

# Targeted consultation on the establishment of an EU Green Bond Standard

Fields marked with \* are mandatory.

## Introduction

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This consultation is also available in [German](#) and [French](#).

Diese Konsultation ist auch auf [Englisch](#) und [Französisch](#) verfügbar.

Cette consultation est également disponible en [allemand](#) et en [anglais](#).

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In March 2018, the European Commission published its Action Plan on Financing Sustainable Growth with the goal of embedding sustainability considerations at the heart of the financial sector. Specifically, it aims to:

1. reorient capital flows towards sustainable investment to achieve more sustainable and inclusive growth;
2. manage financial risks stemming from climate change, resource depletion, environmental degradation and social issues; and
3. foster greater transparency and long-termism in financial and economic activity.

As part of the Action Plan, the Commission committed to developing standards and labels for green financial products and instruments, including an EU Green Bond Standard (EU GBS).

As a first step, the Commission's Technical Expert Group on sustainable finance (TEG) was tasked with preparing a report on an EU GBS.

The TEG published its first report in June 2019 with 10 recommendations for the establishment of an EU GBS based on current best market practices and feedback received from stakeholders. The TEG also recommended the creation of an official voluntary EU GBS building on the new EU Taxonomy, which provides a classification system for sustainable economic activities. The TEG provided further usability guidance in March 2020, which includes an updated proposed standard (see the annexes).

The Commission is now considering how to take the recommendations of the TEG forward, including in a possible legislative manner. This consultation is designed to gather further input of a technical nature from relevant stakeholders in the green bond market, in particular issuers, investors and related service providers.

The questions assume that the reader has read the reports by the TEG on the EU GBS and is familiar with the proposed content of the EU GBS, including its link to the EU Taxonomy. If this is not the case, the [report on the EU GBS](#) , the [TEG usability guide on the EU GBS](#) and the [final report on the EU Taxonomy](#) should be read first. A brief summary of the EU GBS as proposed by the TEG is provided at the beginning of the consultation.

## The European Green Deal

This consultation builds upon the [European Green Deal](#), which significantly increases the EU's climate action and environmental policy ambitions. To complement the Green Deal, the Commission also presented the [European Green Deal Investment Plan](#), which seeks to mobilise at least €1 trillion in sustainable investments over the next decade. As part of the Green Deal and its investment plan, the Commission reaffirmed its commitment to establish an EU GBS. The Commission also committed to developing a [renewed sustainable finance strategy, which is the subject of a separate public consultation](#) currently open for submissions until 15 July 2020. That consultation contains several questions on green bonds and respondents are requested to also participate in it.

## COVID19 & Social Bonds

Social bonds have emerged as a key instrument for mobilising private capital for social objectives. Social bonds are similar to green bonds, except that the proceeds are used exclusively for social causes, instead of energy transition and environmental goals.

The ongoing COVID-19 outbreak shows the critical need to strengthen the sustainability and resilience of our societies and the importance of integrating social issues and objectives into the broader functioning of our economies. Financial markets have so far responded to the challenge with increased issuance of social bonds responding to the impact of COVID-19.

These social bonds often follow established market-based Social Bond Principles. The Commission is seeking the input of stakeholders on the lessons learned from this new development, including whether the Commission can play an even greater supportive role in building resilience to address future potential crises.

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**Please note:** In order to ensure a fair and transparent consultation process **only responses received through our online questionnaire will be taken into account** and included in the report summarising the responses. Should you have a problem completing this questionnaire or if you require particular assistance, please contact [fisma-eu-green-bond-standard@ec.europa.eu](mailto:fisma-eu-green-bond-standard@ec.europa.eu).

