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## Press release

### AFME publishes priorities for an effective and streamlined SFDR 2.0

26 February 2026

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As co-legislators intensify their work on the proposed revision to the Sustainable Finance Disclosure Regulation (SFDR 2.0), the Association for Financial Markets in Europe (AFME) has published a position paper, jointly with the International Swaps and Derivatives Association (ISDA), to contribute to the ongoing discussions.

AFME welcomes the European Commission's proposal to revise SFDR, which provides a constructive foundation for the legislative process ahead. In particular, the introduction of a proposed product categorisation system and simplified disclosure requirements mark important progress towards a framework which effectively facilitates capital flows towards the sustainable transition.

**Oliver Moullin, Managing Director, Sustainable Finance at AFME**, said:

*"The Commission's SFDR proposal is an important step towards a more streamlined and transparent EU sustainable finance framework. Ensuring coherence across regulatory regimes is essential. Key frameworks governing the assessment of clients' sustainability preferences should be updated swiftly, so that they apply at the same time as the revised SFDR. We also strongly support the creation of a product category that addresses the transition dimension. Our recommendations aim to ensure that this category is designed effectively and supports the Commission's objective of scaling up transition finance."*

The position presents the following key recommendations:

#### **Ensure that non-SFDR products with sustainability features can be offered to clients under MiFID and PRIIPs**

The EU sustainable finance regulatory framework must work for all types of financial products, including non-fund products outside the scope of SFDR. The revised MiFID and IDD regime must enable the assessment of sustainability characteristics for non-fund products - such as structured investment products, bonds and equities - so they can be recommended to customers with sustainability preferences and be underliers of SFDR products. These updates should take effect concurrently with SFDR 2.0.

#### **Retain the removal of portfolio management and advisory services from SFDR scope**

AFME supports the Commission's proposal to exclude portfolio management and investment advice activities from the regulation.

#### **Uphold the simplified disclosure rules and provide immediate burden relief for entity-level disclosures**

We encourage the Commission to provide immediate relief from entity-level Principal Adverse Impacts (PAI) and website disclosure obligations as soon as SFDR 2.0 applies, rather than requiring firms to disclose for the full transitional period.

#### **Refine Article 7 criteria to facilitate the provision of transition finance**

To enable financing for sectors on credible transition pathways, AFME recommends targeted adjustments to the Article 7 Transition category criteria to reflect the range of transition finance that banks provide. This refinement should better reflect the breadth of transition finance activities undertaken by banks.

#### **Integrate product categories with existing market standards and the investable universe for sustainable products**

We call for confirmed eligibility of use-of-proceeds green, social and sustainability bonds issued under existing standards, alignment of exclusion criteria with the Benchmarks Regulation (BMR) and clearer treatment of derivatives and general-purpose public sector issuances.

#### **Association for Financial Markets in Europe**

**London Office:** Level 10, 20 Churchill Place, London E14 5HJ, United Kingdom T: +44 (0)20 3828 2700

**Brussels Office:** Rue de la Loi 82, 1040 Brussels, Belgium T: +32 (0)2 883 5540

**Frankfurt Office:** c/o SPACES – Regus, First Floor Reception, Große Gallusstraße 16-18, 60312, Frankfurt am Main, Germany  
T: +49 (0)69 710 456 660

[www.afme.eu](http://www.afme.eu)

AFME looks forward to contributing to the co-legislators' work to ensure that SFDR 2.0 delivers on its key objectives: simplifying administrative and disclosure requirements while improving investors' ability to understand and compare financial products.

Read the full position paper [here](#).

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#### **AFME Contacts**

Rebecca Hansford

[rebecca.hansford@afme.eu](mailto:rebecca.hansford@afme.eu)

+44 (0)20 3828 2693

#### **Notes:**

1. The Association for Financial Markets in Europe (AFME) is the voice of the leading banks in Europe's financial markets, providing expertise across a broad range of regulatory and capital markets issues. We represent over 150 leading global and European banks and other significant market players. Our members play a vital role in Europe's financial ecosystem, underwriting around 90% of European corporate and sovereign debt, and 85% of European listed equity capital issuances. Importantly, AFME members are market makers, providing liquidity, which is essential for ensuring financial markets can function efficiently. We also represent law firms and other associate members which advise market participants and support AFME's legal and regulatory initiatives. For more information please visit the AFME website: [www.afme.eu](http://www.afme.eu)
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