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Update

Finance and Governance

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Delegated Act of the European Commission – Level 2 Taxonomy Regulation

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(EU Green Deal)

On the 21st of April and as part of the comprehensive EU package on sustainable finance, **the European Commission has disclosed the text of the Taxonomy Delegated Regulation supplementing 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.**

The text that was published can yet be adjusted, considering it regards only the political agreement reached within the College of Commissioners, but it will likely already be very close to the final text version, which is expected to be published until the end of May.

This Delegated Regulation, pursuant to article 10 (3) of the Regulation (EU) 2020/852, **therefore defines technical screening criteria for determining the conditions under which a specific economic activity qualifies as contributing substantially to climate change mitigation a establishes, for each relevant environmental objective, technical screening criteria for determining whether an economic activity in respect of which technical screening criteria have been established causes (or not) significant harm to one or more of those objectives.**

Likewise and pursuant to article 11 (3) of the Regulation (EU) 2020/852, this Delegated Regulation further sets technical screening criteria for determining the conditions under which a specific economic activity qualifies as contributing substantially to climate change adaptation and defines, for each relevant environmental objective, technical screening criteria for determining whether an economic activity in respect of which technical screening criteria have been established causes significant harm to one or more of those objectives.

The technical criteria defined therein resulted from an extensive public discussion and are published in two comprehensive annexes to this Delegated Act. These technical criteria are further categorized based on its respective area or sector of economic activity (such as agriculture, forestry, manufacturing, energy, transportation or buildings).

In accordance with article 19 (5) of the Regulation (EU) 2020/852, these technical criteria shall be regularly reviewed. In the event that these criteria apply to an activity that is deemed transitional under article 10 (2) of the Regulation (EU) 2020/852, this review will take place every three years.

This Regulation shall enter into force on the twentieth day following that of its publication and it shall apply from 1 January 2022.