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2025/0130 (COD)

Proposal for a

**REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**

**amending Regulations (EU) 2016/679, (EU) 2016/1036, (EU) 2016/1037, (EU) 2017/1129, (EU) 2023/1542 and (EU) 2024/573 as regards the extension of certain mitigating measures available for small and medium sized enterprises to small mid-cap enterprises and further simplification measures**

{SWD(2025) 501 final}

## **EXPLANATORY MEMORANDUM**

### **1.1. CONTEXT OF THE PROPOSAL**

- **Reasons for and objectives of the proposal**

European businesses create employment, innovation and prosperity. Competitiveness and productivity are essential conditions for businesses to flourish; they have been at the heart of EU policy for decades<sup>1</sup>. To set the EU economy on a sustainable growth path, the EU and its Member States need to make structural improvements to the business environment, including through well-focused investment and regulatory measures.

President von der Leyen has set out a plan for Europe's sustainable prosperity and competitiveness in the political guidelines for the European Commission's 2024-2029 term<sup>2</sup>. Making business easier and deepening the Single Market are among the plan's key priorities.

The Commission's better regulation agenda<sup>3</sup> also supports the competitiveness of European enterprises by aiming to ensure that EU laws deliver on their objectives without imposing unnecessary burden. In 2023, the Commission identified the need to rationalise and simplify reporting requirements for enterprises and administrations<sup>4</sup> and committed to reduce them by 25%, without undermining the policy objectives of the relevant legislation. This commitment was subsequently increased to 25% reduction of all administrative costs and 35% for small and medium-sized enterprises (SMEs)<sup>5</sup>.

Mario Draghi in his report on 'The future of European competitiveness'<sup>6</sup>, argues that EU regulation imposes a proportionally higher burden on SMEs and small mid-cap enterprises (SMCs)<sup>7</sup> than on larger enterprises. The report suggests that the Commission should extend the existing mitigation measures, currently available to SMEs, to small mid-caps to extend proportionality in EU law to them. The Draghi report also observes that EU lacks a commonly agreed definition of small mid-caps and readily available statistical data.

According to Enrico Letta's 'Much more than a market' report, distinguishing between mid-caps and large corporations in EU regulations will enable more suitable rules, fostering their growth and equitable participation in the Single Market, especially during crises<sup>8</sup>. Mid-cap enterprises can therefore contribute to completing the Single Market and making it work better.

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<sup>1</sup> Long-term competitiveness of the EU: looking beyond 2030, COM/2023/168 final, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52023DC0168>

<sup>2</sup> [https://commission.europa.eu/document/download/e6cd4328-673c-4e7a-8683-f63ffb2cf648\\_en?filename=Political%20Guidelines%202024-2029\\_EN.pdf](https://commission.europa.eu/document/download/e6cd4328-673c-4e7a-8683-f63ffb2cf648_en?filename=Political%20Guidelines%202024-2029_EN.pdf)

<sup>3</sup> Better regulation: Joining forces to make better laws, COM(2021) 219 final, available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM:2021:219:FIN>

<sup>4</sup> Long-term competitiveness of the EU: looking beyond 2030, COM(2023) 168 final, available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52023DC0168>

<sup>5</sup> Mission letter to Stéphane Séjourné, Executive Vice-President-designate for Prosperity and Industrial Strategy, available at: [https://commission.europa.eu/document/download/6ef52679-19b9-4a8d-b7b2-cb99eb384eca\\_en?filename=Mission%20letter%20-%20S%C3%89JOURN%C3%89.pdf](https://commission.europa.eu/document/download/6ef52679-19b9-4a8d-b7b2-cb99eb384eca_en?filename=Mission%20letter%20-%20S%C3%89JOURN%C3%89.pdf)

<sup>6</sup> M. Draghi, The future of European competitiveness, 2024, available at: [https://commission.europa.eu/topics/strengthening-european-competitiveness/eu-competitiveness-looking-ahead\\_en#paragraph\\_47059](https://commission.europa.eu/topics/strengthening-european-competitiveness/eu-competitiveness-looking-ahead_en#paragraph_47059), p. 65

<sup>7</sup> I.e. enterprises that have outgrown the SME definition.

<sup>8</sup> E. Letta, Much more than a market, 2024, available at: <https://www.consilium.europa.eu/media/ny3j24sm/much-more-than-a-market-report-by-enrico-letta.pdf>, p.107.

