

Europe slows down with SFDR 2.0 and adjusted UK climate reporting

In early September 2026, the European Parliament's ECON committee [adopted its negotiating position](#) on SFDR 2.0 and approved opening talks with the Council and the Commission. Full Parliament confirmation is expected in October. It keeps the three product categories (Transition, ESG Basics, Sustainable), each with a 70 percent minimum allocation. It now proposes a 24-month implementation period instead of 18, with full application in early-to-mid 2029 and an opt-out for alternative funds sold only to professional investors. Fossil fuel companies would qualify as Transition only if more capex goes to Taxonomy-aligned activities than to new fossil projects. Trilogues have yet to start, and [final text is unlikely before the second quarter of 2027](#).

At the end of the same month, the UK's Financial Conduct Authority published [PS26/19](#), moving listed companies from TCFD-aligned reporting to the UK Sustainability Reporting Standards, based on IFRS S1 and S2. The consultation proposed mandatory climate disclosures under S2, but the final rules [apply comply-or-explain across the whole framework](#) after complaints that mandatory application would "place disproportionate burdens on smaller companies". The rules start for periods from 1 January 2027, with first reports in 2028. ShareAction [warned](#) of incomplete, non-comparable data.

Asia sets the pace with enhanced Philippine corporate governance and transition finance

Board training will become mandatory beginning of October 2026 under the Philippines' Securities and Exchange Commission issued [Memorandum Circular No. 25, series of 2026](#). Directors and key officers of listed companies, public companies and registered issuers must complete accredited governance training every calendar year, and first-time nominees before election or appointment, covering financial oversight, compliance and ethics, related party transactions, director liabilities and competition law. Companies must [disclose attendance](#) in annual governance reports, with non-attendance subject to fines of ₱10,000 to ₱30,000 per director or officer for a first to third offence. With the Central Bank's draft continuous fit-and-proper circular from August, accountability now runs from appointment through the whole tenure.

The Hong Kong Monetary Authority launched on 7 September a [public consultation on Phase 2B](#) of its Taxonomy for Sustainable Finance, covering the decarbonization of manufacturing and transition pathways for hard-to-abate sectors, alongside Singaporean, ASEAN and Japanese frameworks. [Zero Carbon Analytics](#) estimates that Asia accounts for nearly half of cumulative global transition bond issuance, although several frameworks lack 1.5°C-aligned trajectories, which raises transition-washing risk.

Africa advances social finance with a new framework

Mobile fintech platform JUMO and Standard Bank's sustainable finance team [launched a Social Finance Framework](#) on 11 September 2026, to mobilize capital for financial inclusion across JUMO's nine African markets. It sets a transparent structure for raising social loans and bonds, with eligible activities covering SME and microenterprise financing, employment generation, economic empowerment and access to responsible digital financial services, aimed at new-to-bank customers, youth, women and rural and low-income communities. Endiligence provided a positive second-party opinion.

