

Sven Gentner
European Commission
FISMA.C.1.
Rue de Spa 2
1000 Bruxelles
Belgium

Weinheim, 08/11/24

Dear Mr. Gentner,

RE: TAXONOMY REGULATION (EU) 2020/852 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF 18 JUNE 2020 ON THE ESTABLISHMENT OF A FRAMEWORK TO FACILITATE SUSTAINABLE INVESTMENT, AND AMENDING REGULATION (EU) 2019/2088

We, the Association for Participation in the Development of Accounting Regulations for Family-owned Entities (VMEBF), would like to contact you today with an inquiry regarding the application of the Taxonomy Regulation (EU) 2020/852.

The VMEBF association was founded in 2006 and consists of German companies with a strong family shareholder background. Beyond its members, the association represents a huge number of family-owned large and medium-sized entities in Germany, often legally organised in the form of partnerships. The objective of the VMEBF association is to make the role of German family businesses as stakeholders in the development of (inter-)national financial and sustainability reporting more visible and to act as a constructive partner for the standard setters. We work closely together with the German standard setter ASCG (Accounting Standards Committee of Germany) as well as other political institutions.

Many non-financial companies that have to apply the Taxonomy Regulation (EU) 2020/852 for the first time from the 2025 financial year are asking themselves whether prior-year figures for the taxonomy KPIs for the 2024 financial year must also be disclosed in their 2025 sustainability reports.

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In this context, Art. 8 par. 3 of Delegated Regulation (EU) 2021/2178 says that “financial undertakings and non-financial undertakings shall provide in the non-financial statement the key performance indicators covering the previous annual reporting period. For the purposes of this paragraph, the first annual reporting period shall cover the year 2023.” As there is no explicit exemption for companies that have to prepare a sustainability report for the first time for the 2025 financial year under the CSRD and therefore also have to disclose taxonomy KPIs for the first time in 2025, the disclosure of previous year's figures would be required if the wording of the Delegated Regulation were interpreted literally.

However, the Commission notice C/2023/305 on the interpretation and implementation of certain legal provisions of the Disclosures Delegated Act under Article 8 of EU Taxonomy Regulation on the reporting of Taxonomy-eligible and Taxonomy-aligned economic activities and assets states that in 2024, the “reporting non-financial undertakings must disclose the KPIs for the reporting period 2023 and, as comparative information, the KPIs published in 2023 for the reporting period 2022.” As prior-year figures for the 2022 financial year only have to be provided if they have been “published”, no prior-year figures for 2022 are required in the event of the first-time application of the Taxonomy Regulation in 2023 (as no taxonomy KPIs were “published” in 2022).

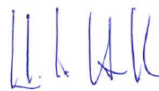
As neither the Taxonomy Regulation nor the supplementary delegated legal acts contain corresponding provisions for the first year of application in 2025, there is increased uncertainty among 2025 first-time adopters as to whether these companies are required to provide prior-year figures for the 2024 financial year. In our view, the disclosure of prior-year figures for 2025 first-time adopters would not be appropriate, as this would effectively make the first-time application of the Taxonomy Regulation mandatory for the 2024 financial year.

We therefore ask the Commission to clarify this issue quickly in order to relieve 2025 first-time users of this uncertainty. If you have any further questions on our comments or like to talk about our request, please do not hesitate to contact us.

Association for Participation in the Development of
Accounting Regulations for Family-owned Entities (VMEBF)



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Dr. Hans-Jörg Harth



Dr. Michael Reuter



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