manuel Fernandes, Eider Gardiazabal Rubial, Vlad Gheorghe, Valentino Grant, Elisabetta Gualmini, Francisco Guerreiro, Valérie Hayer, Eero Heinäluoma, Niclas Herbst, Monika Hohlmeier, Moritz Körner, Joachim Kuhs, Zbigniew Kuźmiuk, Hélène Laporte, Pierre Larrouturnou, Janusz Lewandowski, Margarida Marques, Siegfried Mureşan, Victor Negrescu, Lefteris Nikolaou-Alavanos, Andrey Novakov, Jan Olbrycht, Dimitrios Papadimoulis, Karlo Ressler, Bogdan Rzońca, Nicolae Ştefănuţă, Nils Torvalds, Nils Ušakovs, Johan Van Overtveldt, Rainer Wieland, Angelika Winzig						
<b>Substitutes present for the final vote</b>	Henrike Hahn, Petros Kokkalis						

## FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

32	+
NI	Andor Deli
PPE	Lefteris Christoforou, José Manuel Fernandes, Niclas Herbst, Monika Hohlmeier, Janusz Lewandowski, Siegfried Mureşan, Andrey Novakov, Jan Olbrycht, Karlo Ressler, Rainer Wieland, Angelika Winzig
Renew	Olivier Chastel, Vlad Gheorghe, Valérie Hayer, Moritz Körner, Nicolae Ştefănuţă, Nils Torvalds
S&D	Paolo De Castro, Eider Gardiazabal Rubial, Elisabetta Gualmini, Eero Heinäluoma, Pierre Larrourou, Margarida Marques, Victor Negrescu, Nils Ušakovs
The Left	Petros Kokkalis, Dimitrios Papadimoulis
Verts/ALE	Rasmus Andresen, David Cormand, Francisco Guerreiro, Henrike Hahn

2	-
ID	Joachim Kuhs
NI	Lefteris Nikolaou-Alavanos

6	0
ECR	Zbigniew Kuźmiuk, Bogdan Rzońca, Johan Van Overtveldt
ID	Anna Bonfrisco, Valentino Grant, Hélène Laporte

### Key to symbols:

+ : in favour

- : against

0 : abstention