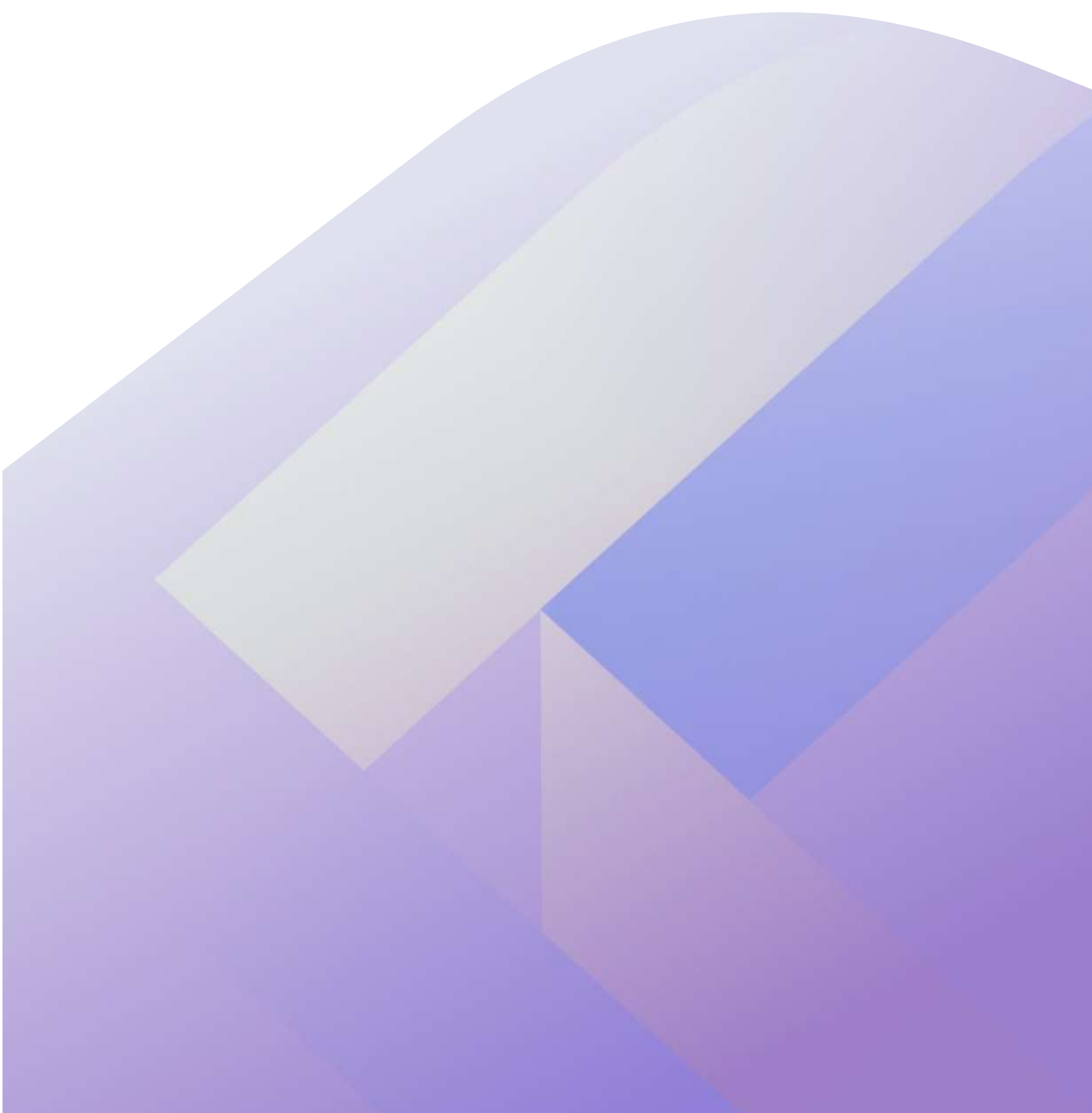


Consultation Paper

Technical Standards on the European Green Bond Regulation



Responding to this paper

ESMA invites comments on all matters in this paper and in particular on the specific questions summarised in Annex III. Comments are most helpful if they:

- Follow the predefined format and structure;
- respond to the question stated;
- indicate the specific question to which the comment relates;
- contain a clear rationale; and
- describe any alternatives ESMA should consider.

ESMA will consider all comments received by 30 May 2025.

All contributions should be submitted online at www.esma.europa.eu under the heading 'Your input - Consultations'.

Respondents are expected to use the response forms made available on the ESMA website.

Publication of responses

All contributions received will be published following the close of the consultation, unless you request otherwise. Please clearly and prominently indicate in your submission any part you do not wish to be publicly disclosed. A standard confidentiality statement in an email message will not be treated as a request for non-disclosure. A confidential response may be requested from us in accordance with ESMA's rules on access to documents. We may consult you if we receive such a request. Any decision we make not to disclose the response is reviewable by ESMA's Board of Appeal and the European Ombudsman.

Data protection

Information on data protection can be found at www.esma.europa.eu under the heading '[Data protection](#)'.

Who should read this paper?

All interested stakeholders are invited to respond to this Consultation Paper. In particular, ESMA encourages entities that intend to apply for registration as external reviewers of European Green Bonds, as well as financial market participants who have or intend to issue or invest in green bonds or sustainability-linked bonds, to participate.

Table of Contents

- 1 Executive Summary4
- 2 Introduction5
- 3 Systems, resources and procedures.....7
- 4 Compliance function.....9
- 5 Internal policies and procedures 11
- 6 Information used for reviews 14
- 7 Application for recognition..... 16
- 8 Material changes to registration 18
- 9 Next Steps.....20
- 10 Annexes21
 - 10.1 Annex I Draft technical standards21
 - 10.2 Annex II Cost-benefit analysis47
 - 10.3 Annex III List of questions.....52

1 Executive Summary

Reasons for publication

The Regulation on European Green Bonds¹ was published in the Official Journal of the European Union on 30 November 2023. Under the Regulation, the European Securities and Markets Authority (ESMA) is empowered to develop regulatory and implementing technical standards specifying certain provisions of the external reviewer regime. These are being delivered in two packs, according to the legal deadlines contained in the Regulation. This Consultation Paper is the second of two public consultations on these technical standards. The aim of the paper is to collect views, comments and opinions from stakeholders and market participants on the appropriateness of the proposed Level 2 measures in complementing the Regulation.

Contents

The body of this Consultation Paper contains six sections (chapters 4 – 9) explaining the background and summarising ESMA's proposals relating to the draft technical standards on systems, resources and procedures; the compliance function; internal policies and procedures; information used for assessment activities; the form and content of applications for recognition; and the forms, templates and processes for providing material changes to registration.

Annex I contains the full text of the proposed draft technical standards.

Annex II sets out the preliminary cost-benefit analysis of the draft technical standards.

Annex III sets out the list of questions contained in this paper.

Next Steps

ESMA will consider the feedback received to this consultation and expects to publish a Final Report in Q4 and submit the draft technical standards to the European Commission for endorsement by 21 December 2025 at the latest.

¹ Regulation (EU) 2023/2631 of the European Parliament and the Council of 22 November 2023 on European Green Bonds and optional disclosures for bonds marketed as environmentally sustainable and for sustainability-linked bonds.

2 Introduction

1. The Regulation on European Green Bonds (EuGB Regulation)² was published in the Official Journal on 30 November 2023 and entered into effect on 21 December 2024.
2. The EuGB Regulation requires ESMA to develop a series of regulatory technical standards (RTS) and implementing technical standards (ITS) on external reviewers. These have been delivered in two packages.
3. This first Consultation Paper³, for which a Final Report⁴ was published on 14 February 2025, covered 4 draft RTS and 1 ITS on: (i) criteria to be assessed at the time of registration relating to senior management, board members and analytical resources⁵; (ii) criteria to assess sound and prudent management and management of conflicts of interest⁶; (iii) criteria for assessing knowledge and experience of analysts⁷; (iv) criteria applicable to outsourcing of assessment activities⁸; and (v) the standard forms, templates and procedures for the provision of registration information⁹. ESMA conducted this public consultation from 26 March to 14 June 2024 and received a total of 21 responses. The non-confidential contributions are available on ESMA's website.
4. The second and current Consultation Paper covers 5 draft RTS and 1 ITS on the: (i) criteria for assessing the appropriateness, adequacy and effectiveness of the systems, resources and procedures¹⁰; (ii) criteria for assessing whether the compliance function has the authority to discharge its responsibilities properly and independently and for assessing the necessary resources, expertise and access to relevant information¹¹; (iii) criteria for assessing the soundness of administrative and accounting procedures and internal control mechanisms and the effectiveness of control and safeguard arrangements for information processing systems¹²; (iv) criteria for assessing whether the information used when providing reviews is of sufficient quality and from reliable sources¹³; (v) information, form and content of applications for recognition¹⁴; and

² Regulation (EU) 2023/2631 of the European Parliament and the Council of 22 November 2023 on European Green Bonds and optional disclosures for bonds marketed as environmentally sustainable and for sustainability-linked bonds.

