

**OGGETTO: EUF Monthly Monitoring Report - Marzo 2025**

Si trasmette agli Associati il rapporto mensile predisposto da Euralia per l'EU Federation for the Factoring and Commercial Finance Industry (EUF). Il Monthly Monitoring Report (MMR) descrive lo stato di avanzamento dei principali processi legislativi in corso presso gli organismi dell'Unione Europea con particolare attenzione alle tematiche di interesse per il settore del factoring.

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Cordiali saluti

Il Segretario Generale  
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## Consultations

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### 24 March 2025 – the European Commission launches a consultation on the review of the FRTB framework

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On 24 March 2025, the European Commission [launched](#) a targeted consultation on the application of the market risk prudential framework (FRTB) under CRR. The consultation will remain [open](#) until 22 April 2025.

Due to delays in implementation in other countries, notably the USA and the UK, the EU Commission is seeking views on the implementation of the new prudential requirements on market risk in the EU. The aim is to assess the options available under Article 461a of the CRR, which authorizes:

- A postponement of the entry into force of the rules for up to 2 years.
- Targeted adjustments to the framework for up to 3 years.

Participants are invited to choose from three options and assess their impact:

- Do not use article 461a and apply the rules from 1 January 2026 under CRR3.
- Defer application for one year (until 1 January 2027).

Temporarily modify certain aspects of the framework to align with developments in the United States and the United Kingdom.

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### 17 March 2025 - SRB consults on operational guidelines for banks' resolution test

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On 17 March 2025, the Single Resolution Board (SRB) launched a [consultation](#) on [operational guidelines for resolution testing for banks](#), which specifies the requirements for ensuring the efficient resolution of banks.

The operational guidelines aim to promote a harmonized approach to the multi-year testing program, defining test areas, methods and expectations for governance and reporting. The multi-year testing program will be revised annually to incorporate developments. The results of reporting assessments will determine testing priorities, and test results will validate operational effectiveness.

**Next steps:**

***The consultation is open until 5 May 2025.***

***The SRB will publish the final guidelines in the third quarter of 2025, together with a summary of stakeholder feedback.***

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### 6 March 2025 – the EBA consults on new anti-money laundering and combating the financing of terrorism rules

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On 6 March 2025, the European Banking Authority (EBA) opened [a public consultation](#) on four draft Regulatory Technical Standards (RTS), defining how institutions and supervisors will have to comply with the EU's Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) regime obligations, and will define how

institutions and supervisors will have to comply with the AML/CFT obligations imposed by the new regulatory framework.

The proposed RTS covers the following aspects:

- The way in which the European Anti-Money Laundering and Combating the Financing of Terrorism Authority (AMLA) will decide which institutions will be subject to direct supervision. EBA proposes that the AMLA should first determine which institutions are eligible for direct supervision, considering their cross-border activities. Secondly, the AMLA will examine the results of the harmonized ML/TF risk assessment methodology.
- A harmonized methodology that all national supervisory authorities will apply to assess an institution's inherent risks, the quality of controls and the residual risks that remain after controls have been applied. This approach will ensure consistent and comparable risk assessments in all Member States and reduce the regulatory burden for cross-border institutions.
- Institutions will need to collect accurate, high-quality information as part of the new customer due diligence process against money laundering and terrorist financing. EBA proposes a flexible framework allowing institutions to choose the most suitable approach, if it complies with AML regulations.
- The EBA defines indicators and criteria for setting financial sanctions and administrative measures, including a methodology for imposing penalty payments.

**Next steps:**

The [consultation](#) is open until 6 June 2025.

**EBA will submit its final standards to the European Commission on 31 October 2025. EBA is also organizing a public hearing on the consultation document on 10 April 2025.**

## Banking regulation

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## Shadow-banking

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### 19 March 2023 - European Parliament hearing on the macroprudential framework for non-bank financial institutions

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On 19 March 2025, the Committee on Economic and Monetary Affairs (ECON) organized [a public hearing](#) to assess the adequacy of the macroprudential framework for non-bank financial institutions in the EU. Four experts were invited to speak at the committee meeting: Francesco MAZZAFERRO, head of the European Systemic Risk Board (ESRB), Peggy STEFFEN, from the German Investment Funds Association, Sebastian MACK, from the Jacques Delors Center at Berlin's Hertie School, and Julia SYMON, from Finance Watch.

- **Francesco MAZZAFERRO and Sebastian MACK** both highlighted the growing interconnection between banks and non-banking financial institutions (NBFIs), a source of vulnerability for the financial system in the event of a crisis. They warned against the risks of contagion and called for a strengthened systemic approach adapted to the diversity of players. Both stressed the need to improve transparency, particularly in asset management, and to close regulatory loopholes, especially for money market and investment funds, crypto-currency and margin calls.

- **Peggy STEFFEN** pointed out that non-bank financial institutions are already widely regulated in the EU, and that they play an important role in financing the real economy. She advocated a targeted macroprudential approach rather than a general framework, insisting on transparency and harmonized definitions of leverage.
- **Julia SYMON** stressed the need for a robust regulatory framework to ensure the stability of the NBFIs sector. She warned against the lack of restrictions on the use of investment leverage and the lack of transparency, calling for harmonized requirements and stronger supervisory powers for European Authorities.

The hearing highlighted divergences on the regulatory approach to be adopted, between the desire to strengthen supervision and the need to preserve the competitiveness of NBFIs.

## Securitization

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### 31 March 2025 - the ESA joint committee publishes an evaluation report on the operation of the European Securitization Regulation.

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On 31 March 2023, the Joint Committee of European Supervisory Authorities (EBA, ESMA, EIOPA) published [an evaluation report](#) on the functioning of the European Securitization Regulation (SECR). The aim of the report is to make recommendations aimed at strengthening the overall effectiveness of the securitization framework in Europe. It identifies where the regulatory and supervisory framework can be improved to support the development of securitization markets.