More information:

- [on this consultation](#)
- [on the consultation document](#)
- [on the inception impact assessment](#)
- [on EU Green Bonds Standard](#)
- [on the protection of personal data regime for this consultation](#)

## About you

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\* Language of my contribution

- Bulgarian
- Croatian
- Czech
- Danish
- Dutch
- English
- Estonian
- Finnish
- French
- Gaelic
- German
- Greek
- Hungarian
- Italian
- Latvian
- Lithuanian
- Maltese
- Polish
- Portuguese
- Romanian
- Slovak
- Slovenian
- Spanish
- Swedish

\* I am giving my contribution as

- |   |  |   |
|---|--|---|
| <input type="radio"/> Academic/research institution | <input type="radio"/> EU citizen                 | <input checked="" type="radio"/> Public authority |
| <input type="radio"/> Business association          | <input type="radio"/> Environmental organisation | <input type="radio"/> Trade union                 |
| <input type="radio"/> Company/business organisation | <input type="radio"/> Non-EU citizen             | <input type="radio"/> Other                       |

- Consumer organisation       Non-governmental organisation (NGO)

\* First name

Delphine

\* Surname

Dirat

\* Email (this won't be published)

d.dirat@amf-france.org

\* Scope

- International  
 Local  
 National  
 Regional

\* Organisation name

*255 character(s) maximum*

Autorité des marchés financiers (AMF)

\* Organisation size

- Micro (1 to 9 employees)  
 Small (10 to 49 employees)  
 Medium (50 to 249 employees)  
 Large (250 or more)

Transparency register number

*255 character(s) maximum*

Check if your organisation is on the [transparency register](#). It's a voluntary database for organisations seeking to influence EU decision-making.

## \* Country of origin

Please add your country of origin, or that of your organisation.

- |   |   |  |  |
|---|---|--|--|
| <input type="radio"/> Afghanistan         | <input type="radio"/> Djibouti                            | <input type="radio"/> Libya            | <input type="radio"/> Saint Martin                                 |
| <input type="radio"/> Åland Islands       | <input type="radio"/> Dominica                            | <input type="radio"/> Liechtenstein    | <input type="radio"/> Saint Pierre and Miquelon                    |
| <input type="radio"/> Albania             | <input type="radio"/> Dominican Republic                  | <input type="radio"/> Lithuania        | <input type="radio"/> Saint Vincent and the Grenadines             |
| <input type="radio"/> Algeria             | <input type="radio"/> Ecuador                             | <input type="radio"/> Luxembourg       | <input type="radio"/> Samoa  |
| <input type="radio"/> American Samoa      | <input type="radio"/> Egypt                               | <input type="radio"/> Macau            | <input type="radio"/> San Marino                                   |
| <input type="radio"/> Andorra             | <input type="radio"/> El Salvador                         | <input type="radio"/> Madagascar       | <input type="radio"/> São Tomé and Príncipe                        |
| <input type="radio"/> Angola              | <input type="radio"/> Equatorial Guinea                   | <input type="radio"/> Malawi           | <input type="radio"/> Saudi Arabia                                 |
| <input type="radio"/> Anguilla            | <input type="radio"/> Eritrea                             | <input type="radio"/> Malaysia         | <input type="radio"/> Senegal                                      |
| <input type="radio"/> Antarctica          | <input type="radio"/> Estonia                             | <input type="radio"/> Maldives         | <input type="radio"/> Serbia                                       |
| <input type="radio"/> Antigua and Barbuda | <input type="radio"/> Eswatini                            | <input type="radio"/> Mali             | <input type="radio"/> Seychelles                                   |
| <input type="radio"/> Argentina           | <input type="radio"/> Ethiopia                            | <input type="radio"/> Malta            | <input type="radio"/> Sierra Leone                                 |
| <input type="radio"/> Armenia             | <input type="radio"/> Falkland Islands                    | <input type="radio"/> Marshall Islands | <input type="radio"/> Singapore                                    |
| <input type="radio"/> Aruba               | <input type="radio"/> Faroe Islands                       | <input type="radio"/> Martinique       | <input type="radio"/> Sint Maarten                                 |
| <input type="radio"/> Australia           | <input type="radio"/> Fiji                                | <input type="radio"/> Mauritania       | <input type="radio"/> Slovakia                                     |
| <input type="radio"/> Austria             | <input type="radio"/> Finland                             | <input type="radio"/> Mauritius        | <input type="radio"/> Slovenia                                     |
| <input type="radio"/> Azerbaijan          | <input checked="" type="radio"/> France                   | <input type="radio"/> Mayotte          | <input type="radio"/> Solomon Islands                              |
| <input type="radio"/> Bahamas             | <input type="radio"/> French Guiana                       | <input type="radio"/> Mexico           | <input type="radio"/> Somalia                                      |
| <input type="radio"/> Bahrain             | <input type="radio"/> French Polynesia                    | <input type="radio"/> Micronesia       | <input type="radio"/> South Africa                                 |
| <input type="radio"/> Bangladesh          | <input type="radio"/> French Southern and Antarctic Lands | <input type="radio"/> Moldova          | <input type="radio"/> South Georgia and the South Sandwich Islands |
| <input type="radio"/> Barbados            | <input type="radio"/> Gabon                               | <input type="radio"/> Monaco           | <input type="radio"/> South Korea                                  |

