

17 July 2025



European Federation of Insurance Intermediaries
Avenue Albert-Elisabeth 40
1200 Brussels - Belgium
Tel : +32-2-735.60.48
bipar@bipar.eu - www.bipar.eu

In this issue:

1. ESMA promotes clarity in sustainability-related communications
2. The European Commission published a simplified Delegated Act on Taxonomy
3. The European Commission is looking for new members for the third Platform on Sustainable Finance
4. The European Commission adopts "quick fix" for companies already conducting corporate sustainability reporting under the CSRD
5. Eurogroup re-elects Donohoe as President and discusses SIU
6. EIOPA and ESMA letters to FISMA Commissioner regarding their funding
7. EBA consultations on third country branches under the Capital Requirements Directive IV

1. ESMA promotes clarity in sustainability-related communications



On 1 July, the European Securities and Markets Authority (ESMA), published a [thematic note](#) on sustainability-related claims used in non-regulatory communications, aimed at addressing greenwashing risks in support of sustainable investments.

This publication sets out four guiding principles for making sustainability claims, aligned with previous guidance from the European Insurance and Occupational Pensions Authority (EIOPA) and the European Banking Authority (EBA). It also provides practical "do's" and "don'ts", illustrated with concrete examples of good and poor practices drawn from observed market behaviour.

The thematic note focuses on sustainability credentials - such as labels or awards - which are among the most commonly used claims in communications targeting retail investors. While it does not introduce new regulatory or reporting obligations, its purpose is to support market participants in making sustainability claims that are clear, fair, and not misleading.

Here are the four principles to follow:



1) Accurate

- Sustainability claims should fairly and **accurately** represent the entity's sustainability profile, and/or that of its financial products. This should be done without exaggeration and **consistently** across all communications while avoiding falsehoods.
- Claims should be precise and be based on all relevant positive and negative aspects. **Omission and cherry-picking** should be avoided. Claims should steer clear of **vagueness** and excessive references to irrelevant or non-binding information.
- Market participants should make sure that the **ESG terminology and non-textual imagery or sounds** used are **consistent** with the sustainability profile of the entity or product and do not overshadow the other contents.



2) Accessible

- Sustainability claims should be based on information that is **easy to access** and easy to browse through by readers⁷ and at an appropriate level of detail so they are understandable. Moreover, claims should not be **oversimplistic** but should be easy to understand.
- Sometimes more explanation is desirable beyond the space provided, or when the aim is not to overwhelm the reader with information. This is particularly important in the case of short marketing materials aimed at retail investors. Further substantiation can then be presented to the reader in **layers** in the case of documents distributed in electronic format, ensuring substantiation is easy to find.



3) Substantiated

- Sustainability claims should be substantiated with **clear and credible** reasoning, facts and processes.
- Substantiation should be based on **methodologies** (including **comparisons, thresholds or underlying assumptions**) that are fair, proportionate and meaningful. Limitations of information, data and metrics used in a claim should be made available. Comparisons should make clear what is being compared, how the comparison is made and, if possible, compare "like with like".



4) Up to date

- Sustainability claims should be based on information that is **up to date** with any material change to be disclosed in a timely manner.
- The clear indication of the analysis' date and perimeter could be useful for this purpose.

2. The European Commission published a simplified Delegated Act on Taxonomy



On 4 July, the European Commission published [a proposal](#) to simplify the Taxonomy (aimed at determining which type of economic activities could qualify as sustainable) through a Delegated Act amending the Taxonomy Disclosures, Climate and Environmental Delegated Acts. According to the EC, this will reduce the administrative burden for EU companies, thus enhancing EU competitiveness while preserving core climate and environmental goals.

The Commission published the draft of this Delegated Act in February 2025, as part of the Omnibus I package. The main simplification measures include:

- Financial and non-financial companies are exempt from assessing Taxonomy eligibility and alignment for economic activities that are not financial material for their business. For non-financial companies, activities are considered non-material if they account for less than 10% of a company's total revenue, capital expenditure (CapEx) or operational expenditure (OpEx). Reducing this administrative burden will benefit companies, allowing them to focus on reporting and financing of their core business activities, and how this contributes to their transition efforts.
- In addition, non-financial companies are exempt from assessing Taxonomy alignment for their entire operational expenditure when it is considered non-material for their business model.
- For financial companies, key performance indicators (KPIs) such as the green asset ratio (GAR) for banks are simplified, and they are granted an

option not to report detailed Taxonomy KPIs for two years.

- Taxonomy reporting templates are streamlined by cutting the number of reported data points by 64% for non-financial companies and by 89% for financial companies.
- The criteria for 'do no significant harm' to pollution prevention and control related to the use and presence of chemicals are simplified.