³ ESMA84-2037069784-2116.

⁴ ESMA84-858037815-195.

⁵ Article 23(6) Regulation (EU) 2023/2631.

⁶ Article 27(2) Regulation (EU) 2023/2631.

⁷ Article 28(3) Regulation (EU) 2023/2631.

⁸ Article 33(7) Regulation (EU) 2023/2631.

⁹ Article 23(7) Regulation (EU) 2023/2631.

¹⁰ Article 26(3) Regulation (EU) 2023/2631.

¹¹ Article 29(4) Regulation (EU) 2023/2631.

¹² Article 30(3) Regulation (EU) 2023/2631.

¹³ Article 31(4) Regulation (EU) 2023/2631.

¹⁴ Article 42(9) Regulation (EU) 2023/2631.

(vi) standard forms, templates and procedures to notify ESMA of material changes in the information provided at registration¹⁵.

5. ESMA has developed the draft RTS and ITS considering the principle of proportionality and possible impacts and costs for market participants. In so doing, it has prepared a preliminary cost-benefit analysis (Annex II) which will be finalised in the Final Report, after taking respondents' feedback into account.

¹⁵ Article 24(2) Regulation (EU) 2023/2631.

3 Systems, resources and procedures

3.1 Background

Article 26

1. *External reviewers shall employ appropriate systems, resources and procedures to comply with their obligations under this Regulation.*
2. *External reviewers shall monitor and evaluate the adequacy and effectiveness of their systems, resources and procedures established in accordance with this Regulation at least annually and take appropriate measures to address any deficiencies in that regard.*
3. *ESMA shall develop draft regulatory technical standards **specifying the criteria for assessing the appropriateness, adequacy and effectiveness of the systems, resources and procedures of external reviewers referred to in paragraphs 1 and 2.***

6. Under Article 26(3) of the EuGB Regulation, ESMA is empowered to develop an RTS to specify the criteria it will refer to in order to judge whether the systems, resources and procedures of external reviewers meet the standards of appropriateness, adequacy and effectiveness set out in Level 1.

3.2 Summary

7. Together, systems, resources and procedures create an integrated structure that empowers external reviewers to execute strategies effectively, optimise performance, manage risk and uphold compliance standards.
8. ESMA understands systems to include IT infrastructures, communication networks and organisational frameworks that streamline workflows and support the integration of functions across departments. Resources are the assets an external reviewer possesses, including financial capital, human talent, technology and intellectual property. Procedures, in turn, reflect the standardised protocols that guide daily operations and decision-making.
9. In the proposed draft RTS, ESMA has specified the criteria it expects external reviewers to consider in order to meet the requirements of Article 26 of the EuGB Regulation. This includes the measures external reviewers needs to take to address any deficiencies identified in the annual assessment of adequacy and effectiveness prescribed in Article 26(2).
10. An external reviewer should consider several elements of its internal arrangements when employing appropriate, adequate and effective systems, resources and procedures. This includes deploying sufficient human, technical and material resources and putting in place systems to ensure the security of information and continuity in the performance of external reviews.

11. Under the proposed draft RTS, an external reviewer should also implement robust methodological procedures, including comprehensive measures for assessing and ensuring the quality and reliability of the information used in external reviews, such as error reporting or periodic testing of key assumptions and measurement data.
12. The monitoring and evaluation of the adequacy and effectiveness of systems, resources and procedures should be independent, have a comprehensive testing universe and comprise periodic, ongoing and real-time checks to ensure compliance with Regulation (EU) 2023/2631. Deficiencies identified in the assessment should be adequately recorded, remediated, reported and have their corrective actions monitored by members of the senior management and the management body of the external reviewer.

3.3 Proposal

13. ESMA's proposals for the draft RTS on the criteria to assess the appropriateness, adequacy and effectiveness of systems, resources and procedures of external reviewers are set out in section 10.1.1 of Annex I.

Q1 Do you agree with ESMA's proposals for the assessment of the appropriateness, adequacy and effectiveness of systems, resources and procedures?

4 Compliance function

4.1 Background

Article 29

2. *External reviewers shall ensure that the compliance function complies with the following:*

(a) it has the authority to discharge its responsibilities properly and independently;

(b) it has the necessary resources and expertise and access to all relevant information;

4. *ESMA shall develop draft regulatory technical standards **specifying the criteria for assessing whether the compliance function has the authority to discharge its responsibilities properly and independently as referred to in paragraph 2, point (a), and the criteria for assessing whether the compliance function has the necessary resources and expertise and has access to all relevant information as referred to in paragraph 2, point (b).***

14. Article 29(4) of the EuGB Regulation stipulates that ESMA will develop draft RTS to specify the criteria for assessing whether the compliance function of external reviewers has the authority to discharge its responsibilities properly and independently, the necessary resources and expertise and access to all relevant information for their tasks.

4.2 Summary

15. ESMA acknowledges the importance of an independent, sufficiently empowered and well-resourced compliance function for external reviewers to ensure adherence to the requirements of the EuGB Regulation.
16. ESMA understands compliance should have sufficient authority and autonomy within the external reviewer to act without interference, enabling it to identify, prevent and respond to regulatory or ethical breaches. With adequate budget, personnel and tools compliance can conduct thorough monitoring, investigations and training programs, all of which are essential for proactive risk management. Expertise enables the compliance function to assess risks more effectively and design policies that suit the external reviewer's specific needs. Lastly, without full access to all relevant data and records, compliance may miss critical insights, undermining its ability to safeguard external reviewers effectively.
17. In the proposed draft RTS, ESMA has specified the criteria it expects external reviewers to consider in order to meet the requirements of Article 29(2)(a) and (b) of the EuGB Regulation.

18. An external reviewer should ensure the existence of a board-approved compliance function policy enshrining the principles of authority and independence and the presence of a member of the compliance function, such as the Head of Compliance, in the senior management team and in the composition of relevant governance bodies of the external reviewer, such as the Risk Committee.
19. An external reviewer should, under the draft RTS, guarantee the sufficiency of the human and technical resources at the disposal of the compliance function, as well as the relevant collective skillset of compliance employees in the field of risk management, audit, legal or compliance, gained through their employment history or an appropriate level of training.
20. Finally, the proposed RTS determines that an external reviewer should ensure the ability of compliance to obtain or retrieve information from all sources it requires to adequately perform its tasks, including corporate and control function records, audit reports, whistleblower reports and customer complaints, as well as information on any outsourced functions or services provided other than external reviews of European Green Bonds.

4.3 Proposal

21. In specifying the criteria that will be assessed vis-à-vis an external reviewer's compliance function, ESMA has chosen to structure the RTS according to the different elements of subparagraphs (a) and (b) of Article 29(2). Consequently, while Article 1 deals with authority and Article 2 with resources and expertise, Article 3 relates to the means of compliance to access all relevant information to its role and responsibilities.
22. ESMA's proposals for the draft RTS specifying the criteria to assess the authority, resources, expertise and access to information of the compliance function of external reviewers are set out in section 10.1.2 of Annex I.

Q2.1 Do you agree with ESMA's proposals for the assessment of whether the compliance function has the authority to discharge its responsibilities properly and independently?

Q2.2 Do you agree with ESMA's proposals for the assessment of whether the compliance function has the necessary resources and expertise?

Q2.3 Do you agree with ESMA's proposals for the assessment of whether the compliance function has the necessary access to all relevant information?

5 Internal policies and procedures

5.1 Background

Article 30

2. *External reviewers shall adopt and implement sound administrative and accounting procedures, internal control mechanisms and effective control and safeguard arrangements for information processing systems.*

3. *ESMA shall develop draft regulatory technical standards **specifying the criteria for assessing the soundness of the administrative and accounting procedures and of the internal control mechanisms as well as the effectiveness of the control and safeguard arrangements for information processing systems referred to in paragraph 2.***

23. Article 30(3) of the EuGB Regulation mandates ESMA to develop RTS detailing the criteria for evaluating the soundness of administrative and accounting procedures and of internal control mechanisms¹⁶ and the effectiveness of control and safeguard arrangements for information systems of external reviewers.