Back on 12 September 2023, the Commission published the SME Relief Package<sup>9</sup>, announcing its goal to help small and medium sized enterprises to compete and grow, by - amongst others - being attentive to the needs of enterprises that outgrow the thresholds of the SME definition<sup>10</sup>, and the broader range of small mid-cap enterprises (SMCs). Under Action 18 of the relief package, it was announced that the Commission would ‘develop a harmonised definition for small mid-cap enterprises, build a dataset based on such definition and assess possible measures to support these enterprises in their growth (including potential application in adapted form of certain measures favouring SMEs)’.

A study to ‘Map, measure and portray the EU mid-cap landscape’<sup>11</sup> shows that mid-cap enterprises play a vital role in the EU economy, providing 13% of overall employment. They are prominently present in industrial ecosystems that are key to the EU’s competitiveness and technological sovereignty, such as electronics, aerospace and defence, energy, energy-intensive industries and health. Mid-caps represent a segment of the business sector that clearly distinguishes itself from SMEs, but also from large firms. Compared to SMEs, they tend to demonstrate a higher pace of growth - around 20% of them were SMEs three years earlier, and a higher level of innovation and digitisation, although they face certain similar challenges such as administrative burden and share the need for more proportionality in new legislation and for targeted support. To enable the smooth transition of SMEs into small mid-cap enterprises, it is important to address these challenges in a coherent manner.

The objective of this proposal is indeed to provide targeted policy support that can help companies to scale, in particular in relevant and important sectors. In the current economic context and with a view to the sectors with high shares of companies in the bracket 250-749 employees<sup>12</sup> the definition for SMCs therefore covers enterprises that are three times the size of SMEs<sup>13</sup>. This is to better accompany scaling up of enterprises and to cover a larger number of companies. The Commission has issued a recommendation formalising such definition **(insert reference)**, as part of a simplification package for small mid-caps, which also includes this proposal for a Directive that introduces into existing legislation mitigating measures for SMCs.

A definition of small mid-cap enterprises is already in use under the General Block Exemption Regulation<sup>14</sup> and the Guidance on Risk Finance<sup>15</sup>, for the purpose of identified market failures susceptible to be addressed through targeted public *financial* support from national resources. The purpose of a general SMC definition is, however, not to replicate the definition used in State aid rules per se, but to serve as a basis for targeted *policy* support that

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<sup>9</sup> SME Relief Package, COM/2023/535 final, available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM:2023:535:FIN>; See also annex 3A to this report SME relief package policy tracker.

<sup>10</sup> SMEs are currently defined as enterprises with under 250 employees, combined with an annual turnover up to 50 million euro or a balance sheet total up to 43 million - Recommendation 2003/361/EC - [https://single-market-economy.ec.europa.eu/smes/sme-definition\\_en](https://single-market-economy.ec.europa.eu/smes/sme-definition_en)

<sup>11</sup> B. Dachs, I. Siedschlag, W. Yan, M. Yoveska, F. Boeira, S. Ivory, Study to map, measure and portray the EU mid-cap landscape, European Union, 2022, available at: <https://op.europa.eu/en/publication-detail/-/publication/ad5fdad5-6a33-11ed-b14f-01aa75ed71a1/language-en/format-PDF/source-277396461>

<sup>12</sup> In terms of percentage shares, the highest shares of small mid-caps with 250-749 employees are found in electronics, energy renewables and aerospace and defence.

<sup>13</sup> As defined in Commission Recommendation 2003/361/ EC

<sup>14</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32014R0651>

<sup>15</sup> [https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv%3AOJ.C\\_.2021.508.01.0001.01.ENG&toc=OJ%3AC%3A2021%3A508%3ATOC](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv%3AOJ.C_.2021.508.01.0001.01.ENG&toc=OJ%3AC%3A2021%3A508%3ATOC)

can help companies to scale in relevant and important sectors. The definition of SMCs in said Recommendation remains, of course, without prejudice to the thresholds deemed appropriate in the State aid context.

In light of the above, the present proposal aims to include consideration for SMCs and proportionality when it comes to administrative burden, following the logic explained above to cover enterprises that are three times the size of SMEs, in a number of legal acts where mitigating or supporting measures are already available for SMEs. Therefore, in acts where SMEs are defined by reference to parts of the Annex to Commission Recommendation 2003/361/EC, such as the thresholds set out in Article 2 of that Recommendation, a similar approach will be applied when defining SMCs.

