

Mr Didier Millerot,  
DG FISMA,  
European Commission,  
Rue de la Loi 200,  
1049 Brussels  
14 April 2026

Dear Mr Millerot,

We appreciate the opportunity to comment on the European Commission's (EC) consultation on revising the technical screening criteria (TSC) of the EU Taxonomy (EUT). We have consulted with our member firms to ensure this letter represents the views of the KPMG network.

We welcome the EC's ongoing efforts to simplify the requirements of the EUT legislation as they will help reduce the administrative burden for companies reporting on their environmentally sustainable activities. The simplifications will also be critical in determining whether the EUT delivers the cost-benefit balance expected from it.

However, a four-week consultation period provides limited opportunity to review and assess the proposed amendments to the TSC in detail, which consist of more than 300 pages. In light of these constraints, this letter focuses on our main overarching observations. It is accompanied by a more detailed appendix with selected examples of critical observations on individual economic activities.

## **Key themes:**

### **1. Due process**

We would like to emphasise the importance of an appropriate due process when developing new or amending current reporting requirements. This applies both to proposed amendments to the delegated acts and to interpretative clarifications issued through Frequently Asked Questions (FAQs) in the form of Commission Notices. In our view, sufficient time for consultation is essential for meaningful engagement with reporting companies and other stakeholders. This enables them to assess potential implications of the proposed amendments in a considered and constructive manner.

We have on several occasions observed cases where proposals with significant impacts for reporting companies have been issued with limited time for relevant stakeholders to assess their implications. Additionally, Commission Notices have been issued without any public consultation or due process.

To ensure usability, which we interpret as clarity and practical applicability, of new or amended reporting requirements, we encourage the EC to provide for an appropriate due process for future revisions of the EUT reporting framework.

## **2. Integrating essential FAQs into the legal text**

We would like to emphasise the practical challenges arising from FAQs issued as Commission Notices.

- The considerable volume of FAQs – currently more than 500 – illustrates the complexity of the EUT and the need for further clarity in the regulatory requirements. To improve usability and ensure consistent application, we suggest integrating required clarifications into the legal text as opposed to publishing them as accompanying non-binding FAQs.
- Although many FAQs are helpful, some create uncertainty as they conflict with the regulatory requirements. In some instances, they extend the requirements (e.g. [FAQ 7 and FAQ 37](#) contained in Commission Notice C/2024/6691), contradict existing requirements (e.g. [FAQ 7](#) contained in the draft Commission Notice published on 17 December 2025), or contradict other FAQs.
- Uncertainties about the legal status of the FAQs lead to the understanding that non-compliance with FAQs could sometimes be supported, subject to specific facts and circumstances. Therefore, their application – or lack thereof – can lead to diversity in practice and increase administrative burden for reporting companies, auditors and national regulators.

To ensure efficient and consistent application, we encourage the EC to use the current consultation to review the full set of FAQs, incorporate those FAQs deemed most essential directly into the legal text, and withdraw those that are no longer required.

## **3. Sufficient time to apply amendments**

Transitional reliefs are important when introducing amendments or issuing additional guidance – such as Commission Notices. The proposed revisions to the TSC would take effect only after the scrutiny period has ended – which can take up to six months. This may leave reporting companies with limited time to adapt their reporting processes if the criteria were to enter into force by 1 January 2027 and apply from 2026 reporting periods.

In light of the forthcoming revision of the Disclosure Delegated Act this fall, we believe that it would be most practical for all the proposed amendments to the EUT framework to enter into force together by 1 January 2028 and apply from 2027 reporting periods.

To avoid undue pressure on reporting companies and assurance providers, and to improve the quality of EUT reporting, we encourage the EC to delay the proposed effective date by one year.