The ESAs make the following recommendations:

- **Clarification of the scope of the Securitization Regulation:** the ESAs recommend specifying that the application of the SECR is triggered as soon as at least one party to the securitization - whether on the sell-side or buy-side - is established in the European Union.
- **Broaden the definition of public securitization, to include transactions in which the securities are:**
  - Issued with a prospectus approved under the EU Prospectus Regulation.
  - Admitted to trading on EU regulated markets or multilateral trading facilities;
  - Widely marketed with non-negotiable terms and subject to a market test requiring EU originators or sponsors to demonstrate that the transactions are not offered to an indeterminate public.
- **Introducing proportionality into due diligence requirements:** the report calls for more proportionate and practical due diligence requirements, enabling institutional investors to receive data in formats that facilitate meaningful risk assessment. It also recommends commitments from sellers to provide ongoing information throughout the transaction.
- **Simplifying transparency and reporting requirements:** recommendations include streamlining reporting models for public securitizations, improving data standardization and introducing flexibility for the use of aggregated or stratified data for certain asset classes. The report also proposes targeted exemptions to reduce the compliance burden for small and medium-sized reporting entities.
- **Targeted changes to the STS framework:** the report suggests adjustments to improve the effectiveness of the Simple, Transparent and Standardized (STS) framework, notably for on-balance sheet securitizations introduced as part of the Capital Markets Recovery Package.

- **Clarification of risk retention rules:** the report recommends clearer guidelines on risk retention to reduce uncertainties of interpretation, particularly for Collateralized Loan Obligations. It also proposes the inclusion of the concept of "*principal source of income*".
- **Promoting more consistent supervision across Europe:** the ESAs stress the need for greater convergence in supervision to avoid fragmentation and ensure consistent application across member states. In the short term, this could be achieved through enhanced coordination within the ESA Securitization Committee. In the longer term, the ESAs suggest exploring more consolidated European supervisory arrangements, particularly for cross-border transactions.

**Next steps**

***The European Commission will present a review of securitization framework on 17 June 2025***

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**27 March 2025 - ESMA publishes peer review report on supervision of national competent authorities for securitization STS**

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On 27 March 2025, the European Securities and Markets Authority (ESMA) published [a peer review report](#) on the supervision of national competent authorities (NCAs) for simple, transparent and standardized (STS) securitizations. The aim of the study is to assess and strengthen the skills of national authorities regarding STS securitizations, to improve supervisory convergence at European Union (EU) level and increase investor confidence in this market. This study was carried out with the help of four national financial market supervisors in Europe: AMF for France, BaFin for Germany, CMVM for Portugal and DNB for the Netherlands.

Here are the main recommendations made by ESMA at the end of this report:

- **Transaction and entity supervision:** NCAs should adopt an approach combining transaction supervision and entity supervision, adapting to the size of their securitization market.
- **Strengthen supervisory efforts,** to enable ESMA to broaden their approach to better identify, assess and address the risks associated with STS securitizations.
- **Identifying and managing the risks associated with STS securitizations,** some NCAs should introduce a more structured supervisory framework, a clearly defined risk-based approach and sufficient resources to effectively supervise STS securitizations.

According to ESMA and its analysis, these recommendations are intended to support all EU NCAs, including those recently designated or awaiting designation. They are encouraged to continue to monitor developments in their STS markets, and to adapt their supervisory approach and resource allocation as necessary.

**Next steps:**

***The ESMA will continue its coordination efforts at EU level and is planning a follow-up assessment to measure progress and monitor the development of STS supervision in the various jurisdictions.***

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## 10 March 2025 - ECB response to the consultation on the prudential treatment of securities financing transactions (SFT)

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On 10 March 2025, The European Central Bank (ECB) has published its [contribution](#) to the European Union's [consultation](#) of 10 February 2025 on a review of the legislative provisions relating to the long-term structural liquidity ratio (NSFR) in the Banking Regulation (CRR).

As a reminder, the purpose of the revision is to make permanent the transitional NSFR provisions applying to certain short term securities financing transactions (SFT), mainly guaranteed by sovereign bonds.

The ECB has provided an analysis of the impact of the targeted change proposed by the European Commission on the functioning of the SFT market and on financial stability.

- The expiry of the transitional arrangement could disrupt liquidity and the sovereign bond market, due to increased regulatory costs. A drop in SFT activity could affect the redistribution of liquidity and impact on sovereign bonds. Some countries, such as the United States and the United Kingdom, do not impose these stable funding requirements.
- However, from a financial stability point of view, these requirements remain justified. Imposing stable funding on SFTs could limit the risks associated with short-term lending and avoid imbalances between funding and lending, thereby reducing the risk of contagion in the event of a liquidity crisis.
- In view of these challenges, the ECB recommends temporarily extending the current exemption for five years, with a review clause. Such an extension would allow us to assess the impact of the new rules on the SFT market and ensure a balance between the smooth functioning of the market and financial stability.

## Basel III

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### 26 March 2025 - Basel III reforms bolster the financial strength of major international banks

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On 26 March 2025, the Bank for International Settlements (BIS) [published](#) a report assessing the impact of the Basel III rules on banks. These rules aim to strengthen regulation, supervision and risk management in the banking sector worldwide.

According to this study, the major international banks have seen a significant improvement in their CET1 (Common Equity Tier 1) ratio, reaching an average of 13.4%. **This reflects the increased financial strength of these banks compared with previous periods.** However, some banks still have a slight capital deficit in relation to Basel III requirements.

The leverage ratio, which measures banks' ability to cover their debts with their capital, remained stable at 6.1%. This ratio indicates that banks are maintaining a good balance between capital and debt.

The report also highlights positive results in terms of liquidity. The Liquidity Coverage Ratio (LCR), which measures banks' ability to withstand liquidity pressures for 30 days, stood at 136%. The Net Stable Funding Ratio

(NSFR), meanwhile, measures the stability of longer-term funding (one year), and stands at 123.6%. This confirms that banks are sufficiently prepared to deal with short- and long-term liquidity crises.

For Global Systemically Important Banks (G-SIBs), the report also addresses Total Loss Absorbing Capacity (TLAC) requirements, which aim to ensure that these banks have sufficient resources to absorb losses in the event of a crisis without recourse to public funds.

Finally, the report points out that the final Basel III framework has led to an increase in capital requirements, particularly for European banks.