The aim is to support SMCs dealing with similar challenges to those of SMEs. Insofar as they are still at their growth stage, they may equally benefit from proportionality in regulation, rather than being subject to the same rules as large enterprises which are better equipped and have more resources to deal with these rules

This proposal thus aims to extend to SMCs certain provisions currently applied to SMEs and propose simplification measures to the benefit of SMEs and SMCs in the following legislation acts:

- **Regulation (EU) 2016/679** lays down provisions on general data protection (GDPR). Article 30 of Regulation (EU) 2016/679 states that each controller and processor must maintain a record of processing activities and sets out what information this record should contain. Paragraph 5 of Article 30 provides for a derogation for SMEs and organisations with fewer than 250 employees, whereby such entities do not have to keep such record, provided that certain conditions are fulfilled. This proposal aims to simplify and clarify the derogation from the record-keeping obligation under that article by making the record-keeping mandatory only when the processing activities are likely to result in a ‘high risk’ to data subjects’ rights and freedoms. At the same time, the scope of the derogation should be broadened to include SMCs and organisations with fewer than 750 employees.

Article 40 of Regulation (EU) 2016/679 lays down that the Member States, the supervisory authorities, the Board, and the Commission must encourage associations and other bodies representing categories of controllers or processors to draw up codes of conduct, taking account of the specific features of the various processing sectors and the specific needs of micro, small and medium-sized enterprises. The scope of this provision should be extended to SMCs, so that their specific needs are also taken into account when codes of conduct are drawn up.

Article 42 of Regulation (EU) 2016/679 lays down that the Member States, the supervisory authorities, the Board and the Commission must encourage, in particular at Union level, the establishment of data protection certification mechanisms and of data protection seals and marks by certification bodies referred to in Article 43 GDPR, or by competent supervisory authorities, and in that context the specific needs of SMEs shall be taken into account. The scope of this provision should be extended to SMCs, so that their specific needs are also taken into account when certifications are issued.

- **Regulation (EU) 2016/1036** on protection against dumped imports from countries not members of the European Union, includes provisions to facilitate access of SMEs to trade defence instruments, namely by providing general information and, where

possible, facilitating procedures for them. Article 5 (1a) of Regulation (EU) 2016/1036 aims at facilitating access to the trade defence instrument. In that context, assistance to SMEs is provided through a dedicated helpdesk which helps them with general information and explanations on procedures and on how to submit a complaint, or by releasing standard questionnaires. In order to ensure that SMCs also benefit from the guidance and assistance of a helpdesk, the scope of this provision should be extended to them. Article 6 (9) of Regulation (EU) 2016/1036 provides for the timing of the investigation procedures. It lays down a provision whereby investigation periods shall, whenever possible, coincide with the financial year for fragmented sectors largely composed of SMEs. The scope of this provision should be extended to SMCs so that they also benefit from the facilitation and predictability brought about by aligning investigation periods with the financial year.

- **Regulation (EU) 2016/1037** on protection against subsidised imports from countries not members of the European Union, includes provisions to facilitate access to the trade defence instrument. In that context, assistance to SMEs is provided through a dedicated Helpdesk which helps them with general information and explanations on procedures and on how to submit a complaint, or by releasing standard questionnaires. In order to ensure that SMCs also benefit from the guidance and assistance of a helpdesk, the scope of this provision should be extended to them. Article 11 (9) of Regulation (EU) 2016/1037 provides for the timing of the investigation procedures. It lays down a provision whereby investigation periods shall, whenever possible, coincide with the financial year for fragmented sectors largely composed of SMEs. The scope of this provision should be extended to SMCs so that they also benefit from the facilitation and predictability brought about by aligning investigation proceedings with the financial year.
- **Regulation (EU) 2017/1129**, as amended by Regulation (EU) 2024/2809, refers to the possibility of creating an alleviated form of a prospectus – an EU Growth issuance prospectus. That type of prospectus may typically be drawn up by SMEs and, in certain cases, also by other types of companies. It would be appropriate to extend the use of that alleviated prospectus also to SMCs to reduce their cost of listing and potentially make those companies more attractive to investors, thus facilitating the access to funding by SMCs.

