

# New Irish CSRD Regulations: ‘Stop the Clock’ Delay Implemented and Drafting Issues Resolved

17 July 2025

On 7 July 2025, the Irish government signed new regulations into law that amend the Irish CSRD regime to transpose the ‘stop the clock’ delay of two years and to fix other drafting issues, aligning the Irish CSRD more closely with the current EU law. This note also provides an update on the status of the omnibus package and the proposed amendments to the CSRD and the ESRS at European level.

## Background

The Corporate Sustainability Reporting Directive (CSRD) became law in 2023, introducing a new obligation for many EU-incorporated companies to include extensive ESG-related disclosures in their annual report. The objective of the CSRD is to enable investors and other stakeholders to have access to sustainability information regarding EU companies and companies doing business in the EU.

The CSRD was transposed into Irish law by regulations published in July 2024. These regulations included certain drafting anomalies and Irish-gold plating (see our update [here](#)). These anomalies and gold-plating presented a significant challenge for affected businesses, which were facing additional costs for compliance. Matheson has been involved in extensive industry efforts to seek to have these issues addressed.

Most Irish companies that were to become subject to CSRD reporting obligations were due to publish their first sustainability statements in 2025 in respect of their 2024 financial year. However, in February 2025, the European Commission unveiled the first ‘omnibus simplification package’, which proposes to simplify certain ESG laws, including the CSRD (see our update [here](#)). The Commission’s package included a proposal to ‘stop the clock’, by delaying the start of reporting obligations by two years for most companies. The ‘stop the clock’ proposal became law at EU level on 17 April 2025 (see our update [here](#)) and EU member states have until 31 December 2025 to transpose the delay into national law.

## New Irish CSRD regulations

On 7 July 2025, the Irish government introduced a new statutory instrument that amends the existing Irish CSRD law. These new regulations are welcome and provide helpful certainty to businesses, both with respect to the ‘stop the clock’ delay and fixing various issues with the Irish regulations.

The key updates are as follows:

- **‘Stop the clock’:** Ireland has transposed the ‘stop the clock’ directive into Irish law, delaying the start of the application of the CSRD to most Irish companies by two years. This means that most companies that will come into scope for CSRD reporting will publish their first report in 2028, based on data for their financial year 2027. On the other hand, public interest entities (ie, insurance

companies, banks and entities with securities listed on EU-regulated markets) that have 500+ average employees will continue to be in-scope for financial year 2024 onwards. Ireland is one of the first member states to transpose the ‘stop the clock’ directive, giving businesses the much-needed certainty as to when their first CSRD report will be required.

- **Ineligible entities:** Under the initial Irish CSRD regulations, Ireland deemed a broad range of Irish financial services companies to be “large” and in-scope for CSRD reporting, irrespective of their size (these companies were referred to in the legislation as ‘ineligible entities’ – see our update [here](#)). The new CSRD regulations remedy this by disapplying the deeming provisions ie, those ‘ineligible entities’ will now only come into scope for CSRD if they meet the standard CSRD size thresholds.
- **Definition of turnover:** One of the thresholds that is used for determining whether a company is in-scope for CSRD is the company’s ‘net turnover’. In this context, the initial Irish CSRD regulations used a broad definition of turnover that included, for companies whose ordinary activities included the making or holding of investments, the ‘gross revenue’ derived from such activities. This broad definition created considerable uncertainty for many companies in financial services and, in particular, the asset management sector. The new CSRD regulations delete this reference to ‘gross revenue from making or holding investments’ ie, for Irish-CSRD purposes, turnover now means only “*amounts of revenue derived from the provision of goods and services falling within the company’s ordinary activities, after deduction of- (a) trade discounts, (b) value-added tax, and (c) any other taxes based on the amounts so derived*”.
- **Irish companies that are subsidiaries of EU companies:** Each company that is in-scope for reporting under the CSRD is required to either (i) prepare its own report or (ii) claim an exemption based on the fact that its sustainability information is included in the report prepared by a parent company. There was considerable uncertainty, based on how the initial Irish regulations had been phrased, as to whether an Irish subsidiary could claim the subsidiary exemption by virtue of having its sustainability information included in the consolidated report of an EU parent company. This uncertainty arose because the Irish law provided that the group consolidated report of an EU parent company must be prepared under Irish company law for an Irish subsidiary to claim the exemption (which an EU parent company would not do, as it is not an Irish company subject to Irish company law). This issue has now been rectified and an Irish subsidiary can claim an exemption where its information is included in the report of a parent that is drawn up under Irish company law or the applicable laws of another EU/EEA member state.
- **Ultimate parent company reporting:** The CSRD can apply to non-EEA companies in certain circumstances. In particular, a CSRD report can be required to be prepared for non-EEA ultimate parent companies for financial year 2028 onwards if certain turnover thresholds are met. The initial Irish CSRD regulations were drafted in a way that suggested that all non-EEA parent companies of certain Irish companies had to prepare a report, and not just the ‘ultimate’ parent company. This has now been remedied, and a specific definition of ultimate parent company has been introduced into the Irish CSRD regulations.



