

MEMO# 32111

December 18, 2019

EU Taxonomy Legislation: Final Agreement Reached

[32111]

December 18, 2019 TO: ICI Global Members

ESG Task Force

ICI Global Regulated Funds Committee SUBJECTS: Compliance

Disclosure

International/Global

Investment Advisers

MiFID, EMIR, AIFMD, UCITS V RE: EU Taxonomy Legislation: Final Agreement Reached

The European co-legislators have reached a final political agreement on the EU taxonomy legislation, which defines what economic activities are environmentally sustainable and imposes certain financial product disclosure requirements.[\[1\]](#)

As a next step, the legislative text[\[2\]](#) will be translated into all EU languages and then published in the EU Official Journal in Q1 2020 at the earliest. This will start the European Commission's process for drafting level 2 legislation to establish technical screening criteria for the environmental sustainability of different economic activities.

The requirements (including financial products disclosure) related to the taxonomy's first two environmental objectives (climate change mitigation and adaptation) will apply from 31 December 2021, with requirements related to the other four objectives applying on 31 December 2022.

We will circulate a more detailed summary shortly.

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endnotes

[\[1\]](#) *Press Release: Sustainable finance: EU reaches political agreement on a unified EU classification system*, European Council (18 Dec 2019), available at

<https://www.consilium.europa.eu/en/press/press-releases/2019/12/18/sustainable-finance-eu-reaches-political-agreement-on-a-unified-eu-classification-system/>.

[2] The final compromise legislative text is available at <https://data.consilium.europa.eu/doc/document/ST-14970-2019-ADD-1/en/pdf>.

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