Since **Regulation (EU) 2017/1129** has been amended by Regulation (EU) 2024/2809, the provision concerning the EU Growth issuance prospectus will apply as of 5 March 2026. It is therefore appropriate to also delay the application date of the amendments to Regulation (EU) 2017/1129 set out in this Regulation until 5 March 2026.

- **Regulation (EU) 2023/1542** lays down provisions on batteries. Article 47 of Regulation (EU) 2023/1542 exempts SMEs from certain obligations on battery due diligence policies. The scope of this provision should be extended to SMCs, so that they are also exempted from these obligations. Further to Article 52, the economic operators referred to in Article 48(1) are required - on an annual basis – to review and make publicly available, including on the Internet, a report on their battery due diligence policy. With a view to reducing the administrative burden on economic operators, this requirement to review and make publicly available their due diligence policy should be amended so that it applies every three years instead of annually. This burden reduction measure should apply to all economic operators, including SMCs.

- **Regulation (EU) 2024/573** on fluorinated greenhouse gases<sup>16</sup> (F-gas Regulation) lays down provisions, among others, on products and equipment containing fluorinated greenhouse gases. The F-gas Regulation that entered into force in 2024 expanded a registration requirement in the F-gas Portal to all imports of products and equipment, including those imports that are not subject to reporting requirements. It also includes a new registration obligation for exports of products and equipment containing F-gases, including those exports that are not subject to an export restriction. If a trader is not able to present a valid registration in the F-gas Portal, customs should block the goods. Such trade licenses mainly serve the purpose of facilitating enforcement.

Since the entry into force of the Regulation, the Commission received many registration requests and inquiries from traders in products and equipment containing F-gases. They mostly concern relatively small companies that trade with used cars that have F-gases in the air-conditioning equipment, for which there are no restrictions, that require enforcement.

To register, importers and exporters must submit an electronic application form to the Commission and provide the required information related to their business activities and their legal and financial identity. The Commission validates the registration in the F-gas Portal.

It appears that this requirement is not fully proportionate, and that the registration requirement should be better targeted to companies that perform activities that are covered by other obligations in the F-gas Regulation to serve the purpose of facilitating the enforcement. It is therefore proposed to limit the obligation to imports that also need to be reported and to exports that are covered by limitations on the global warming potential of the F-gas contained in the products and equipment. Furthermore, this amendment is in line with the Commission's Impact Assessment<sup>17</sup> that did not include any extended obligation for importers and exporters of products and equipment in the preferred option, while at the same time respecting the intervention logic regarding the need to facilitate the enforcement of a new limitation on certain exported products and equipment that was introduced by the co-legislators. This simplification is expected to mainly benefit SMEs and SMCs.

- **Consistency with existing policy provisions in the policy area**

This proposal is part of a package of measures aimed at cutting red tape for SMCs by extending to them certain provisions that SMEs currently benefit from. Its purpose is to deliver on the Commission's commitment to i) make business easier and reduce administrative burden, and ii) extend proportionality in EU law to SMCs.

The rationalisation introduced by these measures will not affect the achievement of the objectives in the concerned policy area nor the rationale of the legislative acts.

The proposed amendment to the F-gas Regulation only targets registration requirements for importers and exporters of products and equipment, typically in small quantities, which do not affect the effectiveness of the Regulation or the fulfilment of international obligations under the Montreal Protocol.

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<sup>16</sup> <https://eur-lex.europa.eu/eli/reg/2024/573/oj>

<sup>17</sup> SWD(2022) 96 final

- **Consistency with other Union policies**

The current proposal intends to mirror the SMCs situation to the one of SMEs in a number of legal acts, covering different policy areas. It aims at making the achievement of the objectives of those legislations more efficient and less burdensome for enterprises, organisations and public authorities.

## **2. LEGAL BASIS, SUBSIDIARITY AND PROPORTIONALITY**

- **Legal basis**

This proposal is based on Article 16, Article 114, Article 192 (1) and Article 207 (2) of the Treaty on the Functioning of the European Union, which are the legal basis of the acts it amends. To the extent that this Regulation amends Regulation (EU) 2023/1542, the appropriate legal basis in so far as those amendments are concerned, is Article 114. This proposal does not amend specific rules on the management of waste batteries which would be based on Article 192(1) of the Treaty. To the extent that this Regulation amends Regulation (EU) 2024/573 the appropriate legal basis, in so far as those amendments are concerned, is Article 192(1) TFEU.

