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BETREG 38	IA 156
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CLIMA 430	INDEF 116
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## NOTE

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From:	General Secretariat of the Council
To:	Permanent Representatives Committee/Council
Subject:	Omnibus simplification legislative packages - Progress report

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## I. INTRODUCTION

1. In October 2024, with the aim of enhancing the Union's competitiveness and achieving the full potential of the Single Market, the European Council called "on all EU institutions, Member States and stakeholders, as a matter of priority, to take work forward, notably in response to the challenges identified in the reports by Enrico Letta ('Much more than a market') and Mario Draghi ('The future of European competitiveness')".

The Budapest declaration of 8 November 2024 subsequently called for “launching a simplification revolution ensuring a clear, simple and smart regulatory framework for businesses and drastically reducing administrative, regulatory and reporting burdens, in particular for SMEs”.

2. As a follow-up to the Leaders’ call, the Commission has put forward several ‘Omnibus’ packages, aiming to simplify existing legislation in various fields, starting with corporate sustainability reporting and due diligence requirements and certain EU investment programmes, and continuing with simplification measures for agriculture, digitalisation and small mid-cap companies, defence and legislation on chemicals.
3. In the Council, a dedicated horizontal preparatory body, the Antici sub-Group (Simplification), was established, operating under the General Affairs Council. The preparatory body takes work forward on the Commission’s proposals for simplification omnibus packages, as well as – upon decision of the Permanent Representatives Committee – on other Commission proposals primarily aimed at simplification in the context of strengthening the EU competitiveness.
4. Following the impetus from the Polish Presidency, the Danish Presidency has been treating all current simplification Omnibus proposals as a key priority and has been advancing their examination, the preparation of negotiating mandates and of negotiations with the European Parliament, at a high speed.

## II. STATE OF PLAY

### Omnibus I

5. On 26 February 2025, the Commission put forward a **first ‘Omnibus’ package**, aiming to simplify existing legislation regarding corporate sustainability reporting (CSRD)<sup>1</sup> and due diligence (CS3D)<sup>2</sup> requirements. The package included a so-called proposal on the ‘stop-the-clock’ mechanism, postponing the dates from which Member States are to apply certain corporate sustainability reporting and due diligence requirements. Furthermore, this Omnibus I package contained a proposal for simplifying and strengthening the carbon border adjustment mechanism (CBAM)<sup>3</sup>.
6. The **‘stop-the-clock’ text on CSRD and CS3D was adopted**, making no changes to the Commission proposal, on 14 April 2025 and published on 16 April 2025<sup>4</sup>, thanks to a swift procedure applied with the utmost priority by both co-legislators.
7. Under the Polish Presidency, discussions on the **proposed ‘content’ Directive** simplifying certain corporate sustainability reporting and due diligence requirements were taken forward steadily in 13 meetings of the Antici Group on Simplification (AGS) and through guidance from the Permanent Representatives Committee. This allowed to reach a **negotiating mandate in the Permanent Representatives Committee on 23 June 2025**<sup>5</sup>.

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<sup>1</sup> Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting (OJ L 322, 16.12.2022, pp. 15–80, ELI: <http://data.europa.eu/eli/dir/2022/2464/oj>).

<sup>2</sup> Directive (EU) 2024/1760 of the European Parliament and of the Council of 13 June 2024 on corporate sustainability due diligence and amending Directive (EU) 2019/1937 and Regulation (EU) 2023/2859 (OJ L, 2024/1760, 5.7.2024, ELI: <http://data.europa.eu/eli/dir/2024/1760/oj>).

<sup>3</sup> Regulation (EU) 2023/956 of the European Parliament and of the Council of 10 May 2023 establishing a carbon border adjustment mechanism (OJ L 130, 16.5.2023, pp. 52–104, ELI: <http://data.europa.eu/eli/reg/2023/956/oj>).

<sup>4</sup> Directive (EU) 2025/794 of the European Parliament and of the Council of 14 April 2025 amending Directives (EU) 2022/2464 and (EU) 2024/1760 as regards the dates from which Member States are to apply certain corporate sustainability reporting and due diligence requirements (OJ L, 2025/794, 16.4.2025, ELI: <http://data.europa.eu/eli/dir/2025/794/oj>).

<sup>5</sup> ST 10276/25.

