



Technical working document
produced in connection with ECB Opinion CON/2023/30¹ on a proposal for a regulation on the
transparency and integrity of Environmental, Social and Governance (ESG) rating activities
Drafting proposals

Text proposed by the Commission	Amendments proposed by the ECB ²
Amendment 1 Article 2(2), point (i)	
<p>'(i) ESG ratings produced by central banks that fulfil all of the following conditions:</p> <p>(a) they are not paid for by the rated entity;</p> <p>(b) they are not disclosed to the public;</p> <p>(c) they are provided in accordance with the principles, standards and procedures which ensure the adequacy, integrity and independence of rating activities, as provided for by this Regulation, and</p> <p>(d) they do not relate to financial instruments issued by the respective central banks' Member States.'</p>	<p>'(i) ESG ratings produced by central banks members of the European System of Central Banks (ESCB). that fulfil all of the following conditions:</p> <p>(a) they are not paid for by the rated entity;</p> <p>(b) they are not disclosed to the public;</p> <p>(c) they are provided in accordance with the principles, standards and procedures which ensure the adequacy, integrity and independence of rating activities, as provided for by this Regulation, and</p> <p>(d) they do not relate to financial instruments issued by the respective central banks' Member States.'</p>
<p><u>Explanation</u></p> <p><i>The current drafting of the exemption for ESG ratings produced by central banks may have an unintentionally narrow scope. In particular, Article 2(2), points (i)(b) and (i)(c), of the proposed regulation may impact the Eurosystem measures that seek to take climate considerations into account in its monetary policy collateral framework, in pursuit of its primary objective of maintaining price stability, and to support the general economic policies in the Union.</i></p> <p><i>If the Eurosystem cannot avail itself of the exemption, this could result in the definition and implementation of its monetary policy being subject to authorisation and supervision by ESMA, in the</i></p>	

¹ This technical working document is produced in English only and communicated to the consulting Union institution(s) after adoption of the opinion. It is also published on EUR-Lex alongside the opinion itself.

² Bold in the body of the text indicates where the ECB proposes inserting new text. Strikethrough in the body of the text indicates where the ECB proposes deleting text.

Text proposed by the Commission	Amendments proposed by the ECB²
<p><i>same manner as commercial ESG rating providers. From a legal perspective, this consequence would not be compatible with the principle of central bank independence under Article 130 TFEU and Article 7 of the Statute of the ESCB, or with the exclusive competence of the Eurosystem to conduct the monetary policy of the Union.</i></p> <p><i>Thus, the ECB recommends that the exemption for central banks should be drafted in a manner similar to the exemption afforded to ESG ratings produced by Union or Member States' public authorities under Article 2(2), point (g), of the proposed regulation, as already reflected in recital 15 of the proposed regulation. Alternatively, the drafting could be further refined to exempt ESG ratings produced by members of the ESCB that are not produced or disseminated for commercial purposes.</i></p> <p><i>See paragraph 2.2 of the Opinion.</i></p>	