- Belarus
- Belgium
- Belize
- Benin
- Bermuda
- Bhutan
  
- Bolivia
- Bonaire Saint Eustatius and Saba
- Bosnia and Herzegovina
- Botswana
- Bouvet Island
- Brazil
- British Indian Ocean Territory
- British Virgin Islands
- Brunei
- Bulgaria
  
- Burkina Faso
- Burundi
  
- Cambodia
  
- Cameroon
  
- Canada
- Cape Verde
- Cayman Islands
  
- Georgia
- Germany
- Ghana
- Gibraltar
- Greece
- Greenland
  
- Grenada
- Guadeloupe
  
- Guam
  
- Guatemala
- Guernsey
- Guinea
- Guinea-Bissau
  
- Guyana
  
- Haiti
- Heard Island and McDonald Islands
  
- Honduras
- Hong Kong
  
- Hungary
  
- Iceland
  
- India
- Indonesia
- Iran
  
- Mongolia
- Montenegro
- Montserrat
- Morocco
- Mozambique
- Myanmar /Burma
- Namibia
- Nauru
  
- Nepal
  
- Netherlands
- New Caledonia
- New Zealand
- Nicaragua
  
- Niger
  
- Nigeria
- Niue
  
- Norfolk Island
- Northern Mariana Islands
- North Korea
  
- North Macedonia
- Norway
- Oman
- Pakistan
  
- South Sudan
- Spain
- Sri Lanka
- Sudan
- Suriname
- Svalbard and Jan Mayen
- Sweden
- Switzerland
  
- Syria
  
- Taiwan
- Tajikistan
- Tanzania
- Thailand
  
- The Gambia
  
- Timor-Leste
- Togo
  
- Tokelau
- Tonga
  
- Trinidad and Tobago
- Tunisia
  
- Turkey
- Turkmenistan
- Turks and Caicos Islands

- Central African Republic
- Chad
- Chile
- China
- Christmas Island
- Clipperton
- Cocos (Keeling) Islands
- Colombia
- Comoros
- Congo
- Cook Islands
- Costa Rica
- Côte d'Ivoire
- Croatia
- Cuba
- Curaçao
- Cyprus
- Czechia
- Democratic Republic of the Congo
- Denmark
- Iraq
- Ireland
- Isle of Man
- Israel
- Italy
- Jamaica
- Japan
- Jersey
- Jordan
- Kazakhstan
- Kenya
- Kiribati
- Kosovo
- Kuwait
- Kyrgyzstan
- Laos
- Latvia
- Lebanon
- Lesotho
- Liberia
- Palau
- Palestine
- Panama
- Papua New Guinea
- Paraguay
- Peru
- Philippines
- Pitcairn Islands
- Poland
- Portugal
- Puerto Rico
- Qatar
- Réunion
- Romania
- Russia
- Rwanda
- Saint Barthélemy
- Saint Helena Ascension and Tristan da Cunha
- Saint Kitts and Nevis
- Saint Lucia
- Tuvalu
- Uganda
- Ukraine
- United Arab Emirates
- United Kingdom
- United States
- United States Minor Outlying Islands
- Uruguay
- US Virgin Islands
- Uzbekistan
- Vanuatu
- Vatican City
- Venezuela
- Vietnam
- Wallis and Futuna
- Western Sahara
- Yemen
- Zambia
- Zimbabwe

