



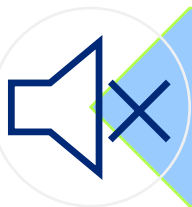
Workshop on the Registration of External Reviewers for EU Green Bonds

6th May 2025 - Virtual

ESMA – Conduct Supervision and Convergence Department

ESMA84-858037815-725

Housekeeping rules



Please keep your microphone muted!



There will be a Q&A at the end of each session.
You can share your questions in the **chat function**.



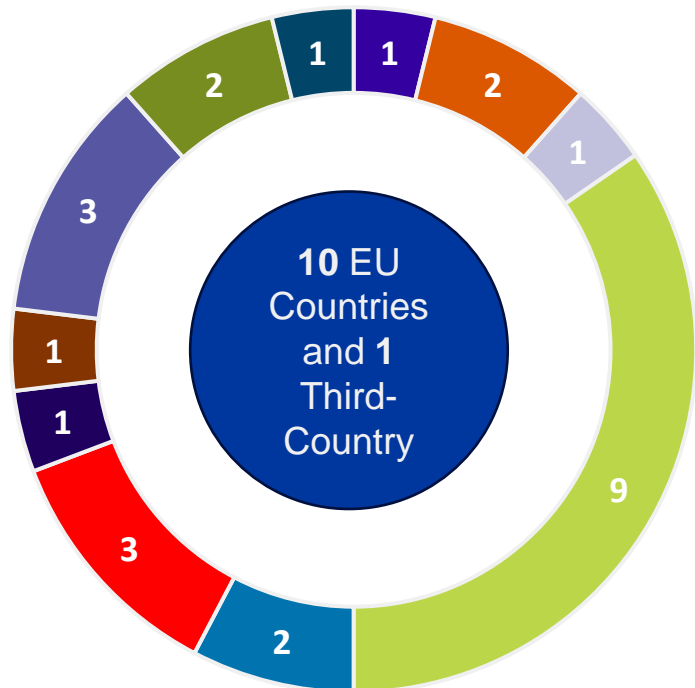
Should you face any issues you can reach out to
EUGB_queries@esma.europa.eu

Agenda

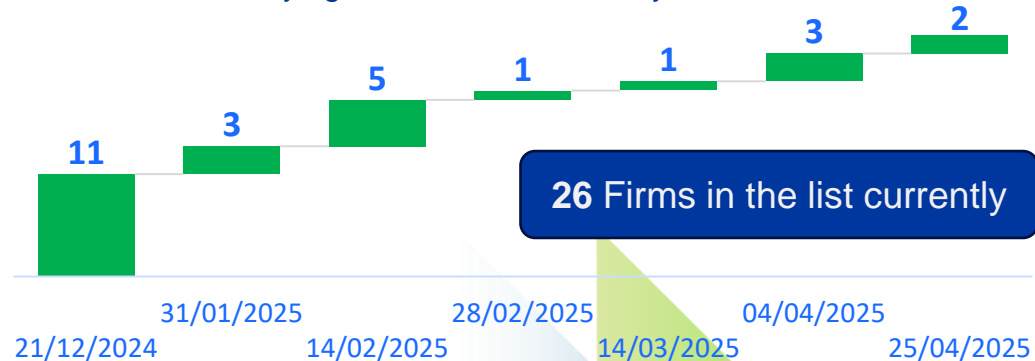
Session	Topic
Introduction	Welcome - Purpose of the workshop
Session 1	Registration Process and Timeline
Q&A 1	Questions from registration forms + live questions
<i>Coffee break</i>	<i>15 mins</i>
Session 2	Specific Aspects of the Application for Registration
Q&A 2	Questions from registration forms + live questions

Welcome!