**According to the report, these reforms have had a positive impact, enabling banks to strengthen their resilience in the face of financial risk. Banks are now meeting or exceeding capital and liquidity requirements, which is a positive sign for the stability of the global banking sector.**

## Payments

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### 10 March 2025 – ECB to launch VoP system

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On 10 March 2025, the European Central Bank (ECB) announced that the Eurosystem will [offer](#) verification of payee (VoP) service to help PSPs in the Single Euro Payments Area (SEPA) to comply with their legal obligations for credit transfers in euro.

Following the positive conclusion of its exploratory work for offering a Verification of Payee (VoP) service for payment service providers (PSPs), the Eurosystem will launch it formally. The solution will be building on the services developed by the Banco de Portugal and Latvijas Banka.

Note that the two solutions offered by these Eurosystem central banks have been designed in accordance with the VoP scheme developed by the European Payments Council. The solutions will achieve SEPA-wide reach and will benefit from the coordination by the Eurosystem. Thus, any PSP in the euro area will be able to fulfil its obligation to offer a VoP service to their customers by 9 October 2025, using one of the two solutions.

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### 19 February 2025 – Polish Presidency circulates questionnaire regarding the verification of payee

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The Polish Presidency circulated a questionnaire on the 28 January 2025 to EU Member States regarding certain number of policies options in particular Interplay with FIDA, Virtual IBAN, ECB reference rates, IBAN checks.

The one most relevant to you, in my opinion, is the Consolidation of Member States responses to the Presidency questionnaire.

You will note that at question 6 (p57) Member States were asked “*Do Member States agree with the proposed drafting suggestions in relation to the verification of the payee? If not, please provide an alternative compromise solution*”. Some member States raise the issues of IBAN verification:

- Most countries support alignment of provisions between PSR/PSD and the Instant Payment Regulation, the main issues highlighted were linked to non-euro transactions.
- **Luxembourg** : “While the same level of customer protection and security shall be offered to all payment transactions, we must remind that credit transfers processed by a large value payment system as well as transactions in other currencies than the euro often used other payment account identifiers. Thus, the IBAN verification is in some cases technically not possible”.
- **Italy**: “We also propose to modify art. 5c (6) to allow PSUs that are not consumer to always opt out from receiving the service ensuring verification. The proposal aims to allow for more flexibility in corporate banking procedures where clients, that are not consumers, may prefer to opt out from the VoP service to retain the use of automated payment initiation channels”. Note that Italy also proposes an alternative drafting to article 5c:

**Article 5c Verification of the payee in the case of credit transfers**

6. PSPs shall provide PSUs that are not consumers with the means to opt out from receiving the service ensuring verification *when submitting multiple payment orders as a package*.

NEW) Article 110a - Amendments to Regulation (EU) No 260/2012

2. Art. 5c (6) of Regulation (EU) No 260/2012 is modified as follows:

6. PSPs shall provide PSUs that are not consumers with the means to opt out from receiving the service ensuring verification *when submitting multiple payment orders as a package*.

- **Denmark** : “the IBAN Check construct a well-balanced and targeted approach to regulate the PSPs’ liability with regard to impersonation fraud cases by introducing an obligation to perform elaborate IBAN / name checks and defining specific liability rules for PSPs in cases of failures to perform such checks”.

**Next Steps :**

**The Parliament has adopted its position on the legislative package, the Council must now adopt his before entering interinstitutional negotiations.**

**Supervision**

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**17 March 2025 - EBA publishes its final draft ITS on the joint decision process for the authorization of internal models under CRR**

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On 17 March 2025, the European Banking Authority (EBA) published [its final draft](#) implementing technical standards (ITS) on the joint decision-making process for the authorization of internal models.

The CRR3 regulation mandates EBA with the task of updating the ITS to specify the joint decision process for certain authorization requests. This mandate already existed under CRR and had been fulfilled via a previous implementing act. In these updated ITS standards, the main novelty of CRR3 is the suppression of the Advanced Measurement Approach (AMA) for operational risk, which modifies the application of internal models. EBA has therefore decided to adapt the ITS to reflect these changes and adjust the rules on supervisory colleges.

**Next steps:**

***The draft ITS will be submitted to the European Commission for approval, before being examined by the European Parliament and the Council before being published in the Official Journal of the European Union.***

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### **13 March 2025 – the ECB launches a pilot project to provide access to certain confidential statistical data**

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On 13 March 2025, the European Central Bank (ECB) [launched](#) a pilot project to provide access to certain confidential statistical data for research purposes.

Through this pilot project, the ECB wishes to encourage independent research and economic analysis at EU level, aimed at better understanding economic dynamics. Eligible researchers will be granted access to anonymized data concerning “*the balance sheets and interest rates offered by the various banks in the euro zone*”.

ECB Executive Board member Isabel SCHNABEL commented: “*we need independent academic research using our data to challenge our own analysis and thinking. I am therefore very pleased that we are now able to grant research access to two of our main data sets*”.

During the pilot phase, around 10 projects will be supported by the ECB, and researchers will access the data through the central banks of each country.

**Next steps:**

***After 18 months, the ECB will assess whether a permanent infrastructure needs to be put in place to allow researcher to access to confidential data.***

## **Legal issues**

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## **Insolvency**

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### **7 March 2025 - Council makes further progress on proposal to harmonize insolvency law**

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On 7 March 2025, the Ministers responsible for justice and their representatives [held discussions](#) at the Justice and Home Affairs Council.

In particular, the Ministers held a debate on the proposal for the harmonization of certain aspects of bankruptcy law (Insolvency Directive).

This proposal aims to simplify cross-border investment between Member States by giving investors legal certainty and harmonizing certain aspects of bankruptcy law. Although the Member States adopted an initial partial approach under the Hungarian presidency, discussions are still stalling over certain provisions of the proposal, notably the pre-negotiated assignment procedure.

Quite naturally, the debate focused on the proposal to make the "pre-packed procedure" available in all EU member states, and on the aspect of automatic transfers of contracts to be performed. A pre-packed proceeding, in which the sale of the debtor's business is prepared and negotiated prior to the formal opening of insolvency proceedings, enables the sale to be carried out and the proceeds obtained rapidly. In this context, by means of the transfer of contracts to be performed, contracts essential to the continuity of the business are automatically transferred from the debtor to the purchaser of the business without the consent of the debtor's counterparty.