8. On CSRD, the Commission proposed to increase the employee threshold to 1 000 employees and to remove listed SMEs from the scope. To further alleviate the reporting burden on undertakings, the Council mandate added a net turnover threshold of over EUR 450 million. The Council's mandate also introduced a review clause concerning a possible extension of the scope. Furthermore the Council mandate agreed to simplify provisions regarding assurance.
9. On CS3D, while the scope of the Directive was not covered by the Commission's proposal, the Council increased the thresholds to 5 000 employees and EUR 1.5 billion net turnover (from 1 000 employees and EUR 450 million net turnover) as a further simplification step. On the identification of adverse impact, as a rule, the Commission's proposal limited due diligence requirements to a company's own operations, those of its subsidiaries, and those of its direct business partners ('tier 1'). While the Council mandate maintains the limitation of the relevant obligations to the 'tier 1', it changes the focus from an entity-based approach to a risk-based approach, focusing on areas where actual and potential adverse impacts are most likely to occur. To protect the policy objectives, the Council's mandate ensures that the identification and assessment obligations are extended in case of objective and verifiable information suggesting adverse impacts beyond direct business partners. Furthermore, the Council mandate adds a review clause related to a possible extension of these obligations beyond the 'tier 1'. The Council limited the obligation for companies to the adoption of a transition plan for climate change mitigation, postponing the obligation to adopt these plans by two years. On civil liability, the Council agreed to the proposal by the Commission to remove the EU harmonised liability conditions and to defer to the various national civil liability regimes.
10. In the European Parliament, the file is under the responsibility of the Committee on Legal Affairs (JURI). The rapporteur is Jörgen Warborn (EPP, SE). The European Parliament scheduled to adopt its position in the October II plenary. The Danish Presidency stands ready to take up negotiations on the file as soon as possible.

11. Work on the **CBAM simplification** proposal is completed. The final text of the Regulation was **adopted by the Council on 29 September 2025<sup>6</sup>, following the vote by the European Parliament on 10 September 2025**. The Regulation seeks to provide simplification and cost-saving compliance improvements to the CBAM Regulation, while the climate ambition behind the CBAM mechanism remains unaltered. Essentially, this Regulation reduces administrative burden for importers by exempting from CBAM obligations those importers who do not exceed a single mass-based threshold (calculated as cumulative mass per importer per year), set at a level of 50 tonnes of imported goods. This new exemption threshold replaces the current value-based threshold of 150 EUR per consignment. Furthermore, the Regulation contains a number of other simplifications for all importers of CBAM goods above the threshold.

## **Omnibus II**

12. The **Omnibus II** includes the proposal for a simplification Regulation regarding InvestEU. The aim of the initial proposal is to mobilise EUR 50 billion in additional public and private investment in support of certain Union policies, including the Competitiveness Compass, the Clean Industrial Deal, defence industrial policy, dual-use activities and military mobility.
13. Following a swift examination in the Antici sub-Group (Simplification) during six meetings, on 16 April 2025, the Permanent Representatives Committee agreed the Council's negotiating mandate<sup>7</sup>.
14. In the European Parliament, the file is under joint responsibility of the Committee on Economic and Monetary Affairs (ECON) and the Committee on Budgets (BUDG). The European Parliament adopted its position in July 2025.

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<sup>6</sup> PE-CONS 21/25.

<sup>7</sup> ST 7882/25.

15. The inter-institutional negotiations started with the first trilogue on 2 September 2025. The second trilogue took place on 23 September 2025. On **23 September 2025, a provisional agreement** was reached between the co-legislators, resulting in the final compromise text. On **8 October 2025, the Permanent Representatives Committee analysed the final compromise text** and sent the customary letter to the European Parliament<sup>8</sup>.
16. The main changes in the final compromise text compared to the Commission proposal concern an increase of the EU guarantee by EUR 400 million to EUR 2.9 billion, using existing funds made available via reflows from loss provisioning reserves. During the last trilogue an agreement was reached on a possible limited increase (up to EUR 200 million) in the use of existing reflows from InvestEU and its predecessor programmes. Changes were also made to the SME definition with the inclusion of a turnover criterion, without introducing new self-reporting obligations (e.g. no additional declarations); and to key performance and monitoring indicators (KPMIs) by re-including two targeted indicators (number of jobs, climate objectives), with the reporting threshold proposed to be raised to EUR 300 000 to preserve the overall simplification effect.