All the legal acts referred to in point 1 and affected by this proposal contain similar provisions that are intended to cut red tape for SMEs or help them fulfil the obligations imposed on them through the relevant acts, with the aim of making such legislation easier to apply and less burdensome for them. In order to extend this proportionality where administrative burden is concerned, it is considered warranted to extend the provisions towards small mid-caps.

- **Subsidiarity (for non-exclusive competence)**

The obligations imposed on companies are done so directly and indirectly by Union law and can therefore only be amended at Union level. Member States, enterprises, and the Commission will benefit from extending to SMCs the rules currently applicable to SMEs, as well as from the amendment of the F-gas Regulation.

- **Proportionality**

Extending to SMCs certain provisions already applicable to SMEs simplifies the legal framework by making minimum changes to existing obligations for Member States, which should hereinafter confer to SMCs the same treatment as SMEs. The proposal is limited to those changes that are necessary to ensure SMCs benefit from the same legal framework as SMEs.

The targeted amendments only concern aspects applicable to SMEs (defined in various ways, depending on the context of the legal act and the choice of the co-legislator) which will now be extended to SMCs and which are suitable for inclusion in a single proposal. The definitions of SMCs that are to be included in the acts will follow the approach to define SMEs chosen by the co-legislator for those acts, and cover enterprises that are three times the size of those SMEs.

As regards the amendment of the F-gas Regulation, the simplification is ensuring that the proportionality of the registration requirement is improved.

## **3. RESULTS OF EX-POST EVALUATIONS, STAKEHOLDER CONSULTATIONS AND IMPACT ASSESSMENTS**

- **Ex-post evaluations/fitness checks of existing legislation**

N/A.

- **Stakeholder consultations**

In line with the commitment made in the SME Relief Package<sup>18</sup> to assess possible measures to support small mid-cap enterprises in their growth, the Commission has analysed the acquis with a particular focus on initiatives either considered as burdensome or including dedicated lighter regimes or mitigating measures for SMEs. The screening has revealed a range of possibilities to ensure better proportionality for small mid-cap enterprises.

The Commission has also engaged with and listened to the business community to determine how to use the definition of small mid-cap enterprises for horizontal policy purposes, and to identify fields for proportionate regulatory, funding or policy measures. In that respect, the position papers sent by stakeholders make a number of recommendations, such as ‘considering the specific characteristics of mid-caps in the better regulation context’, or ‘ensuring that EU regulation is more sensitive to business size’.

The Commission consulted European industry representatives for specific ideas on providing tailored support to SMCs. This was done through bilateral meetings and a ‘Roundtable on Simplification’ on the necessary policy support for small mid-cap enterprises on the 6th February 2025.

As regards the F-gas Regulation, the Commission is in direct contact with all traders that need to register in the F-gas Portal. During the early months of 2025, the Commission received around 2000 registration requests per month, typically from micro and small enterprises that were not covered by the requirement to register under the previous F-gas Regulation and that have no prior knowledge about the F-gas Regulation or the F-gas Portal. Many of those stakeholders had equipment that was being blocked by customs at the border and consider the requirements to register to be disproportionate. In addition, one Member State in which many of the traders are active, has requested the Commission to simplify the rules.

The results of all these discussions have contributed to the list of proposals put forward in this document.

- **Collection and use of expertise**

The measures currently applicable to SMEs to be extended to SMCs have been identified following a process of internal and external scrutiny of existing legislation and are based on the experience of implementing the related legislation. Since this is one step in the process of continuous assessment of the need for mitigating measures for small enterprises so that they can comply with obligations arising from Union legislation, the scrutiny of the administrative burden and its impact on stakeholders will continue.

- **Impact assessment**

The proposal concerns limited and targeted changes of legislation in view of simplifying it or extending to SMCs certain measures currently applicable to SMEs. They are based on experience from implementing legislation. The changes only ensure a more efficient and effective implementation. Their targeted nature and the lack of relevant policy options make an impact assessment not necessary. However, the attached staff working document looks at elements on the impact of such measures, including quantification of expected savings.

As regards the amendment of the F-gas Regulation, the simplification is in line with the preferred option and intervention logic in the impact assessment accompanying the Commission’s proposal in 2022. The amendment will reduce the administrative costs for

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<sup>18</sup> SME Relief Package, COM(2023) 535 final, available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM%3A2023%3A535%3AFIN>



traders, in particular SMEs and SMCs, while having no negative impacts on reaching the climate objectives of that Regulation. On the contrary, it will enable the Member States' authorities, customs and the Commission to instead focus on cases that are relevant for enforcing restrictions in the F-gas Regulation.

