

SECOND JOINT STATEMENT ON THE TRANSPOSITION OF CSRD DIRECTIVE AND SUBSEQUENT MODIFICATIONS TO THE SPANISH LEGAL SYSTEM

19 November 2025

Background and Prior Joint Statement by the CNMV and ICAC dated 27 November 2024

Directive 2014/95/EU of 22 October on the disclosure of non-financial and diversity information by certain large undertakings and groups (NFRD) introduced the obligation to include a non-financial statement (NFS) in management reports, containing information on social, environmental and employee-related matters, as well as on respect for human rights and efforts to combat corruption and bribery. This requirement was first transposed into Spanish law through Royal Decree-Law 18/2017 of 24 November, which was later repealed by Law 11/2018 of 28 December (Law 11/2018). The new Law has a broader scope than the NFRD, requiring that the information included in NFSs be verified by an independent assurance services provider.

Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 as regards corporate sustainability reporting (CSRD) has replaced the NFRD, broadening its scope, increasing the number of entities required to report sustainability information and establishing an implementation timeline that varies according to the type of company.

When?	Who?
In 2025 on FY 2024	Phase 1: Large public-interest entities with more than 500 employees
In 2026 on FY 2025	Phase 2: Remaining large companies (250+ employees and/or €50M+ turnover and/or €25M+ balance sheet)
In 2027 on FY 2026	Phase 3: Listed SMEs (except micro-companies), small and non-complex credit institutions, small and non-complex insurance companies, and captive insurance and reinsurance companies
In 2029 on FY 2028	Phase 4: Non-EU companies with €150M+ turnover in the EU and a subsidiary or branch in the EU that exceeds certain thresholds.

This information must be based on the European Sustainability Reporting Standards (ESRS), which are the sustainability standards developed by the European Financial Reporting Advisory Group (EFRAG) and subsequently adopted through a Commission Delegated Regulation. It must be presented in a specific section of the management report, published in electronic format, and verified by an independent assurance service provider, under the supervision of a public authority.

In Spain, in view of the possibility that the legislative process for transposing the CSRD might not be completed by 31 December 2024—as ultimately proved to be the case—the Spanish National Securities Market Commission (CNMV) and the Spanish Accounting and Audit Institute (ICAC) issued a [joint statement](#) dated 27 November 2024, which provided guidance to the entities concerned and their assurance providers.

The abovementioned statement recommended that, from 1 January 2025, Spanish entities required to publish sustainability information under the CSRD should issue their NFSs in line with the ESRS framework, provided that they continue to comply with all relevant requirements of Law 11/2018.

Current Situation

At the date of this new statement, the draft bill transposing the CSRD to Spain is still pending parliamentary approval. Moreover, it should be noted that, on 26 February 2025, the European Commission adopted a simplification package (the "omnibus" package) aimed at reducing the administrative burden on businesses, while also promoting growth and investment. The contents of this proposal are currently under review by the Parliament and the Council. The package, still under discussion, includes the following measures, among others:

- Narrowing the CSRD's scope, focusing on large companies with more than 1,000 employees. If adopted, this measure would affect some phase-one companies.
- Removing (i) sector-specific rules and (ii) the possibility of shifting to a reasonable assurance standard.
- Introducing an optional reporting requirement for companies that fall outside the CSRD's scope, based on the voluntary standard for SMEs (VSME) developed by the EFRAG. On 30 July 2025, the European Commission issued a recommendation supporting this standard. Practical guidelines are currently being developed in this regard.
- Reviewing the ESRS: The European Commission is committed to adopt a delegated act to review and simplify the first set of ESRS standards, aiming to: (i) substantially reduce the number of data points to be reported; (ii) simplify the structure and presentation of the standards; and (iii) provide clearer instructions on how to apply the materiality principle.

The goal is to complete the adoption of the omnibus package by December 2025. The review of the ESRS is expected to be finalised by mid-2026. However, EU legislative processes are complex and can sometimes be subject to unforeseen delays.

Meanwhile, the following measures proposed by the Commission have been approved:

- Directive (EU) 2025/794 of the European Parliament and of the Council of 14 April 2025 ("Stop-the-clock" mechanism), pending transposition into national law, which delays the application of CSRD reporting requirements by two years for second-phase and third-phase companies.
- A "Quick Fix" Delegated Regulation adopted on 11 July 2025, pending publication in the Official Journal of the European Union (OJEU), which amends the delegated regulation on the adoption of the ESRS, in particular for first-phase companies:
 - (i) It freezes and delays the application of transitional provisions by two years. For example, companies will not yet be required to break down the financial impacts of climate change.
 - (ii) It extends the two-year transitional regime to all entities, which initially only benefited companies with fewer than 750 employees. For example, this applies to the application of disclosure standard E4 on biodiversity, or social standards S2, S3 and S4 for non-company staff.

Update on the Statement by the CNMV and ICAC

Considering the aforementioned regulatory changes, we hereby update the content of the Statement dated 27 November 2024, in view of the possibility that Spanish legislation may not be aligned with European law by 31 December 2025.

- Following the previous joint statement, and to ensure that the information published in Spain is, to the greatest extent possible, comparable to what other entities across the European Union report, we advise phase-one Spanish entities, which are required to disclose sustainability information for the 2025 financial year, to publish their NFSs in accordance with the ESRS to the extent they are able to do so. They should also apply the new EU transitional framework, as detailed above, once the "Quick Fix" Delegated Regulation is published in the OJEU. This will allow entities, in some scenarios, to apply specific exemptions.

In any case, phase-one Spanish entities must ensure compliance with all requirements set out in Law 11/2018 and Spanish Royal Decree 214/2025, elaborating on Law 7/2021 on climate change and energy transition.

- Furthermore, we advise the remaining phase-two entities subject to Law 11/2018 to assess the actual convenience and usefulness of applying the ESRS (or otherwise the VSME¹) in their NFSs for the 2025 financial year, considering the "Stop-the-clock" mechanism and any other current European regulation.
- Regarding the independent verification on NFS contents or sustainability reports, the provisions of the previous joint statement remain in force. We also recommend taking into account the (not yet approved) technical standard published by the ICAC on December 2024, the Guidelines by the Committee of European Auditing Oversight Bodies (CEAOB) and the International Standard on Sustainability Assurance (ISSA) 5000.

¹ Voluntary Sustainability Reporting Standards for Small and Medium-sized Enterprises.