The Ministers discussed the question of exceptions to the pre-packed proceeding rule, and particularly the automatic transfer of all contracts.

Speeches of interest on the pre-negotiated transfer procedure included:

- **Volker WISSING (Germany)** strongly opposed the automatic transfer of contracts, arguing that "*the freedom of those who wish to choose their contractual partner should be protected*". He stressed that this procedure could jeopardize workers' rights.
- **Finland and Slovenia** have expressed reservations about the pre-negotiated assignment procedure, arguing that its benefits are unclear, particularly in the light of contractual freedom.
- **Peter MOORS (Belgium)** defended the automaticity of contract transfers, a feature at the heart of the pre-negotiated divestiture procedure in his view.
- **Felix BOLAÑOS GARCÍA (Spain)** highlighted the indirect benefits for workers of such provisions, since they enable the company to maintain its activity.

The ministers also discussed Title VI of the proposal concerning the simplified liquidation of micro-enterprises:

- **Philippe LÉGLISE-COSTA (France)** reaffirmed the need to adopt uniform rules at European level on bankruptcy law for SMEs.
- **Italy** supported the introduction of simplified bankruptcy measures for SMEs.
- **Ireland, Sweden and the Netherlands** called for its abolition.

**Next steps:**

***The Polish Presidency intends to reach a general orientation on the entire proposal by the end of its term.***

## Late Payments

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### 26 March 2025 - LPR: the Polish Presidency circulates a flash note in view of resuming the negotiations

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On 26 March 2025, the Polish Presidency made public a flash note it had [prepared](#) for the 17 March Competitiveness Council on the Late Payment Regulation (LPR). The note mentions the EU Payment Observatory last report to highlight the need to reduce late payments and thus, take the LPR forward.

The note mentions that Member States called earlier for “*greater flexibility*” but that “*most Ministers disagreed with the proposed enforcement authorities for late payment and very restrictive payment terms in commercial transactions*” and that a certain number support “*withdraw[ing] the proposal*”.

Taking note of the failure of the Commission proposal, the Polish Presidency wants to shift the debate from “*commercial transactions*” payment terms to “*late payments*”, which the Presidency acknowledges are quite different.

The Polish Presidency underlines a certain number of issues to be debated:

- 30-days payment terms for transactions.
- The asymmetry of relationships between SMEs and large undertakings would entail the introduction of some protection for SMEs.
- The 50 euros compensation in case of late payment.
- The provisions relating to the moment at which the holder acquires title to goods only when the debtor has paid the invoice in full, which are considered to interfere with National Law.
- The enforcement bodies.

In view to “*break the deadlock*” the Polish Presidency addresses a certain number of questions to the Member States:

- *The uniform time limit of 30 days for all commercial transactions has been identified as detrimental. There is a broad agreement among Member States that the agreed payment terms must be respected. What options can we consider ensuring that deadlines are met, and that already well-established commercial relations and practices are not undermined?*
- *How can we help SMEs in case they face abusive payment terms practices from large companies? Could an option on size differentiation be considered?*
- *What effective measures could be envisaged at the European Union level to enforce payments on time in commercial transactions? What enforcement actions can be taken at EU level, considering already existing enforcement practices in Member States?*

From this document, one can easily acknowledge **that the Polish Presidency is pushing to reopen the file and obtain an agreement.**

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### **11 March 2025 - the European Payment Observatory presents the challenges and solutions in the fight against late payment in G2B transactions within the European Union.**

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On 11 March 2025, the European Payment Observatory organized a [webinar](#) on the subject of late payment in G2B transactions in the European Union (EU). This discussion, moderated by Antonella CORRERA, who is responsible for late payment issues at the European Commission, featured three speakers. In order, Beatriz POZO, coordinator of CEPS' Markets and Financial Institutions Unit, opened the session. She was followed by Alessandro BARTONLONI, from the Italian Ministry of Economy and Finance, and Kalliopi FOURNARI, from the Luxembourg Chamber of Commerce.

Late payments by public entities have major economic consequences. In 2022, public spending represented 49.6% of EU GDP, and unpaid liabilities amounted to 1.7% of GDP, or 282 billion euros. These delays affect business competitiveness, increase unemployment and lead to bankruptcies.

- **In France, around 50% of SMEs are reluctant to bid for public contracts for fear of late payment.**

- **In Spain, subcontractors on public contracts are paid in 88 days on average, which limits their ability to operate efficiently.**

The construction and healthcare sectors are particularly hard hit by late payments and unfair payment practices. In the healthcare sector, payment delays can reach up to 200 days in Portugal and Greece. The construction sector is also exposed due to long supply chains and the need to verify procedures which prolong payment times.

To remedy these problems, several measures can be put in place:

- **Liquidity measures** to solve specific problems, particularly in times of crisis.
- **Organizational measures** for long-term effects by changing the way payments are made.
- **Educational measures** to raise awareness of the importance of timely payments and train civil servants in the use of financial management tools.
- **Social measures** to encourage good payment practices.
- **Monitoring and transparency**, considering the importance of data collection to understand the scale of the problem.

Some countries have already taken steps to improve payment practices. France set up a payment observatory in 1992. Italy improved its budget planning and payment processes after a court ruling in 2020. In Luxembourg, a survey revealed that 85% of companies suffer from excessively long payment periods, and measures to improve payment transparency and management have been proposed.

The replay can be found via [this link](#).

## Single market and competitiveness issues

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### 20 March 2025 - results of the European competitiveness council

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On 20 March 2025, Europe's heads of state [met](#) at the European Council to discuss competitiveness, defense and European security. Regarding European competitiveness, two topics were addressed: the [European Commission's communication on the Savings and Investment Union \(S.I.U.\)](#), and the omnibus initiative on simplifying sustainability reporting standards.

➤ **Communication from the European Commission on the Savings and Investment Union**

The European Council underlines the following points:

- Bring the co-legislators to a rapid agreement on all outstanding proposals of the 2020 Action Plan on Capital Markets Union, including insolvency.
- Make capital markets accessible to EU individuals through investment and savings products.
- Improve the pan-European personal pension product.
- Develop private equity and venture capital.

