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'I' ITEM NOTE

From:	Presidency
To:	Permanent Representatives Committee
No. Cion doc.:	COM (2018) 353 final
Subject:	Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on the establishment of a framework to facilitate sustainable investment - Approval of the final compromise text

1. In March 2018, the Commission published its Action Plan 'Financing Sustainable Growth', setting up an ambitious and comprehensive action plan strategy on sustainable finance. One of the main objectives of that action plan is to reorient capital flows towards sustainable investment to achieve sustainable and inclusive growth.
2. In this context, on 24 May 2018, the Commission submitted to the Council a package of legislative proposals:
 - Proposal for a Regulation of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, also referred to as "Taxonomy Regulation";

- Proposal for a Regulation of the European Parliament and of the Council on disclosures relating to sustainable investments and sustainability risks and amending Directive (EU) 2016/2341, also referred to as "Disclosure Regulation"; and
 - Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) 2016/1011 on low carbon benchmarks and positive carbon impact benchmarks, also referred to as "Benchmarks Regulation".
3. Political agreements have been reached with the European Parliament on Disclosure and Benchmarks Regulations in March 2019. They were published in the Official Journal of the European Union as Regulations (EU) 2019/2088¹ and (EU) 2019/2089², respectively.
 4. The European Economic and Social Committee delivered its opinion on 17 October 2018³.
 5. Disclosure and Benchmarks Regulations were adopted this year and published in the Official Journal of the European Union as Regulations (EU) 2019/2088⁴ and (EU) 2019/2089⁵, respectively.
 6. On 16 December 2019, COREPER agreed on a revised negotiating mandate. On the same day, a provisional agreement was reached with the European Parliament on the text of the Taxonomy Regulation as set out in Addendum 1 to this note.
 7. On 17 December 2019, the required majority of delegations supported the final compromise⁶.
 8. In view of the above, the Permanent Representatives Committee (Part 2) is invited to:

¹ OJ L 317, 9.12.2019, p. 1.

² OJ L 317, 9.12.2019, p. 17.

³ Doc. 7342/19.

⁴ OJ L 317, 9.12.2019, p. 1.

⁵ OJ L 317, 9.12.2019, p. 17.

⁶ AT indicated that it could not support the final Presidency compromise.

- (a) endorse the final compromise text of the Taxonomy Regulation as set out in Addendum 1 to the present note;
 - (b) approve in principle the submission, at a later date, of this final compromise text as I/A item, firstly for political agreement, and subsequently (following legal-linguistic review) for its adoption as the Council's first-reading position. This approval would be conditional upon the receipt of an offer letter from the Chairs of the relevant Parliament Committees confirming that the text set out in Addendum 1 is acceptable to the Parliament and that, should the Council adopt the agreed text as its first-reading position, the Parliament would not adopt any amendments in its second reading to Council.
9. Unless objected by COREPER, this document will be made public by the General Secretariat of the Council after endorsement.
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