

**CALL FOR TECHNICAL ADVICE TO THE EUROPEAN SUPERVISORY
AUTHORITIES ON CERTAIN TAXONOMY KEY PERFORMANCE INDICATORS
AND OTHER ASPECTS OF THE DISCLOSURES DELEGATED ACT UNDER
ARTICLE 8 OF THE TAXONOMY REGULATION**

With this Call for Advice, the Directorate-General for Financial Stability, Financial Services and Capital Markets Union (DG FISMA) invites the European Supervisory Authorities (ESAs) to develop technical advice to inform the review of the Disclosures Delegated Act¹ under the Taxonomy Regulation².

This advice should mainly focus on the following Key Performance Indicators (KPIs) provided in the Disclosures Delegated Act: the operational expenditure (OpEx) KPI of non-financial firms, Commissions and Fees KPI and Trading Book KPI of credit institutions, and the underwriting KPI of insurance/re-insurance undertakings. In addition, ESAs could advise whether other targeted technical amendments to the Disclosure Delegated Act are necessary to simplify and enhance the usability of Taxonomy reporting.

When providing this advice, the ESAs should take into account the objective of the reporting rules, which is to provide transparency regarding sustainable activities and investments of the real economy and to allow the financial sector to efficiently identify and finance them while avoiding greenwashing.

To provide this advice, the ESAs should consult relevant stakeholders on appropriate technical measures proposed, assess stakeholders' data and analyse the impacts that their technical advice might have on undertakings, including in terms of costs and benefits. The content of the advice should be adequate to assist the Commission in drafting possible amendments to the Disclosures Delegated Act and inform it about the impacts, costs and benefits of those amendments. The Commission intends to adopt those amendments in Q1 2027.

The request is made in accordance with the founding Regulations establishing the ESAs³, which set out the obligation to protect the public interest by contributing to the short, medium and long-term stability and effectiveness of the financial system, including through ensuring the integrity, transparency, efficiency and orderly functioning of financial markets.

When feasible, the advice should be based on qualitative and quantitative sources. Subject to data availability, the evidence provided in the advice should be based on data samples from public and commercial databases, data submitted to the ESAs by supervised entities and qualitative sources of information, or desk research data collection, which might include a review of the most relevant literature, where available. It may also include concrete examples or case studies.

¹ Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of information to be disclosed by undertakings subject to Articles 19a or 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities, and specifying the methodology to comply with that disclosure obligation, OJ L 443, 10.12.2021, p. 9.

² 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, 22.06.2020, p. 13.

³ Regulations (EU) No 1093/2010, 1094/2010, 1095/2010 and 2019/2175 of the European Parliament and of the Council.

The need for this request and the scope of the work have been agreed between FISMA staff and the ESAs. FISMA staff kindly request the delivery of the final advice by October 2026. DG FISMA, in close cooperation with the ESAs, may revise or supplement this request and revise the timetable accordingly.

The European Parliament and the Council will be informed about this request, which will be available on the website of DG FISMA once it has been transmitted to the ESAs.

1. CONTEXT

Despite encouraging figures reported by large and listed undertakings on their Taxonomy-aligned revenues and new investments, stakeholders have found the application of the sustainability reporting framework, including the Taxonomy criteria and reporting requirements, burdensome and challenging. In the context of the Omnibus I package⁴, the Commission adopted a ‘quick fix’ delegated act (referred as the ‘Omnibus Delegated Act’)⁵ amending the delegated acts under the Taxonomy Regulation⁶, including the Taxonomy Disclosures Delegated Act. The Omnibus Delegated Act has simplified Taxonomy reporting⁷, significantly reduced the reported datapoints by introducing simplified reporting templates, postponed reporting of certain KPIs by banks, and streamlined the ‘do no significant harm’ (DSNH) criteria on the use of chemicals. On 20 November 2025, the Commission presented a proposal for the revision of the Sustainable Finance Disclosure Regulation (SFDR), which introduces, among other simplification measures, three sustainability categories for financial products (‘sustainable’, ‘transition’ and ‘other ESG’ products).