Number of notifying External Reviewers by country



Number of notifying External Reviewers by date of inclusion in the list



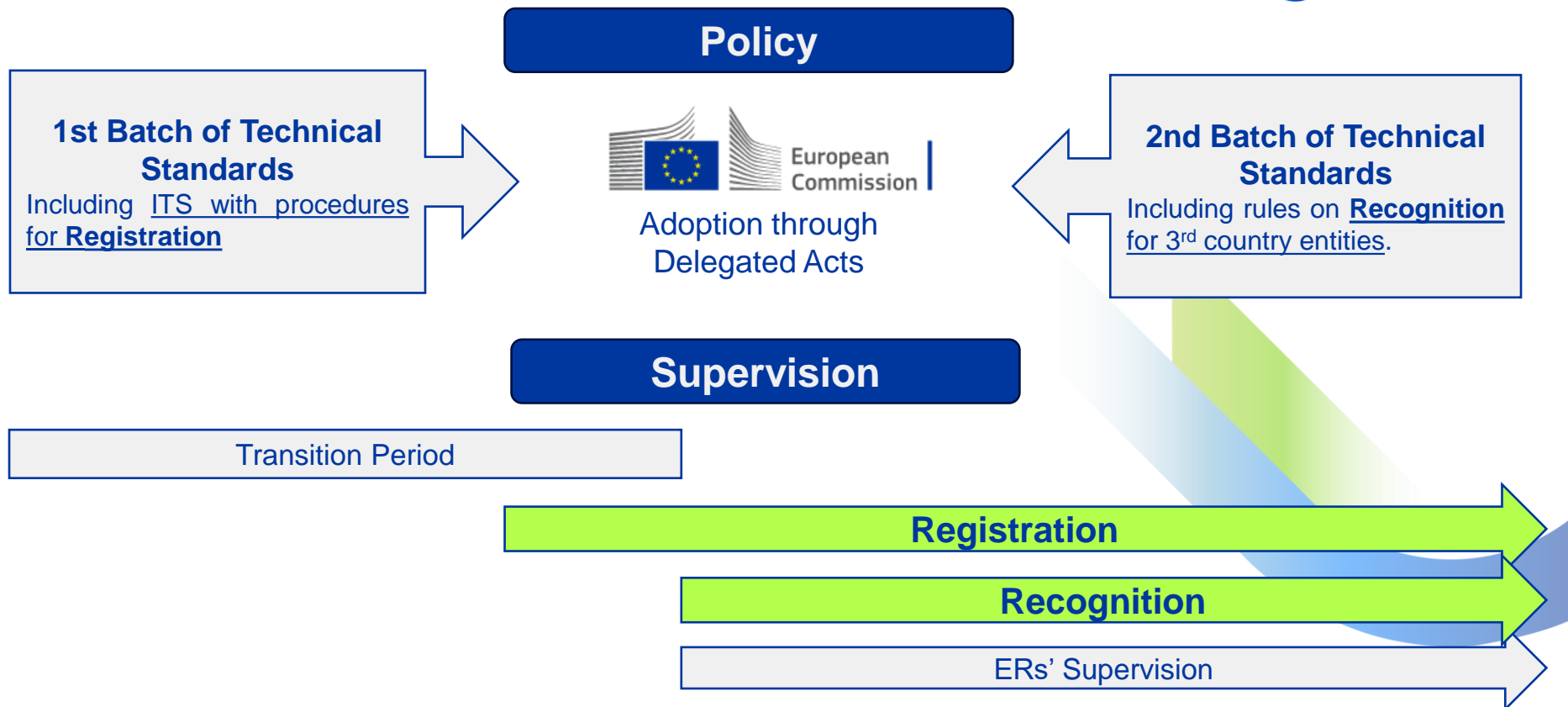
26 Firms in the list currently

Different types of business models!

These include:

- Audit Firms
- Credit Rating Agencies
- Consultancy
- Law Firms
- Sustainable Services
- Test, Inspection and Certification

ESMA's role under EUGBR



Timeline (1/2)

Start of the transition period

EU Commission adopts 1st
Batch of TS through Del. Acts

EU Commission adopts 2nd
Batch of TS through Del. Acts

21 December 2024

2025 Q2

2026 Q1

ESMA publishes on its website the 1st
list of firms that have successfully
notified their intention to provide ER's
services during the transition period.

