OMNIBUS EXPLAINED: KEY CHANGES TO THE CSRD

Factsheet

FACTS.

INTRODUCTION

Accountancy Europe has issued this factual analysis of the Omnibus I Directive, focusing on the amendments to the Corporate Sustainability Reporting Directive (CSRD). This factsheet provides stakeholders with an overview of the finalised changes affecting sustainability reporting in Europe.

OMNIBUS I BACKGROUND

The European Commission (EC) presented the Omnibus I package on 26 February 2025 as part of a broader simplification agenda aimed at reducing administrative burdens. This agenda set ambitious targets, including a 25% reduction in reporting obligations for companies and a 35% reduction for Small and Medium-sized Enterprises (SMEs).

The EC expects these measures to strengthen European companies' competitiveness while maintaining the EU Green Deal's climate and decarbonisation goals. The Omnibus I package proposed amendments to several sustainability laws. These include the CSRD, the Corporate Sustainability Due Diligence Directive (CSDDD), the EU Taxonomy three Delegated Acts, and the Carbon Border Adjustment Mechanism (CBAM). The European Parliament (EP) and Council reached the final agreement on the CSRD and CSDDD on 9 December 2025.

KEY CHANGES TO THE CSRD UNDER THE OMNIBUS I DIRECTIVE

The Omnibus I Directive brought the following key changes:

- scope: undertakings subject to the revised CSRD requirements:
    - large undertakings exceeding 1,000 employees and €450 million annual net turnover; listed SMEs are fully exempt
    - non-EU undertakings generating € 450 million net annual turnover in the EU (individually or on a consolidated basis) for each of the last two consecutive years, and having a subsidiary or a branch in the EU exceeding € 200 million net turnover
- value chain cap: safeguards have been introduced for companies in the value chain – companies that fall below the threshold of 1,000 employees; the information requests are limited to the information included in the voluntary sustainability reporting standard
- permitted information omission: companies may omit certain information, such as commercially sensitive, classified or IP-related information, if certain conditions are met
- digital tagging: the requirement is postponed until detailed rules are adopted
- voluntary reporting standard: the EC shall adopt voluntary sustainability reporting standards for undertakings with less than 1,000 employees on average
- sustainability assurance: limited assurance remains mandatory with a limited assurance standard to be adopted no later than 1 July 2027
- digital support: the EC shall establish a one-stop-shop portal with information, guidance and support, including templates, linked to sustainability reporting

WAY FORWARD

The Omnibus I Directive will come into force on the 20th day after it has been published in the EU Official Journal. The EU Member States must transpose the Directive into national law at the latest 12 months after that date.

	CSRD	Omnibus I Directive
Scope & reporting timeline	2025: Reporting on the 2024 data – wave 1 • large undertakings and parent undertakings of a large group that are Public Interest Entities (PIEs) exceeding: ○ 500 employees on average and ○ € 25 million total balance sheet and/or ○ € 50 million net turnover *(ref. CSRD Article 5(2))*	Wave 1 companies are still required to comply with the CSRD requirements. The Omnibus I Directive revises the scope significantly. For the financial year starting on or after 1 January 2027, undertakings exceeding the average number of 1,000 employees, and net annual turnover of €450 million will have to comply with the revised CSRD. *(Ref. Omnibus I Directive, Article 3 (1a), (2a))* Wave 1 companies that are large undertakings and parent undertakings of a large group that are PIEs exceeding 500 employees up to 1,000 employees will no longer be required to comply with the requirements from 2027. *N.B.: The Omnibus I Directive allows Member States to exempt undertakings that do not exceed €450 million net annual turnover and the average of 1,000 employees during the financial year from complying with requirements for financial years 2025 and 2026.* *(Ref. Omnibus I Directive, Article 3 (3))*
	2026 reporting on the 2025 data – wave 2 • large undertakings that exceed at least two of these three criteria: ○ € 25 million total balance sheet ○ € 50 million net turnover ○ 250 employees on average ○ parent companies of a large group that exceed the above-mentioned criteria on	Wave 2 will start reporting in 2028, for the financial year 2027 (deferral of two years). As per Omnibus I Directive, large undertakings exceeding the average number of 1,000 employees, and net annual turnover exceeding €450 million will have to comply with the revised CSRD. *(Ref. Omnibus I Directive Article 3 (1b), (2b))* *N.B.: The stop-the-clock Directive amended the reporting timeline. It introduced a two-year delay for Wave 2 companies' first CSRD report.* *(Ref. Stop-the-clock Directive, Article I)*

