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# Latest updates on EU sustainable finance regulations

March 2025

 **Dillon Eustace**

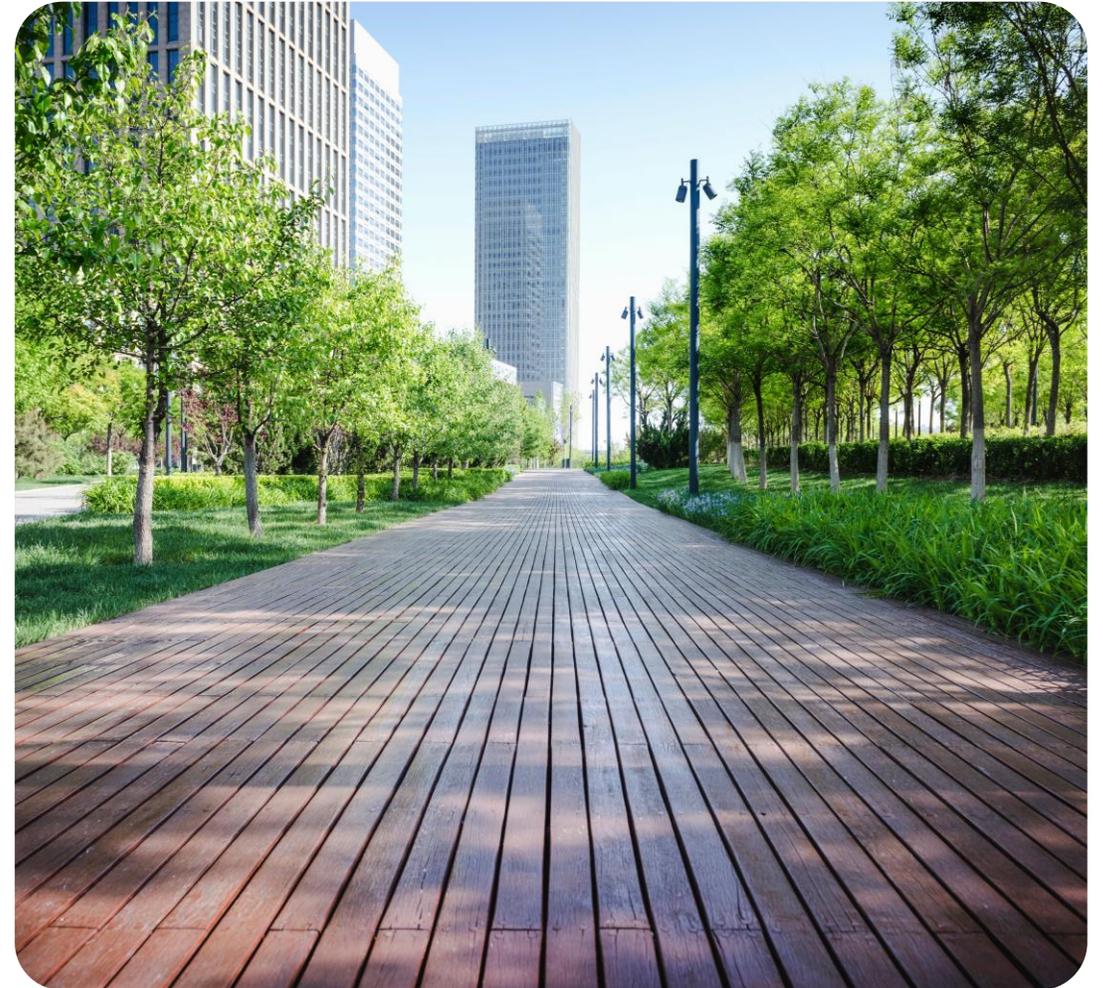
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# Contents

- 01 Omnibus changes on CSRD & EU taxonomy
- 02 PSF proposal on reform of SFDR
- 03 ESMA Fund Naming Guidelines: Application



