



Q4 2022

Marketplace | EU

- **One of the fastest-growing trends in the world of debt is sustainability.** Climate change will be one of the most important public policy issues in the next decades. Based on public opinion surveys, there is a demand for greater regulation of business by governments across the world. It is worth observing that when it comes to the incorporation of ESG principles in lending and corporate decision-making, there is more and more progress on the social and governance components, not only environmental issues.

The biggest banks in the world are engaging in sustainability topics. At the recently held Sustainable Investing Summit organised by the Morgan Stanley Institute for Sustainable Investing (now in its fourth edition), public and private sector representatives discussed topics like gender and racial equity, mental health, climate change, the need for investment in cross-sector solutions and others. Some of the most pressing issues were exacerbated by the pandemic and may be further impacted by financial market instability.

As the focus on sustainability grows, the rating agencies are responding with new products to meet the market's expectations. For example, S&P Global have specific products connected with UN Sustainable Development Goals, such as the Corporate Sustainability Assessment, which scores various ESG benchmarks, and the ESG Evaluation, an annual evaluation of companies' sustainability practices. Similar products are offered by Moody's and other credit rating agencies.

For more details on specific EU countries, please see the below contributions.



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Marketplace | Austria

- **New Vienna ESG market segment**
In May 2022, the Vienna Stock Exchange (VSE) introduced the new Vienna ESG Segment devoted exclusively to sustainable bonds. The admission criteria for green, social, sustainability and sustainability-linked bonds are based on established national and international standards, such as the respective principles of the International Capital Market Association (ICMA) or the EU Green Bond Standard. In addition, the VSE requires an external review conducted by one or more independent third parties (second-party opinion/verification/certification/rating) together with a letter of commitment from the issuer upon application as well as ongoing reporting. The first green bond listed in this new segment was issued by the Republic of Austria. As of 31 October 2022, 74 bonds were listed on the Vienna ESG Segment.

[Angelika Fischer](#)

Financing | Poland

- **Renewable energy financing in Poland.**
Poland is the sixth-biggest energy producer in Europe. Around 17 % of electricity in Poland was generated from renewable energy sources in 2021. Due to the pandemic, the war in Ukraine and sanctions on Russia, the supply chain has been disrupted. Prices of oil and gas, and accordingly electricity, have increased significantly. Due to these changes and Europe's pursuit of energy independence, renewable energy turns out to be more competitive. In Poland, the leading trend in renewable energy financing is financing wind farms and solar plants. Projects are financed mostly in Polish currency (PLN), which is the most affordable due to the lack of interest rates, from private debt or equity. The Act of 17 December 2020 on the promotion of electricity generation in offshore wind farms regulates the foundation for development of wind farms in the Polish part of the Baltic Sea. Moreover, that bill supports the country's transition towards a low-carbon economy. Poland is a country with great potential for the development of renewable energy financing.

[Aleksandra Goławska](#)

Marketplace | Hungary

- **The digitalisation of money** The Hungarian National Bank considers the digitalisation of money as a necessity rather than an opportunity, as this is the only way to guarantee monetary sovereignty. With the emergence of crypto-assets and certain solutions of fintech companies, banking is increasingly entering the digital arena and the sovereignty of central banks is being challenged by decentralisation. The Hungarian National Bank expects that digital currency will enhance transmissions, affect monetary conditions (e.g. interest rates) and strengthen the position of central banks.

[Gergely Szaloki](#)

Cybersecurity | Poland

- **The Digital Operational Resilience Act (DORA)**, which in November 2022 also resulted in a new legislative resolution of the European Parliament, inspired Member States to work on and issue papers and opinions aimed at facilitating the transition to the new rules introduced by the DORA. In October 2022, the Polish Financial Supervision Authority (FSA) issued a statement on the cybersecurity activities of insurance and reinsurance companies. According to the FSA, despite years of campaigns and educational activities, consumers using electronic channels to access financial services have suffered an increasing number of incidents and abuses. The statement introduces a few key points: (i) the "security first" principle; (ii) multi-component authentication in electronic access channels; (iii) avoidance of active links in customer communications; (iv) securing communications with customers; (v) control over the activities of external service providers; and (vi) customer education. In view of the latest updates to the DORA, more comprehensive guidance can be expected.

[Daria Rutecka](#)

Finance general | EU

- **What to expect from the EBA in 2023** As 2022 is coming to an end, the European Banking Authority (EBA) published the Work Programme for next year, establishing its top priorities for 2023. The main area of interest remains risk assessment in the financial sector, with a focus on digital finance challenges (application of AI, digital platforms, crypto-assets). The EBA will continue to work on enhancing AML-CFT practices, planning to issue guidelines in Q4 on implementing restrictive measures, while also preparing the handover of its competences on AML-CFT compliance to the new authority (AMLA) in 2024. The EBA also plans to keep a close eye on the payment services sector and review its guidelines on authorisation under PSD2.

[Francesca Buta](#)

Restructuring | Poland

- **In July 2022, the Polish government published** draft legislation implementing the Restructuring Directive, currently in the public consultation phase. We expect that the entire legislative procedure will come to an end within a few months. Despite the delay in the implementation process, the Polish law has already complied with the principles of the Restructuring Directive, providing for such measures as group voting, stay of enforcement actions or cross-class clamp-down. However, a significant change will concern secured claims. As opposed to the law currently in force, where the creditor's consent is required for such claims to be restructured, under the new legislation they are to be mandatorily affected by the restructuring.

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