

Martin Spolc
Head of Unit
DG FISMA, Sustainable Finance
European Commission

Nathan Fabian
Chairman
EU Platform on Sustainable Finance

Submitted by email

Cc: Alain Deckers, Head of Unit
DG FISMA, Corporate reporting,
auditing and credit rating agencies

Tom Dodd, Policy coordinator –
corporate transparency
DG FISMA, Corporate reporting,
auditing and credit rating agencies

Brussels, 17 November 2021

Subject: The EU Taxonomy and its Disclosures Delegated Act implementation need clarity

Dear Mr Spolc,

Dear Mr Fabian,

We welcome the European Commission's continuous commitment to sustainability as the key driver of its agenda. The climate emergency requires urgent action and the transition will require fundamental change in policies and business practices.

At Accountancy Europe, we have been long contributing to the sustainability reporting agenda and we would like to express our support in requiring enterprises to provide targeted information as per the EU Taxonomy Regulation and its delegated acts. The EU Taxonomy is a fundamental tool to achieve a truly sustainable economy and to help the entire investment chain build sustainable practices, underpinned with appropriate reporting thereon.

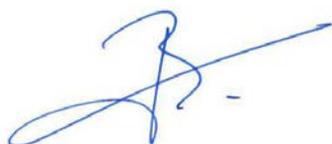
While the EU Taxonomy Regulation Disclosure Delegated Act supplementing Article 8 aims to provide further explanation of the reporting requirements, we note that there is a lack of clarity in many aspects of the practical application of those requirements. The accountancy profession is concerned about the various interpretations of those requirements. There is a significant risk that we will end up with a patchwork of interpretations depending on the member state, the sector, or the expert. This will create

confusion and will may further hamper the much-needed global transition. We do not believe that such information will be valued by investors if it is not comparable and reliable.

Therefore, we would like to emphasise the urgent need to clarify the definitions and the specific requirements to ensure consistent application of the rules. Implementation and interpretation guidance is also required urgently. To that end, we call on the Commission to create a formal mechanism in addition to the EU Platform on Sustainable Finance to deal with interpretation issues. Such formal mechanism could take the form of an expert group that would be responsible for soliciting, analysing and solving stakeholder issues arising from the implementation of the requirements. The expert group could publish, in a structured manner, all questions that arise with a basis for conclusion for the answers. This expert group could also propose the necessary amendments to the Regulation where this is necessary for the sake of clarity and consistency.

We remain at your disposal to engage on this matter and provide the accountancy profession's expertise and knowledge. Please do not hesitate to contact my colleague Vita Ramanauskaite at vita@accountancyeurope.eu or by phone +32 (0)488 55 25 66.

Sincerely,



Olivier Boutellis-Taft

Chief Executive

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