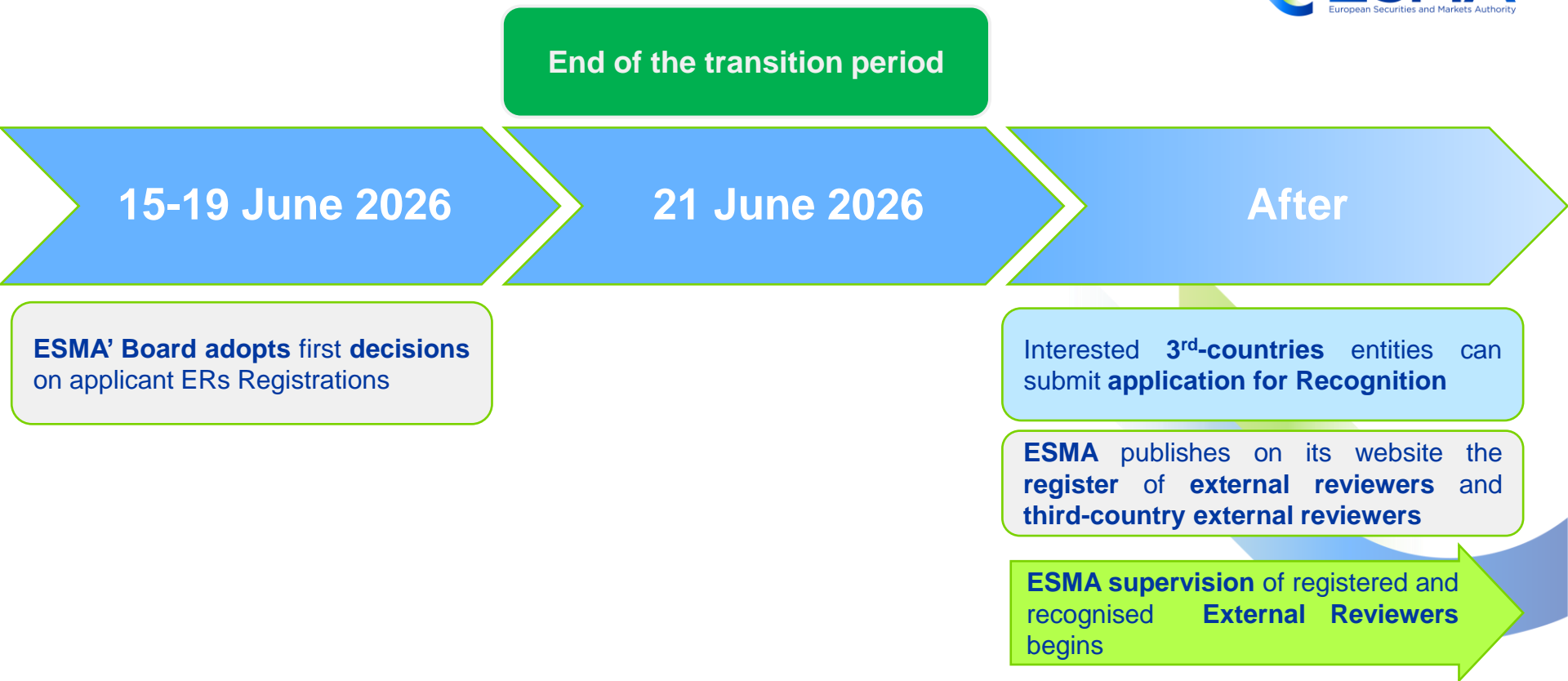
ESMA publishes a **template for
application for Registration** and
starts reviewing the applications for
Registration

Interested entities can submit their
application for Registration

ESMA may ask for **information on
best effort to comply** to EU
entities who provided ERs' services
during the transition period

