

Joint call for a rapid finalisation of the Delegated Regulation amending Taxonomy Delegated Acts

Brussels, 2 October 2025

The **Association for Financial Markets in Europe (AFME)**, **European Association of Co-operative Banks (EACB)**, **European Banking Federation (EBF)**, **European Fund and Asset Management Association (EFAMA)**, and **International Swaps and Derivatives Association (ISDA)** – the “undersigned associations” – strongly support the European Commission’s efforts to simplify the application of the EU Taxonomy, reducing administrative burdens and addressing implementation challenges related to Taxonomy reporting. The benefits of these simplification efforts must not be undermined by legal uncertainty, or by companies having to expend significant resources to comply with rules that are intended to be repealed and/or simplified.

In the context of the Sustainability Omnibus initiative, the Commission adopted a Delegated Regulation on 4 July 2025 introducing simplification measures by amending the Taxonomy Disclosures, Climate and Environmental Delegated Acts¹. This represents a critical step toward streamlining reporting obligations and reducing unnecessary complexity across the framework.

Article 4 provides that this Regulation shall enter into force on the twentieth day following its official publication in the EU’s Official Journal and apply from 1 January 2026. The Commission’s Q&A memo accompanying the adoption of the Delegated Regulation also encourages reporting undertakings to apply the revised rules for the 2026 reporting cycle covering the 2025 financial year². Early clarity on timing is vital for planning and systems implementation.

A swift finalisation of the Delegated Regulation is essential to provide affected companies with legal certainty, deliver on simplification objectives, and avoid increasing reporting burdens. We therefore urge the European Parliament and Council to promptly confirm their intention not to object to this Delegated Act to enable timely implementation, prevent duplicative or misaligned reporting work, and limit the impact to reporting and assurance processes which are already underway for reporting in 2026.

Timely confirmation of the applicability of the intended amendments and reliefs under the Delegated Regulation is critical for financial institutions.

- Crucially, the Delegated Regulation establishes **temporary optional relief for financial institutions** in order to alleviate the costs of reporting before the comprehensive review of the reporting rules and technical screening criteria is finalised. These targeted measures will help avoid unnecessary operational expenditure while the broader framework review is completed.
- The Delegated Regulation also provides for the **postponement of the application of the Trading Book and Fees and Commissions KPIs until 2028**. The Commission has recognised the limited relevance and decision usefulness of these KPIs, which would

¹ [COMMISSION DELEGATED REGULATION \(EU\) .../... amending Commission Delegated Regulation \(EU\) 2021/2178 as regards the simplification of the content and presentation of information to be disclosed concerning environmentally sustainable activities and Commission Delegated Regulations \(EU\) 2021/2139 and \(EU\) 2023/2486 as regards simplification of certain technical screening criteria for determining whether economic activities cause no significant harm to environmental objectives](#)

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

start to apply – under the existing Disclosures Delegated Act³ – as of 1 January 2026. A postponement of these KPIs was already proposed by the Commission in its draft Delegated Regulation of 26 February 2025. In light of these developments, the original date of application of these KPIs would not only contradict the Commission’s simplification and burden reduction objectives, but would also be completely impracticable from an operational perspective.

- Finally, firms have already commenced reporting and assurance processes for their 2026 Taxonomy reporting. Failure to provide prompt non-objection risks impacting the timeline and resourcing that forms the basis of the assurance process around Taxonomy reporting, increasing costs, adding uncertainty and contradicting simplification objectives.

The Delegated Regulation also provides further important simplifications to KPIs and reporting templates and it is essential that simplification objectives are not undermined by a delay in application of these measures. In addition to simplification for financial undertakings, the Delegated Regulation also sets out important simplifications for non-financial undertakings. A delay would defer the intended burden reduction for companies and financial institutions and risk fragmented disclosures.

For these reasons, it is essential that the Delegated Act enters force as soon as possible to provide legal certainty to companies and financial institutions that it will apply as planned from 1 January 2026. Rapid adoption will ensure stakeholders can plan with confidence, align systems and processes, and realise the intended simplification benefits in the 2026 reporting cycle covering the 2025 financial year.

The undersigned associations reiterate their strong support for the Commission’s simplification agenda and encourage the co-legislators to facilitate swift entry into force by confirming non-objection at the earliest opportunity. This will provide the legal certainty needed for effective implementation and continued progress towards the EU’s sustainable finance objectives.

The undersigned associations

AFME – Association for Financial Markets in Europe: <https://www.afme.eu/>

EACB – European Association of Co-operative Banks: <https://www.eacb.coop/en/home.html>

EBF – European Banking Federation: <https://www.ebf.eu/>

EFAMA – European Fund and Asset Management Association: <https://www.efama.org/>

ISDA – International Swaps and Derivatives Association: <https://www.isda.org/>

³ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02021R2178-20240101>