

"Stop-the-Clock": Postponement of CSRD and CSDDD Implementation Timelines

● 7th APRIL 2025 ●

On 3 April 2025, the European Parliament voted in favour of postponing the implementation timelines of the CSRD (Corporate Sustainability Reporting Directive) and the CSDDD (Corporate Sustainability Due Diligence Directive). This decision follows the adoption of the "Stop-the-Clock" mechanism, which forms part of the Omnibus package presented by the European Commission on 26 February 2025.

The proposal was supported by a majority of MEPs and adopted under an urgent procedure, meaning it bypassed prior deliberations in parliamentary committees.

What does this mean in practice?

The "Stop-the-Clock" mechanism entails:

- A two-year deferral of reporting obligations for large undertakings (which were originally required to submit their 2025 reports in 2026) and listed SMEs (originally expected to submit 2026 reports in 2027), and
- A one-year delay in the transposition deadline for the CSDDD.

It is important to note that entities required to prepare reports for the 2024 reporting year remain subject to the current deadlines – they must still submit their reports in 2025.

What's next?

The mechanism must now be formally approved by the Council of the European Union (potentially on 7 April) and published in the Official Journal of the EU. Member States will be required to transpose the provisions into national law by 31 December 2025.

Other proposals included in the Omnibus package – including changes to reporting requirements – were not subject to the fast-track legislative procedure, which means their adoption could take up to 18 months.

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