Discussion Paper on certain Taxonomy KPIs and other aspects of the Disclosures Delegated Act under Article 8 of the Taxonomy Regulation

Public Hearing, 16 July 2026

House keeping rules

- Please remain muted unless you have the floor, to minimise background noise.
- Please keep your camera off unless you have the floor, to optimise audio quality.
- If you wish to speak, please either:
  - Use the Raise Hand feature in MS Teams; or
  - Indicate your request in MS Teams chat.
- When taking the floor, please identify yourself by stating:
  - Your full name;
  - The name of your organisation.

Agenda

1.	**EBA presentation**	**13:30 – 13:50**
	Introduction	
	Issue 1: Fees and commissions KPI	
	Issue 2: Trading book KPI	
	Issue 3: Investment firms‘ ‘Other services’ KPI	
	Issue 4: Grandfathering rules	
	Issue 5: Group disclosures	
	Issue 6: Use of OpEx in financial KPIs	
	Other Issues	
2.	**Q&A / feedback session with participants**	**13:50 – 14:50**
3.	**Concluding remarks**	**14:50 – 15:00**

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EBA presentation

European Banking Authority

Introduction

Background

Call for Advice

- Call for advice addressing three ESAs in their respective remits – parallel consultations by EIOPA and ESMA.
- The formal request received in March 2026 with a deadline to submit the final response in October 2026.
- It covers ESA-specific requests as well as horizontal issues.
- Open call for investigation of other potential simplification points and improvements.
- European Commission's intention to draft possible amendments to the Delegated Regulation and adopt them in Q1 2027.

Scope of assessment

- Fees and commissions KPI: narrowing down the KPI to link it with capital-market related activities.
- Trading Book KPI: narrowing down the KPI connecting it to market liquidity through market making.
- Investment firms 'other services' KPI: narrowing down the list of services to link it with capital-market related activities.
- Grandfathering period for financial exposures: exploring ways to align with the approach under the EU Green Bond Standard.
- Horizontal issues: (i) OpEx in financial undertakings' KPIs, (ii) group level disclosures.

Timeline and call for feedback

- Public hearing does not replace the consultation process. Your feedback to this consultation is welcome **until 12 August 2026.**
- Feedback is sought from **all stakeholders** including **preparers** of sustainability information, **users** of sustainability information and **others**.

July 2026

Discussion Paper published on 1 July 2026

August 2026

End of consultation period on 12 August 2026

September 2026

Assessment of the feedback in August - September

October 2026

Final Opinion/Report in October 2026

Q1 2027

European Commission’s intention to adopt in Q1 2027

Issue 1: Fees and commissions KPI

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Current requirements

Services indicated under Taxonomy disclosures	Corresponding datapoints in supervisory reporting, FINREP template 22.1	
(a) issuance or other services related to third party securities	0030	Issuances
	0050	Other fee and commission income in relation to securities
(b) reception, transmission and execution on behalf of customers of orders to buy or sell securities	0040	Transfer orders
(c) merger and acquisition undertakings advisory services	0052	M&A advisory
(d) undertakings finance services related to capital market advisory for undertakings, clients or other	0053	Treasury services
	0054	Other fee and commission income in relation to corporate finance activities
(e) private banking related fees	0055	Fee based advice
(f) clearing and settlement services	0060	Clearing and settlement
(g) custody and other related services	0080	Custody [by type of customer]
(h) payment services	0131	Payment services
(i) fee and commission income for distribution of products issued by entities outside the prudential group to its current customers	0140	Customer resources distributed but not managed [by type of product]
(j) loan servicing activities	0190	Loan servicing activities
(k) foreign exchange services and international transactions	0213	Foreign exchange

Issue-specific assessment

- The KPI comprises a subset of services included in the calculation of operating income.
- On average, payment services account for the largest share of total operating income.
- Four services are assessed to be related to capital markets and where the bank may have an impact on capital flows:
  - Issuance or other services related to third party securities (a);
  - Mergers and acquisition undertakings advisory services (c);
  - Undertakings finance services related to capital market advisory for undertakings, clients or other (d);
  - Distribution of products issued by entities outside the prudential group to its current customers (i).
- The remaining elements are primarily transactional and do not directly affect the underlying financial asset associated with the economic activity.

