

CSRD: French Prime Minister's Declarations – A Realistic Step Backwards?

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In an [interview](#) given to the French weekly newspaper *Le Journal du Dimanche* on October 20, French Prime Minister Michel Barnier proposed adopting a “sort of moratorium” to delay the entry into force in France of specific texts, including the Corporate Sustainability Due Diligence Directive (CSRD).

In the meantime, [the French Senate adopted](#) on October 23, in first reading, a proposal to mandate the French Government to conduct a qualitative assessment of the implementation of the CSRD before July 31, 2025. This takes the form of an amendment to a broader exercise of simplification of the French economic environment. If adopted, an assessment report should propose avenues for simplification. The proposal was sent to the French Parliament for adoption.

As a reminder, the CSRD came into force EU-wide on January 5, 2023, and was already [transposed in France on December 6, 2023](#).

Reporting obligations begin to apply to some companies as of financial year 2024.

However, in the aftermath of the last French parliamentary elections, some recent political announcements indicate a political willingness to take a step backwards.

Michel Barnier announced that he would like to re-examine the scope of this text, which he considers particularly restrictive. According to the Prime Minister, France – by deciding to be the first to transpose the text – allegedly “over-transposed” this regulation. This would penalise the competitiveness of French companies.

As a reminder, the CSRD's extra-financial reporting obligations will concern an estimate of 50,000 European companies and 10,500 non-European companies. This includes both listed and unlisted companies, large groups as well as small and medium-sized companies. For these different types of company, the obligations will be applied progressively and over different timeframes.

Michel Barnier mentioned an intent to postpone the entry into force of these “very heavy regulations”

with “unreasonable constraints” by two or three years, similar to that of the Deforestation Regulation ([still in discussion at the EU Parliament](#)). He would like to see an impact study and assessments carried out before such regulations apply to companies.

This somehow contradicts other positions taken by the Prime Minister, according to which the ecological debt is a “sword of Damocles” hanging over France and the French people. However, this position is also aligned with the Mario Draghi’s report on the [future of European Competitiveness](#) of September 2024 or Commission’s President von der Leyen’s most recent Political Guidelines.

Beyond mere announcements, what is the likelihood of such postponement and what would be the risks for France?

First, it is difficult to imagine delaying the application of the CSRD without placing France in a confrontational position with Brussels. A transposition ordinance has already been adopted in France, and the deadline for transposing this directive was July 6, 2024. Furthermore, the EU Commission announced on September 26, that it had initiated proceedings against 17 member states that had not yet transposed the directive.

No doubt that if France was to move from being the first pupil in the class towards a “greenlash” position on this flagship initiative of the EU Green Deal, the political pressure coming from the Commission would be important.

Moreover, those announcements create an unnecessary additional climate of uncertainty for companies which are already and actively taking burdensome steps to comply with their reporting obligations. French companies may prefer obtaining clarity and support from French authorities on how to comply with this very complex legislation, rather than entering another momentum of political uncertainty. As an example, guidance on the level of granularity of the information to be reported as well as on the prescriptive nature of reporting standards would be very much welcome.

Finally, a moratorium may in any case lack any true effect. Indeed, companies that are due to submit their sustainability reporting next year are large groups, most of which have subsidiaries or branches in other EU member states. They may therefore need to comply with reporting obligations in other member states, regardless of a French moratorium.

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