

THE EUROPEAN VOICE OF DIRECTORS



#EUAAlert | Week 29

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EUROPEAN DEVELOPMENTS

Final DORA level 2 regulation published

The three European Supervisory Authorities (EBA, EIOPA and ESMA) published the second batch of level 2 rules under the Digital Operational Resilience Act ("DORA"). This marks an important step in the legislative process for the detailed rules that supplement DORA, and gives clarity to businesses who are underway with implementing the changes required under DORA. Given that in-scope financial entities are required to comply with DORA from 17 January 2025, there is significant pressure to put changes in place by that deadline, and the lack of clarity while awaiting the final text of the level 2 rules has presented a challenge for both financial entities and IT suppliers.

AML authority is already (discreetly) operational

The new European anti-money laundering authority, AMLA, is already influencing the market through its guidelines. As of 2027, it will directly supervise 40 entities and groups. Arendt's specialists speak of a «real revolution» on the institutional level. In most industry funds, the board of directors is collectively responsible for meeting anti-money laundering standards. This will change with the new AML regulation: by 2027, a specific natural person will have to be designated.

ESMA publishes its follow-up report to the Fast Track Peer Review on Wirecard

The European Securities and Markets Authority (ESMA) published its Follow-up Report to the Wirecard Fast Track Peer Review assessing the progress made with respect to the recommendations formulated in 2020. Among the key findings, ESMA highlights that Germany's supervisory system in financial reporting was substantially revised and strengthened, discontinuing the 2-tier system and entrusting all supervision to the German Federal Financial Supervisory Authority (BaFin). BaFin now fully complies with the Guidelines on Enforcement of Financial Information (GLEFI).

ECB publish draft guide on Governance and Risk Culture

The ECB has published a draft Guide on Governance and Risk Culture, in the context of the current SSM priority on management body effectiveness and diversity. The draft guide clarifies supervisors' expectations regarding how management bodies and committees should be composed and function, spells out the roles and responsibilities of the internal control functions, emphasises the importance of risk culture and outlines expectations regarding the risk appetite frameworks of banks. The draft guide is now subject to a public consultation until 16 October.

EFRAG Releases Study on Early Implementation of ESRS

EFRAG released its Study: 'State of play as of Q2 2024 | Implementation of European Sustainability Reporting Standards (ESRS): Initial Practices from Selected Companies'. The objective of this study is to illustrate preliminary practices related to the implementation of European Sustainability Reporting Standards (ESRS). The emerging practices were analysed against four focus areas particularly relevant to the implementation of ESRS: Materiality assessment, Value Chain, Gap analysis on datapoints, ESG reporting organisational approach.

NATIONAL DEVELOPMENTS

France: The Pacte law failed to put in court corporate social responsibility

5 years after its entry into force, the Pacte law has not allowed to marry economy and ecological social transition. In a forum for Novethic, Pierre Janot, French lawyer and president of Shareholders for the Climate, explains the legal loopholes that led to the failure of the law on CSR (Corporate Social Responsibility)

Australia: Investor bodies call for reference to biodiversity framework in Australian taxonomy

The Principles for Responsible Investment (PRI) and Responsible Investment Association Australasia (RIAA) have called for Australia's draft sustainable finance taxonomy to include a specific reference to the Kunming-Montreal Global Biodiversity Framework (GBF) to "ensure" global interoperability. This comes after a roadmap by the Australian Treasury that indicates they are considering expanding the taxonomy to cover additional sustainability objectives over time, including biodiversity. The PRI noted that investors look to the GBF to "ensure consistency" across jurisdictions and certainty in the direction of travel for policy development.

US: Climate disclosure strong at state level

California, Illinois and New York have pushed ahead with climate disclosure requirements despite legal pushback on the Securities and Exchange Commission's (SEC's) final regulations. California has led the charge, with the state's governor passing new legislation requiring corporations to disclose their Scope 3 carbon emissions back in October. Some experts projected that this legislation could provide political cover for the SEC to include Scope 3 emissions in its final requirements, but the regulator ultimately left Scope 3 emissions out of the final rules.

ARTICLES/PUBLICATIONS

What's next for stewardship? - Reflection of an asset owner specialist

Along with broader issues around greenwashing, the whole stewardship proposition is, quite rightly, clearly under industry scrutiny at the moment. Recurring critics are the inadequate stewardship resourcing and an inability to track progress on real world outcomes. In her [position paper](#), Leanne Clements explains how assets owners can play a crucial role as “change agents” to revitalise stewardship and drive climate policy engagement.

EU falling short of digital transformation goals, new report finds

The Digital Decade initiative in Europe was created with the vision that digital technology benefits all citizens in the European Union (EU). Proposed in 2021, it set a series of 2030 targets designed to [empower citizens and help businesses prosper](#). However, the [new State of the Digital Decade report](#) suggests that Europe is falling short of the digital transformation targets set by the European Union. The bloc is lagging in areas including connectivity, digital skills and artificial intelligence (AI). More investment is needed globally to ensure the benefits of digital transformation reach everyone.

Unpacking the European Commission's Political Guidelines – Podcast

As Ursula von der Leyen worked to get re-elected for a second mandate at the European Commission's helm, she offered concessions across the political spectrum and these tactical negotiations have largely shaped the Commission's next mandate. But what does her manifesto entail, and which points will von der Leyen truly prioritise? [In this Euractiv podcast episode](#), host Giada Santana and politics reporter Magnus Lund Nielsen delve into the next European Commission's political guidelines.

EVENTS

Webinar Leading Corporate Sustainability

This [iBABS webinar](#) taking place on 12th September, 11-12am CEST, [based on research by Leona Henry, Tine Buyl and Rob Jansen](#), will equip you with the knowledge and tools to drive impactful sustainability initiatives, ensuring long-term success and compliance with evolving regulations. This webinar will cover key topics including:

- The evolution and importance of sustainability in corporate governance.
- Real-world examples of successful sustainability initiatives.
- The role of leadership and managerial capabilities in driving and sustaining change.
- Q&A session.

Experts Tine Buyl and Rob Jansen will provide practical guidance and actionable insights, helping you to navigate the complexities of sustainability and transform your organization's approach.

ecoDa News

- Key MEPs of interest for ecoDa were identified and contacted.
- A comprehensive exercise of ecoDa's work history was created.
- The EU alert will briefly stop for the summer and return on the 23rd of August.