Relevance and meaningfulness

- This KPI may be an important KPI for some business models, e.g. a custodian bank.
- Income statement-based information measuring income and expenses accrued during the disclosure period which represent flows, differently from GAR which is a stock-based metric.
- Fees and commissions are typically not integral part to a financial instrument and arise from providing these services. As a result, their amount depends on transaction price.
- Value of the KPI would be highly sensitive to market dynamics, fluctuations and subject to volatility.
- Potential issues related to revealing confidential information and operational issues/costs.

Materiality

- Services cover about only 22% of total operating income and this is 6% for the services covered in a revised KPI with four services.
- Omnibus Delegated Act introduced 10% materiality threshold.
- Against the 10% materiality threshold:
  - Under the status quo, (i.e. the current KPI), 80% of banks would be required to disclose the KPI, primarily due to payment services.
  - Under the KPI with limited scope, which includes four services, this figure decreases to 16%.

Preliminary advice

Options under consideration:

- Removing the Fees and Commissions KPI from the Taxonomy disclosure requirements and potentially introducing qualitative disclosures also considering the 10% materiality threshold to be applied in relation to total operating income.
- Narrowing down the scope of the KPI to four activities identified in this analysis and adjusting the disclosure requirements, accordingly, also introducing the 10% materiality threshold to be applied in relation to total operating income.

Call for feedback

- Stakeholders' views on the proposed analysis and preliminary conclusions.
- Assessment of the options considered.
- Completeness of the KPI in terms of services covered and relevance of other services, for example:
  - Those have been assessed as *unrelated* to capital market activities such as custody and other related services.
  - Those that are part of the operating income that have not been mapped to the current KPI.
- Evidence of potential costs and benefits related to disclosures.

Issue 2: Trading Book KPI

Current requirements

- The scope of the KPI is limited to absolute purchases and sales of debt securities and equity instruments in fair value.
- The KPI targets banks with large trading portfolios.
- Omnibus Delegated Act replaces the benchmark threshold for (small / simplified approach) trading portfolio (Art. 94(1) and Art. 325a(1) CRR) with 10% materiality threshold.
- Qualitative disclosure requirements when quantitative KPI is not applicable due to immaterial trading portfolio

Issue-specific assessment

- Connecting the Trading Book KPI to market liquidity: qualitative assessment on banks acting as market makers for Taxonomy-aligned debt securities and equity instruments.
- Commission Delegated Regulation (EU) 2017/578 establishes technical standards for market making agreements and scheme.

Relevance and meaningfulness

- Trading portfolio is primarily about short-term secondary market activities, different from the banking book assets.
- Various external market factors affect the volume and volatility.
- Potential operational challenges due to large volume of short-term transactions.
- Focus on market making may emphasise the banks' role as liquidity providers for sustainable assets but the scope in relation to overall liquidity provision and in relation to overall trading book remain limited.

Materiality

- Gross carrying amount of assets held for trading is about 22% of total assets.
- Debt securities and equity instruments are 39% of total trading book assets, and 5% of total assets.
- About 17% of banks have a trading portfolio above 10% threshold, which is lower than the threshold set previously in relation to CRR small / simplified trading portfolio rules.
- Due to lack of data, it is not possible to assess quantitatively the scope and magnitude of banks' market making activities.

Preliminary advice

Options under consideration:

- Removing the Trading Book KPI or replacing it with qualitative disclosures.
- Narrowing down the scope of the KPI to providing market liquidity through market making, with a clear focus on providing liquid markets for Taxonomy-aligned securities, potentially focusing only on market making activities in the area of corporate bonds.

Call for feedback

- Stakeholders’ views on the proposed analysis and preliminary conclusions.
- Assessment of the options considered.
- Evidence of potential costs and benefits related to disclosures.