\* Field of activity or sector (if applicable):

at least 1 choice(s)

- Accounting
- Auditing
- Banking
- Credit rating agencies
- Insurance
- Pension provision
- Investment management (e.g. hedge funds, private equity funds, venture capital funds, money market funds, securities)
- Market infrastructure operation (e.g. CCPs, CSDs, Stock exchanges)
- Social entrepreneurship
- Other
- Not applicable

#### \* Publication privacy settings

The Commission will publish the responses to this public consultation. You can choose whether you would like your details to be made public or to remain anonymous.

**Anonymous**

Only your type of respondent, country of origin and contribution will be published. All other personal details (name, organisation name and size, transparency register number) will not be published.

**Public**

Your personal details (name, organisation name and size, transparency register number, country of origin) will be published with your contribution.

I agree with the [personal data protection provisions](#)

## Your role in the green bond market

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#### \* What type of organisation are you, in relation to the green bond market?

- Issuer
- Investor
- Verifier / external reviewer / 3<sup>rd</sup> party opinion provider
- Intermediary
- Market-infrastructure

- NGO
- Public Authority
- Trade or Industry Association
- Other

## I. Questions on the EU Green Bond Standard

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### About the TEG proposed EU GBS

The EU GBS aims to address several barriers identified in the current market. Firstly, by reducing uncertainty about what constitutes green investment by linking it to the EU Taxonomy. Secondly, by standardising costly and complex verification and reporting processes, and thirdly, by establishing an official standard to which potential incentives could be linked.

The EU GBS as proposed by the TEG is intended to finance both physical and financial assets and includes the use of the latter as security (i.e. as a covered bonds or asset-backed securities).

The key components of such a standard – as recommended by the TEG and building on best market practices such as the Green Bond Principles and the Climate Bonds Initiative labelling scheme – should be:

1. alignment of the use of the proceeds from the bond with the EU Taxonomy;
2. the publication of a Green Bond Framework;
3. mandatory reporting on the use of proceeds (allocation reports) and on environmental impact (impact report);  
and
4. verification of compliance with the Green Bond Framework and the final allocation report by an external registered/authorised verifier.

### Questions on the potential need for an official / formalised EU GBS

**Question 1. In your view, which of the problems mentioned below is negatively affecting the EU green bond market today? How important are they?**

	1 (no impact at all)	2 (almost no impact)	3 (some impact)	4 (strong impact)	5 (very strong impact)	Don't know - No opinion - Not applicable
Absence of economic benefits associated with the issuance of green bonds	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Lack of available green projects and assets	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Uncertainty regarding green definitions	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Complexity of external review procedures	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Cost of the external review procedure(s)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Costly and burdensome reporting processes	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Uncertainty with regards to the eligibility of certain types of assets (physical and financial) and expenditure (capital and operating expenditure)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Lack of clarity concerning the practice for the tracking of proceeds	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Lack of transparency and comparability in the market for green bonds	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Doubts about the green quality of green bonds and risk of green washing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
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## **Please specify what you referred to as 'other' in question 1:**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

The AMF observes the multiplication of categories of bonds (e.g. social bonds; covid bonds; blue bonds; green bonds; sustainability bonds; sustainability-linked bonds). Although this trend reflects different investor appetites, it might impact the growth of the green bond market and bring some confusion in the market.