Recital 12 of the Omnibus Delegated Act refers to a separate, longer-term substantive review of the Taxonomy reporting requirements and of the Taxonomy technical screening criteria to significantly facilitate the implementation of those reporting requirements and criteria. While the review of the Taxonomy technical screening criteria is ongoing and is planned to be finalised in Q3 2026, the Commission services aim to complete the review of the Disclosures Delegated Act by Q1 2027 with entry into force in Q3 2027, before the transitional relief for Taxonomy reporting provided to financial undertakings in the Omnibus Delegated Act expires (i.e. before 31 December 2027).

The current effort to complete the review of Taxonomy reporting would focus on targeted simplification and improvement measures, which were not included in the Omnibus Delegated Act due to their technical nature. This work on Taxonomy reporting will take place alongside the Commission’s efforts to scale up transition finance as provided in the SFDR proposal and to ensure greater simplification, consistency, interoperability and clarity across the sustainable finance framework, in line with the simplification process initiated by the Omnibus I package.

With this call for targeted advice, DG FISMA is seeking technical input in the context of its efforts to complete the review and simplification of the Taxonomy reporting provided in the Disclosures Delegated Act.

⁴ A set of simplification and burden reduction measures through amendments to the Corporate Sustainability Due Diligence Directive (CSDDD) and the Corporate Sustainability Reporting Directive (CSRD).

⁵ Commission Delegated Regulation (EU) 2026/73 of 4 July 2025 amending Delegated Regulation (EU) 2021/2178 as regards the simplification of the content and presentation of information to be disclosed concerning environmentally sustainable activities and Delegated Regulations (EU) 2021/2139 and (EU) 2023/2486 as regards simplification of certain technical screening criteria for determining whether economic activities cause no significant harm to environmental objectives, OJ L, 2026/73, 8.1.2026.

⁶ The Disclosures Delegated Act covering the Taxonomy reporting requirements and the Climate and Environmental Delegated Acts covering the technical screening criteria to identify sustainable (Taxonomy-aligned) economic activities, and investments.

⁷ The simplification measures introduced the financial materiality concept in the reporting of Taxonomy KPIs, simplification of the Green Asset Ratio (GAR) and other investment KPIs.

2. SCOPE OF THE EXERCISE

Stakeholders identified several implementation issues with the Taxonomy reporting rules, which were not addressed in the Omnibus Delegated Act, and which could be addressed via targeted amendments to the Disclosures Delegated Act.

As regards non-financial undertakings, the turnover and capital expenditure (CapEx) Key Performance Indicators (KPIs) covering companies' revenues and longer-term investments are well understood by stakeholders and are easy to apply. However, the operating expenditure (OpEx) KPI in its current form, which focuses mainly on day-to-day maintenance costs of corporates, is considered of limited use, as it does not cover all 'green' expenditure of corporates, such as the acquisition of critical inputs (low-carbon energy, steel, cement, etc.) for production of end-products. It is also considered as too burdensome because it has not been closely linked to established financial accounting categories in the IFRS and does not consider the different importance of various operating expenditures in different economic sectors.

Therefore, a revised OpEx KPI could cover all 'green' expenditures of corporates, while the flexibility to report only on the most relevant/material expenditure would reduce the reporting costs and would make this KPI more meaningful for reporting corporates and financial markets. This could encourage companies to 'green' their operational expenditure in the process of transition by buying more Taxonomy-aligned outputs (renewable energy, low-carbon materials, etc.) and hence create a larger market demand for Taxonomy-aligned activities. Such a revised metric would be consistent with, and could be well used, in the context of corporate transition plans.

If applicable and relevant, other simplifications and improvements, such as simplification to the reporting templates and any other relevant changes to non-financial undertakings' KPIs and reporting rules could be considered in this review.

As regards financial undertakings, the Omnibus Delegated Act has already addressed the need for simplification of the Green Asset Ratio (GAR) of banks and the investment KPIs (GIR) of other financial undertakings by excluding, as a rule, their exposures to SMEs, for whom the Taxonomy criteria are too ambitious, and who need a more proportionate framework for sustainable/transition finance. This approach has also alleviated the concerns of SMEs about being indirectly affected by Taxonomy reporting via the reporting requirements of financial institutions (trickle-down effect). To complete the review of the Disclosures Delegated Act, the changes should focus on simplifying the remaining KPIs of financial undertakings that are considered as burdensome and less relevant than the GAR/GIR, in particular: the Commissions and Fees KPI and the Trading Book KPI of banks and the underwriting KPI of insurance companies.