- **Regulatory fitness and simplification**

Under the regulatory fitness and performance programme (REFIT), the Commission ensures that its legislation is fit for purpose, targeted to the needs of stakeholders, and minimises burdens while achieving its objectives. This proposal is therefore part of the REFIT programme, reducing unnecessary burdens for SMCs, by bringing the rules applicable to SMCs into line with those applicable to SMEs.

This is a REFIT proposal, aiming to simplify legislation and cut burdens for stakeholders.

- **Fundamental rights**

N/A.

- **4. BUDGETARY IMPLICATIONS**

N/A.

- **5. OTHER ELEMENTS**

- **Implementation plans and monitoring, evaluation and reporting arrangements**

N/A.

- **Detailed explanation of the specific provisions of the proposal**

Regarding Regulation (EU) 2016/679 on General Data Protection (GDPR):

Article 30 states that each controller and processor shall maintain a record of processing activities and sets out what information this record should contain. Paragraph 5 of this Article provides for a derogation for SMEs and organisations with fewer than 250 employees, whereby such entities do not have to keep such a record, provided that certain conditions are fulfilled. This proposal aims to simplify and clarify the derogation from the record-keeping obligation under Article 30(5) by making the record-keeping mandatory only when the processing activities are likely to result in a 'high risk' to data subjects' rights and freedoms. At the same time, the scope of the derogation should be broadened to include SMCs and organisations with fewer than 750 employees. Article 30(5) should therefore be amended accordingly.

A recital in this amending Regulation will clarify that also SMCs are exempted from the record-keeping obligation, unless their processing is likely to result in a 'high risk' to data subjects, as defined in Article 35, and that the processing of special categories of personal data in accordance with Article 9(2)(b) does not, as such, trigger the obligation to maintain records of processing.

Article 40 lays down that the Member States, the supervisory authorities, the Board and the Commission must encourage associations and other bodies representing categories of controllers or processors to draw up codes of conduct, taking account of the specific features of the various processing sectors and the specific needs of micro, small and medium-sized enterprises. The scope of this provision should be extended to SMCs, so that their specific needs are also considered when drawing up codes of conduct. Consequently, a reference to SMCs should be added to Article 40(1).

Article 42 lays down that the Member States, the supervisory authorities, the Board and the Commission must encourage, in particular at Union level, the establishment of data protection certification mechanisms and of data protection seals and marks by the certification bodies referred to in Article 43, or by competent supervisory authorities, and in that context, the specific needs of SMEs must be taken into account. The scope of this provision should be extended to SMCs, so that their specific needs are also considered when certifications are issued. A reference to SMCs should therefore be added to Article 42(1).

Regarding Regulation (EU) 2016/1036 on protection against dumped imports from countries not members of the European Union:

Article 5 (1a) lays down that the Commission must facilitate access to the trade defence instrument for diverse and fragmented industry sectors, largely composed of SMEs, through a dedicated SME helpdesk, for example by raising awareness, providing general information and explanations on procedures and on how to submit a complaint, by releasing standard questionnaires in all official languages of the Union and by replying to general, non-case-specific queries. This Article should be amended to extend its scope to SMCs and have them benefit equally from the guidance and assistance of a helpdesk. Definitions of both SMEs and SMCs should also be included.

Article 6 (9) lays down that investigation periods must, whenever possible, especially in the case of diverse and fragmented sectors largely composed of SMEs, coincide with the financial year. This Article should be amended to extend its scope to SMCs in order for them to equally benefit from this provision.

Regarding Regulation (EU) 2016/1037 on protection against subsidised imports from countries not members of the European Union:

Article 10 (1a) lays down that the Commission must facilitate access to the trade defence instrument for diverse and fragmented industry sectors, largely composed of SMEs, through a dedicated SME helpdesk, for example by raising awareness, providing general information and explanations on procedures and on how to submit a complaint, by releasing standard questionnaires in all official languages of the Union and by replying to general, non-case-specific queries. This Article should be amended to extend its scope to SMCs and have them benefit from the guidance and assistance of a helpdesk. Definitions of both SMEs and SMCs should also be included.

