Ines Virgil

Von:	European Banking Authority <no-reply@eba.europa.eu>
Gesendet:	Mittwoch, 12. August 2026 12:07
An:	Ines Virgil
Betreff:	Your response has been received by EBA

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Dear user,

Thank you very much for your interest in the European Banking Authority (EBA) and for submitting your comments to one of our consultations. Your response has been received and will be taken into account by the EBA. Please find below, for your records, the response you have submitted.

Please note that this email address is not monitored and does not accept replies. If there is something wrong or missing in your response to the consultation, please contact us at *eba.consultation@eba.europa.eu*.

Kind regards,

European Banking Authority

Your answers are:

Q1. Please identify your organisation (if applicable) and indicate the capacity in which you are responding to this consultation:
d. other (please specify)

Other (please specify)
Member banks are both preparers and users of sustainability information. As reporting institutions under the EU Taxonomy, they are affected by implementation of disclosure requirements while also relying on sustainability information in their operations.

Q2. Do you agree with the analysis presented?
Yes. We broadly agree with the analysis. The paper correctly identifies several areas where the current framework creates significant implementation costs while providing limited additional decision-useful information to investors and other stakeholders. In

particular, we support the focus on simplification, proportionality and operational feasibility.

In your response, where applicable, please assess whether voluntary disclosure of this KPI would be meaningful and feasible, and hence should be considered.
We consider Option a), namely the removal of the Fees and Commissions KPI from the Taxonomy disclosure requirements, to be the most viable approach.

The KPI does not provide sufficiently meaningful, comparable or decision-useful information to justify the significant implementation effort required. Its outcome is heavily influenced by external factors, including market conditions, transaction volumes, client demand and pricing structures, rather than reflecting a credit institution's sustainability strategy or its contribution to sustainable finance. This results in an imbalance between the costs of calculating the KPI and its limited informative value.

We also strongly advise against replacing the KPI with qualitative disclosure requirements, including where a 10% materiality threshold would apply. Institutions would still be required to carry out Taxonomy-alignment assessments and establish the necessary governance, control and audit processes in order to substantiate such disclosures. Qualitative requirements would therefore not necessarily lead to a meaningful reduction in implementation effort, while providing limited additional transparency.

Option b) would represent an improvement compared with the current framework, but would not sufficiently address the underlying concerns. For many institutions, particularly smaller and less complex banks, activities such as M&A advisory, capital market advisory and issuance-related services are of little or no relevance to their business models. The KPI would therefore remain relevant only for a limited subset of institutions. In addition, some distribution activities may already be captured under disclosures relating to asset management or managed assets, creating potential overlaps.

We are particularly critical of including the distribution of products issued by entities outside the prudential group. In retail business, institutions often distribute a broad range of products offered by cooperation partners, involving a high number of transactions with relatively small individual amounts. The relevant information is frequently available only in aggregated form. For investment funds, Taxonomy alignment depends on the composition of the underlying assets, which may change significantly over time and cannot be influenced by the distributing institution. Reliable Taxonomy ratios for these products are also often unavailable or can only be obtained from external data providers at considerable cost.

Furthermore, the feasibility of Option b) would depend on the continued availability of sufficiently granular underlying data. Proposed amendments to FINREP template 22.01 could result in certain data points required to identify fee and commission income from capital market activities no longer being available through the supervisory reporting framework.

A voluntary disclosure of the KPI would generally face the same limitations in terms of data availability, implementation costs, comparability and informative value. It should therefore not be promoted as a standardised voluntary KPI. Institutions for which the relevant activities are material may nevertheless provide targeted voluntary information, including qualitative information, where this is appropriate for their business model and can be based on reliable data.

Q4. Should additional items from FINREP Template 22.1 also be included in the revised KPI? Please consider in particular that (i) have been assessed as unrelated to capital market activities, e.g. ‘custody and other related services’, and (ii) those that have not been mapped to the Fees and Commissions KPI, such as ‘structured finance’, ‘loans granted’, ‘commodities’.

No. Including additional items would increase reporting complexity without improving the KPI’s informative value. This applies in particular to items that are unrelated to capital market activities or have not previously been mapped to the KPI. If retained, its scope should remain narrowly defined.

Q5. Do you have evidence and/or arguments on potential costs and benefits associated with disclosing the Fees and Commissions KPI?

The costs of implementing and maintaining the Fees and Commissions KPI would substantially outweigh its limited benefits.

Fee and commission income is typically recorded in different IT systems and databases from the exposure data used for the banking book Taxonomy KPIs. Existing processes, interfaces and controls established for banking book reporting can therefore only be used to a limited extent. Institutions would need to develop additional processes, data interfaces and control frameworks specifically for the Fees and Commissions KPI, resulting in significant implementation and ongoing maintenance costs.

The costs also depend on the number of transactions and financial instruments that need to be assessed. They increase further where Taxonomy information is not available internally and must be obtained from external market data providers, potentially for a large number of individual instruments or products.