**Question 2. To what extent do you agree that an EU GBS as proposed by the TEG would address the problems and barriers mentioned above in question 1?**

	1 (very negative impact)	2 (rather negative impact)	3 (no impact)	4 (rather positive impact)	5 (very positive impact)	Don't know - No opinion - Not applicable
Absence of economic benefits associated with the issuance of green bonds	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Lack of available green projects and assets	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Uncertainty regarding green definitions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Complexity of external review procedures	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Cost of the external review procedure(s)	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Costly and burdensome reporting processes	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Uncertainty with regards to the eligibility of certain types of assets (physical and financial) and expenditure (capital and operating expenditure)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Lack of clarity concerning the practice for the tracking of proceeds	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Lack of transparency and comparability in the market for green bonds	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Doubts about the green quality of green bonds and risk of green washing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

Other	<input type="radio"/>	<input checked="" type="radio"/>				
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**Question 3. To what extent do you agree with the proposed core components of the EU GBS as recommended by the TEG?**

	1 (strongly disagree)	2 (rather disagree)	3 (neutral)	4 (rather agree)	5 (strongly agree)	Don't know - No opinion - Not applicable
Alignment of eligible green projects with the EU Taxonomy	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Requirement to publish a Green Bond Framework before issuance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Requirement to publish an annual allocation report	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Requirement to publish an environmental impact report at least once before final allocation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Requirement to have the (final) allocation report and the Green Bond framework verified	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

### Question 3.1 Please specify the reasons for your answer to question 3:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

The AMF supports the proposed core components of the EU-GBS as recommended by the TEG.

- a. In order to clarify the universe of eligible green projects and avoid issuers' reputational risk, the AMF supports the mandatory alignment of eligible green projects with the EU Taxonomy.
- b. The AMF believes that the proposed Green Bond Framework will provide sufficient information for investors to make informed investment decisions.
- c. In addition, the AMF welcomes the harmonization of reporting standards, in particular the reporting on the environmental impact of each project throughout the maturity of the bond. The AMF believes that these reporting requirements are a step in the right direction. Moreover, it can be observed that several French issuers already publish annual reporting reports on their websites, which should therefore not represent an additional burden compared to existing practices. According to a research paper published by Climate Bond Initiative (Post-Issuance Reporting in the green bond market, CBI, 2019), 79% of bonds issued prior to November 2017 already have impact reporting in place.

### Question 4. Do you agree with the proposed content of the following documents as recommended by the TEG?

Please note that these reporting requirements refer only to the requirements in relation to the issued green bond (it is common in the green bond market to have reporting on the bond). These reporting requirements are not related to disclosure requirements for companies or funds, which arise from the EU Taxonomy Regulation or the Sustainability –related Disclosures Regulation.

#### a) The Green Bond Framework:

- Yes, I do agree with the proposed content of the Green Bond Framework
- No, I disagree with the proposed content of the Green Bond Framework
- Don't know / no opinion / not relevant

#### b) The Green Bond Allocation Report:

- Yes, I do agree with the proposed content of the Green Bond Allocation Report
- No, I disagree with the proposed content of the Green Bond Allocation Report
- Don't know / no opinion / not relevant

#### c) The Green Bond Impact Report:

- Yes, I do agree with the proposed content of the Green Bond Impact Report
- No, I disagree with the proposed content of the Green Bond Impact Report
- Don't know / no opinion / not relevant

**Question 5. Do you expect that the requirement to have the Green Bond Framework and the Final Allocation report verified (instead of alternatives such as a second-party opinion) will create a disproportionate market barrier for third party opinion providers that currently assess the alignment of EU green bonds with current market standards or other evaluation criteria?**

- Yes
- No
- Don't know / no opinion / not relevant

## Questions on the use of proceeds and the link to the EU Taxonomy

The [EU Taxonomy Regulation](#) specifies that the Union shall apply the EU Taxonomy when setting out the requirements for the marketing of corporate bonds that are categorised as environmentally sustainable. Given that the EU Green Bonds initiative will pursue, as its core objective, the aim of delineating the boundaries of what shall constitute an 'environmentally sustainable' bond, the Taxonomy will need to be applied to determine the eligibility of the proceeds of the bond issuance. However, there may be reasons to provide a degree of flexibility with regard to its application, or its application in specific cases.

Building on market practice, the proposed EU GBS by the TEG recommends a use-of- proceeds approach, where 100% of the proceeds of an EU Green Bond should be aligned with the EU Taxonomy (with some limited flexibility).

