



Maria Luís Albuquerque
Commissioner for Financial Services and Investments Union
European Commission

John Berrigan
Director General
Directorate-General for Financial Stability, Financial Services and Capital Markets Union
European Commission

Verena Ross
Chair
European Securities and Markets Authority

Natasha Cazenave
Executive Director
European Securities and Markets Authority

Copied:
Valdis Dombrovskis
Commissioner for Economy and Productivity; Implementation and Simplification
European Commission

3 November 2025

Dear Commissioner Albuquerque,
Dear Mr. Berrigan,
Dear Ms. Ross,
Dear Ms. Cazenave,

Urgent clarification for FY2025 EU Taxonomy Reporting

We are writing on behalf of the below signatories (the “Associations”) to highlight the urgent need to enable financial institutions to apply the simplified approach to EU Taxonomy reporting established by the European Commission in its Delegated Regulation adopted on 4 July 2025¹.

Clarity is essential to realise the simplification objectives of the Omnibus I initiative on Sustainability and support the competitiveness of financial institutions in the EU. The lack of legal certainty on which Taxonomy reporting rules can be applied is presently undermining the Commission’s simplification and burden relief aims in practice.

The Delegated Regulation introduces significant changes to financial institutions’ Taxonomy reporting, including but not limited to (i) changes to the calculation of the Green Asset Ratio, (ii) the deferral of new KPIs for the Trading Book and Fees and Commissions, which were due to be reported for the first time in 2026 covering FY2025, (iii) significantly simplified reporting templates, (iv) the introduction of a new 10% materiality threshold to focus reporting on

¹ AFME, EACB, EBF, EFAMA and ISDA published a [statement](#) on 2 October 2025 highlighting the importance of the co-legislators promptly confirming their intention not to object to the Delegated Act.

significant activities, and (v) an optional relief for financial undertakings not to report Taxonomy templates aiming to alleviate the costs of reporting pending the comprehensive review of Taxonomy reporting (together the “simplified rules”). The Delegated Regulation allows entities the option to apply either the pre-Omnibus rules or the simplified rules for their FY2025 reporting.

While the simplified rules are meant to apply from 1 January 2026, financial institutions are facing an extremely challenging situation in light of the extension of the scrutiny period of the Delegated Regulation by the European Parliament until 5 January 2026. This extension, combined with audit and closing calendars for FY2025, seriously threatens their ability to apply the simplified rules for FY2025 reporting, as encouraged by the Commission².

In its public statement on 2025 European Common Enforcement Priorities (ECEP), ESMA stated that “*undertakings are encouraged to apply the revised rules to their 2026 disclosures*” and, in recognition of the “changing regulatory environment”, ESMA did not include specific recommendations on Taxonomy disclosures in the ECEP 2025.³ This helpful clarification recognises the transitional context and suggests that Taxonomy disclosures are not an enforcement priority for 2025. However, in order for this to translate into consistent audit outcomes and to avoid duplicative or unnecessary reporting efforts, formal explicit clarity is needed from the Commission and/or ESMA to support financial institutions in their reporting and auditing processes. Discussions with auditors are already ongoing – therefore requiring public sector action as a matter of urgency, well ahead of the conclusion of the scrutiny period and publication of the Delegated Regulation in the Official Journal.

We underline that, for many financial institutions, having prepared since July 2025 for reporting under the simplified rules for FY2025, it would be impracticable to revert in due time to the prior requirements, particularly with respect to the KPIs that are deferred under the simplified rules and rolling back from the aforementioned 10% materiality threshold. For these firms, the process of reverting to the pre-Omnibus rules in the absence of legal certainty would significantly complicate compliance efforts and considerably increase operational inefficiency and costs, directly undermining the ambitions of the European Commission’s Omnibus initiative. We also emphasize that a postponement of the application of the simplified rules to FY2026 disclosures would paradoxically result in the introduction of the new disclosure requirements for the Trading Book and Fees and Commissions which have been acknowledged as having “limited relevance and decision usefulness”, and which would then immediately be subject to review under the envisaged comprehensive review by the European Commission, resulting in unjustified costs for reporting institutions and further confusion for the external readers of financial institutions’ EU Taxonomy disclosures.

We therefore call on the European Commission and ESMA to support financial institutions by providing the necessary certainty that they can apply the simplified rules for FY 2025 disclosures and appropriate forbearance in the event that the Delegated Regulation does not take effect as planned on 1 January 2026.

² [Questions and answers](#) on EU Taxonomy simplifications to cut red tape for companies (4 July 2025)

³ ESMA [statement](#) on European Common Enforcement Priorities for 2025 Corporate Reporting (14 October 2025)

The Associations would welcome a discussion to find an urgent solution in support of the delivery on simplification objectives.

Yours Sincerely,

		
Adam Farkas CEO Association for Financial Markets in Europe (AFME)	Nina Schindler CEO European Association of Cooperative Banks (EACB)	Marcel Roy Secretary General European Association of Public Banks (EAPB)
		
Wim Mijs CEO European Banking Federation (EBF)	Tanguy van de Werve Director General European Fund and Asset Management Association (EFAMA)	Scott O'Malia CEO International Swaps and Derivatives Association (ISDA)
 Peter Simon CEO European Savings and Retail Banking Group (WSBI-ESBG)		