Issue 3: Investment firms’ ‘other services’ KPI

Current requirements

Element of the KPI	Definition in accordance with Art. 4 of Directive 2014/65/EU except for (a), (f) and (g), where descriptions are based on commonly used understanding
(a) Reception and transmission of orders in relation to one or more financial instruments	Reception of an order from a client or results from decision to acquire or dispose of a specific financial instrument in accordance with a discretionary mandate provided by one or more clients
(b) Execution of orders on behalf of clients	acting to conclude agreements to buy or sell one or more financial instruments on behalf of clients and includes the conclusion of agreements to sell financial instruments issued by an investment firm or a credit institution at the moment of their issuance
(d) Portfolio management	managing portfolios in accordance with mandates given by clients on a discretionary client-by-client basis where such portfolios include one or more financial instruments
(e) Investment advice	the provision of personal recommendations to a client, either upon its request or at the initiative of the investment firm, in respect of one or more transactions relating to financial instruments
(f) Underwriting of financial instruments and/or placing of financial instruments on a firm commitment basis	commitment to take up financial instruments and finding investors for securities on behalf of the seller and may involve commitment to take up those securities where other investors do not acquire them
(g) Placing of financial instruments without a firm commitment basis	as in (f) finding investors for securities on behalf of the seller but without commitment to take up those securities where other investors do not acquire them
(h) Operation of an MTF	'multilateral trading facility' or 'MTF' means a multilateral system, operated by an investment firm or a market operator, which brings together multiple third-party buying and selling interests in financial instruments – in the system and in accordance with non-discretionary rules – in a way that results in a contract in accordance with Title II of this Directive
(i) Operation of an OTF	'organised trading facility' or 'OTF' means a multilateral system which is not a regulated market or an MTF and in which multiple third-party buying and selling interests in bonds, structured finance products, emission allowances or derivatives are able to interact in the system in a way that results in a contract in accordance with Title II of this Directive

Issue-specific assessment

- Composition of the KPI based on Directive 2014/65/EU and supervisory reporting for investment firms.
- The monetary benefits from each element covered in the KPI.
- Four services are assessed to be related to capital markets and where the firm may have an impact on capital flows:
  - Portfolio management (d);
  - Investment advice (e);
  - Underwriting of financial instruments and/or placing of financial instruments on a firm commitment basis (f);
  - Placing of financial instruments without a firm commitment basis (g).
- The remaining elements are primarily transactional and do not directly affect the underlying financial asset associated with the economic activity.

Relevance and meaningfulness

- Scope of the KPI for Class 1 investment firms (banks) and other investment firms.
- KPI aims to capture investment firms' efforts to contribute to sustainable finance / Taxonomy-aligned activities – particularly important for some business models.
- The focus of the KPI is monetary benefits from investment services instead of the value of the assets under investment.
- KPI values would be sensitive to market dynamics and fluctuations and, consequently subject to volatility (consistent with the rationale for the Fees and commissions KPI for banks).

Materiality

- Total gross revenue from investment services is EUR 8.7 billion of which 18% is related to dealing on own account.
- Portfolio management is the largest element in the KPI (90%).
- Given the scope of the CSRD, the EBA expects only a limited number of investment firms that are not credit institutions, including Class 1 minus, Class 2 and Class 3 firms, to be subject to the Taxonomy disclosure requirements.

Preliminary advice

- Narrowing down the scope of the KPI to the following four activities and adjusting the disclosure requirements, accordingly:
    - Portfolio management (d);
    - Investment advice (e);
    - Underwriting of financial instruments and/or placing of financial instruments on a firm commitment basis (f);
    - Placing of financial instruments without a firm commitment basis (g).
- Considering amending the KPI to reflect the value of assets covered by these services rather than the monetary benefits generated. This would include two activities: portfolio management and investment advice.

Call for feedback

- Stakeholders' views on the proposed analysis and preliminary conclusions.
- Views regarding the options considered.
- Completeness of the KPI in terms of services covered and relevance of other services for example whether execution of orders on behalf of clients should be included in the revised KPI.
- Views on changing the KPI from revenue-based to asset value-based indicator.

Issue 4: Grandfathering period for financial exposures

Current requirements	

Current requirements

- Difference in grandfathering period: five years in Disclosures Delegated Act (DDA) and seven years under EU Green Bond Standard (EuGB).
- Reference to (un)allocated proceeds and link with CapEx finance under EuGB while no reference in DDA.
- Reference to portfolio approach in EuGB.
- Further explicit transparency rules in EuGB if fail to comply.

