Pills

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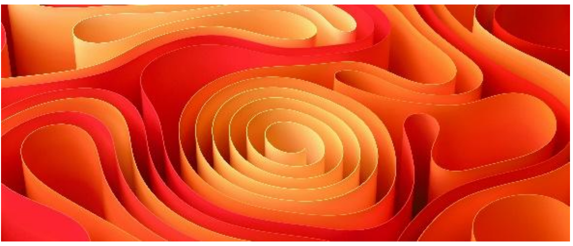

TOPICS:

ESG risk

SOURCE:

European Banking Authority

The EBA Launches Consultation on Key Performance Indicators of Taxonomy Disclosures

- This discussion paper sets out preliminary proposals to revise the **Disclosures Delegated Act under Article 8 of the EU Taxonomy Regulation**, aiming to improve the relevance, usability and proportionality of sustainability disclosures while reducing reporting burdens. It supports the European Commission's review of the existing framework. The **consultation** is open until **12 August 2026**.
- The paper focuses on simplifying several key performance indicators (KPIs). For **credit institutions**, the EBA proposes either removing or narrowing the **Fees and Commissions KPI** to capital market-related activities and similarly recommends either replacing the **Trading Book KPI** with qualitative disclosures or limiting it to market-making activities linked to Taxonomy-aligned securities. The EBA argues that both KPIs currently have limited usefulness, are operationally complex, and may impose disproportionate compliance costs.
- For **investment firms**, the paper recommends restricting the **'Other Services' KPI** to activities that more directly support sustainable capital allocation, such as portfolio management, investment advice and underwriting. It also proposes aligning **grandfathering rules** with the **EU Green Bond Standard** and clarifying **group-level reporting** requirements. The EBA concludes that incorporating **OpEx** into financial institution KPIs would add complexity with limited value.