- Create a 28th optional company law regime to facilitate the growth of innovative companies. ② Reform the framework for securitization and related prudential rules and ensure fair competition in the banking and insurance sectors.
  - Converge supervisory practices.
  - Strengthen the supervisory role of the ESAs, proposing legislation where necessary, to ensure direct European supervision of systemic players with significant cross-border activities.
  - Rapidly remove obstacles to market-led consolidation of market infrastructures and cross-border investment
- **Simplification proposals**

In its conclusions, the Council calls for the following actions:

- **To the Commission:**
  - Have the Commission review and stress-test the *acquis Communautaire* to identify ways of further simplifying and consolidating existing legislation;
  - Achieve the target of reducing the cost of all administrative burdens by at least 25%, and by at least 35% for SMEs;
  - Follow up rapidly on other simplification initiatives, notably in relation to industrial decarbonization and security and defense
- **To the co-legislators:**
  - Take forward work on the Omnibus simplification packages presented on 26 February 2025 as a matter of priority and with a high level of ambition, with a view to finalizing them as soon as possible in 2025;
  - Adopt without delay, and by June 2025 at the latest, the proposal on the "*stop-the-clock*" mechanism concerning the Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CSDD)
  - Concretize the principles of better regulation throughout the legislative process, to avoid over-regulation and the introduction of administrative burdens, particularly for SMEs.

**Next steps:**

***The European Council will review progress on competitiveness at its meeting in October 2025.***

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**19 March 2025 - the Commission presents its communication on the Savings and Investment Union**

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On 19 March 2025, the European Commission presented its [communication](#) on the strategy for the Savings and Investment Union (SIU). This communication is the result of the Draghi, Noyer and Letta reports, Commissioner ALBUQUERQUE's mission statement and the responses to the stakeholder consultation on the SIU.

The aim of this strategy is **to optimize the flow of savings into productive investments, to strengthen the European Union's economic competitiveness**. The Commission stresses that to achieve an efficient single capital market, the rules on securities law, insolvency and administrative and judicial procedures need to be harmonized between Member States.

The policy measures needed to implement the savings and investment union can be grouped into five categories.

➤ **Citizens and Savings**

The Commission believes that savings and investment accounts, with appropriate incentives, increase participation in capital markets and should therefore be generalized at a European level to encourage retail investors to invest in the economy.

In its communication, **the Commission stresses its determination to bring the negotiations on the retail investment strategy (RIS) to a successful conclusion, and warns against the original proposal being sidetracked, indicating that the proposal could then be withdrawn.**

The Commission proposes putting in place the following initiatives:

- Presentation of legislative or non-legislative initiatives (Q3 2025) to promote savings and investment accounts based on current best practice.
- Presentation of a recommendation (Q3 2025) on the taxation of investment products.
- Adoption of a strategy (Q3 2025) on financial education for European citizens.
- Examination, in partnership with the European Investment Bank (EIB), the European Stability Mechanism (ESM) and the public investment banks of the Member States, of the best ways of encouraging retail investors to co-invest with public entities in the Union's strategic priorities.

The Commission wishes to develop the supplementary pensions sector:

- Presentation (Q4 2025) of recommendations on auto-enrolment in occupational pensions, as well as on pension monitoring systems and pension dashboards.
- Review (Q4 2025) of the rules on institutional occupational pensions (IORPs) and the pan-European personal pension product (PEPP) to improve the range of pension products on offer.

➤ **Investment and financing**

- **Promoting equity investment:** to encourage institutional investors and insurers to invest in equities, the Commission proposes the following reforms:
  - Revision of the eligibility criteria for favorable prudential treatment of long-term equity investments in the delegated act adopted under Solvency II.
  - Compared to its first preparatory version, the Commission no longer mentions the introduction of favorable prudential treatment for banks (and insurance companies) in the context of 'public' investments or public funds
  - Removal of all existing undue regulatory barriers limiting investment in equities for institutional investors.
  - **Revision of the regulation on European Venture Capital Funds (Q3 2026)** to make this label more attractive by broadening the range of investable assets and strategies, and by broadening the range of assets in which these funds can be invested.
  - Presentation of a legislative proposal (Q3 2026) designed to make it easier for investors to 'exit' the companies in which they invest, particularly non-listed companies. **The Commission will examine the possibility of creating a framework to facilitate trading in non-listed shares at the European level.**
- **Taxation:** while the Commission had in a preparatory version called on the Council to finalize negotiations on the proposal for a directive aimed at establishing rules on a deduction to reduce the tax distortion in favor of indebtedness (DEBRA), it seems to be concluding that the proposal has little chance

of success. The Commission has announced that it is assessing the best way of eliminating tax measures that restrict cross-border investment.

- **Securitization:** the Commission will present (Q2 2025) proposals to review the due diligence, transparency and prudential requirements for securitization for banks and insurers.

➤ **Strengthening the single capital market**

To reduce the fragmentation of capital markets and ensure equivalent supervisory treatment, the Commission proposes the following measures:

- **The Commission wishes to develop the asset management sector** and will propose (Q4 2026) measures to reduce operational barriers affecting asset management groups. The Commission will also propose legislation to remove the remaining barriers - national or at EU level - to the distribution of EU-authorized funds in all Member States.
- **The Commission wishes to strengthen the single European supervision of capital markets:**
  - Presentation of measures (Q4 2025) designed to strengthen convergence tools to ensure more effective and uniform supervision.
  - Presentation of measures (Q4 2025) designed to strengthen the single capital market and the integration of capital markets by transferring certain supervisory powers to the European level.
- The European Commission plans to assess the need for a revision of **the Shareholder Rights Directive (SRD)** by **Q4 2026**.

➤ **Consolidation of post-trade**

The Commission stresses the need to remove all existing barriers to the consolidation of European market infrastructures. The Commission stresses that **any consolidation will have to emanate from the market**, but that consequently the barriers that encourage fragmentation will have to be removed to encourage such consolidation.

**As part of the Commission's launch of a study into post-trade fragmentation, it is proposed to develop specific discussion channels for consulting market participants.** Market participants will thus be able to alert the Commission directly to the barriers put in place by certain Member States. Where necessary, the Commission will launch infringement proceedings against Member States and identify over-transposition to reduce fragmentation.

