

NEWSLETTER | 1 April 2025 | Directorate-General for Financial Stability, Financial Services and Capital Markets Union | 2 min read

Omnibus package

Commission launched simplification package in February as part of increased focus on EU competitiveness.



On 26 February 2025, the European Commission adopted a [simplification package](#). It covers a number of legislative areas, including sustainable finance rules, carbon border adjustment mechanism and investment with the aim of simplifying EU rules, enhancing competitiveness and attracting investment. This initiative is part of the Commission's commitment to reduce administrative burdens by 25% for all businesses and 35% for SMEs.

In order to boost competitiveness and unleash growth, the EU needs to foster a favourable business environment and ensure that companies are not stifled by an excessive regulatory burden. This, in turn, will unlock investments and enable companies to embrace the transition to a sustainable economy in a more effective and pragmatic way, ultimately meeting our climate and other sustainability goals. The [“Omnibus” package](#) will reduce compliance complexities for all companies, while focusing the rules on the largest companies that have a bigger impact on the environment and climate.

The sustainability “Omnibus” includes amendments to the [Corporate Sustainability Reporting Directive \(CSRD\)](#), the [Corporate Sustainability Due Diligence Directive \(CSDDD\)](#), accompanied by a draft Taxonomy Delegated Act for public consultation, with the aim of making sustainability reporting more efficient and less burdensome. The main changes in the area of sustainability reporting will

- remove around 80% of companies from the scope of the CSRD – only companies that have more than 1,000 employees and either a turnover above €50 million or a balance sheet total above €25 million will remain subject to the rules
- ensure that sustainability reporting requirements for large companies will not burden smaller companies in their value chains. To this end, the Commission will adopt a voluntary reporting standard, based on the SME standard developed by [EFRAG](#) . This 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 up to 1000 employees
- revise and simplify the existing [European Sustainability Reporting standards \(ESRS\)](#), against which the companies remaining in scope will have to report
- delete the requirement on the Commission to adopt sector-specific standards and keep the assurance requirement at the level of “limited” assurance, not moving in the future to the more demanding level of “reasonable” assurance
- limit reporting obligations under the EU Taxonomy to the largest companies with at least 1000 employees and €450 million net turnover, while still allowing other large companies within the future scope of CSRD to report voluntarily

A separate “stop the clock” proposal will also postpone by two years the reporting requirements for companies currently in the scope of CSRD which were scheduled to report as of 2026 or 2027. This is to give time to the co-legislators to agree to the Commission's proposed substantive changes.

The proposed changes to the CSRD scope and future modifications to the ESRS could reduce administrative costs by approximately €4.4 billion annually. Immediate financial relief is anticipated, with one-off savings for exempted firms projected at around €1.6 billion for

Corporate Sustainability Reporting Directive (CSRD) / European Sustainability Reporting Standards (ESRS) and €0.9 billion concerning taxonomy-related requirements.

Now that negotiations on the proposals are underway, the next step is to convert them into concrete action and results. Consequently, it is important for the co-legislators to reach a swift agreement on the proposals.

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