

Scope of rules for benchmarks, use in the Union of benchmarks provided by an administrator located in a third country, and certain reporting requirements

2023/0379(COD) - 07/03/2024 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Economic and Monetary Affairs adopted the report by Jonás FERNÁNDEZ (S&D, ES) on the proposal for a regulation of the European Parliament and of the Council amending Regulation (EU) 2016/1011 as regards the scope of the rules for benchmarks, the use in the Union of benchmarks provided by an administrator located in a third country, and certain reporting requirements.

The committee responsible recommended that the European Parliament's position adopted at first reading under the ordinary legislative procedure should amend the proposal as follows:

Requirements for administrators of significant benchmarks

The report noted that in order to ensure that benchmark administrators have sufficient time to adapt to the requirements that apply to significant benchmarks, they should only be subject to those requirements as from 60 working days from the day they submitted such a notification. In addition, benchmark administrators should provide the competent authorities concerned or ESMA, upon request, with all information necessary to assess that benchmark's aggregate use in the Union.

Competent authorities

The amended text clarified that ESMA should be the competent authority for:

- administrators of critical benchmarks;
- administrators of the benchmarks;
- administrators of the benchmarks that are significant within the Union;
- administrators endorsing benchmarks provided in a third country;
- administrators of EU Climate Transition Benchmarks and EU Paris Aligned Benchmarks.

Review

It is appropriate that by 31 December 2028 the Commission presents a report, on the basis of input from ESMA, assessing the availability of ESG benchmarks in European and global markets and their market uptake, analysing whether they would be considered significant benchmarks, and studying the costs and effects on market availability and the evolving nature of the sustainable indicators and the methods used to measure them.

Furthermore, it should assess the need to **regulate benchmarks** making ESG-related claims, with the aim to maintain an adequate level of protection of users of those benchmarks as well as a high level of transparency, reduce the risk of greenwashing and ensure coherence with other EU legislation on

sustainable disclosure requirements. That report should be accompanied by an impact assessment and, where appropriate, a legislative proposal.

Transitional provisions

To ensure a seamless transition to the application of the rules introduced under this Regulation administrators previously supervised under Regulation (EU) 2019/2089 should keep existing registrations, authorisations, recognitions or endorsements for nine months after the entry into application of this amending Regulation. That period is intended to give competent authorities and ESMA sufficient time to decide whether any of the previously supervised administrators should be designated in accordance with this amending Regulation. If designated, administrators previously authorised, registered, endorsed or recognised or administrators who voluntarily opt-in to this Regulation, should be allowed to retain their previous status without the need to re-apply. Administrators of significant benchmarks should, in any case, be allowed to retain their status as authorised, registered, endorsed or recognised benchmark administrators.