5.2 Summary

24. Adequate accounting, internal control and information systems control practices help mitigate risks, streamline operations and create a transparent environment for executing business strategies.
25. ESMA considers sound accounting procedures as key in promoting reliable data for effective decision-making by senior management. Robust internal controls protect external reviewers from operational and financial risks by monitoring activities, detecting irregularities and ensuring compliance with the EuGB Regulation. Secure and reliable control arrangements for information systems are vital to maintain business continuity, protect data integrity and effectively manage operational risks.
26. In the proposed draft RTS, ESMA has specified the criteria it expects external reviewers to consider in order to meet the requirements of Article 30(2) of the EuGB Regulation.

¹⁶ Pursuant to p. 59 of the Final Report on the Technical Standards under the European Green Bonds Regulation (ESMA84-858037815-195), the present RTS exhibits some overlap with the RTS mandated under Article 27(2), which was delivered in the first batch. In the latter, ESMA outlined its expectations regarding the general principles underpinning the internal control framework within the context of the sound and prudent management of external reviewers. On the other hand, this subsequent RTS builds upon that foundation by detailing specific components that constitute sound internal control mechanisms. Therefore, both RTS should be regarded by external reviewers as complementary to one another.

27. Under the proposed draft RTS, an external reviewer should implement an appropriate segregation of duties, thorough record keeping practices and adhere to relevant accounting standards and regulations, in order to be able to prepare timely and accurate financial reports.
28. Leveraging on its wide recognition and use in the financial sector, the proposed draft RTS incorporates the COSO Framework's five integrated components of internal control¹⁷, notably on the control environment (the set of standards, processes and structures that provide the basis for carrying out internal control across the organisation), risk management (the dynamic and iterative process for identifying and analysing risks to achieving the entity's objectives), control activities (the actions established by the policies and procedures to help ensure that management directives to mitigate risks to the achievement of objectives are carried out), information and communication (the continual process of, both internally and externally, providing, sharing and obtaining necessary information) and monitoring activities (ongoing evaluations, separate evaluations or a combination of the two are used to ascertain whether each of the five components of internal control are present and functioning) of entities.
29. Finally, an external reviewer should ensure the implementation of a control framework for ICT risk management that includes regular IT and information security assessments, business continuity testing and third-party risk assessments, in line with the minimum requirements of Regulation (EU) 2022/2554 (DORA)¹⁸.

5.3 Proposal

30. In outlining the criteria for evaluating an external reviewer's internal policies and procedures under Article 30, ESMA has organised the RTS based on the different components of Article 30(3). As a result, Article 1 addresses administrative and accounting procedures, Article 2 covers internal control mechanisms and Article 3 relates to controls and safeguard arrangements for information systems.
31. ESMA's proposals for the draft RTS specifying the criteria to assess the soundness of administrative and accounting processes and of internal control mechanisms and the effectiveness of information systems controls of external reviewers are set out in section 10.1.3 of Annex I.

¹⁷ COSO is an acronym for the Committee of Sponsoring Organizations of the Treadway Commission, a joint initiative of five professional associations in the United States. The COSO Framework, originally developed in 1992, provides voluntary guidelines for how organisations can implement effective internal control systems.

¹⁸ External reviewers of European Green Bonds are expected to fall under the scope of DORA in the future.

Q3.1 Do you agree with ESMA's proposals for the assessment of the soundness of administrative and accounting procedures?

Q3.2 Do you agree with ESMA's proposals for the assessment of the soundness of internal control mechanisms?

Q3.3 Do you agree with ESMA's proposals for the assessment of the effectiveness of control and safeguard arrangements for information processing systems?

6 Information used for reviews

6.1 Background

Article 31

3. *External reviewers shall use information of sufficient quality and from reliable sources when providing reviews.*

4. *ESMA shall develop draft regulatory technical standards **specifying the criteria for assessing whether the information referred to in paragraph 3 is of sufficient quality and whether the sources referred to in that paragraph are reliable.***

32. Article 31(4) of the EuGB Regulation sets out that ESMA will develop draft RTS to specify the criteria for assessing whether the information used when providing external reviews is of sufficient quality and originates from reliable sources.

6.2 Summary

33. Investors rely on external reviews for informed decision-making, making it essential for external reviewers to use high-quality and reliable sources of information. This ensures that pre, post-issuance and impact report reviews accurately evaluate the environmental benefits of an issuance and foster the integrity of the European Green Bond market.
34. Under the proposed draft RTS, an external reviewer should take all reasonably possible measures to collect the necessary credible qualitative and quantitative information to perform the review. This should include, where relevant, information provided by the issuer and/or originator, publicly available sources, or third-party data providers. External reviewers should privilege information stemming from regulatory reporting, but they should also exercise an appropriate level of diligence in identifying credible information for entities not subject to regulatory reporting. The information should also sufficiently inform the issuer-level sustainability characteristics that could have a potential material impact to the bond's sustainability outcome or performance.
35. ESMA considers that in order to ensure credible external reviews based on quality information and reliable sources, external reviewers should take account of specific assessment criteria on information and sources, which should be applied to each individual review.
36. ESMA considers it important for external reviewers to follow a pre-defined approach in determining whether information is of sufficient quality, or not, to ensure structured and objective assessments. Therefore, the draft RTS stipulates that external reviewers should be able to explain and document what

data and information is needed for their assessment, considering the different project types to be funded and varying bond characteristics.

37. Similarly, under the proposed RTS, external reviewers should consider ex ante what are the thresholds to determine if information is of sufficient quality. Indicatively, for quantitative metrics, ESMA expects external reviewers to develop an internal document setting out related thresholds, where possible and applicable. For example, whenever a methodology refers to specific data points (e.g. GHG emissions), external reviewers should define ex ante the minimum coverage and historical availability, as well as the relevant metrics that are needed to perform a comprehensive review.
38. Finally, the criteria for the assessment of quality information and reliability of sources, should be applied by external reviewers in a consistent, measurable and documented way. This will facilitate market monitoring, enable comparability and foster market trust in European Green Bonds.

6.3 Proposal

39. In outlining the criteria envisaged in Article 31(3) of the EuGB Regulation, ESMA has detailed the criteria for the assessment of the information used for providing external reviews and its sources in two separate articles.
40. ESMA's proposals for the draft RTS specifying the criteria for assessing whether the information used by external reviewers in their assessment activities is of sufficient quality and from reliable sources are set out in section 10.1.4 of Annex I.

Q4.1 Do you agree with ESMA's proposals to specify the criteria to assess whether the information used when providing reviews is of sufficient quality?

Q4.2 Do you agree with ESMA's proposals to specify the criteria to assess whether the information used when providing reviews is from reliable sources?

7 Application for recognition

7.1 Background

Article 42

1. *Until the adoption of a decision pursuant to Article 40(1), a third-country external reviewer may provide its services in accordance with this Regulation provided that the third-country external reviewer acquires recognition from ESMA in accordance with this Article.*

2. *A third-country external reviewer who intends to obtain recognition as referred to in paragraph 1 of this Article (the ‘third-country external reviewer seeking recognition’) shall comply with the requirements laid down in Articles 23 to 38 and Articles 54 to 56.*

3. *A third-country external reviewer seeking recognition shall have a legal representative established in the Union. That legal representative shall:*

(a) be responsible, together with the third-country external reviewer seeking recognition, for ensuring that the provision of services under this Regulation by the third-country external reviewer seeking recognition fulfils the requirements referred to in paragraph 2 and shall in that respect be accountable to ESMA for the conduct of the third-country external reviewer seeking recognition in the Union;

(b) act on behalf of the third-country external reviewer seeking recognition as the main point of contact with ESMA and any other person in the Union with regard to the external reviewer’s obligations under this Regulation; and

(c) have sufficient knowledge, expertise and resources to fulfil its obligations under this paragraph.

4. *An application for recognition from ESMA as referred to in paragraph 1 shall contain all information necessary to satisfy ESMA that the third-country external reviewer seeking recognition has implemented all necessary arrangements to fulfil the requirements referred to in paragraphs 2 and 3 and shall, where applicable, indicate the competent authority responsible for supervision of the third-country external reviewer seeking recognition in the third country.*

9. *ESMA shall develop draft regulatory technical standards **specifying the information and the form and content of the application referred to in paragraph 4.***

41. Article 42(7) of the EuGB Regulation requires ESMA to develop draft RTS to specify the information, form and content of the application for recognition by third-country external reviewers.