Issue-specific assessment

- Link between bank funding and lending.
- Increasing share of investment in corporate issuances, e.g. issuances in line with EuGB.
- Scope: all instruments with known use of proceeds.
- Proportionate to clarify unlimited grandfathering for allocated proceeds.
- Alignment to ensure overall consistency of regulatory framework.

Preliminary advice

Disclosures Delegated Act should be amended to align the grandfathering rules with the approach under the EU Green Bond Regulation, including the scope of (un)allocated proceeds of use-of-proceeds financial instruments, duration of 7 years, transparency rules.

Call for feedback

Stakeholders' views on the analysis presented and the conclusion to align the grandfathering rules with the approach set out in EU Green Bond Regulation.

Issue 5: Group-level reporting

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Current requirements

- Banks are required to disclose Taxonomy information on the basis of the scope of their prudential consolidation in accordance with CRR.
- European Commission notice (C/2024/6691) related to financial conglomerates and mixed groups: designing turnover-weighted KPIs of different activities in one single KPI.
- Treatment of subsidiary undertakings in accordance with paragraph 9 of Article 19a and paragraph 4 of Article 29a of Directive (EU) 2022/2464.

Issue-specific assessment

- Convergence in interpretations and current market practices; assessment with a focus on bank-led groups such as financial conglomerates.
- Assessment of the equity method for insurance undertakings (and non-financial undertakings) within bank-led financial conglomerate.
- Weighted KPI (introduced under C/2024/6691) for groups may lead to overestimation.
- Assessment of a solution to identify/design KPI(s) especially for users of information.

Preliminary advice

- Clarification and accurate implementation of the existing requirements:
  - Using the KPI of the parent undertaking as the main activity of the group, supported by KPIs of the other undertakings in the group.
  - No further aggregation to compute a single KPI for groups with mixed activities.
  - Deletion of the weighted KPI introduced under C/2024/6691.

Call for feedback

- Views on the analysis presented and proposed conclusions.
- Views on a single KPI aggregating various activities of undertakings operating part of a group.
- Relevance and accuracy of information for the separate/individual KPIs to be disclosed in group reports.
- Views on the use of equity method as part of prudential scope of consolidation rather than aggregating individual assets, for example in the case of insurance undertakings and non-financial undertakings in a bank-led group.

Issue 6: Use of OpEx in financial KPIs

Current requirements

- Turnover KPI and CapEx KPI of non-financial undertakings for the calculation of KPIs by financial undertakings.
- No explicit requirement to use OpEx KPI disclosed by non-financial undertakings in the KPIs of financial undertakings.
- Financial undertakings may (or may not) be including their financing of operational expenditure of counterparties/investee companies in their own disclosures.

Issue-specific assessment

- Link with the definition of OpEx KPI for non-financial undertakings (another issue in the scope of the request).
- In theory, increase the KPI levels, e.g. GAR for banks, and make the OpEx KPI more useful and informative.
- Grouping OpEx and CapEx information may not be adequate and meaningful from accounting point of view.
- Voluntary use of the information in the calculation of the KPI may reduce comparability.
- Possible additional complexity and cost implications exceeding informative value.

Preliminary advice

No explicit reference to OpEx financing to or using OpEx KPI disclosed by non-financial undertakings in the calculation of KPIs by financial undertakings.

Call for feedback

- Views on the analysis presented and the option presented.
- Rationale for supporting the explicit inclusion of provisions allowing financial undertakings, on a voluntary basis, to use the OpEx KPI disclosed by their counterparties when calculating their own KPIs.

Other issues

Topic		Call for feedback
Asset management activities	- Different KPIs related to Assets under Management (AuM): off-balance sheet exposures KPI for banks and the KPI for asset managers. - Consideration to reduce number of disclosure templates either by deletion or merging the templates. - Objective to simplify and align the disclosure requirements.	Stakeholder views sought on this point for consideration.
General consultation	In its Call for Advice the European Commission invited ESAs to propose other targeted simplifications and improvements to any general Taxonomy disclosures rules (as long as they fall within the scope).	Further comments and suggestions to improve, simplify or clarify the disclosure requirements within the scope of this Call for Advice.

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Q&A / feedback session

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Concluding remarks

Thank you!

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