### **Omnibus III**

17. The **Omnibus III package** was proposed on 14 May 2025 to simplify EU legislation in the field of agriculture. The package contains amendments to two of the three basic legislative acts establishing rules for Common Agriculture Policy (CAP), namely the strategic plan regulation<sup>9</sup> (SPR) and the 'horizontal' regulation<sup>10</sup>.

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<sup>8</sup> ST 13402/25

<sup>9</sup> Regulation (EU) 2021/2115 of the European Parliament and of the Council of 2 December 2021 establishing rules on support for strategic plans to be drawn up by Member States under the common agricultural policy (CAP Strategic Plans) and financed by the European Agricultural Guarantee Fund (EAGF) and by the European Agricultural Fund for Rural Development (EAFRD) and repealing Regulations (EU) No 1305/2013 and (EU) No 1307/2013 (OJ L 435, 6.12.2021, pp. 1–186, ELI: <http://data.europa.eu/eli/reg/2021/2115/oj>)

<sup>10</sup> Regulation (EU) 2021/2116 of the European Parliament and of the Council of 2 December 2021 on the financing, management and monitoring of the common agricultural policy and repealing Regulation (EU) No 1306/2013 (OJ L 435, 6.12.2021, pp. 187–261, ELI: <http://data.europa.eu/eli/reg/2021/2116/oj>)

18. The proposal was presented in the Antici sub-Group (Simplification) in May and further examined at six meetings over the course of June and July. The Permanent Representatives Committee approved **the negotiating mandate** on 3 September<sup>11</sup>, which was supported by all delegations.
19. The negotiating mandate maintains the general thrust of the Commission proposal, aiming to ease the administrative burden for farmers and administrations and reducing controls, increase the payments to small farmers and simplifying the rules on conditionality, in particular for organic farms, and reduce on-the-spot checks and delete the annual performance clearance.
20. The position maintains the Commission proposal to allow Member States providing crisis payments to active farmers that are affected by natural disasters, adverse climatic events or catastrophic events. Such payments will ensure continuity of the agricultural activity of the affected farmers. However, the mandate modifies certain elements of the Commission proposal by giving flexibility to Member States to decide to what extent partially organic farms could be considered to fulfil certain environmental standards, improving the possibility for farmers to benefit from risk management tools and increasing the percentage rate for advanced direct payments, improving the possibility for member states to assist farmers hit, for example, by natural disasters.
21. The European Parliament treated the file as a priority as well and decided to proceed in a simplified procedure. The Agriculture and Rural Development (AGRI) committee is responsible for the file, with André Rodrigues (S&D) appointed as a rapporteur. The committee vote was taken on 24 September, which according to the simplified procedure allows for the negotiations to start as soon as possible. Following the EP Plenary vote on 8 October, the negotiations have now started with a process comprising informal technical meetings and a first and possibly final trilogue on 17 October.

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<sup>11</sup> ST 11755/2/25 REV2 + COR1.

## **Omnibus IV**

22. The **Omnibus IV package**, proposed on 21 May 2025, contains five legislative proposals: two proposals aiming to extend certain mitigating measures for small and medium-sized enterprises (SMEs) to small mid-cap enterprises (SMCs), two proposals regarding digitalisation and alignment of common specifications, and a ‘stop-the-clock’ proposal on certain obligations regarding battery due diligence.
23. The proposed **Regulation and Directive on SMCs** amend several pieces of legislation by extending certain mitigating and supporting measures provided in the initial legislative acts for SMEs to SMCs, alongside further simplification measures. The main objective of these changes is to avoid that enterprises outgrowing their status as an SME are faced with a sudden and dramatic increase in administrative burdens, thereby lowering the administrative costs for such companies and supporting their growth and innovation. The proposal also includes further simplification measures, such as simplifying, and extending to SMCs, the existing exemption from record-keeping obligations in the General Data Protection Regulation (GDPR)<sup>12</sup> and lightening certain reporting obligations in the Regulation on batteries and waste batteries<sup>13</sup>. The **Regulation and Directive on digitalisation and common specifications** follow up on a broader strategy to prioritise digital formats with the aim of eliminating paper-based requirements in product legislation. Furthermore, the proposals introduce the possibility for the Commission to establish, through secondary legislation, ‘common specifications’ to prove compliance of a product with EU rules in situations where harmonised standards do not exist. The **‘stop-the-clock’ text** on certain battery due diligence obligations extends the deadline for complying with those rules by two years, from 2025 to 2027.