# Omnibus changes on CSRD

	Before Omnibus	Omnibus proposal
Scoping criteria	<ul style="list-style-type: none"> <li>All "large" EU companies (meeting <math>\geq 2</math> of: 250+ employees, €50 million net turnover, €25 million in assets) and to all companies listed on EU regulated markets (including listed SMEs, except micro-entities)</li> </ul>	<ul style="list-style-type: none"> <li>Private and listed companies with <math>\geq 1000</math> employees AND one of <math>\geq €50M</math> net turnover or <math>\geq € 25M</math> assets.</li> </ul>
Amount of companies in-scope	<ul style="list-style-type: none"> <li>Close to 50,000.</li> </ul>	<ul style="list-style-type: none"> <li>About 10,000. (80% of companies de-scoped)</li> </ul>
Timeline for reporting obligations	<ul style="list-style-type: none"> <li>FY2024 for large listed companies</li> <li>FY2025 for all other large companies</li> <li>FY2026 for listed SMEs</li> <li>FY2029 for non-EU companies</li> </ul>	<ul style="list-style-type: none"> <li>Companies in wave 1 (FY2024) must still report following already approved rules.</li> <li>Companies in wave 2 (FY2025 or later) may find their reporting obligations delayed by 2 years, following a Commission proposal to "stop the clock".</li> </ul>
Double Materiality	<ul style="list-style-type: none"> <li>Yes, mandatory.</li> </ul>	<ul style="list-style-type: none"> <li>Yes, mandatory</li> </ul>
Reporting requirements	<ul style="list-style-type: none"> <li>Cross-cutting &amp; topical , sector-agnostic ESRS, containing <math>&gt;1,000</math> datapoints.</li> </ul>	<ul style="list-style-type: none"> <li>Planned reduction of 70% of datapoints (to be further developed in future proposals).</li> </ul>
Sector standards	<ul style="list-style-type: none"> <li>To be introduced after 2026</li> </ul>	<ul style="list-style-type: none"> <li>Discarded</li> </ul>
Reporting on value chain	<ul style="list-style-type: none"> <li>Companies required to obtain data from all material suppliers.</li> </ul>	<ul style="list-style-type: none"> <li>Only required to obtain data from companies in scope of CSRD. Emphasis on voluntary SME standards.</li> </ul>