7.2 Summary

42. ESMA views the recognition framework, outlined in Article 42 of the EuGB Regulation, as particularly important for enabling third-country external reviewers to provide services within the EU, in the absence of an equivalence decision by the European Commission for a specific non-EU jurisdiction.
43. The proposed approach aims to establish a consistent framework while minimising compliance costs for applicants. It is essential to emphasize that recognised third-country external reviewers must comply at all times with Articles 23 to 38 (conditions for the registration of external reviewers and organisational, governance and external review requirements) and Articles 54 to 56 (compliance with ESMA supervisory powers) of the EuGB Regulation, in the same manner as EU-based entities.
44. For this reason, the proposed RTS is largely based on the ITS on the standard forms, templates and procedures for the provision of registration information, required under Article 23(7), with minor adjustments to account for the specificities of third-country applicants. This includes the submission of diverse information and documentation, including on the fitness and propriety of senior management and board members, on the suitability of analytical employees and on a wide range of internal policies and procedures.
45. In this regard, a key distinction is the requirement for recognised external reviewers to appoint a legal representative within the EU, who will serve as the primary contact point with ESMA and be accountable to ESMA for the conduct of the external reviewer. To allow ESMA to assess compliance with the provisions on the legal representative in Article 42(3), the draft RTS includes a dedicated Annex.
46. ESMA highlights the importance of oversight and accountability from individuals in positions of responsibility as a cornerstone of good governance. Consequently, an application for recognition must be accompanied by a letter signed by a member of the external reviewer's senior management, affirming that the submitted information is accurate and complete to the best of his/her knowledge.

7.3 Proposal

47. ESMA's proposals for the draft RTS specifying the information, form and content of the application for recognition to ESMA are set out in section 10.1.5 of Annex I.

Q5 Do you agree with ESMA's proposals to specify the information, form and content of applications for recognition?

8 Material changes to registration

8.1 Background

Article 24

1. *An external reviewer shall notify ESMA of any material changes in the information provided in accordance with Article 23(1) before such changes are implemented.*

Where ESMA objects to such material changes, it shall inform the external reviewer within 45 working days of the notification of those changes and shall state the reasons for its objection. The changes referred to in the first subparagraph of this paragraph shall not be implemented if ESMA objects within that period.

2. *ESMA shall develop draft implementing technical standards **to specify the standard forms, templates and procedures for the provision of the information referred to in paragraph 1.***

When developing the draft implementing technical standards ESMA shall take into account digital means of registration.

48. Article 24(2) of the EuGB Regulation empowers ESMA to develop draft ITS to specify the standard forms, templates and procedures for the notification of material changes in the information submitted by external reviewers at registration.

8.2 Summary

49. Article 24 of the EuGB Regulation grants ESMA the power to object to any material changes notified in the information provided during the registration or recognition process.
50. Since both EU-based and recognised external reviewers are in scope of the ITS¹⁹, two distinct forms are proposed in Annex II. The first table addresses material changes to the information submitted by applicants via the ITS required under Article 23(7), while the second relates to the content of the RTS required under Article 42(9), for recognised entities. ESMA believes that while the procedures set out in the ITS are common to both entities, segregating the necessary templates minimises the risk of misinterpretation that could otherwise arise from trying to combine disparate requirements into a single table. By clearly distinguishing between the needs of EU-based and third-country external reviewers, this approach helps ensure fair treatment and a level playing field.

¹⁹ Article 42(2) of the EuGB Regulation states that “a third-country external reviewer who intends to obtain recognition (...) shall comply with the requirements laid down in Articles 23 to 38 and Articles 54 to 56”.

51. Also, ESMA has been mandated by Article 24(2) to consider “digital means of registration” when developing the ITS. Therefore, ESMA underscores the importance of ensuring that any information in a notification is submitted in a machine-readable format that allows for the unchanged reproduction of the stored information.
52. Finally, for accountability purposes, each notification should be complemented by a letter signed by a member of the external reviewer’s senior management, affirming that the submitted information is accurate and complete to the best of his/her knowledge.

8.3 Proposal

53. ESMA’s proposals for the draft ITS specifying the forms, templates and procedures for the notification of material changes in the information provided to ESMA at registration are set out in section 10.1.5 of Annex I.

Q6 Do you agree with ESMA’s proposals to specify the standard forms, templates and procedures to notify ESMA of material changes in the information provided at registration?

9 Next Steps

54. ESMA welcomes the views of all relevant stakeholders on the suitability of the proposed six technical standards in supplementing the EuGB Regulation.
55. ESMA is looking for feedback on this Consultation Paper by 30 May 2025. ESMA will then consider the responses it receives when developing the final draft technical standards and expects to publish a Final Report by the end of Q4 2025.
56. ESMA will submit the draft RTS and ITS to the European Commission by 21 December 2025, at the latest, for endorsement in the form of a Commission Delegated or Implementing Regulation.

10 Annexes

10.1 Annex I

Draft technical standards

10.1.1 RTS on systems, resources and procedures

COMMISSION DELEGATED REGULATION (EU) 2025/...

of **XXX**

supplementing Regulation (EU) 2023/2631 of the European Parliament and of the Council with regard to regulatory technical standards specifying the criteria for assessing the appropriateness, adequacy and effectiveness of the systems, resources and procedures of external reviewers

(Text with EEA relevance)

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) 2023/2631 of the European Parliament and of the Council of 22 November 2023 on European Green Bonds and optional disclosures for bonds marketed as environmentally sustainable and for sustainability-linked bonds²⁰, and in particular Article 26(3), third subparagraph, thereof,

Whereas:

(1) To ensure the appropriateness, adequacy and effectiveness of their systems, resources and procedures, external should consider their internal arrangements comprehensively, from the robustness of information systems to the sufficiency of human, technical and material resources. External reviewers should develop an assessment framework as part of their procedures, which should encompass the criteria to be applied as a minimum for assessing the quality of information and the reliability of sources used in assessment activities.

(2) Any deficiencies identified when monitoring and evaluating the adequacy and effectiveness of systems, resources and procedures should be adequately recorded, remediated, reported and have their corrective actions monitored by members of the senior management and the management body of the external reviewer.

(3) The assessment should be independent and comprise periodic, ongoing and real-time checks to ensure compliance with Regulation (EU) 2023/2631.

²⁰ OJ L, 2023/2631, 30.11.2023.

(4) This Regulation is based on the draft regulatory technical standards submitted by ESMA to the European Commission in accordance with Article 10 of Regulation (EU) No 1095/2010 of the European Parliament and of the Council²¹.

(5) ESMA has conducted open public consultations on the draft regulatory technical standards on which this Regulation is based, analysed the potential related costs and benefits and requested the advice of the Securities and Markets Stakeholder Group established in accordance with Article 37 of Regulation (EU) 1095/2010 of the European Parliament and of the Council,

HAS ADOPTED THIS REGULATION:

Article 1

Criteria for assessing the appropriateness, adequacy and effectiveness of systems, resources and procedures

External reviewers shall ensure that the following criteria are fulfilled for the appropriateness, adequacy and effectiveness of the systems, resources and procedures put in place by an external reviewer:

- (a) the systems that are in place safeguard the security, integrity and confidentiality of information and ensure the continuity and regularity in the performance of external reviews;
- (b) the human, technical and material resources deployed are sufficient to identify, manage, monitor and report the risks that an external reviewer is or might be exposed to, or the risks that it poses or might pose to others;
- (c) the procedures that are in place for the effective application of assessment methodologies, including for the assessment of the sufficient quality of information and reliability of sources, comprise at least the following elements:
 - (i) steps to collect quantitative and qualitative information for the performance of assessment activities, including from the issuer or originator, public sources and information provided by third parties;
 - (ii) quantitative and qualitative methods to perform assessment activities in an objective and consistent manner;
 - (iii) minimum requirements to determine the quality of the information and the reliability of sources;
 - (iv) controls to ensure the consistent application of the criteria for the quality of information and the reliability of sources, including their measurability per criterion and per source and their periodic review;
 - (v) measures to address potential shortcomings in the collection and assessment of information;
 - (vi) techniques, methods and protocols for designing, periodically testing and reviewing assessment activities, key assumptions and measurement data;

²¹ Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/77/EC (OJ L 331, 15.12.2010, p. 84).

- (vii) processes governing the review and reporting of errors in assessment methodologies and other assessment activities or in their application.

