

17 September, 2025

Green Finance Team
Department for Energy Security and Net Zero
3 Whitehall Place
London, UK



Japanese Bankers Association

JBA comments on the Transition plan requirements: implementation routes

Dear Mr. Fagan-Watson:

The Japanese Bankers Association¹ (JBA) appreciates the opportunity to provide our comments on the Transition plan requirements consultation, released on 25 June 2025.

We commend the UK's continued leadership and commitment to advancing climate action through its policies and initiatives. In this context, we would like to share several considerations and recommendations to support a practical, balanced, and effective approach.

Enhancing interoperability

We support the adoption of a 'comply or explain' principle (B1 Option 1), which offers a non-prescriptive approach and may facilitate alignment with the ISSB requirements. This flexibility could enhance interoperability for preparers across jurisdictions.

At the same time, as users of transition plans, we recognise the necessity of exploring further measures to encourage the standardisation of transition plans for disclosure.

Furthermore, we would appreciate greater clarity from the UK government on how this requirement will interact with the forthcoming UK Sustainability Reporting Standards (SRS).

Flexibility in pathway alignment

Additionally, we would like to express our concerns regarding legal risks (as mentioned in B7) and the potential obstacles to supporting hard-to-abate sectors, particularly when transition plans are required to align specifically with the 1.5°C pathway.

We encourage policymakers to ensure that such plans are compatible with national climate laws. At the same time, we support a balanced and flexible approach that considers practical implementation challenges including not mandating the alignment with the 1.5°C pathway.

¹ The Japanese Bankers Association is the leading trade association for banks, bank holding companies and bankers associations in Japan. As of 1 July 2025, JBA has 112 Full Members (banks), 3 Bank Holding Company Members (bank holding companies), 76 Associate Members (banks & bank holding companies), 49 Special Members (regionally-based bankers associations) and one Sub-Associate Member for a total of 241 members.

Scope of the implementation

Regarding the implementation of the requirements, we propose a phased approach whereby large non-financial companies would be subject to the requirements first, followed by financial institutions, which rely only on data provided by their clients for reporting.

This approach would help ensure feasibility in the implementation of the requirements.

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We thank the Green Finance Team once again for the opportunity to comment on the Transition plan requirements consultation and hope our comments will contribute to further consideration.

Yours faithfully,

Japanese Bankers Association