The below questions aim to gather stakeholder input on the application of the taxonomy in the context of EU Green Bonds.

**Question 6. Do you agree that 100% of the use of proceeds of green bonds should be used to finance or refinance physical or financial assets or green expenditures that are green as defined by the Taxonomy?**

- Yes, with no flexibility
- Yes, but with some flexibility (i.e. <100% alignment)
- No
- Don't know / no opinion / not relevant

**Please indicate what thresholds you would suggest:**

*Only values between 1 and 99 are allowed*

%

**Please explain why you would suggest that thresholds:**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

see 6.1

## Question 6.1 Please specify the reasons for your answer to question 6:

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

While the AMF is of the opinion that the main asset of this voluntary standard is the link with the EU taxonomy, a pragmatic approach should first be adopted so that the Platform in charge of the European taxonomy finalizes the missing technical criteria and adopts some corrections in order to better take into account the activities that contribute to the transition. The AMF therefore believes that a small flexibility (e.g. less than 5% of the use of proceeds) could be left in the short term in order to include activities not yet covered, innovative technologies and expenses on services not included in the taxonomy but necessary for the conduction of taxonomy-aligned activities. However, it is important to ensure enough transparency to specify to what those non-aligned investments/projects exactly respond. In the medium term, the merits of a strict link with the taxonomy should be assessed.

## Question 7.

The TEG proposes that in cases where

1. the technical screening criteria have not yet been developed for a specific sector or a specific environmental objective or
2. where the developed technical screening criteria are considered not directly applicable due to the innovative nature, complexity, and/or the location of the green projects, the issuer should be allowed to rely on the fundamentals of the Taxonomy to verify the alignment of their green projects with the Taxonomy.

This would mean that the verifier confirms that the green projects would nevertheless

- i. substantially contribute to one of the six environmental objectives as set out in the Taxonomy Regulation,
- ii. do no significant harm to any of these objectives, and
- iii. meet the minimum safeguards of the Taxonomy Regulation.

**Do you agree with this approach?**

- Yes, both 1. and 2.
- Yes, but only for 1.
- Yes, but only for 2.
- No
- Don't know / no opinion / not relevant

**Question 7.1 Please specify the reasons for your answer to question 7:**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

see 6.1

**Question 7.2 Do you see any other reasons to deviate from the technical screening criteria when devising the conditions that Green Bond eligible projects or assets need to meet?**

- Yes
- No
- Don't know / no opinion / not relevant

**Question 8. As part of the alignment with the EU Taxonomy, issuers of EU Green Bonds would need to demonstrate that the investments funded by the bond meet the requirements on do-no-significant-harm (DNSH) and minimum safeguards. The TEG has provided guidance in both its Taxonomy Final Report and the EU GBS user guide on how issuers could show this alignment.**

**Do you foresee any problems in the practical application of the DNSH and minimum safeguards for the purpose of issuing EU Green bonds?**

- Yes
- No
- Don't know / no opinion / not relevant

## Question 8.1 Please specify the reasons for your answer to question 8:

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

If the EU-GBS remains voluntary, it will become a standard among others. Therefore, the AMF is of the view that issuers choosing to use this standard should comply with all requirements, including the principles of the EU taxonomy. While the AMF acknowledges that meeting the DNSH requirements (especially when linked to EU regulation), and more broadly meeting the taxonomy requirements, could be challenging for issuers from developing countries and in some cases for EU companies operating outside the EU, the AMF believes it is important to ensure a level playing field between all EU green bonds issuers. In particular, we do not believe that developing an equivalence regime within the GBS to cater for non-EU taxonomies would be justified, as it may distort competition between issuers and would not be conducive of the promotion of the EU taxonomy outside the EU.

## Question 9. Research and Development (R&D) plays a crucial role in the transition to a more sustainable economy, and the proposed EU GBS by the TEG explicitly includes such expenditure as eligible use of proceeds.