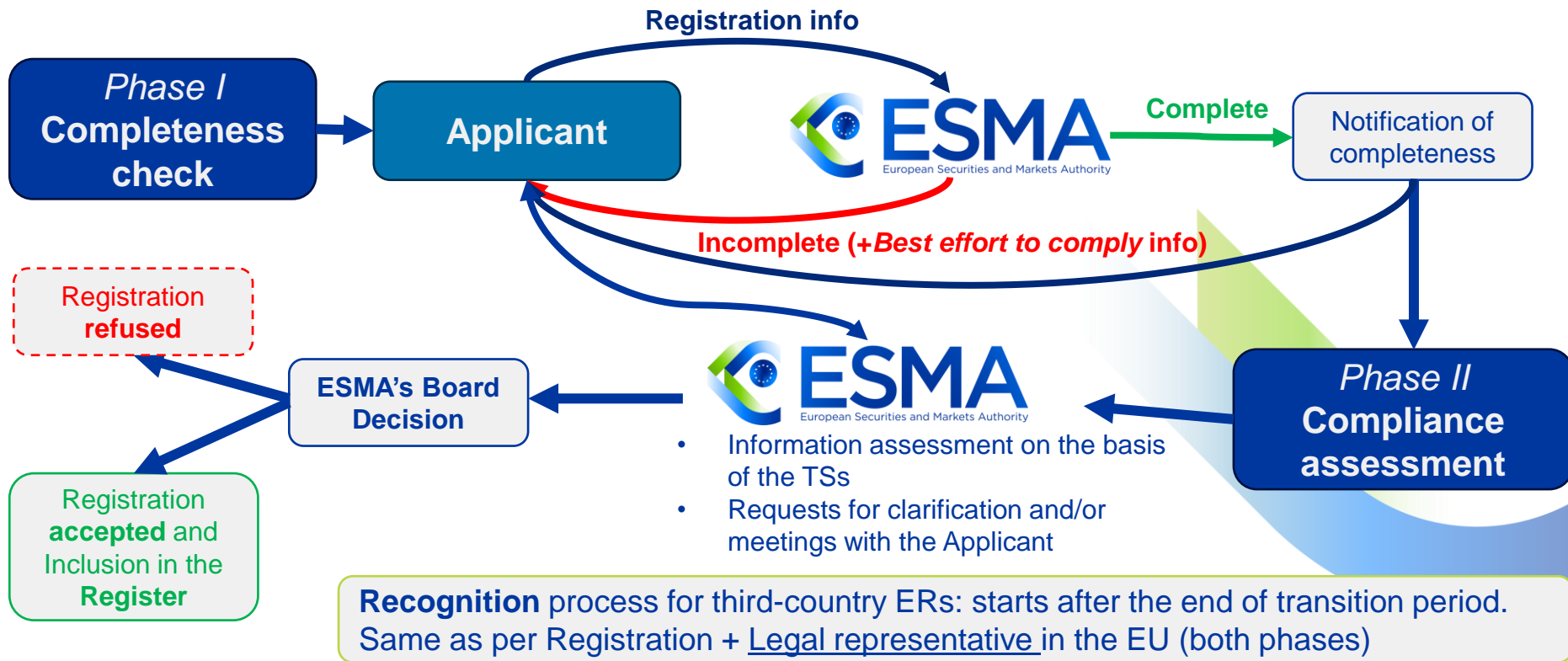
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Timeline (2/2)



Registration Process

The registration process includes two different phases.



Q&A 1 - Questions from registration forms + live questions



End of Session 1 – Registration process and timeline

**COFFEE
BREAK**

**SEE YOU IN
15 MINUTES**



Specific Aspects of the Application

- Aim of the session is to share ESMA's observations and current thinking in a number of key areas which will be important for applicants
- It is not intended to give a complete and comprehensive overview of all requirements of the EUGB Regulation or even all the requirements under the quoted Article
- Based on ESMA's experience gained from other supervisory mandates and from our review of the EUGB notifications we have received since December 2024