The Commission stresses the need to promote the interoperability of post-trade infrastructures at a European level. In particular, the Communication stresses that it will examine how *'to best deploy the latest generation technologies and innovations' 'such as distributed ledger technology, tokenization of financial assets and artificial intelligence (AI)'*

The Commission has also announced that it will examine the current regulatory framework and identify whether it is adapted to the realities of today's financial markets in terms of trading. It also stresses the need for the current regulatory and supervisory framework to take account of *'synergies within groups'* active in trading and post-trading

- **The Commission's proposals are as follows:**
  - Establish (Q2 2025) a dedicated channel for all market participants to report obstacles encountered within the single market

- Present (Q4 2025) an ambitious set of **legislative proposals revising the applicable rules on central securities depositories, financial collateral and settlement, as well as the structure of the trading market.**

➤ Competitiveness and integration of the banking sector

To ensure **the competitiveness and integration of the banking sector**, the Commission proposes to:

- Finalize the inter-institutional negotiations on the legislative package on crisis management and deposit insurance (CMDI),
- Examine the establishment of a European Deposit Insurance Scheme (EDIS).
- Publish (Q4 2025) a report about the banking system and its competitiveness.

Finally, the European Commission indicates that it will publish (Q2 2027) **a mid-term review of the Savings and Investment Union to take stock of overall progress.**

You will find below a table summarizing the proposals to be presented by the Commission and their presentation date.

N°	Subject	Type	Deadline
1	Securitization review	Legislative	Q2 2025
2	Channel for market players to report obstacles within the single market	Non-legislative	Q2 2025
3	EU savings and investment accounts	Legislative and non-legislative	Q3 2025
4	Retail investment strategy	Legislative	In progress
5	Financial literacy strategy	Communication	Q3 2025
6	Increased opportunities for retail investors to help finance EU priorities	Non-legislative	In progress
7	Recommendations for automatic pension monitoring systems and pension dashboards	Non-legislative	T4 2025
8	Review of IORP and PEPP	Legislative	T4 2025
9	Eligibility and clarification of equity investment by institutional investors	Legislative and non-legislative	T4 2025
10	Review of EuVECA regulations	Legislative	T3 2026
11	Market Infrastructure Package	Legislative	T4 2025
12	Improving the cross-border supply of funds and reducing operational obstacles for asset managers	Legislative and non-legislative	T4 2025
13	More integrated and efficient supervision	Legislative	T4 2025
14	TechEU Initiative and ETCI 2.0	Non-legislative	2026
15	Removing tax obstacles to cross-border investment	Non-legislative (Recommendations, application)	In progress

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## 19 March 2025 - the political groups in the European Parliament react to the Commission's communication on the SIU

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On 19 March 2025, following the [publication](#) by the European Commission of its communication on the Savings and Investment Union (SIU), several political groups reacted to it.

### 1. EPP Group in the European Parliament

In a press release [issued](#) by Markus FERBER (EPP, DE), coordinator of the EPP Group in the Committee on Economic and Monetary Affairs (ECON), the EPP has warned of the need to limit the export of European savings to the United States.

Markus FERBER (EPP, DE) said: "*The integration of financial markets in Europe has stalled over the last decade. Now is the time to act. Green and digital transitions will require us to spend hundreds of billions of euros a year, and this money cannot come from public coffers alone. The lion's share must come from private investment, and that requires strong European capital markets. A strong European economy needs strong financial markets*".

The coordinator believes that the package of measures identified by the Commission is ambitious and should be implemented as quickly as possible.

However, he qualifies his comments by stressing the need for Member States to support this movement by stopping blocking the integration of capital markets and addressing the key issues necessary for the success of the SIU: "*insolvency law, taxation and a more harmonized approach to supervision*".

### 2. S&D Group in the European Parliament

The Socialists and Democrats Group (S&D) published its position on the SIU on 31 March 2025, ahead of the Parliament's plenary debates on the Commission's communication.

In its press release, [carried by](#) Jonas FERNANDEZ (S&D, ES), coordinator of the S&D group in the Committee on Economic and Monetary Affairs (ECON), the S&D group welcomes the need to unblock financing for the Union, a commitment that the banks alone cannot achieve.

However, the S&D group is cautious about the Commission's proposals and stresses the need to avoid "*harmful deregulation*", particularly regarding "*prudential rules or transparency and due diligence requirements*" and securitization rules.

The S&D group is calling for the removal of national barriers and the channeling of savings towards more productive investments in the European economy, while preserving consumer protection. In addition, the Socialists support the "*development of a European investment account*" which could provide access to "*simpler, better and cheaper EU investment products [and] offer better value for money*".

S&D urges the Commission to come forward with a legislative proposal on this matter as soon as possible as non-legislative measures will not be sufficient.

S&D supports the diversification of financing for SMEs and access to alternatives to bank financing.

Finally, the Socialists call for the strengthening of consolidated supervision at European level.

### 3. Renew Group in the European Parliament

The Renew Group in the European Parliament [published](#) its press release on 19 March 2025, led by Stéphanie YON-COURTIN (Renew, FR), coordinator of the Renew Group in the Committee on Economic and Monetary Affairs (ECON).

The Renew group supports the “*creation of a European savings account*” but regrets that real legislative proposals are coming only belatedly. Renew is therefore calling for faster action.

For Stéphanie YON-COURTIN (Renew, FR), several elements of the SIU could be addressed and speeded up during the RIS trialogue negotiations, which are currently underway.

The press release estimates that the trialogues on the RIS could be finalized by the end of 2025.

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#### 19 March 2025 - EBF and SME United welcome the Commission's communication on the SIU

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On 19 March 2025, the European Banking Federation (EBF) [welcomed](#) the European Commission's Communication on the Savings and Investment Union (SIU).