	a consolidated basis during the financial year *(ref. CSRD Article 5(2))*	
	2027: reporting on the 2026 data – wave 3 • listed SMEs that do not exceed two of these three criteria: ○ € 25 million total balance sheet ○ € 50 million net turnover ○ 250 employees on average ○ small and non-complex financial institutions (that are large or listed SMEs) ○ captive insurance and reinsurance undertakings (that are large or listed SMEs) *(ref. CSRD Article 5(2))*	The Omnibus I Directive fully exempts listed SMEs from the scope. *(Ref. Omnibus I Directive Article 3 (1c), (2c))*

Scope and reporting timeline for non-EU companies	The scope also includes non-EU companies, which will start reporting from 2029 on the 2028 data: • generating a net turnover > € 150 million in the EU for each of the last two consecutive financial years and having either: ○ an EU subsidiary fulfilling the criteria of a large company or a listed SME (except micro) ○ an EU branch generating > € 40 million net turnover. N.B.: These companies are expected to report on their impacts *(ref. Article 40a (1) Accounting Directive)*	The Omnibus I Directive narrows the scope for non-EU ultimate parent undertakings by revising the thresholds to apply to non-EU undertakings that: • exceed € 450 million net turnover generated in the EU (individually or on a consolidated basis) for each of the last two consecutive years, **and** • have a subsidiary or a branch in the EU exceeding € 200 million net turnover The reporting timeline for non-EU undertakings remains unchanged; they will report from 2029 for the financial year 2028. The subsidiary, or in its absence, the branch, has to publish and make available the sustainability report provided by the non-EU parent undertaking. *N.B.: The Omnibus I Directive exempts certain non-EU financial holdings from sustainability reporting (see the section on exemptions).* *(Ref. Omnibus I Directive, Article 2 (12)(a)(b))*
Exemptions	The CSRD exempts certain undertakings from reporting sustainability information: • a subsidiary shall be exempt where sustainability reporting is performed at the group level by the parent undertaking	The Omnibus I Directive introduces additional exemptions to those in the CSRD: • parent financial holding[1] undertakings can choose whether to report or omit consolidated sustainability information; such undertakings should not be involved directly or indirectly in the subsidiaries' management. This exemption does not affect report obligations by individual companies *(Ref. Omnibus I Directive, Article 2 (4) (bb) (7a))*

[1] The Accounting Directive 2013/34/EU Article 2 (15) outlines the following definition: 'financial holding undertakings' means undertakings the sole object of which is to acquire holdings in other undertakings and to manage such holdings and turn them to profit, without involving themselves directly or indirectly in the management of those undertakings, without prejudice to their rights as shareholders

	- subsidiary of the third-country undertaking shall be exempt if the parent undertaking reports on a consolidated basis in accordance with the European Sustainability Reporting Standard (ESRS) or equivalent standards - the exemption applies to PIEs , except for large, listed PIEs *(Ref. CSRD Article 19a (9a))*	- third-country parent undertakings which are financial holdings whose subsidiaries have business models and operations independent from one another *(Ref. Omnibus I Directive, Article 2 (12) (ba))* - subsidiary exemption is extended to **all** PIEs if a parent undertaking reports on a consolidated basis *(Ref. Omnibus I Directive, Article 2, (4) (ba) (4a))*
Scope review clause	By 30 April 2029, the EC shall submit a report assessing if and how the scope of the provisions amended by this Directive should be further extended, in relation to SMEs and to third-country undertakings. *(ref. CSRD Article 6(1)*	By 30 April 2031, and every three years thereafter, the EC must assess the efficiency of the Directive in reaching its objective, including an assessment of a scope extension for EU and non-EU companies, accompanied by legislative proposals, if necessary. *(Ref. Omnibus I Directive, Article 3 (4)(b))*
Value chain cap	The CSRD establishes a value chain cap via a limitation in the ESRS requirements. Specifically, the ESRS should not require companies to obtain from SMEs in their value chain information exceeding the Listed SME (LSME) standard. *(ref. Accounting Directive Article 29b, paragraph 4)*	The Omnibus I Directive introduces a value chain cap. Reporting undertakings shall not request protected undertakings (undertakings which do not exceed, on their balance sheet date, the average number of 1,000 employees during the preceding financial year) to provide information exceeding the information specified in the voluntary standard. They shall rely on self-declarations from undertakings in the value chain to determine whether they are protected or not and shall not be required to take steps to verify this information, unless they know or can reasonably be expected to know that the declaration is manifestly incorrect. Protected undertakings have the statutory right to decline requests to provide information exceeding the information specified in the voluntary standards. Furthermore: a) when establishing contractual and other arrangements for the purpose of meeting the CSRD's requirements, reporting undertakings shall not require protected undertakings to provide information exceeding the information specified in the voluntary standards