**Do you think the EU GBS should provide further guidance on these types of activities, to either solve specific issues with green R&D or further boost investment in green R&D?**

- Yes, as there are specific issues related to R&D that should be clarified
- Yes, the proposed EU GBS by the TEG should be changed to boost R&D
- No, the proposed EU GBS by the TEG is sufficiently clear on this point
- Don't know / no opinion / not relevant

## Question 9.1 Please specify the reasons for your answer to question 9:

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

## Questions on grandfathering and new investments

**Question 10. Should specific changes be made to the TEG's proposed standard to ensure that green bonds lead to more new green investments?**

- Yes
- No
- Don't know / no opinion / not relevant

**Question 10.1 Please specify the reasons for your answer to question 10:**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

**Question 11. The EU Taxonomy technical screening criteria will be periodically reviewed. This may cause a change in the status of issued green bonds if the projects or assets that they finance are no longer eligible under the recalibrated taxonomy.**

**In your opinion, should an EU Green Bond maintain its status for the entire term to maturity regardless of newly adapted taxonomy criteria?**

- Yes, green at issuance should be green for the entire term to maturity of the bond
- No, but there should be some grandfathering
- No, there should be no grandfathering at all. If you no longer meet the updated criteria, the bond can no longer be considered green
- Don't know / no opinion / not relevant

**Question 11.1 Please specify the reasons for your answer to question 11:**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

The AMF is of the view that it would be more logical and simpler to consider only the screening criteria as defined at the time of issuance and to apply them for the entire life of the bond. Indeed, the risk of losing the label would expose issuers to a high reputational risk and create some confusion, and might refrain them from opting for the EU GBS. However, in order to improve the transparency and clarity, it could be proposed to clearly disclose the date of the green bond in order to know which version of the taxonomy has been used. Finally, clarity should be provided for investors on how they should in turn account alignment for bonds that no longer meet the EU Taxonomy technical screening criteria.

## Question on incentives

**Question 12. Stakeholders have noted that the issuance process for a green bond is often more costly than for a corresponding plain vanilla bond.**

**Which elements of issuing green bonds do you believe lead to extra costs, if any?**

	1 (no additional costs)	2 (low extra cost)	3 (extra cost)	4 (high extra cost)	5 (very high extra cost)	Don't No c app
Verification	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	
Reporting	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	
More internal planning and preparation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	

**Question 12.1 Please specify the reasons for your answer to question 12, and if possible, provide the estimated percentage and monetary increase in costs from issuing using the EU GBS, or – ideally – the costs (or cost ranges) for issuing green bonds under the current market regimes and the estimated costs (or cost range) for issuing under the EU GBS:**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Not surprisingly, the mandatory requirement to use the services of an external verifier and reporting obligations should lead to additional costs.

**Question 13. In your view, how would the costs of an official standard as proposed by the TEG compare to existing market standards?**



Other financial incentives or alternative incentives for investors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other incentives or alternative incentives for issuers?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

**Question 14.1 Please specify the reasons for your answer to question 14, in particular if you indicated an important impact of “other incentives or alternative incentives”:**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

As the AMF is not competent on prudential matters, it has not rated this incitation even if it could have a major impact. The AMF believes that requiring a certain proportion of EU green bonds for obtaining European fund labels (e.g. Ecolabel and potential future labels) could be an important incentive for using the EU-GBS. In addition, even if the AMF acknowledges that the EC is not competent in the field of taxation, it is of the view that (national) tax incentives would have a great impact on the use of the standard.

## Other questions related to the EU GBS

The EU GBS as recommended by the TEG is intended to apply to any type of issuer: listed or non-listed, public or private, European or international.

**Question 15. Do you foresee any issues for public sector issuers in following the Standard as proposed by the TEG?**

- Yes
- No
- Don't know / no opinion / not relevant

**Question 15.1 Please explain your answer to question 15:**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

**Question 16. Do you consider that green bonds considerably increase the overall funding available to or improve the cost of financing for green projects or assets?**

- Yes
- No
- Don't know / no opinion / not relevant

**Question 16.1 Please explain your answer to question 16.**

**If possible, please provide estimates as to additional funds raised or current preferential funding conditions:**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

## **II. Questions on Social Bonds and COVID19**

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During the ongoing COVID-19, financial markets have so far responded with significantly increased issuance of social bonds responding to the impact of COVID19. These social bonds often follow established market-based Social Bond Principles. The Commission is seeking the input of stakeholders on the lessons learned from this new development, including whether the Commission can play an even greater supportive role in building resilience to address future potential crises.