Article 2

Criteria for assessing the appropriateness, adequacy and effectiveness of the monitoring and evaluation of systems, resources and procedures

External reviewers shall ensure that the following criteria are fulfilled for the monitoring and evaluation of the adequacy and effectiveness of the systems, resources and procedures put in place by an external reviewer referred to in Article 26(2) of Regulation (EU) 2023/2631:

- (a) periodic monitoring is complemented with ongoing and real-time checks;
- (b) the monitoring and evaluation is carried out by a function that is independent of the business lines;
- (c) appropriate measures to address deficiencies identified in the monitoring assessments include:
 - (i) recording breaches, errors, complaints, incidents and near misses in an electronically stored medium;
 - (ii) determining remediation actions and attributing an owner to each deficiency;
 - (iii) reporting to senior management, the supervisory body and the management body;
 - (iv) ensuring that senior management and the management body monitor the timely implementation of corrective actions.

Article 3

Entry into force

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the Commission

On behalf of the President

10.1.2 RTS on the compliance function

COMMISSION DELEGATED REGULATION (EU) 2025/...

of XXX

supplementing Regulation (EU) 2023/2631 of the European Parliament and of the Council with regard to regulatory technical standards specifying the criteria for assessing whether the compliance function of external reviewers has the authority to discharge its responsibilities properly and independently and the criteria for assessing whether the compliance function has the necessary resources and expertise and has access to all relevant information

(Text with EEA relevance)

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) 2023/2631 of the European Parliament and of the Council of 22 November 2023 on European Green Bonds and optional disclosures for bonds marketed as environmentally sustainable and for sustainability-linked bonds²², and in particular Article 29(4), third subparagraph, thereof,

Whereas:

(1) To allow the compliance function to have the authority to discharge its responsibilities properly and independently, external reviewers should ensure the existence of a board-approved compliance function policy and the presence of the compliance function in senior management and relevant organisational structures of the external reviewer, such as committees.

(2) To guarantee the necessary resources of the compliance function, external reviewers should arrange sufficient human and technical resources, from a proportionate number of employees to sufficiently robust IT tools allowing the compliance function to effectively perform its monitoring tasks.

(3) To establish the necessary expertise of the compliance function, external reviewers should ensure the collective and up-to-date skill and experience of persons carrying out the compliance function, including through appropriate employment history, professional qualifications or levels of in-house training.

(4) To allow the compliance function to have access to all relevant information, external reviewers should ensure the compliance function is able to obtain information from all sources it requires to adequately perform its tasks, including at least corporate and control function records, audit reports, whistleblowing reports and customer complaints. Given the need to ensure third-party service providers and other business units adhere to the same standards as the external reviewer itself, access to information on any outsourced functions or other business lines of the external reviewer should also be granted.

(5) This Regulation is based on the draft regulatory technical standards submitted by ESMA to the European Commission in accordance with Article 10 of Regulation (EU) No 1095/2010 of the European Parliament and of the Council²³.

(6) ESMA conducted open public consultations on the draft regulatory technical standards on which this Regulation is based and analysed the potential related costs and benefits and requested the advice of the Securities and Markets Stakeholder Group established in accordance with Article 37 of Regulation (EU) 1095/2010 of the European Parliament and of the Council,

HAS ADOPTED THIS REGULATION:

²² OJ L, 2023/2631, 30.11.2023.

²³ Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/77/EC (OJ L 331, 15.12.2010, p. 84).

Article 1

Criteria for assessing the authority of the compliance function

External reviewers shall ensure that the following criteria are fulfilled for the compliance function to have the authority to discharge its responsibilities properly and independently:

- (a) the adoption by the management body of a compliance function policy that enables the compliance function to assess adherence to laws, regulations and internal policies and procedures and to carry out compliance activities objectively and effectively without undue influence from other departments or employees of an external reviewer or any other persons;
- (b) at least one member of the compliance function is integrated as a member of senior management and the structures of an external reviewer tasked with overseeing risk management and regulatory compliance, to ensure compliance considerations are incorporated into the strategy and decision-making procedures of the external reviewer.

Article 2

Criteria for assessing the resources and expertise of the compliance function

External reviewers shall ensure that the following criteria are fulfilled for the compliance function to have the necessary resources and expertise:

- (a) the number of persons carrying out the compliance function is suitable for the nature, scale and complexity of the business of the external reviewer;
- (b) the collective skill and experience of persons carrying out the compliance function in risk management, audit, legal or compliance;
- (c) the compliance function has systems enabling it to analyse data for the purposes of monitoring and investigating the compliance of the external reviewer and recording, reporting and remediating compliance findings.

Article 3

Criteria for assessing the ability of the compliance function to access relevant information

External reviewers shall ensure that the following criteria are fulfilled for the compliance function to have access to all relevant information:

- (a) the compliance function has physical and digital access rights to the necessary information to perform its tasks effectively at all times, including but not limited to:
 - (i) information systems, databases, books and records from corporate and control functions, such as legal, finance, human resources and IT;
 - (ii) meeting minutes of governance bodies;
 - (iii) internal and external audit reports and other reports to senior management, the management body or the supervisory body;
 - (iv) whistleblower reports;
 - (v) customer complaints;

- (vi) information on functions outsourced to a third-party service provider;
 - (vii) information on all business units of an external reviewer providing services other than assessment activities;
- (b) the compliance function has physical access to the business premises and facilities of the external reviewer.

Article 4

Entry into force

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the Commission

On behalf of the President

10.1.3 RTS on internal policies and procedures

COMMISSION DELEGATED REGULATION (EU) 2025/...

of XXX

supplementing Regulation (EU) 2023/2631 of the European Parliament and of the Council with regard to regulatory technical standards specifying the criteria for assessing the soundness of the administrative and accounting procedures and of the internal control mechanisms as well as the effectiveness of the control and safeguard arrangements for information processing systems of external reviewers

(Text with EEA relevance)

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) 2023/2631 of the European Parliament and of the Council of 22 November 2023 on European Green Bonds and optional disclosures for bonds marketed as environmentally sustainable and for sustainability-linked bonds²⁴, and in particular Article 30(3), third subparagraph, thereof,

Whereas:

(1) In order to ensure the soundness of their administrative and accounting procedures, external reviewers should put in place an appropriate segregation of duties, maintain adequate record keeping of transactions and comply with applicable accounting standards and rules.

(2) In order to maintain sound internal control mechanisms, external reviewers should implement a comprehensive system of internal control focused on creating a strong and

²⁴ OJ L, 2023/2631, 30.11.2023.

proportionate control environment, effectively managing risks, implementing necessary control activities, ensuring clear information flow and communication and continuously monitoring activities.

(3) In order to guarantee the effectiveness of the control and safeguard arrangements for information processing systems, external reviewers should implement a control framework for ICT risk management that includes IT and information security assessments and the testing of backup ICT systems to ensure business continuity.

(4) This Regulation is based on the draft regulatory technical standards submitted by ESMA to the European Commission in accordance with Article 10 of Regulation (EU) No 1095/2010 of the European Parliament and of the Council²⁵.

(5) ESMA has conducted open public consultations on the draft regulatory technical standards on which this Regulation is based, analysed the potential related costs and benefits and requested the advice of the Securities and Markets Stakeholder Group established in accordance with Article 37 of Regulation (EU) 1095/2010 of the European Parliament and of the Council,

HAS ADOPTED THIS REGULATION:

Article 1

Criteria for assessing the soundness of administrative and accounting procedures

External reviewers shall ensure the following criteria are fulfilled for the soundness of their administrative and accounting procedures:

- (a) duties are appropriately segregated to manage risks of conflicts of interest, fraud and human error;
- (b) the records kept by the external reviewer in accordance with Article 34 of Regulation (EU) 2023/2631 ensure a clear audit trail is maintained of all transactions;
- (c) the accounting system is compliant with the applicable accounting standards and rules.

Article 2

Criteria for assessing the soundness of internal control mechanisms

External reviewers shall ensure the following criteria are fulfilled for the soundness of their internal control mechanisms:

- (a) the control environment put in place is effective and adequate for the nature, scale and complexity of the business to safeguard the independence of internal control functions from the business lines;
- (b) the risk management framework put in place establishes the external reviewers' mechanisms for the effective identification, assessment, monitoring, mitigation and reporting of all risks that could materially impact an external reviewer's ability to meet its obligations under Regulation (EU) 2023/2631;

²⁵ Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/77/EC (OJ L 331, 15.12.2010, p. 84).