The EBF also identifies the areas where action is most needed:

- **Competitiveness of the banking sector:** the EBF welcomes the announcement of the publication of a specific report assessing the competitiveness of the banking sector in 2026 and the monitoring of the competitiveness of European banks vis-à-vis their non-European counterparts.
- **Securitization:** the EBF ‘strongly’ supports the proposed reform of the securitization framework.
- **Retail investment:** the federation is calling for the encouragement of best practice and clear incentives, such as favorable tax treatment, for retail investors. The promotion of supplementary pensions is also welcomed by the federation.
- **Equity investment:** the EBF would like to see investment in equities and alternative assets facilitated.
- **Cross-border capital flows:** the EBF calls for a reduction in regulatory fragmentation and the removal of barriers to cross-border investment.

Overall, the EBF welcomes the Commission's proposal and calls on Member States to support the measures proposed by the Commission to deepen European capital markets.

The European association representing SMEs also [welcomed](#) the communication, which aims to enable SMEs to benefit from diversified sources of financing.

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#### 19 March 2025 - Enrico LETTA presents a new report on savings

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On 19 March 2025, the Jacques Delors Institute [published](#) Enrico LETTA's report on the Savings and Investment Union and how to put the continent's savings at the service of financing the economy.

In his report, Enrico LETTA takes up most of the proposals he put forward in his report (LETTA Report 2024) and proposes in particular:

**1. Provide effective incentives for European savings to finance European businesses:**

- **An EU-wide individual investment savings plan**, inspired by successful national systems (e.g. Italian PIRs, French PEAs and UK ISAs), to encourage investment by individuals in private and public markets through (national) tax incentives. LETTA therefore advocates minimum harmonization rather than the introduction of a single product, although this product could be given certain advantages of life insurance (tax exemption on transfer).
- **A European auto-enrolment long-term savings product**, based on the current pan-European personal pension product (PEPP), but significantly improved, to pool long-term capital in all Member States. This product would have the following features:
  - Automatic enrolment with the option to decline.
  - A single default investment option, with additional sub-funds available on request and according to investor interest.
  - Streamlined governance and capped costs.
  - A uniform baseline for tax incentives.
  - A European label with national distribution.
- **Tax breaks for pension funds** that allocate capital to Europe's real economy, particularly in strategic sectors such as defense, ecology and digital technology.

**2. To pave the way for a more efficient and consolidated European asset management industry.**

- **Facilitate cross-border mergers and acquisitions** to create globally competitive European asset managers.
- **Harmonize regulatory frameworks**, including insolvency, tax and corporate governance, to reduce fragmentation and increase market integration. LETTA sees the 28th regime as an opportunity to harmonize governance rules (shareholder rights, transparency, insolvency rules) as an opportunity to facilitate cross-border investment.
  - Ultimately, **this could lead to the harmonization of securities law.**

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**10 March 2025 - seven EU countries launch a "*competitiveness laboratory*" to accelerate capital market integration**

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On 10 March 2025, the Finance Ministers of Spain, Germany, France, the Netherlands, Luxembourg, Poland and Italy met to lay the foundations for a future "*competitiveness laboratory*".

The aim of this tool, devised by Spain, is to analyze financial integration initiatives to speed up the implementation of recommendations. The Spanish Minister for the Economy, Trade and Enterprise, Carlos CUERPO CABALLERO, has announced that the first projects to be handled by this laboratory will mainly concern the Capital Markets Union.

This inter-governmental cooperation mechanism aims to generate proposals that volunteer member states could apply directly (by amending their national regulatory corpus), or that the European Commission could take up proposed European legislation.

Among the first initiatives is a European savings label to encourage investment by individuals, with implementation scheduled for the second half of 2025. Other projects, **such as a rating system for SMEs, could also be included.**

**Next steps:**

**A draft timetable has been created, and according to Carlos CUERPO CABALLERO it will be "implemented in the second half of the year [2025]".**

## Taxation and e-invoicing

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### 11 March 2025 – the Council sets out a programme to cut red tape and simplify the tax system

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On 11 March 2025, at a meeting of the Economic and Financial Affairs Council (ECOFIN), the Ministers for economic affairs of the member states [discussed](#) the establishment of a decluttering and simplification program for tax matters.

The aim of the declaration is to provide guidance to the European Commission on the priorities for future proposals. In particular, Member States wish to see the objective of simplifying and improving the Union's competitiveness applied to taxation.

The Member States have therefore formulated the following guidelines for the European Commission:

- reducing the reporting, administrative and regulatory burdens on Member States' administrations and taxpayers
- eliminating obsolete and overlapping tax rules
- clarifying tax legislation
- rationalizing and improving the application of tax rules, procedures and reporting obligations

In addition, the Council calls for an in-depth analysis of the Union's legislative framework and a clear definition of its scope and duration. The Council therefore does not rule out:

- a revision of the existing directive on administrative cooperation in the field of taxation, as regards cross-border arrangements subject to declaration.
- a revision of the directive laying down rules to counter tax avoidance practices which have a direct impact on the functioning of the internal market.

Overall, the Council calls on the Commission to carry out a review of all EU legislation in the field of taxation, including indirect taxation, and to involve stakeholders in drawing up an *“operational, pragmatic and ambitious action plan with a realistic timetable, and to present a roadmap of the work envisaged before the end of autumn 2025”*.

**Next steps:**

**The Commission is invited by the Council to propose an action plan and roadmap to review the Union's tax framework and propose revisions to the existing legislative and regulatory framework before Autumn 2025.**

## Sustainable Finance

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## 26 March 2025 - report of the sustainable finance platform to the European Commission consultation on the revision of the green taxonomy delegated acts

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On 26 March 2025, the Sustainable Finance Platform published its [response](#) to the European Commission's [consultation](#) on the draft delegated regulation amending the delegated acts of the Green Taxonomy. For the record, this consultation was opened as part of the 26 February omnibus simplification initiative, aimed at simplifying certain sustainable finance texts including Green Taxonomy, to reduce the data points by 70% of the criteria and limit its scope of application to companies with 1,000 or more employees and sales in excess of €450 million.