		b) any contractual provision contrary to point (a) shall not be binding, without, however, affecting the binding nature of the remaining provisions of the contract c) where a reporting undertaking requests information, directly or indirectly, from protected undertakings for sustainability reporting, the undertaking shall ensure that protected undertakings are informed of: i. which information exceeds the information specified in the voluntary standards; and ii. protected undertakings' statutory right to decline to provide the information d) (d) reporting undertakings that report the necessary value chain information without reporting from protected undertakings, any information that exceeds the information specified in the voluntary standards is deemed to have complied with the obligation to report value chain information. *(Ref Omnibus I Directive, Article 2 (2) (b))*
Permitted information omissions	The CSRD itself does not have exemption for reporting commercially sensitive, classified or IP-related information. However, the ESRS 1 explicitly states that an undertaking may withhold classified, sensitive, or IP-related information that is secret, commercially valuable, and reasonably protected, provided it discloses all other required information and ensures the overall relevance of the disclosure is not impaired. *(Ref. ESRS Recital 7.7)*	The Omnibus I Directive introduces provisions in the Directive itself allowing reporting parent undertakings to omit certain information if certain conditions are met: • information which would seriously prejudice the commercial position of the group • information corresponding to intellectual capital, intellectual property, know-how, technological information, or the results of innovation, that qualifies as a trade secret • classified information • other information to be protected from unauthorised access or disclosure *(Ref. Omnibus I Directive, Article 2 (2) (b) (ii))*
EU Taxonomy reporting	Undertakings subject to the CSRD sustainability reporting requirements (Articles 19a and 29a) will also be required to comply with Article 8 of the EU Taxonomy Regulation.	The Omnibus I Directive does not amend provisions relating to the EU Taxonomy Regulation Article 8. The EC, however, published a Delegated Act amending the Taxonomy Disclosures, Climate and Environmental Delegated Acts to simplify the requirements.

	(ref. EU Taxonomy Art 8)	
Digital tagging	Companies shall prepare their management report in the electronic reporting format and mark up their sustainability reporting to upload them to the European Single Access Point (ESAP) as per Delegated Regulation (EU) 2019/815 on single electronic reporting format. (ref. Article 29d Accounting Directive)	The Omnibus I Directive delays the digital tagging requirement, obliging companies to mark up their sustainability information, including Taxonomy disclosures, in accordance with the electronic reporting format. Companies are not required to apply digital tagging to their sustainability reporting until the EC formally adopts detailed mark-up rules. (Ref. Omnibus I Directive, Article 2(9))
Sustainability reporting standards	The ESRS aim to standardise reporting on information necessary to understand the company's impacts on sustainability matters and how they affect the company's development, performance and position (i.e., double materiality). In summary, this includes: • business model and strategy description • targets and respective progress • company sustainability governance (administrative, management and supervisory bodies and their expertise and skills to fulfil their role) • sustainability policies • incentives schemes linked to sustainability matters	The ESRS contents in the original CSRD do not change. However, the following specifications for the standards are added: • ensure the quality of reported information, by requiring that it is understandable, relevant, verifiable, comparable and represented in a faithful manner • avoid imposing a disproportionate administrative or financial burden on undertakings • consider the work of global standard-setting initiatives for sustainability and requirements in other Union legislation • prioritise the disclosure of quantitative information (Ref Omnibus I Directive, Article 2 (6) (aa))