- (c) preventive and detective control measures are established;
- (d) appropriate internal and external information and communication procedures are in place;
- (e) appropriate monitoring procedures for the continued evaluation of the adequacy and effectiveness of the internal control mechanisms are in place.

Article 3

Criteria for assessing the effectiveness of control and safeguard arrangements for information processing systems

External reviewers shall ensure the following criteria are fulfilled for the effectiveness of control and safeguard arrangements for information processing systems:

- (a) a control and safeguard structure is implemented that ensures an effective and prudent management of ICT risks;
- (b) the effective and prudent management of ICT risks includes:
 - (i) annual ICT and information security assessments;
 - (ii) maintenance and testing of redundant ICT capacities to ensure continuity of the business;
 - (iii) risk assessments of third-party ICT integration, where applicable.

Article 3

Entry into force

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the Commission

On behalf of the President

[10.1.4 RTS on information used for reviews](#)

COMMISSION DELEGATED REGULATION (EU) 2025/...

of XXX

supplementing Regulation (EU) 2023/2631 of the European Parliament and of the Council with regard to regulatory technical standards specifying the criteria for the assessment of sufficient quality of information and reliability of sources used for external reviews

(Text with EEA relevance)

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) 2023/2631 of the European Parliament and of the Council of 22 November 2023 on European Green Bonds and optional disclosures for bonds marketed as environmentally sustainable and for sustainability-linked bonds²⁶, and in particular Article 31(4), third-subparagraph, thereof,

Whereas:

(1) External reviewers should apply specific criteria which, as a minimum, are taken into account in their assessment methodologies to ensure their reviews provide an opinion based on a thorough analysis of all information available to them and that is relevant to their methodologies. This includes thresholds to determine that information is of sufficient quality based on minimum levels of data needed.

(2) To evaluate the quality of the information used, external reviewers should ensure that it is complete, relevant, timely and based on reasonable assumptions. For instance, the information should provide a comprehensive representation of the bond-funded project considering the type and sector of economic activities. It should have a direct connection with the bond's characteristics, offer an accurate depiction of the funded project, be up-to-date and consider forecasting limitations and inherent uncertainties.

(3) To evaluate the reliability of sources, external reviewers should ensure that those sources provide objective and substantiated information, supported by evidence. Sources should also be credible and accompanied by documentation outlining the steps for information collection and processing, a policy for revising historical data and any limitations affecting the source. Where available, information should be independently assessed.

(4) External reviewers are expected to apply these criteria consistently, for example at review and source level, in order to reinforce the soundness of the assessment process and promote comparability. This objective should be further enhanced by a documented application of a periodically reviewed measurability context at the level of each criterion.

(5) This Regulation is based on the draft regulatory technical standards submitted by ESMA to the European Commission in accordance with Article 10 of Regulation (EU) No 1095/2010 of the European Parliament and of the Council²⁷.

(6) ESMA conducted open public consultations on the draft regulatory technical standards on which this Regulation is based and analysed the potential related costs and benefits and requested the advice of the Securities and Markets Stakeholder Group established in accordance with Article 37 of Regulation (EU) 1095/2010 of the European Parliament and of the Council,

HAS ADOPTED THIS REGULATION:

²⁶ OJ L, 2023/2631, 30.11.2023.

²⁷ Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/77/EC (OJ L 331, 15.12.2010, p. 84).

Article 1

Criteria for assessing the sufficient quality of information

External reviewers shall ensure that the following criteria are fulfilled for the sufficient quality of information:

- (a) the information shall be complete and provide a comprehensive representation of the project funded by the bond, including sufficient details in relation to the type and sector of the relevant economic activities;
- (b) the information shall have a direct and clear relation with the characteristics of the bond and shall provide an accurate representation of the project funded;
- (c) the information shall be in line with the latest available data and include sufficient historical data;
- (d) any related information, such as computations, ratios and estimates, shall be based on reasonable assertions considering the possible forecasting limitations.

Article 2

Criteria for assessing the reliability of sources of information

External reviewers shall ensure that the following criteria are fulfilled for the reliability of sources of information:

- (a) the source of information shall provide information that is unbiased and objectively supported by evidence;
- (b) the sources of information shall demonstrate the capability to provide a level of information that is credible and substantiated;
- (c) the source of information shall be accompanied by supporting documents covering at least the steps taken for the collection and processing of the information, a comprehensive set of documentation for the revision of historical data, a description of any limitations that may affect the use of the source of information, including potential data gaps and traceability;
- (d) the source of information shall privilege information that is subject to a disclosure requirement by law, audit, conformity assessments, independent assurance or recognised certifications and, where not available, subject to relevant internationally recognised standards.

Article 3

Entry into force

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the Commission

On behalf of the President

10.1.5 RTS on application for recognition

COMMISSION DELEGATED REGULATION (EU) 2025/...

of **XXX**

supplementing Regulation (EU) 2023/2631 of the European Parliament and of the Council with regard to regulatory technical standards specifying the information and the form and content of the application for recognition to ESMA of third-country external reviewers

(Text with EEA relevance)

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) 2023/2631 of the European Parliament and of the Council of 22 November 2023 on European Green Bonds and optional disclosures for bonds marketed as environmentally sustainable and for sustainability-linked bonds²⁸, and in particular Article 42(9), third subparagraph, thereof,

Whereas:

(1) To safeguard security and enhance data management and usability, digital means of registration have been taken into account specifying the information and the form and content of the application for recognition as a third-country external reviewer of European Green Bonds. Any information submitted to ESMA in an application should be machine-readable and in a durable medium.

(2) In order to facilitate the identification of the information submitted by the third-country external reviewer seeking recognition, documents included with an application should bear a unique reference number.

(3) For assurance and accountability purposes, the application for recognition should include a letter signed by a member of the third-country external reviewer's senior management, attesting that the submitted information is accurate and complete to the best of their knowledge.

(4) This Regulation is based on the draft regulatory technical standards submitted by ESMA to the European Commission in accordance with Article 10 of Regulation (EU) No 1095/2010 of the European Parliament and of the Council²⁹.

(5) ESMA has conducted open public consultations on the draft regulatory technical standards on which this Regulation is based, analysed the potential related costs and benefits and

²⁸ OJ L, 2023/2631, 30.11.2023.

²⁹ Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/77/EC (OJ L 331, 15.12.2010, p. 84).

requested the advice of the Securities and Markets Stakeholder Group established in accordance with Article 37 of Regulation (EU) 1095/2010 of the European Parliament and of the Council,
HAS ADOPTED THIS REGULATION:

Article 1

Format of the application for recognition as a third-country external reviewer of European Green Bonds

1. An applicant for recognition as a third-country external reviewer of European Green Bonds shall submit the information referred to in the Annexes to this Regulation in the format set out in those Annexes.
2. An applicant shall provide its application to ESMA in a machine-readable format which stores information in a way accessible for future reference for a period of time adequate for the purposes of the information and which allows the unchanged reproduction of the information stored.
3. An applicant shall give a unique reference number to each document it submits. It shall ensure that the information it submits clearly identifies to which specific requirement of this Regulation it refers and in which document that information is provided.
4. If a requirement of this Regulation does not apply to the application, the applicant shall state this in the table set out in Annex I and provide an explanation.
5. An application for recognition submitted to ESMA shall include a letter signed by a member of the third-country external reviewer's senior management, attesting that the submitted information is accurate and complete to the best of their knowledge, as of the date of that submission.