**Question 17. To what extent do you agree with the following statements?**

	1 (strongly disagree)	2 (rather disagree)	3 (neutral)	4 (rather agree)	5 (strongly agree)	Don't know - No opinion - Not applicable
Social bonds are an important instrument for financial markets to achieve social objectives.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Social bonds targeting COVID19 are an important instrument for financial markets in particular to help fund public and private response to the socio-economic impacts of the pandemic.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Social bonds targeting COVID19 are mostly a marketing tool with limited impact on funding public and private responses to the socio-economic impact of the pandemic.	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Social bonds in general are mostly a marketing tool with limited impact on social objectives.	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Social bonds in general require greater transparency and market integrity if the market is to grow.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

**Question 18. The Commission is keen on supporting financial markets in meeting social investment needs. Please select one option below and explain your choice:**

- The Commission should develop separate non-binding social bond guidance, drawing on the lessons from the ongoing COVID19, to ensure adequate transparency and integrity.
- The Commission should develop an official EU Social Bond Standard, targeting social objectives.
- The Commission should develop an official “Sustainability Bond Standard”, covering both environmental and social objectives.
- Other Commission action is needed.
- No Commission action is needed in terms of social bonds and COVID19.

**Question 18.1 Please explain your answer to question 18:**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

The AMF believes that no EU action is needed in terms of social bonds in the short term. Given the nascent nature of this market, the AMF is of the opinion that it is preferable to let the market structure itself before considering any action. However, the AMF urges issuers and standard-setters to ensure a sufficient level of transparency, particularly with regard to the use of proceeds of social bonds.

When the market becomes more mature, it may be envisaged to develop an EU Social Standard, provided that the social taxonomy is developed.

Further, a future EU standard should allow for hybrid bonds that pursue both social and environmental goals.

**Question 19. In your view, to what extent would financial incentives for issuing a social bond help increase the issuance of such bonds?**

- 1 - Very strong increase
- 2 - Rather strong increase
- 3 - Rather low increase
- 4 - Very low increase
- 5 - No increase at all

## Question 19.1 Please explain what kind of financial incentives would be needed:

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

## Additional information

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Should you wish to provide additional information (e.g. a position paper, report) or raise specific points not covered by the questionnaire, you can upload your additional document(s) here:

The maximum file size is 1 MB.

You can upload several files.

Only files of the type pdf,txt,doc,docx,odt,rtf are allowed

### Useful links

[More on this consultation \(https://ec.europa.eu/info/publications/finance-consultations-2020-eu-green-bond-standard\\_en\)](https://ec.europa.eu/info/publications/finance-consultations-2020-eu-green-bond-standard_en)

[Consultation document \(https://ec.europa.eu/info/files/2020-eu-green-bond-standard-consultation-document\\_en\)](https://ec.europa.eu/info/files/2020-eu-green-bond-standard-consultation-document_en)

[Inception impact assessment \(https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12447-EU-Standard-for-Green-Bond-#publication-details\)](https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12447-EU-Standard-for-Green-Bond-#publication-details)

[More on EU Green Bonds Standard \(https://ec.europa.eu/info/publications/sustainable-finance-teg-green-bond-standard\\_en\)](https://ec.europa.eu/info/publications/sustainable-finance-teg-green-bond-standard_en)

[Specific privacy statement \(https://ec.europa.eu/info/files/2020-eu-green-bond-standard-specific-privacy-statement\\_en\)](https://ec.europa.eu/info/files/2020-eu-green-bond-standard-specific-privacy-statement_en)

[More on the Transparency register \(http://ec.europa.eu/transparencyregister/public/homePage.do?locale=en\)](http://ec.europa.eu/transparencyregister/public/homePage.do?locale=en)

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