

29 April 2025

Publication of the ‘Stop-the-Clock’ Directive in the EU Official Journal and the Impact on the CSRD Requirements

1.0 Background

On 16 April 2025, the [‘Stop-the-clock’ Directive](#) (hereinafter referred to as the “Directive”)¹ was published in the *Official Journal of the European Union (EU)*.

The publication of the Directive follows the European Commission’s ‘Omnibus I’ package, aimed at simplifying EU rules and boosting EU competitiveness, including in relation to the sustainability requirements. In this respect, the Directive amends the [Corporate Sustainability Reporting Directive](#) (CSRD)² and the [Corporate Sustainability Due Diligence Directive](#) (CSDDD)³, particularly the **applicability dates** of certain requirements, as outlined in more detail in the following section.

2.0 The Directive’s Impact on the CSRD Requirements

This Circular aims to outline the **Directive’s impact on the CSRD** and the application dates of the requirements thereof.

On this basis, Article 1 of the Directive has amended Article 5(2) of the CSRD by replacing “for financial years starting on or after 1 January 2025” in point (b) of the first subparagraph and point (b) of the third subparagraph with “for financial years starting on or after 1 January **2027**”. Similarly, “for financial years starting on or after 1 January 2026” in point (c) of the first subparagraph and point (c) of the third subparagraph of Article 5(2) of the CSRD has been replaced with “for financial years starting on or after 1 January **2028**”.

Therefore, the entry into application of the CSRD requirements for **large undertakings not yet required to report in terms of CSRD** (originally required to publish their sustainability reporting in 2026 based on financial years starting on or after 01 January 2025, the so-called ‘wave two’ companies), as well as **listed small and medium-sized undertakings** (originally required to publish their sustainability reporting in 2027 based on financial years starting

¹ 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

² 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

³ 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

on or after 01 January 2026, part of the so-called 'wave three' companies) has been **postponed by two years**.

It is clarified that the Directive has **not** amended the entry into application of the CSRD requirements for the so-called 'wave one' companies⁴, that is, the large undertakings, or parent undertakings of a large group, required to report in 2025 for financial years starting on or after 01 January 2024 in terms of CSRD.

3.0 Next Steps

The Directive must be transposed into national legislation by 31 December 2025.

Given that the CSRD is still in the process of being transposed into Maltese legislation at the time of this Circular, the corresponding transposition of the Directive will be considered during the process thereof.

4.0 Contacts

Should you have any queries relating to the above, kindly contact the Authority on transparency@mfsa.mt.

⁴ Companies previously subject to the Non-Financial Reporting Directive (NFRD) (large listed companies, large banks and large insurance undertakings – all if they have more than 500 employees), as well as large non-EU listed companies with more than 500 employees