

FESI Overview of the Omnibus Simplification Package on sustainability reporting rules

March 2025

1. Introduction

The first Omnibus package on simplifying reporting requirements was published by the European Commission on 26 February 2025. The Commission acted on its target to achieve at least 25% reduction in administrative burdens, and at least 35% for SMEs until the end of this mandate. If adopted and implemented as set out today, the proposals are conservatively estimated to bring total savings in annual administrative costs of around €6.3 billion and to mobilise additional public and private investment capacity of €50 billion to support policy priorities.

This first 'Omnibus' package will bring simplification to the **Corporate Sustainability Reporting Directive (CSRD)**, **Corporate Sustainability Due Diligence Directive (CSDDD)**, **Taxonomy Regulation**, and **Carbon Border Adjustment Mechanism (CBAM)**.

2. Applicability

The current Omnibus package is composed by 4 main legislative proposals. These proposals will be discussed, likely amended, and approved by both the Parliament and Council.

- 1) Legislative changes to CSRD, CSDDD: to be applied **12 months after entry into force**.
- 2) Legislative changes to CBAM: **directly applicable once it enters into force**.
- 3) New, delayed applicability dates for CSRD (**waves 2 and 3 to report in 2028 and 2029 instead of 2026 and 2027**) and CSDDD (**first companies in scope from 2028 instead of 2027**) to be applied from **31 December 2025**.

3. Proposed changes to current texts

CSDDD			
TOPIC	ORIGINAL TEXT	OMNIBUS	MORE DETAILS
SCOPE	<ul style="list-style-type: none"> • Transposition deadline by July 2026 • First wave in scope from July 2027 	<ul style="list-style-type: none"> • Transposition deadline by 2027 • First wave in scope from July 2028 	
GUIDELINES	To be published by January/July 2027	To be published by July 2026	
HARMONISATION		Maximum harmonisation for identification duty, duties to address adverse impacts, duty to provide complaint procedure	Maximum harmonisation among members states to ensure level playing field

IN DEPTH ASSESSEMENT	In depth assessment of chain of activities	In depth assessment to be conducted only for direct partners , unless company has plausible information about adverse impacts from indirect partners	Plausible information is objective information that allows companies to conclude that there is reasonable likelihood that the information is true
SMEs INVOLVEMENT	Companies in scope may request information to their SME partners	Companies in scope may only request information to their direct SME/SMC business partners that is contained in the CSRD Voluntary Reporting Standards (VSME)	Companies may still ask for additional information if really necessary (e.g. if standards do not cover relevant impact) and the information cannot be obtained in any other way
TERMINATE BUSINESS RELATIONSHIP	Disengage or terminate relationship if all due diligence steps have failed	No obligation to terminate relationship	Obligation to suspend relationship remains but it will be developed by member states in accordance with national laws
DEFINITION OF STAKEHOLDER	No definition of stakeholder	Stakeholders defined as workers, representatives, individuals directly affected. Companies are only required to engage with relevant stakeholders	
PERIODIC ASSESSMENTS	Annually	Every 5 years	

CLIMATE TRANSITION PLANS	Obligation to adopt and put into effect a climate transition plan for climate change mitigation	No obligation to put into effect a climate transition plan (requirements in line with CSRD)	
PENALTIES	5% minimum turnover cap for penalties	No minimum turnover	Member states will set their own penalties based on guidance issued by the Commission
CIVIL LIABILITY	<ul style="list-style-type: none"> • EU wide civil liability regime • Civil societies can represent victims before courts • National liability to always override foreign laws 	<ul style="list-style-type: none"> • Removal of EU wide civil liability regime • Removal of requirement for member states to allow victims to be represented by civil society • Removal of obligation for national liability to always override foreign laws 	Each member state will enforce liability based on its own legal system

CSRD			
TOPIC	ORIGINAL TEXT	OMNIBUS	MORE DETAILS
SCOPE	<p>EU Companies: 250 employees and either net turnover above EUR 50 million or balance sheet total above EUR 25 million.</p> <p>Non-EU Companies: Net turnover of more than EUR 150 million in the Union for each of the last two consecutive financial years, and either have a branch in the Union generating a net turnover of more than EUR 40 million, or have at least one subsidiary undertaking that is a large undertaking or a listed SME.</p>	<p>EU Companies: 1000 employees and either net turnover above EUR 50 million or balance sheet total above EUR 25 million.</p> <p>Non-EU companies: net turnover of more than EUR 450 million in the Union for each of the last two consecutive financial years, <u>and</u> <u>either</u> have a branch in the Union generating a net turnover of more than EUR 50 million, <u>or</u> have at least one subsidiary undertaking that is a large undertaking.</p>	
ESRS	<ul style="list-style-type: none"> • Sector-agnostic already in place • Sector-specific to be adopted by 30 June 2026 	<ul style="list-style-type: none"> • Sector-agnostic to be revised • Sector specific to be scrapped 	The Commission shall adopt a Delegated Act on the revision of ESRS 6 months after Omnibus entry into force