Therefore, the simplification could include narrowing down the scope of the Commissions and Fees and Trading Book KPIs to core services supporting operations in financial instruments that finance Taxonomy-aligned activities via capital markets. For insurers, the underwriting KPI could focus on the insured assets/counterparties rather than on the underwriting of the climate risk. This would allow insurers disclosing how much of their non-life underwriting activities cover Taxonomy-aligned companies and assets, and help underwriting all the risks of 'green' companies/assets. ESAs could also investigate whether there is room for more simplification of non-investment KPIs of investment firms.

If applicable and relevant, other simplifications and improvements, such as simplification to the reporting templates and any other relevant changes to financial undertakings' KPIs and reporting rules could be considered.

The elements on which **ESMA** is invited to provide technical input are the following:

- ***broadening the scope of the OpEx KPI denominator***: a wider list of OpEx categories could include items that are relevant for financing the environmental transition (such as OpEx related to R&D, operating leasing, low-carbon materials and green energy, purchasing low-carbon intermediate products (e.g. inputs such as green steel, iron));
- ***reference to existing accounting standards for OpEx KPI***: the identified OpEx categories should reference, wherever possible, international accounting standards in use (IFRS), which would facilitate the identification of the OpEx covered by the reporting. The advice is not expected to address the identification of OpEx categories under national GAAP;
- ***increased flexibility in the reporting of the OpEx***: within the context of the simplified approach to Taxonomy reporting developed in the Omnibus context, ESMA could explore ways to allow companies for which OpEx is material from the business and financial perspectives to select and report only those categories of OpEx that are relevant to their business (sector). This approach takes into account that different OpEx items are relevant to different economic sectors.

If applicable and relevant, ESMA could ***propose other targeted simplifications and improvements***, such as simplification to the reporting templates and related contextual information and any other relevant changes to non-financial undertakings' and/or asset managers' KPIs and reporting rules.

The elements on which **EBA** is invited to provide technical input are the following:

- ***limiting the Commission and Fees KPI to capital markets-related activities***: the EBA could explore ways to narrow down the scope of the Commission and Fees KPI to activities related to capital markets, such as those related to securities issuance, M&A and corporate finance and services supporting the issuance and trading of green (Taxonomy-aligned) securities (reception, transmission and execution of orders, clearing and settlement, custody);
- ***connecting the Trading Book KPI to market liquidity***: the EBA could explore ways to narrow down the scope of the Trading Book KPI to providing market liquidity through market making, with a clear focus on providing liquid markets for green (Taxonomy-aligned) securities;
- ***narrowing the 'other services' KPI of investment firms***: the scope of the 'other services KPI' of investment firms could be narrowed down in line with the Commission and Fees KPI of credit institutions;
- ***five-year grandfathering period for financial exposures*** in terms of compliance with Taxonomy criteria (in case criteria are revised and the investee company does not comply with new rules): EBA could in cooperation with ESMA and EIOPA explore ways to align rules with the approach under the EU Green Bonds Standard.

If applicable and relevant, EBA could ***propose other targeted simplifications and improvements***, such as simplification to the reporting templates and any other relevant changes to credit institutions' and investment firms' KPIs and reporting rules.

The elements on which **EIOPA** is invited to provide technical input are the following:

- ***revised methodology for Taxonomy-assessment of underwriting activities***: EIOPA could explore how to develop a revised methodology for the Taxonomy assessment of non-life underwriting activities. This revised methodology could focus on the insured

assets/companies, similarly to how the KPIs of other financial institutions are designed. In this way, this KPI would allow insurance and reinsurance undertaking to show how much of their non-life activities cover Taxonomy-aligned companies and assets rather than covering only the share that pertains to the coverage of climate-related perils;

- ***including climate-related perils in underwriting KPI:*** explore whether a revised underwriting KPI should be supplemented by information on underwriting of climate-related perils based on the Technical Screening Criteria for this activity laid down in Annex II to the Climate Delegated Act.

If applicable and relevant, EIOPA could propose ***other targeted simplifications and improvements***, such as simplification to the reporting templates and any other relevant changes to insurance KPIs and reporting rules.