The Delegated Act will now be submitted to the European Parliament and the Council for scrutiny. The changes will take effect after a four-month review period, which may be extended by an additional two months. The simplification measures outlined in the Delegated Act will apply from 1 January 2026, covering the 2025 financial year. According to Omnibus I, undertakings may opt to implement measures starting with the 2026 financial year if they prefer.

3. The European Commission is looking for new members for the third Platform on Sustainable Finance



In July, the European Commission launched a call for applications for the new members of the third Platform on Sustainable Finance. This [call for applications](#) for the Platform on Sustainable Finance will be open until 7 September 2025. The new Platform will take place in Q1 2026 till Q4 2027.

The Platform serves as an advisory body made up of experts from both the public and private sectors. Its primary role is to provide guidance to the European Commission on matters related to the EU Taxonomy and the broader EU sustainable finance framework.

The new Platform will help the EC to revise the technical screening criteria under the Taxonomy Climate and Environmental Delegated Act, in order to enhance their clarity and practical application.

The third Platform on Sustainable Finance will be consulted during this review and will advise the Commission on developing criteria for additional economic activities to be included in the Taxonomy. The Platform will also support the Commission's ongoing efforts on transition finance, contributing to the effective alignment of EU policies with the goal

of accelerating the shift towards a more sustainable economy.

The new Platform will be composed of 35 members, coming from civil society, academics and searchers. Most of them will be selected through this call for application and the others will be directly selected by the EC, as they represent public entities. Furthermore, seats for observers could potentially also be available for organisations, individuals and public entities (other than Member States' authorities).

4. The European Commission adopts "quick fix" for companies already conducting corporate sustainability reporting under the CSRD



On 11 July, the European Commission adopted [targeted quick fix](#) amendments to the first set of European Sustainability Reporting Standards (ESRS). Its aim is to reduce the burden and increase certainty for companies that are already under the obligation to start reporting in 2024, according to the Corporate Sustainability Reporting Directive (CSRD).

Under the current ESRS, "companies reporting on financial year 2024 can omit information on, amongst other things, the anticipated financial effects of certain sustainability-related risks. The "quick fix" amendment, which applies from financial year 2025, will allow them to omit that same information for financial years 2025 and 2026. This means wave one companies will not have to report additional information compared to financial year 2024. Moreover, for financial years 2025 and 2026, wave one companies with more than 750 employees will benefit from most of the same phase-in provisions that currently apply to companies with up to 750 employees".

In the meantime, the Commission will try to reduce the number of data requirements and to clarify provisions that are still unclear. The final goal is to align the ESRS with other pieces of relevant legislation. This will be done through a broader review of the ESRS. This review will be completed by end of 2027 (tbc).

For more information on the modifications made by the Commission, please have a look at the following [summary](#).

5. Eurogroup re-elects Donohoe as President and discusses SIU



On 7 July, the Eurogroup (European Ministers of Finance) met and re-elected Irish Finance Minister Paschal Donohoe as President of the Eurogroup.

He indicated that his priority for the next term is to further strengthen the common currency area and to facilitate practical results in the key workstreams, from budgetary coordination to the digital euro and the savings and investment union.

In the context of the follow-up to the Eurogroup statement on the future of the CMU, President Calviño of the EIB attended the meeting and discussed the EIB initiatives to support the savings and investment union.

As a next step, in autumn, the Eurogroup will take stock of the performance of EU capital markets and of the measures in EU countries to complement EU level initiatives.

6. EIOPA and ESMA letters to FISMA Commissioner regarding their funding



On 8 July, ESMA sent a [letter to Maria Luís Albuquerque](#), Commissioner for Financial Services and the Savings and Investments Union (SIU) with recommendations regarding its funding model. In the letter, ESMA criticises the lack of adequate staffing/funding for its new responsibilities, calling for a sustainable financial framework “to enable ESMA to fulfil its current and future mandates and respond to evolving demands”.

ESMA currently receives roughly a third of its funding from fees from entities that it directly supervises. Regarding the remainder of ESMA's budget, whereas the funding models of most EU agencies rely heavily, if not exclusively, on EU funding, a 40/60 ratio of EU/National Competent Authority (NCA) contributions is applied to the European Supervisory Authorities.

