

ARTICLE

STATE OF THE UNION ADDRESS: TOWARDS A REVISION OF THE CSRD?

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The directive of December 14, 2022, regarding the **publication of information on corporate sustainability (CSRD)**, will be applicable to certain companies starting **January 1, 2024**. Indeed, large European and non-European companies listed on a European regulated market will be required to publish a sustainability report from 2025 under the CSRD. Small and medium-sized listed companies will need to apply the new rules from **January 1, 2026**.

In this context, Ms. Van Der Leyen, in her speech on the **State of the Union**, stated that "[...] next month, we will present the first **legislative proposals aimed at reducing reporting obligations at the European level by 25%**."

If a modification of the so-called 2013 accounting directive takes place, one of the consequences of a possible change in the thresholds to be qualified as an SME under European Union law might be that **some companies automatically fall outside the scope of the CSRD**. Legal certainty does not benefit from this because with this announcement, some SMEs do not know whether they will fall under the CSRD and to what extent. While some of them might have already started or are about to begin their work to adapt to future standards.

On September 13 of the previous year, the European Commission launched an initiative to adjust the "SME size criteria to account for inflation." This initiative ends on October 6, 2023.

https://ec.europa.eu/commission/presscorner/detail/en/speech_23_4426

https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/13912-Correction-des-criteres-de-taille-des-PME-pour-t-enir-compte-de-linflation_fr