Assurance	<ul style="list-style-type: none"> <li>Limited assurance required. Planned future adoption of reasonable assurance.</li> </ul>	<ul style="list-style-type: none"> <li>Limited assurance required. Future reasonable assurance plans abandoned.</li> </ul>

# Omnibus changes on EU Taxonomy



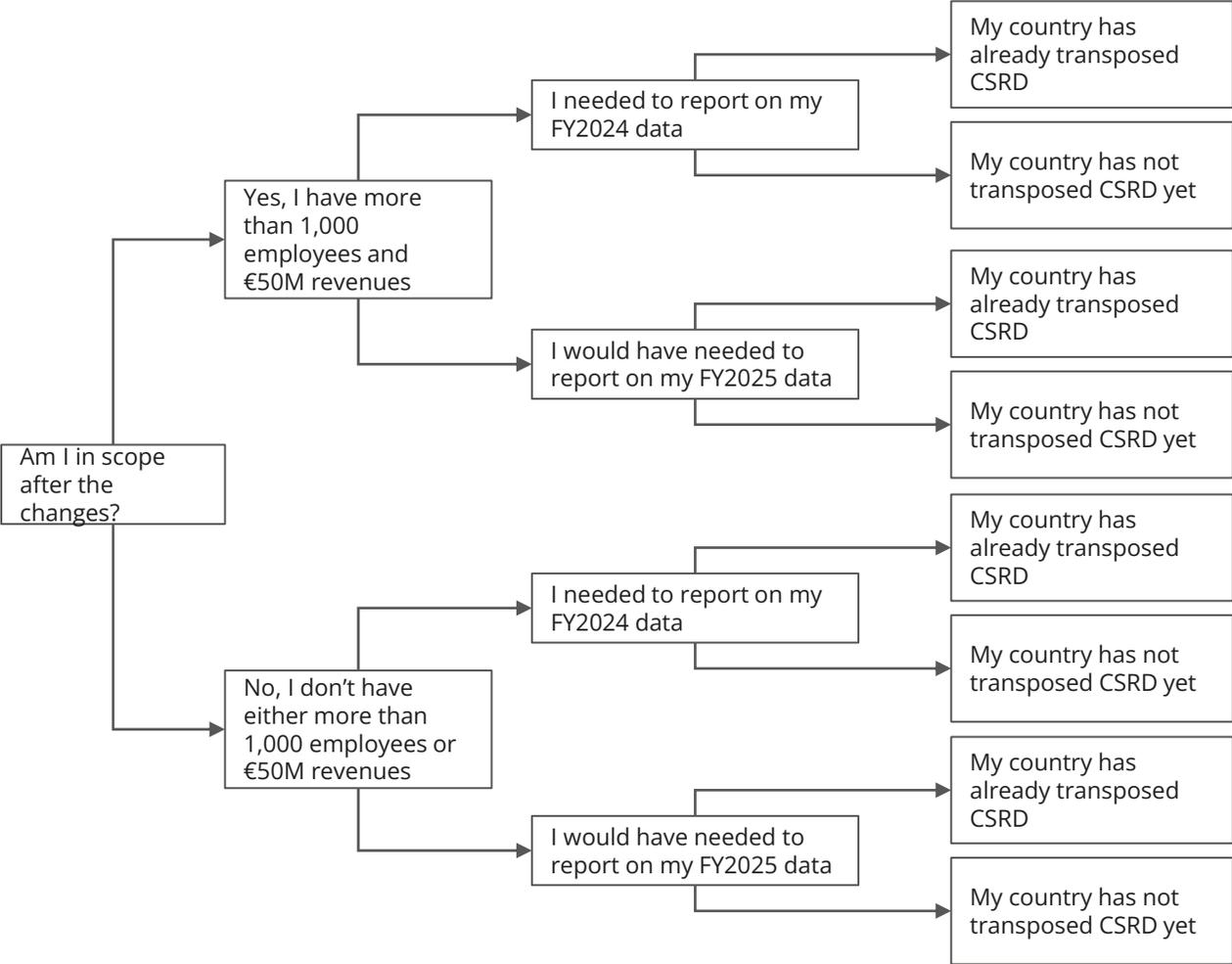
	<i>Before Omnibus</i>	<i>Omnibus proposal</i>
Scoping criteria	<ul style="list-style-type: none"> <li>All companies in scope of CSRD</li> </ul>	<ul style="list-style-type: none"> <li>Large companies (1,000+employees) with turnover <math>\geq</math> €450M.</li> </ul>
Introduction of an "Opt-in" regime	<ul style="list-style-type: none"> <li>Companies in scope of EU Taxonomy must disclose revenues, CapEx and OpEx KPIs.</li> </ul>	<ul style="list-style-type: none"> <li>Companies that voluntarily opt-in EU Taxonomy must disclose revenues and CapEx KPIs but may omit and OpEx KPIs disclosure</li> </ul>
Partial Taxonomy alignment	<ul style="list-style-type: none"> <li>The reporting of aligned activities is binary: either activities are aligned, or they are not, and as such it must be disclosed.</li> </ul>	<ul style="list-style-type: none"> <li>Companies can report on activities that partially meet Taxonomy criteria rather than requiring full compliance.</li> </ul>
Adjusted Green Asset Ratio (GAR)	<ul style="list-style-type: none"> <li>The denominator of the GAR for financial institutions comprehend all the investments of the institution.</li> </ul>	<ul style="list-style-type: none"> <li>Banks will now be able to exclude exposures to companies outside the CSRD scope from the denominator of their GAR.</li> </ul>
Simplified DNSH Criteria for complex activities	<ul style="list-style-type: none"> <li>Do Not Significant Harm criteria for complex activities usually very hard-to-understand and hard-to-comply.</li> </ul>	<ul style="list-style-type: none"> <li>Criteria related to pollution prevention and chemicals will be simplified, making it easier for companies to comply with Taxonomy requirements.</li> </ul>
Proportionality	<ul style="list-style-type: none"> <li>No materiality threshold to what should be included in KPIs calculation</li> </ul>	<ul style="list-style-type: none"> <li>Activities contributing less than 25% of turnover will be exempted from reporting Opex.</li> </ul>