This response exclusively sets out the Platform's views on the draft delegated regulation amending the taxonomy delegated acts, **except for the reduction in the scope of CSRD and reporting linked to the taxonomy proposed in the omnibus, due to its impact on the EU taxonomy as a whole:**

- **The Sustainable Finance Platform welcomes the fact that several of its proposals have been taken on board, and recognizes that the proposed amendments to the taxonomy represent a step in the right direction. It particularly supports the following measures:**
  - Prioritization of simplification via delegated acts;
  - Introduction of a materiality threshold for non-financial companies;
  - Simplification of reporting models for financial and non-financial companies;
  - Facilitation of compliance with the "Do No Significant Harm" (DNSH) principle;
  - Deferral of KPIs relating to the trading book and bank fees.
  
- However, the Platform is **deeply concerned about the reduction in the scope of the taxonomy proposed in the Omnibus Directive, which amends several regulations on corporate sustainability reporting.** It fears that this change, combined with the 80% reduction in the scope of the CSRD and the introduction of a new category of companies voluntarily opting to report according to the taxonomy, will compromise the effectiveness of this tool and create regulatory inconsistencies. According to the Platform, these changes risk :
  - Complexify the reporting framework;
  - Increase the risks for financial market players;
  - Multiply the number of ad hoc requests for information; o Increase the risk of money laundering;
  
- Furthermore, although the Platform supports the introduction of materiality thresholds, **their application combined with the reduction in the scope of reporting would excessively reduce the amount of information available and weaken the taxonomy.**

### **The Platform therefore recommends :**

- Align the scope of taxonomy reporting with that of the Corporate Sustainability Reporting Directive (CSRD), while preserving its original scope;
- Focus reporting on the most essential standards, including taxonomy alignment, for companies that are not SMEs and do not employ more than 1,000 people;

- Clarify the materiality threshold: Apply this threshold to a company's overall exposure rather than to each individual activity;
- Simplify the reporting of operating expenses (OpEx);
- Gradually integrate exposures into the green asset ratio (GAR);
- Suspend, rather than excluding, reasonable assurance for CSRD reporting.

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#### **24 March 2025 - Revision of financial benchmarks: simplification for SMEs and new climate requirements**

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On 24 March 2025, the Council [adopted](#) a regulation amending the rules on financial benchmarks with the aim of easing the burden on small and medium-sized enterprises (SMEs). The regulation will modify these indices, widely used by companies and investors, by adjusting the scope of existing rules.

The main changes in the amended regulation on financial benchmarks are as follows:

- Administrators of indices deemed not significant for the EU are exempted from the rules, thus lightening the regulatory burden, with only benchmarks deemed significant or critical remaining subject to the obligations of the regulation.
- Index administrators who are not concerned may choose to voluntarily comply with the rules, under certain conditions.
- The powers of the European Securities and Markets Authority (ESMA) are extended to improve supervision
- "Climate transition" indices, known as "Paris Agreement" benchmarks, must be approved to ensure strict supervision and avoid misleading sustainable claims.
- An exemption regime has been created to simplify the regulation of spot exchange rate indices.

**Next steps:**

***The regulation must be adopted by the plenary session of the European Parliament before publication in the Official Journal and entry into force on 1 January 2026.***

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#### **14 March 2025 - European Central Bank (ECB) assesses EU sustainability reporting rules to combat greenwashing and supports transition to a sustainable economy**

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On 14 March 2025, The ECB [published](#) a report on the assessment of European Union (EU) corporate sustainability reporting rules and their effectiveness in combating greenwashing. The report shows that regulation and verification are essential to limit greenwashing and improve transparency. The absence of harmonized classifications of green and non-green investments can confuse investors. However, the ECB estimates that an additional annual investment of €620 billion is needed to meet the objectives of the Green Pact and RepowerEU by 2030.

As such, this report examines the effectiveness of rules such as the Green Taxonomy, the Corporate Sustainability Reporting Directive (CSRD), the Capital Requirements Directive and Regulation (CRD, CRR) and the Corporate Sustainability Due Diligence Directive (CS3D):

- **The taxonomy** creates a common language for environmental sustainability and enhances market transparency. Although data access challenges remain, it promotes comparability, and its impact will be amplified by the CSRD directive and the CSDD proposal, despite regulatory uncertainty that may hold back some investments.
- **The CSRD directive**, aligned with the taxonomy and CS3D, enhances transparency, helps investors assess risks and limits greenwashing. However, its implementation is complex due to the volume of data involved and the uncertainties associated with harmonizing European standards.
- **The CRD VI/CRR III banking regulation** requires banks to integrate ESG risks and create transition plans, with no obligation to publish them. This limits transparency and can lead to biased assessments of their climate impact.
- **The CS3D directive**, which aims to harmonize corporate duty of care to limit greenwashing, is narrower in scope than the CSRD, excluding SMEs, and the definition of environmental damage remains unclear.

The ECB considers these tools to be ambitious in the fight against greenwashing. However, according to the report, consideration should be given to strengthening the supervision and coordination of national authorities to ensure consistent implementation of the CSRD and CS3D directives, particularly with regard to banks' sustainability requirements. In addition, banks' transition plans should be aligned with those of the CSRD/CS3D, including off-balance sheet emissions.

## Other topics

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### 9 March 2025 - the new European Commission von der Leyen II marks its first 100 days

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On 9 March 2025, European Commission President Ursula VON DER LEYEN gave [a speech](#) on the first 100 days of her second term of office (2024-2029). Against a backdrop of geopolitical upheaval, the Commission has implemented major actions around three priorities: prosperity, security and democracy.

In the area of **prosperity**, eight initiatives have been launched to strengthen Europe's competitiveness, including the Competitiveness Compass and the Clean Industry Pact. Dialogues have been launched with sectors such as agriculture, the automotive industry and the steel industry, leading to specific action plans. The Commission has also signed a pact to strengthen social dialogue and simplified rules to encourage investment with the Savings and Investment Union (UEI).

On the **security** front, the appointment of the first Defense Commissioner marks a strategic step forward in a complex geopolitical environment. The Commission also won unanimous support for REARM Europe, an 800-billion-euro defense plan that could lay the foundations for a European Defense Union, in cooperation with allies such as the UK, Norway and Canada.

Finally, in the face of threats to **democratic values**, the Commission has taken steps to strengthen democracy and the rule of law. It has proposed legislation on returns, as part of the Pact on Migration and Asylum, to establish a simpler and clearer system, while respecting fundamental rights.

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