	• due diligence of sustainability matters and the process to conduct it • principal and adverse impacts and actions to prevent, mitigate and remediate • principal risks and their management *(ref. Accounting Directive Article 19a, paragraph 2, first subparagraph and Article 29a paragraph 2, first subparagraph)*	
Voluntary reporting standard	There was no provision to have sustainability reporting standards for companies outside of the scope of the CSRD. The voluntary sustainability reporting standard for SMEs (VSME), developed by EFRAG upon the EC's request, aims to ease SME reporting burden and consolidate larger companies' SME data collection methodologies.	To facilitate voluntary reporting of sustainability information by undertakings not exceeding 1,000 employees, and to limit the information requests from such undertakings in the value chain: • the EC shall adopt a delegated act within 4 months after the entry into force of this Directive, with sustainability reporting standards for voluntary use for such undertakings • these standards must be based on the EC Recommendation 2025/1710 (i.e., EFRAG's Voluntary Sustainability Standard for SMEs, "VSME") • they shall be proportionate to and relevant for the capacities and the characteristics of the undertakings for which they are designed and to the scale and complexity of their activities • the EC shall, at least every four years after the date of its application, review the delegated act considering the technical advice from EFRAG. *(Ref Omnibus I Directive, Article 2(8))*
Sector-specific standards	The EC shall adopt delegated acts with both sector-agnostic and sector-specific standards to comply with the information requirements in the CSRD.	The Omnibus I Directive deletes the respective references to adopting delegated acts with sector-specific standards. However, depending on the demand, the EC could support undertakings by providing sector-specific guidance illustrating and facilitating the application of ESRS within a given sector. This includes guidance on conducting the double materiality assessment aimed at identifying sustainability matters likely to be

	(ref. Accounting Directive Article 29b, paragraph 1)	material for the respective sector. Any such guidelines should be based on consultations with stakeholders, and where appropriate, should consider international standards. *(Ref. Omnibus I Directive, recital 13)*
Assurance requirements & standards	The EC shall adopt, by means of delegated acts, a limited assurance standard before 1 October 2026. *(ref. CSRD article 2 amending Audit Directive Art 26a (3) paragraph 1)* The EC shall adopt a reasonable assurance standard following a positive feasibility assessment on the transition for companies and auditors. *(ref. Audit Directive Article 26a)*	The Omnibus I Directive amends the deadline to adopt a limited assurance standard. • the EC shall adopt delegated acts to provide for a limited assurance standard via a delegated act *no later than* 1 July 2027 *(Ref. Omnibus I Directive, Article 1 (1))* The Omnibus I Directive abolishes the possibility of transitioning from limited to reasonable assurance, meaning that sustainability assurance will remain at the limited assurance level for the foreseeable future. The Omnibus I Directive sets out provisions requiring assurance providers to respect value chain undertakings' right to decline the request to provide information exceeding the information specified in the voluntary standards in response to a request made for sustainability reporting. *(Ref. Omnibus I Directive, Article 1 (-1)(a))*
Approval of audit firms that wish to carry out sustainability assurance	The CSRD introduced educational qualification requirements for statutory auditors to be eligible to carry out assurance engagements of sustainability reporting. However, it did not amend the Audit Directive provisions on audit firms approval.	Given the change in the scope of undertakings subject to the CSRD requirements, the Omnibus I Directive amends certain requirements for approval of audit firms that wish to carry out assurance of sustainability reporting. Audit firms that wish to carry out assurance of sustainability reporting should designate at least one key sustainability partner who satisfies the conditions under the Audit Directive Articles 4 and 6-12 (educational qualifications and practical training) as well as ensure that such a partner is provided with appropriate resources and qualified personnel. *(Ref. Omnibus I Directive, Article 1 (-1) (a))*
Third-country auditors' registration	The CSRD did not introduce a transitional period for the registration of third-country auditors providing sustainability assurance for third-country entities.	The Omnibus I Directive allows simplified registration and exemption from supervision for third-country auditors and audit entities issuing sustainability assurance for third-country entities listed on an EU-regulated market during the transitional period until 2030.

		[(Ref. Omnibus I Directive, Article 1 (1) (aa))]()
Digital support measures	The CSRD does not include provisions for digital support measures.	The Omnibus I Directive introduces new measures to ensure that undertakings can access practical information about the application of mandatory and voluntary sustainability reporting standards. For this purpose, the EC shall establish a dedicated portal providing information, guidance, templates and support for mandatory and voluntary sustainability reporting, interconnected with Member State online support measures. *(Ref. Omnibus I Directive, Article 2 (8a))*

Avenue d’Auderghem 22-28, Brussels, 1040, Belgium

accountancyeurope.eu

+32(0)2 893 33 60

Accountancy Europe

accountancyeurope.bsky.social

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