ESMA's recommendations on its funding are split into three categories:

- 1. Recommendations for a fairer and more flexible fee-funding model for ESMA's direct supervision**
These recommendations cover amongst others including the full cost recovery principle as a core principle applying at ESMA level to its activities as a direct supervisor, and consistent cross-sectoral fee payment modalities in a single delegated act to ensure fair treatment of all entities subject to ESMA supervision. Full, time-limited EU funding should be provided to cover the preparatory work related to new supervisory mandates.
- 2. Recommendations on the level of NCA funding and distribution amongst NCAs**
Here, ESMA for instance states that to enhance fairness and accountability, the distribution amongst NCAs of the total amount to be paid by them to ESMA's budget could be based on a new methodology, potentially taking into account the size of domestic markets and the investor base within each Member State.
- 3. Recommendations for increasing efficiency**
ESMA amongst others proposes to ensure that all level 2 mandates which are not essential to apply the level 1 are discretionary (“may clauses”) to allow ESMA, together with the Commission, to prioritise issues according to impact and time-sensitivity. ESMA also suggests refraining from level 1 empowerments for ESMA to issue guidelines, to allow flexibility to assess what guidance is needed and when it should / can be provided. It also calls for the breaking down of silos artificially created by the single rulebook: (i) use future reviews to begin merging/consolidating existing acts; (ii) launch a project to harmonise legal definitions and generally applicable requirements (outsourcing, internal controls...) and streamline the number of regulations applicable to financial markets.

ESMA concludes that the combination of its recommendations will help to ensure that it is able to continue to meet its objectives - as well as to be able to discharge any new tasks given to it as part of the SIU strategy - with a revised funding model that is sustainable, forward-looking and fair.

On 14 July, EIOPA also published a similar [letter](#) to the Commissioner on its funding model. EIOPA states that to fulfill its mandates and respond to the evolving demands of its stakeholders, it requires sufficient human and financial resources as well as a stable and predictable funding model.

EIOPA provides recommendations for the adjustment of its financing modalities, *“to render the funding model more sustainable, while maintaining a fair distribution of the financial burden across Member States and ensuring EIOPA’s continued ability to deliver on its objectives”*.

EIOPA also flags the current 40/60 funding ratio, calling for a recalibration towards **a greater Union contribution - to a 50/50 parity ratio or even beyond** – which *“is not only desirable but essential in order to ensure sufficient funding for EIOPA’s activities in the years to come”*.

Such an increase of the Union contribution would provide relief especially for smaller NCAs that are facing particularly taxing fiscal strains, with a comparatively limited impact on the overall EU budget.

EIOPA’s BoS furthermore recommends implementing an approach of **full EU funding for unforeseen mid-year expenses**.

EIOPA stresses that it remains fully committed to its efforts to further improve cost-efficiency, to maximize the impact of every euro spent, and to focus on priorities where action brings the most added value. *“This means that in case of new mandates to be assigned to EIOPA, the Authority must insist on the provision of adequate additional financial and human resources necessary to sustainably implement the new tasks. If such resources cannot be made available and a re-deployment of existing resources is required, the Authority must undertake a prioritization which may result in the relinquishing of other mandates and cessation of related activities”*.

“In addition, EIOPA’s Bos also calls on the European Commission to ensure that any preparatory work for new supervisory mandates to be undertaken by EIOPA is fully borne by the EU.”

7. EBA consultations on third country branches under the CRD IV



On 10 July 2025, the European Banking Authority (EBA) published three consultation papers on draft regulatory technical standards (RTS) and guidelines on third country branches under the Capital Requirements Directive IV (CRD IV).

The [Draft RTS on cooperation and colleges of supervisors for third-country branches under Article 48p\(7\) of the CRD IV](#) specify the mechanisms of cooperation and the conditions for the functioning of colleges of supervisors for competent authorities supervising third-country branches and subsidiary institutions of the same third-country group. It aims at ensuring a more efficient and effective comprehensive supervision of third-country groups within the EU.

The [Draft RTS specifying the booking arrangements that third-country branches are to apply for the purposes of Article 48h of CRD IV](#) specify the booking arrangements that third-country branches are to apply for the purposes of Article 48. In particular, the EBA is required to specify (i) the methodology to identify and keep a comprehensive and precise track record of the assets and liabilities booked by the third-country branch in the Member State; and (ii) the methodology to identify and keep a record of off-balance sheet items and of the assets and liabilities originated by the third country branch and booked or held remotely in other branches or subsidiaries of the same group on behalf of or for the benefit of the originating third-country branch.

Article 48e (2) of the CRD IV sets out the forms of instruments that could be used in case of resolution or winding up of a third-country branch. Article 48e (3) requires them to be placed in an escrow account. Any other instrument that is available to the third-country branch for unrestricted and immediate use to cover risks or losses as soon as those occur could be used to meet the requirement. The EBA is mandated by Article 48e(4) of the CRD IV to issue guidelines to specify the requirements for such “other instruments”

[Draft Guidelines on instruments available for third country branches for unrestricted and immediate use to cover risks or losses under Article 48e\(2\)\(c\) of CRD IV](#)

The deadline for comments on each consultation paper is 13 October 2025.