Specific Aspects of the Application

Board

Internal Control Framework

Conflicts of Interest Management

Regulatory references

- Article 23 (2)(a) Regulation (EU) 2023/2631 on sufficiency of board/management repute, skill, qualifications and experience
- Article 27 (1) Regulation (EU) 2023/2631 on role of board and senior management

Board/management repute, skill, qualifications and experience



Key points

Board members who have sufficient skill, qualifications and experience, including in sustainable finance-related topics

Oversight of external reviewers



Key points

Board effectively oversees the development of the ER activity and associated risks

May be in addition to other business activity

Regulatory references

- Article 26 Regulation (EU) 2023/2631 sets out requirements for internal controls
- Article 29 Regulation (EU) 2023/2631 sets out the requirements for the Compliance function

Internal control framework



Key points

Clarity about roles and responsibilities between 1st and 2nd line of defence
Reporting to the Board

Compliance



Key points

Independence and access of Compliance
Resource is appropriate given nature, scale and complexity
Sufficiently skilled and experienced staff

Regulatory references

- Article 30 (1), Article 35 (1), (2) and (3) and Article 36 set out requirements to ensure independence across the entity
- Article 28 (2) and Article 35 (1), (4) and (5) set out conflicts requirements for individual analysts

Independence of analytical activity



Key points

Document(s) setting out:

- (i) Pre-contractual controls
- (ii) Approach to fees
- (iii) Arrangements to manage conflicts with other business activities

Independence of analyst



Key points

Document(s) setting out:

- (i) conflicts management
- (ii) prohibition to partake in commercial negotiations

Regulatory references

- Article 33 Regulation (EU) 2023/2631 sets out requirements in relation to outsourcing of certain activities
- Article 33 (2) Regulation (EU) 2023/2631 requires an ER not to outsource all their assessment activities or their compliance function

Outsourcing by external reviewers



Key points

Outsourcing is permitted but Level 1 requires minimum resource level at ER entity
For Compliance: An appropriately dedicated resource formalised in an employment contract
For Analytical Resources: See slide 19

Methodologies and analytical resources

Methodologies

What do we expect from the methodological approach?

What do we expect from the methodological document?

Analytical resources

What are sufficient staffing numbers?

How can sufficient skills be demonstrated?

Outsourcing of analytical resources

Regulatory references

- Article 23 (1)(g) Regulation (EU) 2023/2631 requests applicants to disclose “a *description of the procedures and methodologies implemented (...) to issue reviews*”
- Article 31 (1) Regulation (EU) 2023/2631 asks for the methodology to specify the relevancy of information to the analysis



Key points

EU Green Bond standard focused, with clear references (Eu Taxonomy, TSC)

Aligned with requirements on **information quality and source reliability***, incl. clear identification of relevant information and data, thresholds where applicable



Key points

Comprehensiveness of the document detailing a **process**, including approach and steps

* [ESMA84-858037815-176 Consultation Paper on European Green Bond Regulation.pdf](#)

Regulatory references

- Article 23 (2) Regulation (EU) 2023/2631 requests ERs to have sufficient staffing numbers and skill sets of persons involved in assessment activities
- Article 28 (1) Regulation (EU) 2023/2631 requests ERs to ensure the skills of persons involved in assessment activities



Key points

Job functions and seniority
Job nature
Expected reviews (next 24 months)
Assessment duration



Key points

Previous job functions
Educational background
Relevant training
Annual assessment/training plans



Key points

Sufficient analytical resources
contracted with the ER
Depending on assessment of
necessary staffing number

* [ESMA84-858037815-195 Final Report on the Technical Standards on the European Green Bonds Regulation](#)

Q&A 2 - Questions from registration forms + live questions



Thank you for your attention!



Questions and doubts: EUGB_Queries@esma.europa.eu

External Reviewers official webpage: **Home > ESMA's Activities > Investors and Issuers > External Reviewers of European Green Bonds** (<https://www.esma.europa.eu/esmas-activities/investors-and-issuers/external-reviewers-european-green-bonds>)

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