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EU Platform on Sustainable Finance Focuses on Usefulness of Taxonomy in Response to European Commission Proposal

Regulatory & Compliance on **March 28, 2025**

On 26 March 2025, the EU Platform on Sustainable Finance ("**Platform**") responded to the European Commission's call for evidence on the draft delegated regulation amending the Taxonomy Delegated Acts[1] (the "**Taxonomy**").

The Platform welcomes many of the proposed amendments and notes that several of the Platform's recommendations from their February 2025 report on the simplification of Taxonomy reporting has been taken into consideration. However, despite this positivity, the Platform has also flagged some serious concerns with respect to the European Commission's proposed changes to reduce the scope of Taxonomy reporting, as set out in its "Omnibus" proposals to streamline the Corporate Sustainability Reporting Directive ("**CSRD**").

The Platform considers that reducing the scope of the current CSRD requirements not only results in the loss of specific Taxonomy data, but also reduces the effectiveness of the Taxonomy generally in the market. As a result, the Platform has proposed a number of updates in relation to the draft regulation, including:

- introducing a regime for all companies to report partial Taxonomy-alignment;
- clarifying the materiality threshold to ensure that it applies to cumulative exposure and not individual economic activities;
- reporting for non-SME companies below the 1,000-employee threshold should be focused on the most essential standards (including Taxonomy-alignment); and
- postponing trading books, fees and commission as key performance indicators for banks to 2027.

Additionally, the Platform has also recommended that additional guidance could be issued to support simplifying the Taxonomy's implementation and process.

Finally, the Platform recommends some form of mechanism to be introduced to allow for responses to Taxonomy-related queries to be dealt with in real time.

For further information, please reach out to ukreg@proskauer.com

View original.

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[1] The regulation proposed by the Commission contains amendments the Taxonomy Disclosures Delegated Act ((EU) 2021/2178), the Taxonomy Climate Delegated Act ((EU) 2021/2139) and the Taxonomy Environmental Delegated Act ((EU) 2023/2486).

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