

Omnibus Simplification Package: Preparing for Trilogues

15 November 2025

Background

- In its 2025 work programme, the EU Commission unveiled a set of initiatives aimed at tackling duplicative, excessive, or unjustified regulations that hinder businesses in the EU. These efforts are part of a broader vision outlined in the Competitiveness Compass, which sets the direction for enhancing the EU's competitiveness and fostering a more prosperous economy. Through these actions, the Commission aims to cut administrative burdens by 25% overall and by 35% specifically for small and medium-sized enterprises by the conclusion of its mandate in 2029.
- In February 2025 the EU Commission published the Omnibus Simplification Package introducing amendments to key sustainability regulations (Taxonomy, CSRD, CSDDD and CBAM).
- The Council adopted its negotiating position on CSRD and CSDDD on 23 June 2025.
- The EU Parliament Rapporteur Jörgen Warborn (EPP, Sweden) published his draft report in June and presented it to the Parliament's JURI Committee, the lead committee on the file. On 13 October, the Committee adopted its compromise position, which is scheduled for a vote during the November plenary session (11-13 Nov). The option to start trilogues without a plenary vote was rejected. Therefore, parliamentary groups can still submit amendments ahead of the plenary vote.

CSRD - Comparison

	EC Proposal	Council Position	EU Parliament compromise
CSRD scope	≥1000 employees and either 50 million turnover or 25 million total assets	≥1000 employees and 450 million turnover worldwide	≥1000 employees and 450 million turnover + exemptions for financial holdings & listed subsidiaries
Sector-specific EU Sustainability Reporting standards (ESRS)	Deletes EC mandate to develop sector-specific standards	Maintains deletion	Development of voluntary sector-specific standards
Small and Medium-sized Enterprises (VSME)	Cap of information requests tied to VSME	Cap of information requests tied to VSME + specification if any requests go beyond + right to decline by out-of-scope	Cap of information requests tied to VSME
Transition plans	Required to be adopted; implementation no longer mandatory	Replaces ‘compatibility’ with Paris Agreement (PA) with ‘contribution to’ PA	No changes to EC proposal

CSDDD - Comparison

	EC Proposal	Council Position	European Parliament Compromise
CSDDD scope	No changes proposed: ≥1000 employees, 450 million turnover	≥5000 employees and €1.5 billion net turnover	≥5000 employees and €1.5 billion turnover
Due diligence scope	Limited to the companies' own operations, those of their subsidiaries and Tier 1 suppliers (eg. direct business partners). Reporting obligations further down the supply chain are required only if the company has plausible information about adverse impacts. Remove the duty to terminate the business relationship as a last resort in the case of actual and potential adverse impacts.	Narrowing the identification of impacts to Tier 1 Introduces ‘risk-based’ approach. Only in case of ‘objective and verifiable’ info on indirect partners the company must extend the risk assessment.	Narrowing the identification of impacts to Tier 1 ‘risk-based’ approach with stricter restrictions on information requests
Civil liability	Removes common civil liability regime across the EU and the 5% turnover penalty floor (EC will develop guidelines on penalties)	Removes common civil liability regime in the EU	Removes common civil liability regime in the EU But review clause to reassess this approach in 5 Years + EC to issue guidelines on penalties

CSDDD - Comparison

	EC Proposal	Council Position	European Parliament Compromise
Stakeholders	Clarifies the meaningful engagement with stakeholders limiting it to “relevant” ones that have a link to the specific stage of the DD process + further restricts the stage of the DD process that require stakeholder engagement	Supports EC proposal	Not specifically addressed
Climate transition plans	Companies must adopt a plan, but it is no longer required to be “put into effect”. Adoption includes plans + described actions planned and taken. Compatibility to ECL and PA to be ensured through “Best efforts”	Obligation to adopt with no reference to “put into effect”. Adoption includes plans + described actions planned and taken. Aligns with EC on “Best efforts” (to be understood as an ‘obligation of means’) + the adoption of such plans is postponed by two years	Obligation to adopt a plan Deletes “implementing actions” Through “reasonable effort” instead of “Best efforts” (obligation of means, not of results)

Key issues for consideration in the Omnibus package

- **Approach:** The EU has enacted extensive regulations and constraints to meet its ambitious climate targets and align its regulatory framework with the European Climate Law. While these measures reflect a commitment to addressing climate change, achieving these goals should rely on a market-based and technology-neutral approach that encourages innovation and entrepreneurship.
- **Simplification:** While simplification is the central aim of the Omnibus package, the concept remains vague and open to multiple interpretations. Generally seen as reducing bureaucracy and easing administrative burdens, its meaning can vary from small procedural tweaks to eliminating major reporting requirements. It is essential that simplification brings about meaningful change by tackling inefficiencies, rather than relying on superficial adjustments that neither produce significant impact nor boost competitiveness.

Key issues for consideration in the Omnibus package

- **Extraterritoriality:** Greater legal clarity and interpretive guidance will be essential to ensure that cross-border obligations are coherent, and consistent with international law (eg. UN Charter as well as Common but Differentiated Responsibilities and Respective Capabilities, UNFCCC)
- **Paris Agreement-transition plans:** The Paris Agreement is an international treaty that binds its Parties, which are sovereign states, to collective climate action. Its primary goals, including reaching net zero emissions and achieving temperature targets, are intended as global objectives to be pursued through coordinated efforts at the national level. Disaggregating these targets to individual enterprises (Transition Plans) risks undermining the spirit of the Agreement and creating burdens to private entities. This might harm their competitiveness.

NEXT STEPS

- **13 November:** Plenary Session vote
- **After November (expected):** trilogues
- **End of 2025:** earliest possible Omnibus adoption date
- Member States that have already transposed the CSRD and CS3D will need to amend their implementations within 12 months after the text comes into force.