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<sup>12</sup> Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) (OJ L 119, 4.5.2016, pp. 1-88, ELI: <http://data.europa.eu/eli/reg/2016/679/oj>).

<sup>13</sup> Regulation (EU) 2023/1542 of the European Parliament and of the Council of 12 July 2023 concerning batteries and waste batteries, amending Directive 2008/98/EC and Regulation (EU) 2019/1020 and repealing Directive 2006/66/EC (OJ L 191, 28.7.2023, pp. 1-117, ELI: <http://data.europa.eu/eli/reg/2023/1542/oj>).



24. The Antici sub-Group (Simplification) examined the Commission proposals during eight meetings from May to September 2025. Following a swift procedure applied with the utmost priority by both co-legislators, the **‘stop-the-clock’ text on certain battery due diligence obligations was adopted on 18 July 2025**<sup>14</sup>, making no changes to the Commission proposal.
25. On 17 September, the Permanent Representatives Committee provided guidance for further work on the proposed Regulation and Directive on SMCs. Subsequently, **on 24 September, the Committee agreed on a mandate for negotiations** with the European Parliament on the two proposals on digitalisation and common specifications and the two proposals on SMCs<sup>15</sup>.
26. The main changes in the Council mandate compared to the proposals on SMCs concern an increase of the maximum size of enterprises that would be considered SMCs, to fewer than 1000 employees and an annual turnover not exceeding EUR 200 million or an annual balance sheet total not exceeding EUR 172 million. Further changes include clarifications as regards the amendments to the GDPR, the Regulation on batteries and waste batteries, and the Regulation on F-gases<sup>16</sup>. For common specifications, the Council mandate aligns the text with the approach agreed by the co-legislators in the Toy Safety Regulation<sup>17</sup> earlier this year. For digitalisation, the Council mandate also introduces further clarifications on the concept of a ‘digital contact’ and access to digitally available information.

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<sup>14</sup> Regulation (EU) 2025/1561 of the European Parliament and of the Council of 18 July 2025 amending Regulation (EU) 2023/1542 as regards obligations of economic operators concerning battery due diligence policies (OJ L, 2025/1561, 30.7.2025, ELI: <http://data.europa.eu/eli/reg/2025/1561/oj>).

<sup>15</sup> ST 13223/25 + ADD1; ST 13224/25; ST 13232/25; ST 13233/25.

<sup>16</sup> Regulation (EU) 2024/573 of the European Parliament and of the Council of 7 February 2024 on fluorinated greenhouse gases, amending Directive (EU) 2019/1937 and repealing Regulation (EU) No 517/2014 (OJ L, 2024/573, 20.2.2024, ELI: <http://data.europa.eu/eli/reg/2024/573/oj>).

<sup>17</sup> Doc. 10091/25.

27. In the European Parliament, the Regulation on SMCs has been allocated to the joint Economic and Monetary Affairs (ECON), Environment, Climate and Food Safety (ENVI) and Civil Liberties, Justice and Home Affairs (LIBE) committees, while the Directive has been allocated to the joint ECON and LIBE committees. The rapporteurs are Mariateresa Vivaldini (ECR) for ECON, Lukas Mandl (EPP) (Regulation) and Kristian Vigenin (S&D) (Directive) for LIBE and Niels Flemming Hansen (EPP) for ENVI. The Regulation and Directive on digitalisation and common specifications have been allocated to the Internal Market and Consumer Protection (IMCO) committee with Reinier van Lanschot (Greens/EFA) as rapporteur for both the amending Directives and Regulations. The Danish Presidency stands ready to engage in trilogues as soon as the European Parliament has determined its position.