At the same time, the KPI provides only limited informative value. Its results are significantly influenced by market conditions, transaction volumes, client behaviour and short-term business activities. It therefore does not provide a reliable indication of an institution’s sustainability strategy or its contribution to sustainable finance and is of limited value for comparisons across institutions or over time.

Replacing the quantitative KPI with qualitative disclosures would not sufficiently reduce the burden. Meaningful qualitative reporting would still require institutions to perform the underlying analyses and establish appropriate processes, governance and controls. We therefore consider that neither quantitative nor qualitative disclosure requirements are justified, as the expected costs clearly exceed the potential benefits.

Q6.Do you agree with the analysis presented?

Yes. The analysis correctly identifies the conceptual and operational limitations of the Trading Book KPI.

In your response, where applicable, please assess whether voluntary disclosure of this KPI would be meaningful and feasible, and hence should be considered.
We consider Option a), namely the removal of the Trading Book KPI, to be the most viable approach.

The KPI provides limited decision-useful information, as trading volumes and portfolio composition are heavily influenced by external factors such as market liquidity, market movements, the creditworthiness of market participants and client demand. It is therefore highly volatile, difficult to compare across institutions and over time, and does not provide a meaningful indication of an institution's sustainable finance strategy.

Option b) would not sufficiently address these shortcomings. Market-making transactions would have to be identified separately and the relevant securities assessed for Taxonomy eligibility and alignment, resulting in considerable operational, data and implementation costs. At the same time, the volume of market-making activities in Taxonomy-aligned securities is primarily determined by market conditions and client demand rather than by an institution's strategic decisions.

The KPI is also of limited relevance for the majority of institutions. In addition, assessing whether trading activities fall below the 10% materiality thresholds introduced by Delegated Regulation (EU) 2026/73 has proven operationally burdensome.

We also do not support replacing the KPI with mandatory qualitative disclosure requirements. Such disclosures would still require dedicated analyses, governance processes, controls and documentation, while providing limited additional insight. Voluntary disclosure should remain possible where institutions consider information on their trading portfolio relevant and meaningful, but it should not be promoted as a standardised KPI.

Q8. Do you have evidence and/or arguments on potential costs and benefits associated with disclosing the Trading Book KPI?
The costs associated with implementing and maintaining the Trading Book KPI would substantially outweigh its limited benefits.

A KPI based on trading book positions at the reporting date is not suitable for measuring sustainable investments. Trading positions are generally held for short periods and without an intention to hold them over the longer term. Their composition is also influenced by hedging strategies, including the use of credit derivatives. A point in time assessment of Taxonomy eligibility and alignment would therefore provide only limited insight into an institution's sustainable finance strategy.

A KPI based on trading turnover would likewise have limited informative value. Results would be heavily influenced by external factors, including market movements, liquidity and client demand. This would lead to significant volatility and limit comparability both over time and across institutions. Additional qualitative explanations would not resolve these fundamental shortcomings.

At the same time, the operational burden would be substantial. Institutions would need to analyse a potentially very large number of transactions and financial instruments. Costs would increase further where Taxonomy data are not readily available and have to be obtained from external market data providers.

Replacing the KPI with mandatory qualitative disclosures would not materially reduce the burden, as institutions would still need to conduct the underlying analyses and establish appropriate governance, control and documentation processes. We therefore believe that neither the quantitative KPI nor a mandatory qualitative replacement is justified.

Q9. Do you agree with the analysis presented and the conclusion to narrow down the investment firms' KPI?
Yes.

We agree with the analysis and the conclusion to narrow down the KPI to those investment services that are most directly linked to capital market activities and that may, at least to some extent, influence capital allocation decisions.

At the same time, the ability of portfolio management and investment advice activities to steer capital flows towards Taxonomy-aligned activities should not be overstated. Investment decisions ultimately remain dependent on clients' investment objectives, risk preferences and market opportunities. The sustainability profile of the available investment universe is determined primarily by issuers and market developments rather than by the intermediary providing advisory or portfolio management services. Consequently, the KPI can only provide a limited indication of an investment firm's contribution to the channelling of capital towards sustainable economic activities.

Please explain if you think that other services, e.g. execution of orders on behalf of clients, should be included in the revised KPI.
Yes.

We agree with limiting the KPI to the following four services:

- Portfolio management;
- Investment advice;
- Underwriting of financial instruments and/or placing of financial instruments on a firm commitment basis; and
- Placing of financial instruments without a firm commitment basis.

These services are the most closely linked to capital allocation decisions and are therefore the most relevant in the context of Taxonomy disclosures. They may influence the selection, structuring or distribution of financial instruments and can therefore have a closer connection to the financing of Taxonomy-aligned activities than other investment services.

We do not support extending the KPI to additional services such as execution of orders on behalf of clients, reception and transmission of orders, or the operation of MTFs and OTFs. These activities are primarily operational or transactional in nature and do not affect the sustainability characteristics of the underlying investments. Including such services would increase reporting complexity without improving the informational value of the KPI. The revised KPI should therefore remain focused on those services where a discernible link to capital allocation decisions can reasonably be established.