## Omnibus package updates

In the background, other proposed amendments to the CSRD (see our update [here](#)) continue to work their way through the EU's legislative process. On 23 June 2025, the Council of the European Union agreed its negotiating position on the proposals. The Council largely agrees with the simplification measures proposed by the Commission, but notably the Council proposes amending the CSRD so that only companies / groups with more than €450m net turnover and more than an average of 1,000 employees would be in-scope for CSRD reporting. It is expected that the European Parliament will agree its negotiating position during Q3 2025 (and [initial proposals](#) from the European Parliament's rapporteur suggest increasing the threshold for the application of the CSRD to 3,000 employees and annual turnover of €450m).

More extensive amendments to the Commission's published omnibus position have been proposed by the Council with regard to the Corporate Sustainability Due Diligence Directive (CS3D), which are proving more controversial. Based on how the law is structured, the EU institutions will need to reach political agreement on both CSRD and CS3D before the omnibus proposals can become law.

## European Sustainability Reporting Standards (ESRS)

Separately, EFRAG (formerly the European Financial Reporting Advisory Group) continues its work simplifying the European Sustainability Reporting Standards (ESRS). Companies that are in-scope for the CSRD will have to report in line with the ESRS. Following a [recent extension](#), EFRAG has been asked to deliver its advice on the simplified ESRS to the Commission by the end of November. The Commission has asked that EFRAG add no new data points to the ESRS. In a status update in June 2025, EFRAG said that it is aiming to reach a 50%+ reduction in mandatorily disclosable data points. EFRAG [expects](#) to run a public consultation on exposure drafts for 60 days from the end of July until September. Draft (unapproved) versions of the exposure drafts were [published](#) on 10 July.

On 11 July, the Commission also [adopted "quick fix" amendments](#) to the first set of ESRS to simplify reporting obligations for companies that were required to start reporting this year in respect of financial year 2024 data (ie, companies that do not benefit from the two-year 'stop the clock' delay).

## Taxonomy regulation

Earlier in July 2025, the European Commission also [adopted](#) administrative measures designed to simplify reporting under the EU Taxonomy Regulation. These simplifications include exempting companies from assessing Taxonomy-eligibility and alignment for economic activities that are not financially material for the business and streamlining the reporting templates to reduce the number of reportable datapoints by 64% or 89% (depending on the nature of the company). The Commission's measures are subject to a scrutiny period before the European Parliament and the Council of the European Union before becoming law, but it is expected that the measures will become law on 1 January 2026.

## What does this mean for Irish companies?

The new Irish CSRD regulations are to be welcomed by our clients. The two year ‘stop the clock’ delay for most Irish companies now has the force of law and brings much needed certainty, against the backdrop of ongoing negotiations at EU level. The other changes bring the Irish CSRD regulations more in-line with the EU law position, reducing deviations and local complications in line with Ireland’s desire to **reduce red tape and simplify obligations for businesses**.

If your business was affected by the Irish gold plating / drafting issues in the initial CSRD regulations, we recommend that you confirm with your advisors that these issues no longer apply and whether there are implications that this may have for your CSRD planning. We also recommend that clients reach out to their advisors to discuss how best to prepare in line with the new timelines and against the backdrop of the omnibus package.

Matheson continues to monitor the position in Ireland and Europe on the omnibus proposal and will continue to update its clients and contacts. If you have any questions on these recent Irish and European developments or the CSRD more generally, please do reach out to our CSRD team below, or your usual Matheson contact.

## Contacts

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