

05 March 2021

ESMA publishes Final Report on advice under Article 8 of the Taxonomy Regulation

1.0 Background

This Circular follows up on the Authority's preceding Circular, dated [13 November 2020](#)¹, with regards the European Securities and Markets Authority's ("ESMA") [Consultation Paper](#)² relating to the draft advice to the European Commission ("EC") on Article 8 of the [Taxonomy Regulation](#) (the "Regulation")³.

On 01 March 2021, ESMA published its [Final Report](#) (the "Report")⁴ on advice under Article 8 of the Regulation. The Report summarises feedback to the abovementioned Consultation Paper and provides ESMA's final advice to the EC.

2.0 Contents of the Report

The Report is comprised of the following sections:

- Section 1 – Executive Summary;
- Section 2 – Introduction and background information;
- Section 3 – Summary of feedback provided by stakeholders to ESMA's Consultation Paper, split into two sub-sections: Advice relating to non-financial undertakings, and Advice relating to asset management companies; and
- Section 4 – Annexes, including Annex 1 *Advice to the Commission*, Annex II *Call for advice*, Annex III *Cost-benefit analysis*, Annex IV *Securities and Markets Stakeholder Group ("SMSG") opinion*, Annex V *Proposed standard table for non-financial undertakings*, Annex VI *Proposed standard table for asset managers*, and Annex VII *Use of coefficient methodology for the estimation of Taxonomy-alignment*.

The primary recommendations on the Key Performance Indicators ("KPIs") that will be disclosed by non-financial undertakings, relate to the definitions that should be used for the calculation of the three metrics: Turnover, Capital Expenditure ("CapEx") and Operating Expenditure ("OpEx"). With regards to asset managers, ESMA proposes the KPI that should be disclosed as well as corresponding considerations for its calculation. Other recommendations relate to the use of standardised templates by non-financial undertakings and asset managers in order to increase comparability of disclosures.

¹ MFSA Circular – ESMA Consultation Paper on Article 8 of the Taxonomy Regulation, dated 13 November 2020.

² Consultation Paper – Draft advice to European Commission under Article 8 of the Taxonomy Regulation, ESMA30-379-325, dated 05 November 2020.

³ Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088.

⁴ Final Report - Advice on Article 8 of the Taxonomy Regulation, dated 26 February 2021, ESMA 30-379-471.

3.0 Contacts

Should you have any queries relating to the above, kindly contact the Authority on transparency@mfsa.mt with respect to non-financial undertakings, or funds@mfsa.mt with respect to asset managers.