As relevant and appropriate with regards to their respective remits, **each ESA** is invited to provide technical advice in close cooperation and coordination with other ESAs on **the following horizontal issues:**

- ***OpEx for the computation of the KPIs of financial institutions:*** explore ways to allow financial institutions to use on a voluntary basis the OpEx KPI reported by counterparties for computing their exposures to non-financial undertakings;
- ***group level taxonomy reporting:*** explore the development of simple but meaningful rules for reporting Taxonomy KPIs at group level for groups providing both non-financial and financial services (group treatment), or different financial activities and services (insurance, lending, investment) and for subsidiary reporting. This should ensure that there is a common approach for group treatment involving non-financial and financial undertakings.

If applicable and relevant, ESAs could propose ***other targeted simplifications and improvements***, to any general Taxonomy reporting rules.

3. PRINCIPLES

The subject matter of this call for advice is highly focused and relates only to certain KPIs in the Disclosures Delegated Act, namely the OpEx KPI of non-financial firms, Commissions and Fees KPI and Trading Book KPI of credit institutions, and underwriting KPI of insurance/re-insurance undertakings and additional targeted issues. Consequently, the ESAs are invited to consider the task as specific and targeted.

The development of the advice should be based on the following principles:

- **autonomy:** The ESAs are free to choose working arrangements which they consider most efficient to reach the objectives described in this request, in line with better regulation principles. In particular, the ESAs are invited to utilise existing consultation channels and working formations e.g. on prudential disclosures, to derive the input.
- **reliable samples of qualitative and quantitative data** should be considered to assess the merits of all recommendations.
- **justified solution:** The recommended solutions will need to be assessed in terms of their possible impacts, including costs/benefits while possible trade-offs with other EU objectives should also be considered. To the extent possible and based on available datasets, the ESAs are invited to provide data or estimates on the expected impacts, including costs and benefits, of the proposed disclosures and methodologies for relevant stakeholders. As

appropriate, the ESAs should consider and justify their choices e.g. regarding the need for information, which is disclosed to be accurate, useful, usable, and cost-efficient.

- **cooperation between the ESAs:** The ESAs are free to choose an arrangement for their cooperation, which they consider most efficient to reach the objectives described in this request. While work on questions specific to undertakings in their remit can proceed independently, ESMA, EBA and EIOPA are invited to closely coordinate their work on the advice to ensure consistent and coherent recommendations. The advice will be delivered in the shape of three separate reports by each ESA. When providing advice on one or more of the horizontal issues, for practicality reasons the ESAs may designate one leading ESA to relay the technical advice based on a coordinated approach agreed upon by the respective teams of the three ESAs.
- **cooperation with other EU bodies:** The ESAs are invited to cooperate with other EU bodies as relevant. Notably, ESAs are encouraged to liaise with the European Financial Reporting Advisory Group (EFRAG), the Platform for Sustainable Finance (PSF), and the Commission’s Joint Research Centre (JRC).
- **absence of conflict of interest:** The ESAs shall ensure a transparent and balanced engagement with stakeholders and require, as appropriate, disclosure of sources and avoidance of conflict of interest in the conduct of the discussions and in the development of their advice. Cases involving potential conflict of interest will be duly noted.
- in accordance with the ESAs Regulation, **the ESAs are invited to gather the views of relevant market participants**, in an open and transparent manner, and take into account the resulting opinions in their advice. The ESAs should design this consultation in a manner and approach they consider proportionate, appropriate and effective given the short timeline of this advice. The ESAs should provide a feedback statement or summary of the consultation in the technical advice. The technical advice should justify ESAs’ choices vis-à-vis the main arguments raised during the consultation process.
- **the ESAs’ technical advice should not take the form of a legal text.** However, the ESAs should provide the Commission with a clear and structured text, accompanied by sufficient and detailed explanations. Furthermore, the technical advice should be presented in an easily understandable language respecting current terminology in the Union.

In gathering evidence, qualitative sources and relevant literature should be complemented, where feasible, by quantitative evidence, such as data from public and commercial databases.

4. STEPS AND TENTATIVE TIMETABLE

The advice is expected by October 2026.

The ESAs can choose the best way to approach the exercise in line with the scope and principles defined above. Below a suggested tentative timeline.

Step 1	Formal request sent	March 2026
Step 2	Collecting evidence and stakeholders’ views and drafting the advice	March-September 2026
Step 3	Interim drafts and preliminary findings, including KPIs and associated methodology, discussed with the Commission	Continuous
Step 4	Advice finalised	October 2026