

GTAG publishes final advice and closing statement

AT A GLANCE

October 2023

What's new?

- The Green Technical Advisory Group (GTAG) published its [final advice](#) and [closing statement](#) on 5 October 2023.
- The final advice recommends creating an institutional home for the UK Green Taxonomy to update it as appropriate and consider the development of a 'Transition Taxonomy'.

What does this mean?

- The GTAG is an expert group, established in 2021 and chaired by the Green Finance Institute. It provides non-binding advice to the Government on developing a UK Green Taxonomy. This final publication concludes the full complement of GTAG advice.
- The GTAG has [previously recommended](#) establishing an institutional home for the UK Taxonomy to provide regular and independent review, advise on revisions where appropriate and advise on development of a 'Transition Taxonomy'.
- In its most recent advice, the GTAG recommends establishing an Advisory Body in the next three-six months either through an existing body (e.g. the Financial Reporting Council (FRC)/Audit, Reporting and Governance Authority (ARGA)) or by creating a new entity. The GTAG advice concluded that delegating powers to the FRC/ARGA would be preferable because of their existing focus on promoting transparency and integrity, and sustainable finance policy.
- The GTAG recommends that this new Body also undertake other functions, including:
 - Market engagement during the proposed initial voluntary reporting period
 - Advising on how the Taxonomy could be expanded and used to underpin wider UK policy.
 - Maintaining transition planning guidance after the remit of the Transition Plan Taskforce concludes in February 2024.
- A further recommendation is that, in parallel, the Government should legislate to grant long-term statutory decision-making powers to the Body. This is intended to enable the Body to revise and update the Taxonomy as appropriate.
- The GTAG's closing statement reiterates the need for a usable and scientifically robust green taxonomy in ensuring the integrity of environmental disclosures and tackling greenwashing. It also emphasises the importance of international harmonisation in minimising the burden placed on businesses.

What do businesses need to do?

- In its [updated Green Finance Strategy](#), the Government committed to consulting on the UK Taxonomy in autumn 2023.
- Businesses should look out for the consultation and, in the meantime, begin work to prepare their organisation for a UK Green Taxonomy that broadly aligns with the GTAG advice. In particular, businesses should prepare for a UK Green Taxonomy [that draws heavily from the EU Taxonomy](#).
- Businesses that have already applied the EU Taxonomy should identify existing processes and frameworks that could be adapted to accommodate a UK Taxonomy that draws heavily from the EU Taxonomy.

Next steps

The Government has committed to consulting on its proposals for a UK Green Taxonomy in autumn 2023.

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