### **Omnibus V**

28. The **Omnibus V package** focusing on Defence Readiness was presented by the Commission on 17 June 2025. It comprises simplification proposals in defence-specific as well as non-defence-specific legislation and programmes. In particular, it includes proposals for two Regulations and one Directive as well as drafts of Delegated Regulations aiming to facilitate defence investments and conditions for defence industry and simplify security and defence procurement.
29. The Omnibus mostly clarifies existing EU legislation, introduces several “quick fixes” and proposes an acceleration on permit granting related to defence readiness projects. The objective is to create the necessary conditions to frontload investments in defence capabilities, providing necessary predictability to industry and reducing red tape. The package covers measures in the areas highlighted in the European Council conclusions of 6 March 2025, which called for a defence-specific simplification omnibus: mobilising private financing for the defence industry, public procurement, industry cooperation, and permitting and reporting requirements.

30. The file has been treated with utmost priority and a thorough examination of the proposals in the Antici sub-Group (Simplification) has advanced with speed. Since the initial presentation in June, the AGS held 10 thematic discussions and in September also started examining Presidency compromise proposals. The intense work will continue also during the upcoming weeks in October. On 15 October, the Permanent Representatives Committee is expected to give guidance on three thematic questions.
31. On the side of the European Parliament, the proposal for a Regulation on permit-granting has been allocated to the Security and Defence (SEDE) and IMCO committees, with rapporteurs Lucia Yar (Renew) and Henrik Dahl (EPP). The file on defence readiness has been allocated to the joint SEDE, ENVI and Industry, Research and Energy (ITRE) committees, with rapporteurs not yet appointed. The proposal on intra-EU transfers and simplification of security and defence procurement has been allocated to the SEDE and IMCO committees with rapporteurs Pekka Toveri (EPP) and Anna-Maja Henriksson (Renew).

## **Omnibus VI**

32. The Commission put forward the **Omnibus VI package** on 8 July 2025. It contains two proposals: a ‘stop-the-clock’ proposal regarding the dates of application and transitional provisions in the revised Regulation on Classification, Labelling and Packaging of Chemicals (CLP Regulation)<sup>18</sup>, and a proposal for simplifying certain requirements and procedures for chemical products in the CLP Regulation, in the Cosmetic Products Regulation<sup>19</sup>, and in the Fertilising Products Regulation<sup>20</sup>.

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<sup>18</sup> Regulation (EU) 2024/2865 of the European Parliament and of the Council of 23 October 2024 amending Regulation (EC) No 1272/2008 on classification, labelling and packaging of substances and mixtures (OJ L, 2024/2865, 20.11.2024).

<sup>19</sup> Regulation (EC) No 1223/2009 of the European Parliament and of the Council of 30 November 2009 on cosmetic products (recast) (OJ L 342, 22.12.2009, pp. 59–209, ELI: <http://data.europa.eu/eli/reg/2009/1223/oj>).

<sup>20</sup> Regulation (EU) 2019/1009 of the European Parliament and of the Council of 5 June 2019 laying down rules on the making available on the market of EU fertilising products and amending Regulations (EC) No 1069/2009 and (EC) No 1107/2009 and repealing Regulation (EC) No 2003/2003 (OJ L 170, 25.6.2019, pp. 1–114, ELI: <http://data.europa.eu/eli/reg/2019/1009/oj>).

33. The aim of the package is to simplify labelling rules for hazardous chemicals and certain rules for cosmetics as well as ease registration for fertilising products in the EU. This is expected to lead to significant savings for the chemicals industry.
34. Following an accelerated procedure, the Permanent Representatives Committee agreed on 24 September on a **mandate for negotiations with the European Parliament on the ‘stop-the-clock’ proposal** to amend certain timelines in the CLP Regulation<sup>21</sup> making no changes to the Commission proposal. In the European Parliament, the file has been allocated to the ENVI Committee. The European Parliament is expected to treat the file as a priority as well, allowing for a swift adoption.
35. The second proposal in the package, on simplifying certain requirements and procedures for chemical products, has been discussed in the Antici sub-Group (Simplification) at four meetings over the course of July and September and started to discuss Presidency compromise texts in October. Once the work in the AGS has resulted in a stable compromise text, the Presidency intends to submit the file to the Permanent Representatives Committee for a mandate to start negotiations with the European Parliament.
36. In the European Parliament, the file has been allocated jointly to the ENVI and IMCO committees, while the ‘stop-the-clock’ proposal has been allocated to the ENVI committee. Rapporteurs have not yet been appointed.

### III. CONCLUSION

37. The Permanent Representatives Committee is invited to take note of this progress report and forward it to the Council.

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<sup>21</sup> ST 13267/25.