

FACT SHEET SUMMARY

Only for informative purposes. Legal advice recommended to be sought

Omnibus background

The EC launched the Omnibus sustainability rules simplification package on 26 February 2025. This is the first step of an ambitious simplification agenda to enhance European economic competitiveness. It aims to reduce administrative and reporting burdens on companies and unlocking businesses' investment potential.

The new simplification agenda set bold targets, including a 25% cut in reporting burdens for companies and 35% for SMEs. The EC expects this effort to boost European companies' competitiveness while maintaining climate and decarbonisation goals of the Green Deal. The Omnibus package proposes amendments to several sustainability laws. These include the CSRD, the CSDDD, the EU Taxonomy for sustainable activities, and the Carbon Border Adjustment Mechanism (CBAM).

Key CSRD changes

The Omnibus proposes key change that include the following:

- postpone the application of reporting requirements for 'wave 2' and 'wave 3' companies by two years
- reduce the CSRD scope to large undertakings and parent undertakings of a large group with 1000 employees on average and either exceeding € 25 million total on a balance sheet or € 50 million turnover

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- change thresholds applicable to a third country to €450m million net turnover generated in the EU and having a large subsidiary or a branch generating € 50 million turnover
- modify sustainability reporting standards – see our factsheet on [Omnibus proposed changes to sustainability reporting standards](#)
- propose a more flexible way for certain undertakings to report on EU Taxonomy/
- delete the obligation to adopt a reasonable assurance standard and the possibility of moving to a reasonable assurance requirement
- include EC's intention to issue targeted assurance guidelines by 2026.

Practical:

1. **Reporting requirements:** The new proposal specifies that the reporting requirements will apply only to large undertakings with more than 1,000 employees (i.e undertakings that have more than 1,000 employees **and** either a turnover above EUR 50 million or a balance sheet above EUR 25 million).
2. **Voluntary reporting standard for smaller companies:** For companies that will no longer be within the scope of the CSRD (those with up to 1,000 employees), the Commission plans to adopt a voluntary reporting standard by delegated act. This standard would be based on the Voluntary Standard for SMEs (VSME) developed by EFRAG.
3. **Simplified reporting:** The Commission would revise the delegated act establishing the European Sustainability Reporting Standards (ESRS) to substantially reduce the number of data points, clarify ambiguous provisions, improve consistency with other legislation, and streamline reporting requirements.
4. **No sector-specific standards:** The proposal will remove the empowerment for the Commission to adopt sector-specific standards, simplifying the regulatory framework.
5. **Assurance requirement changes:** The proposal eliminates the possibility for the Commission to propose a shift from a limited assurance requirement to a reasonable assurance requirement, maintaining the current standards.
6. **Postponement of reporting requirements:** The package proposes a two-year delay in the implementation of reporting requirements for large companies yet to start implementing the CSRD and for listed SMEs (Waves 2 and 3). This extension aims to provide co-legislators with time to agree on the proposed substantive changes.
7. **Limiting EU taxonomy reporting obligations:** The proposal also seeks to limit the EU Taxonomy reporting obligations to the largest companies that fall within the scope of the CSDDD.

BUT still opens as effectively only applicability time framework adjustment.

What changes are you proposing today?

Today's omnibus package includes:

- A proposal for a Directive amending the CSRD and the CSDDD.
- A proposal which postpones the application of all reporting requirements in the CSRD for companies that are due to report in 2026 and 2027 (so-called wave 2 and 3 companies) and which postpones the transposition deadline and the first wave of application of the CSDDD by one year to 2028.
- A draft Delegated act amending the Taxonomy Disclosures and the Taxonomy Climate and Environmental Delegated Acts subject to public consultation.
- A proposal for a Regulation amending the Carbon Border Adjustment Mechanism Regulation
- A proposal for a Regulation amending the InvestEu Regulation

EU Statement: OMNIBUS for Corporate Sustainability Reporting Directive

What are the main changes that the omnibus package is bringing to the CSRD?

The omnibus package will bring several changes to the CSRD, making it more proportionate and easier to implement by companies:

- **Reduction of the scope of reporting companies:** The reporting requirements would only apply to large undertakings with more than 1000 employees (i.e. undertakings that have more than 1000 employees and either a turnover above EUR 50 million or a balance sheet total above EUR 25 million) This means that the number of companies in scope will be reduced by about 80%. The new scope will be more closely aligned with the key scope thresholds of the CSDDD.
- **'Value chain cap':** For companies which will not be in the scope of the CSRD any more (up to 1,000 employees), the Commission will adopt by delegated act a voluntary reporting standard , based on the standard for SMEs (VSME) developed by EFRAG. That standard will act as a shield, by limiting the information that companies or banks falling into the scope of the CSRD can request from companies in their value chains with fewer than 1,000 employees.
- **Commission's commitment to revise the European Sustainability Reporting standards ("ESRS"):** The Commission will revise the delegated act establishing the ESRS, with the aim of substantially reducing the number of data points, clarifying provisions deemed unclear, improving consistency with other pieces of legislation and reducing the number of data points.

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- **Deletion of sector-specific standards requirement:** The proposal will delete the empowerment for the Commission to adopt sector-specific standards.
- **Removing the reasonable assurance standard:** The proposal is removing the possibility for the Commission to propose moving from a limited assurance requirement to a reasonable assurance requirement.
- **Postponement of reporting requirements:** Today's package proposes postponing by two years the entry into application of the reporting requirements for large companies that have not yet started implementing the CSRD and for listed SMEs (Wave 2 and 3) in order to give time to the co-legislators to agree to the Commission's proposed substantive changes.

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