Article 2

Entry into force

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the Commission
On behalf of the President

ANNEX I

DOCUMENT REFERENCES

Annex to this Regulation	Unique reference number	Title of the document	Chapter or section or page of the document where the information is provided or reason why the information is not provided

ANNEX II

GENERAL INFORMATION

Full name of the third-country external reviewer		
Address of the registered office of the third-country external reviewer	<i>[Country, city, street address, postal code]</i>	
Website		
Legal Entity Identifier (LEI)	<i>[Where applicable]</i>	
Contact person	Name	

	Title	
	Address	<i>[Country, city, street address, postal code]</i>
	Email address	
	Telephone number	
Legal form of the third-country external reviewer		
Competent authority responsible for supervision of the third-country external reviewer seeking recognition in the third country	<i>[Where applicable]</i>	

ANNEX III

INFORMATION TO BE PRESENTED WITH REGARD TO THE OWNERSHIP STRUCTURE

Owner	Percentage of capital	Nature of the holding	Percentage of the voting rights
<i>[Please specify whether legal or natural person]</i>		<i>[Direct or indirect]</i>	

ANNEX IV

INFORMATION TO BE PRESENTED WITH REGARD TO MEMBERS OF SENIOR MANAGEMENT AND THE BOARD

Name	Board member	Member of senior management	Date of birth	Place of birth	Role	Submitted documents	
						Criminal-record file referred to in Article 1, paragraph 2, point (a), of Commission Delegated Regulation (EU) [XYZ]/2025 [RTS on good repute]	Declaration of fitness and propriety and conflicts of interest referred to in Article 1, paragraph 2, point (b), of Commission Delegated Regulation (EU) [XYZ]/2025 [RTS on good repute]
[First name] [Last name]			[DD/MM/YYYY]	[City, Country]		[Reference number]	[Reference number]

ANNEX V

INFORMATION TO BE PRESENTED WITH REGARD TO THE ANALYTICAL RESOURCES

1. Information regarding analysts, employees and other persons directly involved in assessment activities

Name	Role	Please flag the column			CV

		Temporary	Permanent	Years in role	Years in the industry	

Any information regarding the number of employees shall be provided on a full-time equivalent (FTE) basis calculated as the total hours worked divided by the maximum number of hours subject to compensation within a working year as defined by the relevant national law.

2. Information regarding the assessment activities

Estimated duration of an external review	<i>[number of days]</i>
Expected number of assessments in the next 12 months	<i>[number]</i>

3. Information on the evaluation of the external reviewer

Reasons that the number of analysts, employees and other persons directly involved in assessment activities and their roles are considered by the external reviewer to be appropriate	
Reasons that the number and duration of external reviews are considered by the external reviewer to be appropriate	

ANNEX VI

POLICIES AND PROCEDURES

Point	Topic	Reference number
1	Training and development plan for analysts, employees and other persons directly involved in assessment activities	
2	Evaluation of the external reviewer that the knowledge, experience and training of analysts, employees and other persons directly involved in assessment activities are appropriate to the nature and scale of the external reviews to be carried out by the external reviewer and the tasks required of external reviewers pursuant to Regulation (EU) 2023/2631	
3	Policies and procedures put in place to ensure: - the continuity and regularity in the performance of assessment activities; - the safeguarding of the confidentiality and security of records and documents on the services provided; - sound administrative and accounting procedures; - the adequacy of information processing systems implemented to meet the obligations of an external reviewer.	
4	Policies and procedures outlining the internal control framework <i>[In case of a large number of documents, these should be grouped according to the relevant areas of the internal control framework]</i>	
5	Policies and procedures to ensure the internal control framework complies with the criteria referred to in Article 1(2) of Commission Delegated Regulation (EU) [XYZ]/2025 <i>[RTS on sound and prudent management]</i>	

6	Whistleblower policy ensuring that the anonymity of whistleblowers is safeguarded and reprisals are prohibited	
7	Remuneration policy ensuring the independence of the employees subject to variable compensation arrangements	
8	Procedures and methodologies implemented to issue reviews	
9	Terms of reference of the governance bodies, including the board and, where established, its committees	
10	Last meeting minutes of the board	
11	Organisational chart, including the identification of reporting lines and job functions	
12	Conflict of interest policy	
13	Inventory of actual or potential conflicts of interest and proposed mitigation measures	
14	Information on how potential conflicts of interest situations, including transactions with related parties, employee personal account dealing, outside business activities and the acceptance of gifts and hospitality are reviewed and approved consistently	
15	Documents and information related to any existing or planned outsourcing arrangements for activities of the external reviewer covered by Regulation (EU) 2023/2631, including information on entities assuming outsourcing functions, and the evaluation of how the external reviewer ensures compliance with Article 33(1) of that Regulation	

ANNEX VII

OTHER ACTIVITIES OF THE EXTERNAL REVIEWER

Activity	Description	Offered through subsidiaries
<i>[NACE code of the activity, where available]</i>		<i>[Yes/No: if Yes, please provide the name of the entity]</i>

ANNEX VIII

Legal representative established in the Union

Full name	
Address of the registered office within the Union	<i>[EU Member State, city, street address, postal code]</i>
Email address	
Legal status	
Deed of incorporation, articles of association or other constitutional documents	
Website	

Legal Entity Identifier (LEI)	<i>[Where applicable]</i>
--------------------------------------	---------------------------

10.1.6 ITS on material changes to registration

COMMISSION IMPLEMENTING REGULATION (EU) 2025/...

of **XXX**

laying down implementing technical standards for the application of Regulation (EU) 2023/2631 of the European Parliament and of the Council with regard to the standard forms, templates and procedures for the notification of material changes in the information provided for registration as an external reviewer

(Text with EEA relevance)

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) 2023/2631 of the European Parliament and of the Council of 22 November 2023 on European Green Bonds and optional disclosures for bonds marketed as environmentally sustainable and for sustainability-linked bonds³⁰, and in particular Article 24(2), fourth subparagraph, thereof,

Whereas:

- (1) To ensure uniform information is provided, this Regulation sets out the standard forms, templates and procedures an external reviewer should use for a notification to ESMA of material changes in the information provided in accordance with Article 23(1) of Regulation (EU) 2023/2631.
- (2) Digital means of registration have been considered in setting out the standard forms, templates and procedures to be used in a notification of material changes by an external reviewer with the aim to safeguard security and enhance data management and usability. Any information submitted to ESMA in such notification should be in a machine-readable way and in a durable medium.
- (3) In order to facilitate the identification of the information submitted by an external reviewer, documents included with a notification should bear a unique reference number.
- (4) For assurance and accountability purposes, the notification of material changes to registration information should be accompanied by a letter signed by a member of the external reviewer's senior management, attesting that the submitted information is accurate and complete to the best of their knowledge.
- (5) This Regulation is based on the draft implementing technical standards submitted to the Commission by ESMA.
- (6) ESMA conducted open public consultations on the draft implementing technical standards on which this Regulation is based and analysed the potential related costs and benefits and

³⁰ OJ L, 2023/2631, 30.11.2023.

requested the advice of the Securities and Markets Stakeholder Group established in accordance with Article 37 of Regulation (EU) 1095/2010 of the European Parliament and of the Council³¹,

HAS ADOPTED THIS REGULATION:

Article 1

Standard forms, templates and procedures for the notification of material changes to the information provided for registration as an external reviewer of European Green Bonds

1. An external reviewer that intends to notify ESMA of a material change in the information provided in accordance with Article 23(1) of Regulation (EU) 2023/2631 shall submit the information referred to in the Annexes to this Regulation in the standard forms and templates set out in those Annexes.
2. The notification shall be provided in a format which stores information in a machine-readable way, and which allows the unchanged reproduction of the information stored.
3. An external reviewer shall give a unique reference number to each document it submits. It shall ensure that the information it submits clearly identifies to which specific requirement of *[Commission Implementing Regulation (EU) 2025/... on the forms, templates and procedures for providing registration information]* it refers and in which document that information is provided.
4. If a requirement of *[Commission Implementing Regulation (EU) 2025/... on the forms, templates and procedures for providing registration information]* does not apply to the notification, the external reviewer shall state this in the table set out in Annex I and provide an explanation.
5. The notification shall include a letter signed by a member of the external reviewer's senior management, attesting that the submitted information is accurate and complete to the best of their knowledge, as of the date of that submission.

Article 2

Entry into force

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the Commission

³¹ Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/77/EC (OJ L 331, 15.12.2010, p. 84).