#### **4. Contribution to Climate Change Adaptation (CCA)**

We note that CCA activities are structurally different from activities of the other environmental objectives. The objective of CCA activities is not about the impacts a business has on the environment. Instead, it is about adapting the activities of a business to be more resilient. This structural difference gives rise to a number of practical and conceptual complexities. For example, most activities contributing to climate change mitigation would also be considered as eligible under climate change adaptation. However, these activities may not be intended to be adaptive. Complex guidance had to be developed to make CCA fit into the EUT framework. This includes turnover from adapted activities not being eligible and the concept of adapted-enabling activities.

Given these complexities and inconsistencies, we encourage the EC to consider reassessing alternative ways to fit CCA into the EUT framework to allow to better support its specific objectives.

We have provided some detailed comments in the appendix where further clarification or enhancement is needed. Addressing these concerns would, in our view, enhance reporting consistency and support the delivery of high-quality assurance services.

Should you wish to discuss any of the issues raised in this letter, please contact Ramon Jubels ([Jubels.Ramon@kpmg.nl](mailto:Jubels.Ramon@kpmg.nl)) or Jan Alexander Müller ([janmueller@kpmg.com](mailto:janmueller@kpmg.com)).

Yours sincerely,

Christian Zeitler

KPMG EMA DPP Limited

## Appendix – Detailed comments on EC’s proposals for revised TSC

| <b>Reference</b>          | <b>Issue</b>  | <b>Suggestion for improvement</b>   |
|---------------------------|---|---|
| CCM 3.6                   | The substantial contribution criteria (SCC) reference “current state of the art technology” (second paragraph) or “best performing alternative” (fifth paragraph). Unless there is a conceptual difference, the threshold should be aligned.  | We suggest aligning the threshold across the SCC.   |
| CCM 3.18                  | The activity description does not cover all activities mentioned in the SCC.  | We suggest aligning the activity description with the SCC by including “design” and “installation” in the description.                    |
| CCM 6.9                   | SCC, point (2) currently states: <i>“The retrofitted or upgraded vessels are specifically designed for the transport of pure fossil fuels.”</i> (emphasis added).   | We suggest clarifying that vessels <b>are not</b> specifically designed for the transport of pure fossil fuels.                           |
| CCM/CCA 7.1 & CE 3.1      | The term “leasing” has been added to the activity description for CCM 7.1 and CCA 7.1, but not to the activity description for CE 3.1. It is not clear why there should be a divergence in scope between these activities.  | We suggest including “leasing” in the scope of activity CE 3.1.   |
| CCM/CCA 7.1 & CCM/CCA 7.7 | The term “leasing” has been added to the activity description for CCM 7.1 and CCA 7.1, but not to CCM 7.7, nor to CCA 7.7. It is not clear why there should be a divergence in scope between these activities.  | We suggest including “leasing” in the scope of activity CCM 7.7 and CCA 7.7.  |
| CCM 7.7                   | The SCC in point 1 (a) specifically refers to buildings built before 31 December 2020. However, points 1 (b) and (c) are not explicitly limited to buildings built before 31 December 2020.   | We suggest clarifying that the SCC referred to in points 1 (b) and 1 (c) are only applicable for buildings built before 31 December 2020. |
| CE 1.2                    | In the SCC, point 2.2.3, footnote (*1), the reference to the Annex appears to be incomplete (refer to bold text below).<br><i>“(*1) Key spare parts are parts that are used for the repair or refurbishment of a defective product. For products covered by requirements on the availability of spare parts under Regulation (EU) 2024/1781 and delegated acts adopted under that Regulation, key spare parts are considered to be those <b>listed in Annex</b> to the most recent delegated act for each product group.”</i> (emphasis added). | We suggest clarifying the reference.  |
| CE 5.1                    | The term “maintenance” has been added to the activity description, but the SCC, point 1 does not include any reference to “maintenance”. This would lead to “maintenance” being eligible but never aligned.   | We suggest aligning the activity description with the SCC.  |
| CE 5.3                    | In the SCC, the last paragraph after point 6 is not referenced as a separate criterion.   | We suggest referencing the last paragraph as point 7.   |