Q11. Do you consider it more appropriate for the KPI to reflect the value of assets covered by the investment services rather than the monetary benefits generated?
Yes.

We consider it more appropriate for the KPI to reflect the value of assets covered by the investment services rather than the monetary benefits generated.

A revenue-based KPI is significantly influenced by pricing structures, fee arrangements, transaction volumes, market conditions and business models. As a result, it may not provide a reliable or comparable indication of the extent to which investment services are associated with Taxonomy-aligned economic activities. Two firms supporting similar volumes of sustainable investments could report materially different KPI outcomes solely due to differences in remuneration structures.

An asset-based approach would better reflect the economic substance of the activities concerned and provide users with more meaningful information on the volume of assets linked to Taxonomy-aligned activities. It would also reduce volatility, improve comparability across firms and over time, and align the methodology with existing Taxonomy KPIs applicable to asset managers and the off-balance sheet AuM KPI for credit institutions.

For these reasons, we support revising the KPI so that it is based on the value of assets covered by the relevant investment services rather than on fees, commissions or other monetary benefits generated by those services.

Q12. Do you agree with the analysis presented and the conclusion to align the grandfathering rules with the approach set out in EU Green Bond Regulation?
Yes. We support alignment as a minimum step towards greater consistency.

However, we believe that for use-of-proceeds instruments, taxonomy alignment should generally be assessed at origination and should not trigger repeated reassessments during the life of the exposure. Where a financing activity was Taxonomy-aligned at the time of origination, this status should remain valid throughout the lifetime of the exposure.

Q13. Do you agree with the analysis presented and proposed conclusions?
Yes.

i. Should the KPI disclosed by the parent undertaking, reflecting the group's main or prevalent activity, be used? If not, what alternative methodology should be applied?
Yes.

Q16. Do you agree with the analysis presented and the conclusion that OpEx financing should not be explicitly incorporated in the methodology for calculating financial undertakings' KPIs? Please provide your 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.
Yes.

Yes, we agree with the analysis presented and the conclusion that OpEx financing should not be explicitly incorporated in the methodology for calculating financial undertakings' KPIs. Introducing OpEx would increase complexity, reduce comparability and create additional audit and implementation challenges.

Q17. Should the credit institution's AuM KPI (Annex V) and the KPI for asset managers (Annex II) be merged? Please explain why and how, including the content of the information that should be retained in a potential merged KPI.
No. We do not support merging the AuM KPI for credit institutions under Annex V with the KPI for asset managers under Annex II.

At present, only a limited number of asset managers are required to disclose under Annex II. Aligning or merging the KPIs would therefore provide little practical benefit, while changes to existing templates, processes and IT systems would generate additional implementation costs.

The current distinction should be maintained. Institutions and asset managers should retain the flexibility to disclose under the framework applicable to their business model, without being required to implement a new merged KPI.

Q18. What are your views on the design of off-balance sheet item reflecting financial guarantees to financial and non-financial undertakings in a potential merging of the asset management activities as presented?
Should a merger nevertheless be pursued, a separate treatment for financial guarantees should be retained.

Q19. Do you have any additional comments or suggestions to improve, simplify or clarify the disclosure requirements within the scope of this Call for Advice, including through redrafting of instructions, and clarification of definitions, or the streamlining of terminology?
While the Commission Notice C/2026/2558 provides useful clarification on the materiality framework, we strongly encourage the European Commission and the ESAs to prioritize simplification, legal certainty and operational feasibility.

Additional clarification would be helpful on the determination of the relevant denominator, the level at which materiality should be assessed, and the extent of documentation expected to support materiality assessments.

In particular, we recommend removing low-value disclosure requirements, avoiding new KPIs unless a clear use case and investor demand can be demonstrated, simplifying DNSH assessments, removing MSS assessment for households and local government financing, strengthening proportionality mechanisms and ensuring stable regulatory requirements over longer periods.

One exemplary targeted technical amendment to the Disclosure Delegated Act that would help to simplify and enhance the usability of Taxonomy reporting would be to extend the 10% materiality threshold which is currently limited to 'Use of Proceeds' exposures. Exposures should also be included in this threshold where the bank cannot determine, with reasonable effort, whether and, if so, which use of proceeds applies. Such an adjustment would significantly reduce the procedural burden, especially for very small subsidiaries where implementing specific technical reporting lines for taxonomy reporting may constitute a disproportionate effort. Importantly, further technical amendments to the DDA are necessary to simplify the reporting under the Taxonomy and should be explored in the upcoming review.

At present, in the case of ‘use of proceeds’ financing, a valuation is carried out both by the customer (who is required to submit a taxonomy report) and by the credit institution. It would help to simplify the framework if credit institutions were permitted to use the valuation carried out by the customer and could therefore dispense with their own assessment.

Name of the organization
German Banking Industry Committee (GBIC)