UPDATE

The Omnibus Package 2025

What You Need to Know

The European Commission has adopted the first Omnibus package of simplification measures relating to sustainability and EU investments.

The proposals are designed to ensure a streamlined regulatory framework for European businesses, thereby reducing the reporting burden on small and medium companies.

The Omnibus Package

On 26 February 2025, the European Commission adopted[1] a package of proposals aimed at simplifying EU rules (especially for SMEs and small mid-caps), designed to boost competitiveness and unlock additional investment capacity, while enabling companies to access sustainable finance for their clean transition.

These first 'Omnibus' packages cover sustainable finance reporting and due diligence, the EU Taxonomy, the carbon border adjustment mechanism and European investment programmes.

The Proposals

The European Commission published two proposals ("Omnibus Package"):

1. Amending the Corporate Sustainability Reporting Directive ("CSRD"), the Corporate Sustainability Due Diligence Directive ("CSDDD"), the EU Taxonomy Regulation and the Carbon Adjustment Mechanism[2] ("Amending Directive"); and
2. Postponing the application of some reporting requirements in the CSRD and the transposition deadline and application of the CSDDD[3] ("Timing Directive").

For the purposes of this note, we have focused on the proposed amendments to CSRD and CSDDD.

CSRD

CSRD introduced sustainability reporting requirements for EU companies. It has been implemented on a phased basis, with EU companies becoming subject to its requirements based on their type and/or whether they meet specific thresholds.

The Omnibus Package amends CSRD as regards both timing and substantive provisions.

Timing

Reporting will be postponed (for companies not already reporting) by two years. The next wave of reporting will now take place in 2028 for financial years beginning in 2027, for companies that remain in scope.

Thresholds

[1] Commission simplifies rules on sustainability and EU investments, delivering over €6 billion in administrative relief - European Commission
[2]https://finance.ec.europa.eu/document/download/161070f0-aca7-4b44-b20a-52bd879575bc_en?filename=proposal-directive-amending-accounting-audit-csrd-csddd-directives_en.pdf
[3]https://finance.ec.europa.eu/document/download/29624c4a-94e1-4b47-b798-db7883f79c87_en?filename=proposal-postponing-requirements-csrd-transposition-deadline-application-csddd_en.pdf

The thresholds for companies falling within the scope of CSRD will be increased. Companies now must have 1,000 employees (increased from 250) and either:

- €50 million turnover (unchanged); or
- a balance sheet exceeding €25 million (unchanged).

This revised threshold, in relation to the number of employees, seeks to align CSRD with CSDDD. The European Commission anticipates that this change will exclude approximately 80% of EU domiciled companies from CSRD. It believes the regulatory reporting focus should be on the largest companies, being those that have the biggest impact on climate and the environment, as opposed to disproportionately burdening SMEs or smaller companies.

The net turnover threshold for non-EU domiciled parent companies falling within the scope has been increased from €150 million (generated within the EU) to €450 million.

Detailed information from the value chain need only be obtained when value chain companies have more than 1,000 employees.

Reporting Standards

The European Sustainability Reporting Standards ("ESRS") governing CSRD reporting will be revised by a delegated act to reduce the number of mandatory reporting datapoints and to make certain clarifications. The requirement to report from a double materiality viewpoint will remain.

The previous mandate for sector-specific ESRS will be discontinued.

The potential of moving from limited to reasonable assurance will be removed.

CSDDD

The Omnibus Package also postpones CSDDD by a year. EU Member States will now have until July 2028 to transpose it.

The key amendments proposed for CSDDD include:

- Simplified Due Diligence: Due diligence will be limited to companies' own operations, subsidiaries and direct business partners. Companies are no longer required to conduct in-depth assessments of indirect business partners, unless there is plausible information of adverse impacts.
- Reduced Complexity and Costs: Periodic assessments and updates of the adequacy and effectiveness of due diligence measures extended from one year to five years.
- Penalties and Civil Liability Regimes: The minimum cap for pecuniary penalties (5% of turnover) will be deleted.
- Climate Transition Plan: The requirement to 'put into effect' the climate transition plan will be deleted.

Next Steps

The proposals will now be submitted to the European Parliament and the Council for their consideration and adoption.

The Timing Directive is required to be transposed by Member States by 31 December 2025. Once the Amending Directive comes into force, Member States will have a 12-month transposition period for the amendments.

Further Information

For further information, please reach out to your usual Maples Group contact or any of the persons listed below.

Dublin

Stephen McLoughlin
+353 1 619 2736
stephen.mcloughlin@maples.com

Callaghan Kennedy
+353 1 619 2716
callaghan.kennedy@maples.com

Ian Conlon
+353 1 619 2714
ian.conlon@maples.com

Niamh O'Shea
+353 1 619 2722
niamh.oshea@maples.com

Richard O'Donoghue
+353 1 619 2793
richard.odonoghue@maples.com

Luxembourg

Johan Terblanche
+352 28 55 12 44
johan.terblanche@maples.com

Michelle Barry
+352 28 55 12 47
michelle.barry@maples.com

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