ASSURANCE	<ul style="list-style-type: none"> Limited assurance until 2028 Reasonable assurance from 2028 	<ul style="list-style-type: none"> Limited assurance Reasonable assurance to be scrapped 	
POSTPONEMENT	<ul style="list-style-type: none"> Wave 1 must report in 2025 Wave 2 must report in 2026 Wave 3 must report in 2027 	<ul style="list-style-type: none"> Wave 1 must report in 2025 Wave 2 must report in 2028 Wave 3 must report in 2029 	
VOLUNTARY REPORTING STANDARDS	/	The Commission shall adopt a Delegated Act to provide for sustainability standards for voluntary use for undertakings who now fall out of scope	

TAXONOMY			
TOPIC	ORIGINAL TEXT	OMNIBUS	MORE DETAILS
SCOPE	Aligned with CSRD	Aligned with new CSRD scope (1000 employees and net turnover of EUR 450 million) <u>But</u>	

		Undertakings with net turnover not exceeding EUR 450 million that claim taxonomy alignment must report on turnover and CapEx KPIs and may disclose OpEx KPIs	
MATERIALITY	No de minimis threshold	Companies are exempted from assessing Taxonomy-eligibility and alignment of their economic activities that are not financially material for their business	Non financially material economic activities are defined as those not exceeding 10% of their total turnover, capital expenditure, or total assets

CBAM			
TOPIC	ORIGINAL TEXT	OMNIBUS	MORE DETAILS
DE MINIMIS CLAUSE	Exemption for consignments with a value of less than EUR 150	50-tonne annual cumulative threshold per importer for four CBAM sectors: iron & steel, aluminium, cement, and fertilisers	
CBAM CERTIFICATES	<ul style="list-style-type: none"> Obligation for importers to buy CBAM certificates from 1 January 2026 	<ul style="list-style-type: none"> Postponement of the obligation on importers to buy CBAM certificates to 1 February 2027 	To allow importers to collect better emissions' data and assess how many certificates they should surrender.

DEADLINES	<ul style="list-style-type: none"> • Deadline to submit annual CBAM declaration and submit certificates is 31 May • Deadline to submit request to repurchase excess certificates is 30 June • Deadline for Commission to cancel unused certificates is 1 July 	<ul style="list-style-type: none"> • Deadline to submit annual CBAM declaration and submit certificates is 31 August • Deadline to submit request to repurchase excess certificates is 30 September • Deadline for Commission to cancel unused certificates is 1 October 	
IMPORTERS RESPONSIBILITY	Importers or indirect customs representatives are responsible for submitting a CBAM declaration	Companies can delegate CBAM reporting to third party experts, while remaining legally responsible	
FINANCIAL LIABILITY	A declarant must buy and have available at the end of each quarter the number of CBAM certificates that corresponds to 80% of emissions for goods imported from the beginning of each year, to be calculated based on default values	Decrease of that percentage from 80% to 50% + importer's ability to choose between a calculation based on default values minus a mark-up, or on the actual number of CBAM certificates surrendered in the previous year for the same CBAM goods	
EMISSIONS CALCULATIONS	<ul style="list-style-type: none"> • Embedded emissions of some aluminium and steel goods primarily determined by the 	<ul style="list-style-type: none"> • Embedded emissions of some aluminium and steel goods determined by embedded 	

	<p>embedded emissions of input materials (precursors)</p> <ul style="list-style-type: none"> If reliable data for the exporting country is not be available for a certain type of goods, the default value should be set based on EU ETS benchmark for similar products 	<p>emissions of input materials shall be excluded</p> <ul style="list-style-type: none"> Where input materials (precursors) have already been subject to the EU ETS or to a carbon pricing system linked with the EU ETS, the embedded emissions of those precursors should not be accounted for in the calculation of the embedded emissions of complex goods. If reliable data for the exporting country is not be available for a certain type of goods, the default value should be set at the level of the average emission intensity of the ten exporting countries with the highest emission intensities for which reliable data is available 	
CARBON PRICE PAID IN THIRD COUNTRIES	Deduction of carbon price paid in a third country if justified and certified	Default values for carbon price paid in third countries will be calculated per country by the Commission	