SUSTAINABLE FINANCE
Implementation timeline for SFDR | TR | CSRD | MiFID | IDD | UCITS | AIFMD

- **1 Jan ‘22 – 31 Dec ‘23**: Financial undertakings disclose proportion of assets exposed to taxonomy non-eligible and eligible economic activities under Art 8 TR DA.
- **1 Jan ‘22 – 31 Dec ‘22**: Non-financial undertakings disclose taxonomy-eligible and non-taxonomy-eligible activities under Art 8 TR DA.
- **6 April ‘22**: COM adopts draft DA building on SFDR and TR RTSs.
- **1 Jan ‘22**: Periodic product disclosures in Art 11(1)-(3) SFDR start to apply.
- **1 Jan ‘22**: Product disclosures under Art 5 and 6 TR start to apply for the ‘first two environmental objectives’.
- **13 Jul ‘22**: First report of COM on application of TR (to be submitted every three years).
- **30 Dec ‘22**: Art 7 SFDR disclosures on product-level PAI consideration applies.
- **1 Jan ‘23**: Non-financial undertakings start disclosing the full KPIs on taxonomy-alignment under Art 8 TR DA.
- **1 Jan ‘23**: Application of SFDR RTS, including Art 5 and 6 TR product disclosures for ‘all environmental objectives’.
- **1 Jan ‘24**: Financial undertakings start disclosing the full KPIs on taxonomy-alignment under Art 8 TR DA.
- **1 Jan ‘25**: CSRD applies to listed SMEs.
- **1 Jan ‘26**: CSRD applies to companies currently subject to NFRD.
- **30 Jun ‘26**: CSRD applies to third country companies.

**2021**
- **10 Mar ’21**: Application of SFDR L1.
- **30 Jun ’21**: Large FMPs must comply with Art 4 SFDR - transparency of sustainability impacts at entity level (can no longer ‘explain’).
- **1 Aug ’22**: Sustainability related provisions under UCITS and AIFMD DAs apply.
- **2 Aug ’22**: Sustainability related provisions under MiFID and IDD DAs apply.
- **10 Sep ‘22**: ESAs to take stock of voluntary disclosures under SFDR (to be submitted every year).

**2022**
- **30 Jun ‘22**: COM to issue evaluation of SFDR.
- **1 Jan ’23**: First FMP PAI statement under SFDR RTS.
- **30 Jun ‘23**: CSRD applies to companies currently subject to NFRD.
- **1 Jan ’24**: Second FMP PAI statement under SFDR RTS.

**2023**
- **1 Jan ’23**: Non-financial undertakings start disclosing the full KPIs on taxonomy-alignment under Art 8 TR DA.
- **1 Jan ’24**: Financial undertakings start disclosing the full KPIs on taxonomy-alignment under Art 8 TR DA.

**2024**
- **1 Jan ’25**: CSRD applies to listed SMEs.
- **1 Jan ’26**: CSRD applies to companies currently subject to NFRD.
- **30 Jun ‘24**: CSRD applies to third country companies.

**2025**
- **1 Jan ’26**: CSRD applies to companies currently subject to NFRD.

**2026**
- **1 Jan ’27**: CSRD applies to large companies not currently subject to NFRD.

**2027**
- **1 Jan ’28**: CSRD applies to third country companies.
** Sustainable Finance**

- Taxonomy Regulation (TR) L1
- Taxonomy Regulation Article 8 Delegated Act (DA)
- Sustainable Finance Disclosures Regulation (SFDR) L1
- SFDR RTS - Joint ESAs draft Regulatory Technical Standards (RTS)
- MiFID and IDD DAs
- UCITS and AIFMD DAs
- Corporate Sustainability Reporting Directive (CSRD) – final text

**Legend**
- European Commission evaluation Reports
- ESAs Report on voluntary disclosures under SFDR

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- **‘First FMP PAI statement’**: First reference period for the Financial Market Participant (FMP) first Principal Adverse Impact (PAI) statement on 30 June 2023 must be 1 Jan – 31 Dec 2022
- **‘First two environmental objectives’**: Point (a) (climate change mitigation) and point (b) (climate change adaptation) of environmental objectives under Art 9 TR
- **‘All environmental objectives’**: In addition to point (a) and (b) above, point (c) (the sustainable use and protection of water and marine resources), point (d) (the transition to a circular economy), point (e) (pollution prevention and control) and point (f) (the protection and restoration of biodiversity and ecosystems) of environmental objectives under Article 9 TR
- **‘Art 5 and Art 6 TR’**: Transparency of environmentally sustainable investments (Article 5) and of financial products that promote environmental characteristics (Article 6) in pre-contractual disclosures and in periodic reports
- **‘Art 8 TR DA’**: Transparency of undertakings in non-financial statements
- **‘COM adopted DA bundling SFDR and TR RTSs’**: COM bundled all 13 RTS of the SFDR, including the new empowerments for RTS introduced by the TR in one single DA (Commission Delegated Regulation EU 2022/1288)
- **Companies currently subject to NFRD (Non-Financial Reporting Directive):** requirements apply to financial years (FYs) starting on / after 1 January 2024, first reporting in 2025
- **Large companies not currently subject to NFRD:** requirements apply to FYs starting on / after 1 January 2025, first reporting in 2026
- **Listed SMEs:** requirements apply to FYs starting on / after 1 January 2026, first reporting in 2027 (opt-out possible until 2029)
- **3rd country companies:** requirements apply to FYs starting on / after 1 January 2028, first reporting in 2029