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Thank you for the authors for the opportunity to review this paper. My comments relate to **(i)** the framing of the paper and the climate impact of policy measures, and **(ii)** technical/secondary comments on some key concepts and/or initiatives laid out in the paper.

Framing and climate impact

- **The paper would benefit from greater critical thinking on the pass-through between financial sector policies (e.g., disclosure requirements, accounting requirements, prudential regulation (pillar I), etc.) and real economy decarbonization**. The risk of a mere redistribution of GHG emissions between financial market participants is real and explaining better to what extent any kind of financial sector policy (acting on return and/or risk) would have an impact on real-world decarbonization would be essential to the paper. Depending on the type of economy, industry, and financial market participant, as well as on the type of policy, these links are not evident and would need to be substantiated (even from a theoretical standpoint).

- **The paper would benefit from clarifying the application of tipping points from an alignment standpoint (i.e., financing the low-carbon transition) and a climate risk standpoint.** The type of tipping point (and associated policy (prudential and/or disclosure oriented, for instance)) may differ depending on the objective to be achieved. Yet, there may be some trade-offs between risk management and transition financing, that should be acknowledged, and could help refining the paper's conclusions on regulation.

- **Could the paper elaborate on the link between climate-related disclosures and repricing?** The paper appears to mix financial and extra-financial disclosures and/or accounting, and to make a direct connection between transparency and repricing of assets. Yet, for a variety of political economy, incentive-related, and operational reasons, this connection remains to be proven – despite increasing regulatory, policy and/or voluntary initiatives in this area. The focus on "informational policy" to drive change has been criticized by the literature and should not be overlooked.

Technical/secondary comments

- **The concept of tipping points is used in an innovative manner in this paper and would benefit from clarification.** While this concept is usually contemplated from a climate science standpoint, its application to climate/sustainable finance policy is interesting. Yet, it would be important to connect it in this paper to the climate science domain and explain how similarly and/or differently it would need to be tackled from a policy perspective.

- **A synthesis of the main tipping points at stake, their transmission channels, and their potential impact, would be extremely relevant**. The paper is of a theoretical nature and lays out a key concept for future research and policy design. Yet, it may remain unclear for the reader to what extent these tipping points are linked (or not) to each other. A synthesis diagram would be relevant and could gain as much traction as the widespread climate risk/macroeconomy/financial system diagram that has been first designed by the NGFS, for instance.

- **Potentially relevant messaging could be extracted from the latest Chapter of the IMF Global Financial Stability Report (October 2023), on a) the policy mix to be achieved between carbon pricing and non-pricing/structural policies (including the climate information architecture) and b) the allocation of G-SIB lending to fossil fuel companies.** Greater detail may be found here: Global Financial Stability Report, October 2023 (imf.org).

- **The paper would benefit from:**
  - A clarification of the low-carbon nature of the transition – currently defined as zero and negative emission assets. The focus on negative emissions may be controversial. The need to finance emission *reductions* in carbon-intensive assets may also be raised.
  - The reference to “carbon” emissions. While this is a commonly used terminology in academic papers, the term “greenhouse gas” should be preferred. Non-CO2 emissions are also extremely important (e.g., methane) and should not be overlooked in policy thinking.
  - The different nature of GFANZ (private-led, voluntary) and NGFS (central bank-led, voluntary) should be acknowledged. Both initiatives are very different from a political economy perspective, but also in terms of deliverables, ambition, members, and institutional dynamics. The paper could clarify what is meant by “NGFS opened a new governance framework to better coordinate and regulate the role of finance in addressing climate change”.
  - The difference between climate objectives (and what are they in the paper’s framing?) and sustainability objectives. The paper uses both terms and concepts alternatively, despite their critical differences.