## New public consultation

Furthermore, the Commission is also publishing for consultation draft amendments to the Taxonomy Disclosures Delegated Act and the Taxonomy Climate and Environmental Delegated Acts which:

- Will simplify reporting templates, reducing data points by 70%.
- Will exempt companies from assessing Taxonomy eligibility for activities not financially material (e.g., those below 10% of their total turnover, capital expenditure, or assets).

# I've already started to prepare for CSRD. Now what?



Nothing changes for you. Obligations will remain the same, probably, for a couple more years. Keep working as originally planned.



It is likely that your country approves a transposition requiring you to report on CSRD as originally intended. If not, follow your country's current NFRD transposition.



Stop-the-clock proposal likely to be approved on time. Uncertainty around your country's timeline for reforms, so you may need to comply with current transposition.



The stop-the-clock proposal will likely be approved on time at EU-level. It is uncertain what your country will decide on transposition. Have at least your DMA ready.



Obligations will remain the same, probably, for a couple more years (EU-level). Keep working as planned and consider your country may not change its transposition.



It is uncertain what your country will decide on transposition. For now, follow current transposition of NFRD and prepare for CSRD reporting (at least DMA).

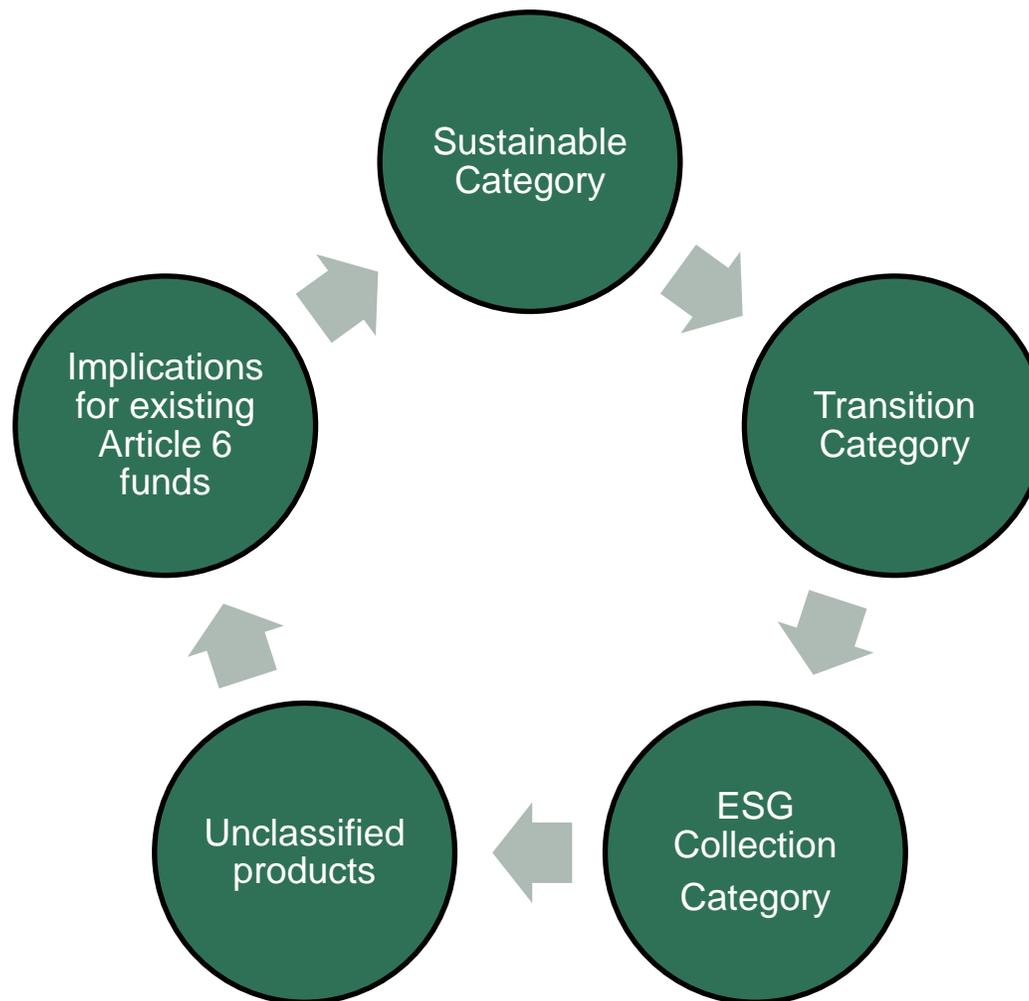


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# PSF proposal on reform of SFDR



# ESMA Fund Naming Guidelines: Application



Term used in fund name	Applicable criteria
"Sustainable" or sustainability-related term	<ul style="list-style-type: none"><li>• 80% Threshold + PAB Exclusion Criteria + the fund must "invest meaningfully" in sustainable investments within the meaning of the SFDR.</li></ul>
"Environmental" related terms (including terms such as green, environmental, climate, ESG and SRI)	<ul style="list-style-type: none"><li>• 80% Threshold + PAB Exclusion Criteria</li></ul>
"Impact" related terms	<ul style="list-style-type: none"><li>• 80% Threshold + PAB Exclusion Criteria + investments must generate a positive and measurable social or environmental impact alongside a financial return.</li></ul>
"Social" related terms (including terms such as "social", "equality" etc)	<ul style="list-style-type: none"><li>• 80% Threshold + CTB Exclusion Criteria</li></ul>
"Governance" related terms (including terms such as "governance", "controversies" etc.)	<ul style="list-style-type: none"><li>• 80% Threshold + CTB Exclusion Criteria</li></ul>
"Transition" related terms (including terms such as improve, progress, transformation)	<ul style="list-style-type: none"><li>• 80% Threshold + CTB Exclusion Criteria + investments must be on a clear and measurable path to social or environmental transition.</li></ul>

# Thank You



Cristian Echavarria Quiroga  
Principal  
[Cristian.Echavarria@holtara.earth](mailto:Cristian.Echavarria@holtara.earth)  
Holtara



Marcos Taboada Espino  
Associate ESG  
[Marcos.Taboada@holtara.earth](mailto:Marcos.Taboada@holtara.earth)  
Holtara



Cillian Bredin  
Partner, Asset Management and  
Investment Funds  
[Cillian.bredin@dilloneustace.ie](mailto:Cillian.bredin@dilloneustace.ie)  
Dillon Eustace



Aisling O'Malley  
Partner, Asset Management and  
Investment Funds  
[Aisling.omalley@dilloneustace.ie](mailto:Aisling.omalley@dilloneustace.ie)  
Dillon Eustace



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