On behalf of the President

ANNEX I

DOCUMENT REFERENCES

(Article 2)

Annex to this Regulation	External reviewer reference number	Title of the document	Chapter or section or page of the document where the information is provided or reason why the information is not provided

ANNEX II

NOTIFICATION OF MATERIAL CHANGES

(Article 3)

1. External reviewer established in the Union

Full name of the external reviewer			
Date of registration with ESMA			
<i>[Please specify the relevant legal reference indicating the Article of, or Annex(es) to, Commission Implementing Regulation (EU) 2025/... on the forms, templates and procedures for providing registration information]</i>			<i>[Please use this column to provide an explanation of the change(s)]</i>
<i>[Please add more rows if needed]</i>			
Annex I <i>(Yes/No)</i>		Annex V <i>(Yes/No)</i>	
Annex II <i>(Yes/No)</i>		Annex VI <i>(Yes/No)</i>	
Annex III <i>(Yes/No)</i>		Annex VII <i>(Yes/No)</i>	
Annex IV <i>(Yes/No)</i>			

2. Recognised third-country external reviewer

Full name of the external reviewer			
Date of recognition with ESMA			
<i>[Please specify the relevant legal reference indicating the Article of, or Annex(es) to, Commission Implementing Regulation (EU) 2025/XYZ on the forms, templates and procedures for providing registration information]</i>	<i>[Please use this column to provide an explanation of the change(s)]</i>		
<i>[Please add more rows if needed]</i>			
Annex I <i>(Yes/No)</i>		Annex V <i>(Yes/No)</i>	
Annex II <i>(Yes/No)</i>		Annex VI <i>(Yes/No)</i>	
Annex III <i>(Yes/No)</i>		Annex VII <i>(Yes/No)</i>	
Annex IV <i>(Yes/No)</i>		Annex VIII <i>(Yes/No)</i>	

10.2 Annex II

Cost-benefit analysis (CBA)

1. As per Article 10(1) of Regulation (EU) No 1095/2010, any draft RTS and ITS developed by ESMA are to be accompanied by an analysis of the potential related costs and benefits.
2. This Consultation Paper sets out proposals for the RTS and ITS required under Articles 26(3), 29(4), 30(3), 31(4), 42(9) and 24(2) of the European Green Bonds Regulation which relate to systems, resources and procedures; the compliance function; internal policies and procedures; information used for assessment activities; the form and content of applications for recognition; and forms, templates and processes for providing material changes to registration, respectively. To enhance readability and better streamline information, ESMA has decided to conduct a preliminary Cost-Benefit Analysis (CBA) and impact assessment in a consolidated manner, combining the 6 draft technical standards mentioned above.
3. This draft CBA is qualitative in nature, as ESMA is not able to quantify a monetary value for benefits or costs of the envisaged technical options at this stage. Should relevant data be received in the consultation process on the quantitative impact of the proposals, ESMA will take it into account and include it in the CBA accompanying the Final Report.

10.2.1 Technical options available to ESMA

4. The following two options were identified and analysed by ESMA to address the policy objectives of the Level 2 tasks required under the EuGB Regulation.
5. In identifying the options set out below and in choosing the preferred one, ESMA was guided by the relevant provisions of the EuGB Regulation and its objectives of enhancing the effectiveness, transparency, comparability and credibility of the European Green Bonds market.

Option 1

6. The baseline scenario for this CBA would be the application of the requirements in the Level 1 Regulation without any further specification. This would leave discretion to ESMA and external reviewers to determine the necessary specificities, leading to a lack of harmonisation in the application of key provisions of the EuGB Regulation. Moreover, for ESMA, this baseline scenario would mean that a high level of resources could be required for supervisory activities. This is due to the level of bilateral engagement expected to communicate or clarify ESMA's expectations and to address market queries or remedy concerns on registration and supervision matters, in the absence of Level 2 acts.

Option 2

7. The option to develop RTS and ITS gives ESMA, in its role as gatekeeper of financial markets, an opportunity to further specify the formulation of the Level 1 provisions,

enhancing clarity for market participants and avoiding regulatory arbitrage and undue burden on its registration and supervision tasks. Furthermore, ESMA will be able to receive feedback from relevant stakeholders through the public consultation, ensuring the technical standards are sufficiently tailored to market reality. This option has been retained.

10.2.2 Preliminary CBA

	Costs	Costs to regulator	Benefits
RTS on systems, resources and procedures RTS on the compliance function RTS on internal policies and procedures	<p>The proposed draft RTS will result in external reviewers incurring initial costs when implementing the elements therein, including the potential need for external consultants or legal advice to interpret and implement the criteria set out in the RTS. There will then be an ongoing and recurring cost (time, resources) of undertaking compliance assessments against the prescribed criteria.</p>	<p>ESMA is expected to incur costs from the need to actively allocate supervisory resources to monitor compliance of ESMA-registered external reviewers with the provisions set out in the draft RTS.</p>	<p>ESMA considers that the proposed draft RTS ensure that external reviewers put in place a robust process for determining and demonstrating compliance with the requirements of Articles 26, 29 and 30 of the EuGB Regulation. It is also ESMA's view that requiring external reviewers to perform an assessment against the criteria set out by ESMA (e.g. as laid down in Article 26(2) of the EuGB Regulation) encourages a culture of proactive compliance and accountability, while allowing ESMA's supervision to focus on higher-risk areas, optimising resource allocation in line with its risk-based and outcome-focused</p>

			approach to supervision.
RTS on information used for reviews	External reviewers may need to develop or upgrade systems, resources and procedures to ensure they meet the criteria set out in the draft RTS. This could involve IT investments, access to certain data sources and staff training costs. In this regard, SMEs may face higher compliance costs compared to larger, more established players with more resources.	ESMA is expected to incur costs from the need to actively allocate supervisory resources to monitor compliance of ESMA-registered external reviewers with the provisions set out in the draft RTS.	The main benefits of the approach taken in the draft RTS is providing legal certainty for external reviewers to comply with the provisions of Article 31(3) of the EuGB Regulation. This is also expected to enhance their data quality and reliability processes, thus contributing to higher-quality external reviews and, through increased market comparability, a better functioning European green bonds industry.
RTS on application for recognition	The main cost that is expected to be incurred by third-country external reviewers as a result of the draft RTS is the one-off allocation of resources (notably, time and personnel) to meet the information requirements of the application for recognition. This can be especially onerous vis-à-vis the legal representative, for whom applicants are expected to	The proposed approach will lead to additional costs for ESMA in the form of deploying supervisory efforts for the assessment of the conditions for registration of third-country external reviewers under the RTS, such as evaluating the information set out in Annex VIII to establish whether the legal representative meets the	The draft RTS is expected to contribute to a standardised application framework for third-country applicants, reducing ambiguity and contributing to a level playing field. At the same time, by harmonising and streamlining the application process, ESMA expects to process submissions faster. By meaningfully screening third-

	<p>assess the sufficiency of knowledge, expertise and resources.</p>	<p>requirements of Article 42(3).</p>	<p>country entities authorised to provide external reviews, ESMA also expects to provide a safer space for issuers and investors in the EU.</p>
<p>ITS on material changes to registration</p>	<p>ESMA took the view that the proposed approach in the draft ITS was unlikely to lead to additional costs to the extent that it provides clarifications on the Level 1 provisions and does not impose additional obligations, other than form, beyond those already set by Article 24 of the EuGB Regulation.</p> <p>However, the need for external reviewers to adapt existing IT systems to produce data in the required machine-readable format represents a potential extra cost, in particular for SMEs with limited technical and material resources.</p>	<p>The proposed draft RTS will lead to the need to allocate supervisory resources to process additional flows of information and assess whether or not to object to a material change in the information provided by external reviewers at registration.</p>	<p>The main benefit of the option proposed is the standardisation and digital user-friendliness of the information and procedural requirements for external reviewers by providing a harmonised set of forms, templates and procedures for the submission of notifications of material changes to the information provided at registration. This way, it is easier for ESMA to assess and compare material changes across different registrants. In turn, external reviewers are provided with more clarity on their notification obligations, strengthening ESMA's ability to adequately perform a gatekeeping role.</p>

Q7 Do you have comments or quantitative information to provide on the CBA and options considered by ESMA?

10.3 Annex III

List of questions

Q1	Do you agree with ESMA's proposals for the assessment of the appropriateness, adequacy and effectiveness of systems, resources and procedures?
Q2	Do you agree with ESMA's proposals for the assessment of whether the compliance function has the authority to discharge its responsibilities properly and independently?
	Do you agree with ESMA's proposals for the assessment of whether the compliance function has the necessary resources and expertise?
	Do you agree with ESMA's proposals for the assessment of whether the compliance function has the necessary access to all relevant information?
Q3	Do you agree with ESMA's proposals for the assessment of the soundness of administrative and accounting procedures?
	Do you agree with ESMA's proposals for the assessment of the soundness of internal control mechanisms?
	Do you agree with ESMA's proposals for the assessment of the effectiveness of control and safeguard arrangements for information processing systems?
Q4	Do you agree with ESMA's proposals to specify the criteria to assess whether the information used when providing reviews is of sufficient quality?
	Do you agree with ESMA's proposals to specify the criteria to assess whether the information used when providing reviews is from reliable sources?
Q5	Do you agree with ESMA's proposals to specify the information, form and content of applications for recognition?
Q6	Do you agree with ESMA's proposals to specify the standard forms, templates and procedures to notify ESMA of material changes in the information provided at registration?
Q7	Do you have comments or quantitative information to provide on the CBA and options considered by ESMA?