

Omnibus 1 gives breathing space to SMEs

Brussels, 26/02/2025 – SMEUnited welcomes the effort made in the Omnibus proposal to reduce the burden for SMEs stemming from reporting requirements for large companies under the CSRD and CS3D. “The proposal should offer breathing space for SMEs. With safeguards put in place, the Omnibus proposes amendments that should tackle the unintended trickle-down effects for SMEs. The co-legislators must now take up the task for a swift adoption”, reacted SMEUnited President Petri Salminen.

The Commission acknowledged the unintended consequences of the CSRD and CS3D obligations falling on SMEs. Although this trickle-down effect will not be fully removed, SMEUnited welcomes the introduction of the voluntary standard as the information cap in the value chain. “Making the VSME the cap in the value chain is a key demand of the SME community”, continued President Salminen. “By enshrining it in the legislation, the Commission supports the market acceptance of the VSME and at least ensures SMEs cannot be flooded with a diversity of questionnaires stemming from their supply chain.

Furthermore, SMEUnited strongly welcomes the modification of the provisions on limited and reasonable assurance on reporting. “Using the VSME will already create costs for SMEs. They should not have to pay additional fees for auditing the data collected”, explained president Salminen.

When it comes to due diligence obligations, SMEUnited reminded policy-makers the heavy obligations falling on SMEs – although out of scope – due to their place in the value chain. SMEUnited welcomes the fact that the proposal advances the date of the publication of the due diligence guidelines. According to president Salminen, “The earlier SMEs have access to supporting measures, the smoother compliance will be for entrepreneurs”.

Reacting to the amendments to the Carbon Border Adjustment Mechanism (CBAM), President Salminen welcomes the new thresholds suggested in the proposal and the focus on deliberate avoidance tactics. What is more, the Omnibus proposal answers positively to SMEUnited’s requests for declarant to use default carbon prices.

Lastly, the proposal addresses the changes required by the SME community to taxonomy and the sustainable finance framework. Now, the European Commission must provide as quick as possible concrete provisions through secondary legislation. Therefore, SMEUnited suggest to implement the recommendations from the Platform on Sustainable Finance as regards a streamlined approach for SMEs allowing them to

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EDITORS’ NOTES: SMEUnited is the association of Crafts and SMEs in Europe with 65 member organisations from over 30 European countries. SMEUnited represents national cross-sectoral Craft and SME federations, European SME branch organisations and associate members. SMEUnited is a recognised employers’ organisation and European Social Partner. SMEUnited was formerly known as UEAPME www.SMEUnited.eu | LinkedIn / X / Bluesky: @SMEUnited

prove their sustainability and to review the Green Asset Ratio allowing Banks to report on the sustainability of their SME portfolio.

During the legislative process on this first Omnibus, SMEUnited invites policy makers to reflect on other tools than reporting to reach policy objectives. “To deliver on the Green Deal objectives, companies need to act, not to report. The Commission Simplification agenda must reflect on this issue, to continue the efforts made in the Omnibus proposal towards a ‘Think Small First’ approach”, concluded President Salminen.

SMEUnited remains committed to supporting SMEs through these regulatory changes and will continue engaging with policymakers to ensure that future legislative developments foster a business environment that is both practical and sustainable.

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