

News release

News from the International Capital Market Association (ICMA)

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For immediate release

Provisional agreement on EU Green Bond Standard (EU GBS)

International Capital Market Association supports voluntary nature of EU Green Bond (EU GB) label and of wider sustainable bond disclosures

Following the announcement of the [provisional agreement](#) reached yesterday on the EU GBS under the [Swedish Presidency](#) of the Council of the EU, ICMA reiterates its support for the voluntary nature of the proposed EU Green Bond label as well as of the disclosure templates proposed for green bonds and sustainability-linked bonds marketed in the EU.

ICMA has actively engaged with the Commission, Parliament, and Member States to promote the consistency and complementarity of the EU GBS with existing market practices and in support of a European official standard for green bonds. ICMA was represented in all of the Commission's sustainable finance expert groups since 2017, including the High Level Expert Group ([HLEG](#)), Technical Expert Group ([TEG](#)) and Platform on Sustainable Finance ([PSF](#)).

Looking ahead to the implementation challenges of the EU GBS, ICMA will continue to make recommendations to ensure, among other things, that the proposed voluntary disclosure templates minimise duplication or inconsistencies across other EU sustainable finance legislation. We also underline that the future uptake of the EU GB label will be closely correlated with the resolution of the considerable usability challenges of the EU Taxonomy identified in the [extensive report](#) of the Commission's PSF as well as ICMA's [earlier report](#).

Nicholas Pfaff, Deputy CEO and Head of Sustainable Finance, ICMA said: "The voluntary nature of the EU Green Bond label and of the wider sustainable bond disclosures should ensure that the EU GBS supports Europe's leadership in the international sustainable bond market. Sustainable bonds are the pre-eminent source of sustainable market finance and are characterised by transparency, integrity and accountability underpinned by a global standard, the Principles, provided by ICMA."

ICMA hosts the [Principles](#) that underpin sustainable bond issuances globally and represent the international market standard. In 2021, [over 98% of the global sustainable bond issuance](#) aligned with the Green, Social, Sustainability, and Sustainability-Linked Bond Principles (the Principles). The Principles benefit from the input of over 420 organisations internationally including issuers and investors coordinated by an elected [Executive Committee](#). Europe has been the clear leader in sustainable bond market activity with around 40% of the outstanding international total. EU Member States and public bodies, as well as the European Commission have issued sustainable bonds aligned with the Principles such as the [NGEU Green Bonds](#). The [Green Bond Principles](#) have encouraged issuers to disclose EU Taxonomy alignment of their projects since June 2021.

Notes for editors

International Capital Market Association (ICMA)

ICMA promotes well-functioning cross-border capital markets, which are essential to fund sustainable economic growth. It is a not-for-profit membership association with offices in Zurich, London, Paris, Brussels, and Hong Kong, serving over 600 members in 65 jurisdictions globally. Its members include private and public sector issuers, banks and securities dealers, asset and fund managers, insurance companies, law firms, capital market infrastructure providers and central banks. ICMA provides industry-driven standards and recommendations, prioritising three core fixed income market areas: primary, secondary and repo and collateral, with cross-cutting themes of sustainable finance and FinTech and digitalisation. ICMA works with regulatory and governmental authorities, helping to ensure that financial regulation supports stable and efficient capital markets.

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