

Final Approval for Simplification – Council of the European Union Formally Approves to “Stop-the-Clock” on Sustainability Reporting and Diligence Requirements

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On 14 April 2025, the Council of the European Union (the “**Council**”) has given the greenlight for the “**Stop-the-clock**” proposal, which will postpone the application of sustainability reporting and diligence requirements. This marks the final approval for delaying the application of the Corporate Sustainability Reporting Directive (“**CSRD**”) and Corporate Sustainability Due Diligence Directive (“**CSDDD**”). For further details on the key aspects of this delay please see our alert [here](#).

The approved delay forms part of the Omnibus package to simplify the European legislation in the field of sustainability. The focus will now shift to the second stage of the Omnibus package: simplifying the substantive reporting obligations under the CSRD. To support this, the European Commission has mandated the EFRAG Sustainability Reporting Board (“**EFRAG SRB**”) to provide technical advice. EFRAG SRB is expected to inform the European Commission of its internal timeline for simplifying the European Sustainability Reporting Standards (“**ESRS**”) on 15 April 2025.

Next Steps

The legislation underlying the “Stop-the-clock” proposal is a European directive. It will be published in the EU’s Official Journal and will enter into force the day following the publication. EU Member States must transpose this directive into their national legislation by 31 December 2025.

For further information, please reach out to ukreg@proskauer.com.

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