

Top 3 take-aways from our webinar on translating EU laws for banks and funds investing in Asia

Top 3 take-aways

1. Companies in the EU are already required to provide a non-financial statement under the NFRD and must now report on the Taxonomy. These statements include how and to what extent their activities are associated with Taxonomy-aligned activities, proportion of total turnover derived from products or services associated with Taxonomy-aligned activities and proportion of CAPEX and OPEX related to assets or processes associated with Taxonomy-aligned activities. For companies outside of EU wanting access to private capital in the EU, projects aligned with the Taxonomy have more opportunities than activities that are not. Further, the Taxonomy regulation will be used as a basis for public spending in the EU as well as Member states.
2. EU FIs and managers are subject to requirements to assess sustainability risks, provide entity level policy disclosures, and to report on ESG impact, with distinct reporting and product level requirements under the EU laws for light green and dark green funds. To invest in alignment with the sustainable objectives under the Taxonomy Regulation, screening criteria and data availability on investee companies are key. Corporate ESG reporting requirements differ from jurisdiction to jurisdiction, which can be challenging in particular when investing in non-EU companies not subject to NFRD/CSRD, whether corporate reporting provides sufficient information and data for investment decision, to meet Taxonomy and SFDR requirements.
3. In order to comply with EU laws, banks, FIs and funds will have to transfer disclosure obligations to project partners and developers in Asia. Diligence criteria for aligning with the EU taxonomy, technical screening and compliance will depend on the sector and the jurisdiction the investment is in. The diligence parameters and disclosure requirements will have to include minimum standards, ensuring no significant harm and demonstrating substantial contribution to environmental and social objectives.

Watch the webinar recording [here](#).

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