

ACCOUNTANCY EUROPE'S OMNIBUS STATEMENT: ESRS REVISION DUE PROCESS

9 April 2025

Background

With the [Omnibus proposal](#) aiming to reduce reporting burden¹, the European Commission (EC) also announced its plan to quickly streamline, simplify and clarify [the first set of European Sustainability Reporting Standards \(ESRS\)](#). EFRAG has received an [official mandate](#) to revise the first set of ESRS by the EC which asked for an innovative process to revise the standards and deliver the technical advice by 31

¹ See our factsheets for more information: [Omnibus explained: key changes to CSRD](#), [key changes to CSDDD](#), [key changes to CBAM](#).

October 2025 ².

Accountancy Europe has been involved in every step of the first set of ESRS development. Throughout this process, we have highlighted challenges especially with regards to the requirements' granularity and key concepts' application.³ Similarly, we have flagged the exceptionally high time pressure under which the first set of ESRS were developed, which affected the due process followed.

We acknowledge the need to improve the ESRS by providing more clarity and reducing granular requirements. We also believe a robust standard setting due process is essential to legitimise the standards in practice as it leads to higher quality and easier implementation. Due Process is a key principle in

² The EC acknowledges that this target date may change depending on when the Omnibus proposals will enter into force.

³ See our publications *ESRS perspectives*: [Materiality assessment](#), [Value chain](#), [Process & development](#), [Interoperability](#).

standard setting as noted in our paper [Standard setting in the 21st century \(2017\)](#).

- LEGITIMACY
- INDEPENDENCE
- TRANSPARENCY
- PUBLIC ACCOUNTABILITY
- DUE PROCESS
- BALANCED MEMBERSHIP

However, we acknowledge that under the current exceptional situation, the ESRS need to be improved quickly to continue to be fit-for purpose.

Based on our principles and acknowledging the political challenges, we provide suggestions to help EFRAG and the EC design an innovative process to revise the ESRS within an extremely tight deadline.

Define the “non-negotiables” in the due process

We strongly believe the rushed due process of ESRS set 1 has contributed to the implementation challenges. The consultation period was short, there was no field-testing, key part of the

standards changed in each step of the process, and there was no time between finalisation and the effective date. EFRAG and the EC should learn from this experience to avoid creating further confusion in the market. Constant changes in reporting requirements increase costs, it is therefore important that any revision leads to more stable standards.

Accountancy Europe insists that public consultation and field-testing should be “non-negotiable” parts of the due process. We call on EFRAG and the EC to design a process that actively includes stakeholder feedback.

Public consultations should consist of clear, specific and targeted questions to stakeholders, and provide an adequate feedback period depending on the type of amendments (see our suggestion below on “less complex” vs “complex”). In addition, field-testing should feed properly into the final deliverables, by using the experience of the first reporters or by target-testing the proposals.

Run a practical and well managed process

EFRAG has been given 7 months to deliver its technical advice, which makes a normal due process

impossible to run. In designing an innovative but fit-for-purpose process, we invite EFRAG to consider a project task force approach to maximise time efficiency. This process should focus on practical aspects and prioritise feedback from first year implementation.

Lastly, in such a short timeframe, timely communication to the market and updates to stakeholders at every stage will be paramount.

Tailor the due processes to the amendments type

The EC’s list of targeted reviews could be split into two groups based on the amendment complexity, with each group following a different due process.

The “less complex amendments” should target the standards’ existing contents. These amendments can build on EFRAG’s existing guidance work and rely on the respective due process followed, provided that it includes the “non-negotiables”. In this case, it could accommodate a shorter consultation period. The experience of the first wave of reporting could serve as the “field test”.

The “complex amendments” should consist of changes, such as additions to the standards that have not gone through any previous public consultation. These amendments should go under a more thorough due process, including a longer consultation period as well as a targeted field-test for any new text to the standards. Such changes may be best suited for a future post-implementation review (PiR) rather than this reduction exercise.

Below, we outline an idea to group the EC’s amendments from the Omnibus proposal recitals. Accountancy Europe stands ready to contribute to the simplification of set 1 ESRS.

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Amendments	Less complex	Complex	Rationale
<p>Reduce the number of mandatory ESRS datapoints by:</p> <ol style="list-style-type: none"> 1. removing those deemed least important for general purpose sustainability reporting 2. prioritising quantitative datapoints over narrative text and 3. further distinguishing between mandatory and voluntary datapoints 	x		<p>This reduction exercise can rely on:</p> <ul style="list-style-type: none"> • the due process already followed during the finalisation of the ESRS • the feedback EFRAG and the EC received on these matters during the previous consultation periods • the experience of the reporting ecosystem for the first-time ESRS reports as a field-test for the existing requirements.
Clarify provisions that are deemed unclear		x	<p>This request is very general, broad and may be interpreted in different ways. We believe that a PiR in due time will be the best approach in undertaking this request as it will provide the necessary evidence for any future amendments.</p>
Improve consistency with other pieces of EU legislation	x		<p>For this, EFRAG can rely on the legal support of the European Commission, which is best placed to run a consistency check with these legal texts.</p>
Provide clearer instructions on how to apply the materiality principle	x	x	<p>We acknowledge that the application of this principle is a key challenge in the ESRS. However, it can be tackled in two phases.</p> <p>First, as a “less complex amendment”, for which EFRAG can rely on:</p> <ul style="list-style-type: none"> • the contents of its Implementation Guidance 1 Materiality Assessment as this guidance has already followed a due process • the experience of the reporting ecosystem for the first-time ESRS reports with the guidance. <p>Second, as a “complex amendment” depending on the feedback and evidence received in a PiR. This second phase would be initiated separately from the first one, which is more linked to the current reduction exercise.</p>
Simplify the structure and presentation of the standards	x		<p>In addressing this request, we have assumed that the content and wording of the standards would not change, and instead it would consist of a rearrangement exercise to improve clarity.</p> <p>To operationalise this amendment, we suggest determining a simpler structure for the standards, particularly for disclosure requirements whereby the objectives of disclosures and the respective information to meet the objective are clearer.</p>
Further enhance the already very high degree of interoperability with global sustainability reporting standards	x		<p>The amendment can rely on mappings and results of the already existing EFRAG interoperability work, particularly the finalised interoperability guidance with the ISSB.</p>
Make any other modifications that may be considered necessary considering the experience of the first application of ESRS	x	x	<p>EFRAG can quickly collect information from first-time reporters to identify these challenges and similarly categorise them in amendments that are “less complex” and “complex”.</p>