Article 11 (9) lays down that investigation periods must, whenever possible, especially in the case of diverse and fragmented sectors largely composed of SMEs, coincide with the financial year. This Article should be amended to extend its scope to SMCs in order for them to equally benefit from this provision.

Regarding Regulation (EU) 2017/1129 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market:

Article 1(4) and (5) of Regulation (EU) 2017/1129 sets out exemptions from the prospectus obligation for certain offers of securities to the public or admissions to trading on a regulated market. This article should be amended to include a new exemption from the obligation to publish a prospectus for offers of securities to the public where such offers result from the conversion of liabilities executed by EU resolution authorities under the EU framework for the resolution of banks or insurers (Directives 2014/59/EU and (EU) 2025/1) or by third-country authorities under a comparable legal framework. Additionally, the existing resolution-specific exemption from the obligation to publish a prospectus for the admission of securities to trading on an EU regulated market under Article 1(5), point (c) of Regulation (EU)

2017/1129 should be extended to actions taken by third-country authorities in a similar context.

Article 2 of Regulation (EU) 2017/1129 sets out the relevant definitions in the Regulation. This Article should be amended to introduce a definition for SMCs as a distinct category of enterprises from SMEs and to introduce, via a cross-reference to Article 2(1), points (88) and (90), of Directive 2014/59/EU and to Article 2, points (72) and (74), of Directive (EU) 2025/1, definitions for a ‘relevant third-country authority’ and ‘third-country resolution proceedings’.

Article 15a of Regulation (EU) 2017/1129, as amended by Regulation (EU) 2024/2809, refers to the possibility of creating an alleviated form of a prospectus – an EU Growth issuance prospectus. That type of prospectus may typically be drawn up by SMEs and, in certain cases, also by other types of enterprises. The use of that alleviated prospectus should also be extended to SMCs to reduce their cost of listing and potentially make those enterprises more attractive to investors, thus facilitating SMC access to funding.

#### Regarding Regulation (EU) 2023/1542 on batteries and waste batteries:

Article 47 exempts SMEs from certain obligations on battery due diligence policies. SMEs are described as ‘economic operators that had a net turnover of less than EUR 40 million in the financial year preceding the last financial year, and that are not part of a group, consisting of parent and subsidiary undertakings, which, on a consolidated basis, exceeds the limit of EUR 40 million’. The scope of this provision should be extended to SMCs, so that they are equally exempted from these obligations. To ensure consistency, SMCs should be described in the same way bearing in mind that they are entities three times the size of SMEs, i.e. based on a net turnover which should therefore be less than EUR 150 million.

Further to Article 52, the economic operators referred to in Article 48(1) are required - on an annual basis – to review and make publicly available, including on the internet, a report on their battery due diligence policy. With a view to reducing the administrative burden on economic operators, this requirement to review and make publicly available their due diligence policy should be amended so that it applies every three years instead of annually. This burden reduction measure should apply to all economic operators, including SMCs.

#### Regarding Regulation (EU) 2024/573 on fluorinated greenhouse gases:

Article 20(4)(a) currently requires all importers and all exporters of products and equipment to register in the F-gas Portal. In accordance with Article 20(5), a valid registration in the F-gas Portal at the moment of import or export constitutes a required licence. To ensure that the requirement to register in the F-gas Portal is targeted at activities that are relevant for enforcement, Article 20(4)(a) is amended so that the registration requirement for imported products and equipment is limited to those imports subject to reporting requirements (which include de-minimis thresholds), and the registration requirement for exported products and equipment is removed, except if it concerns exports of certain products and equipment with F-gases having a Global Warming Potential of 1000 or more that are subject to an export restriction. This simplification measure is expected to mainly benefit SMEs and SMCs.

Proposal for a

**REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**

**amending Regulations (EU) 2016/679, (EU) 2016/1036, (EU) 2016/1037, (EU) 2017/1129, (EU) 2023/1542 and (EU) 2024/573 as regards the extension of certain mitigating measures available for small and medium sized enterprises to small mid-cap enterprises and further simplification measures**

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 16, Article 114, Article 192 (1) and Article 207 (2) thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee<sup>1</sup>,

Having regard to the opinion of the Committee of the Regions<sup>2</sup>,

Acting in accordance with the ordinary legislative procedure,

Whereas:

- (1) In the political guidelines for the European Commission's 2024-2029 term<sup>3</sup>, President von der Leyen set out a plan for the Union's sustainable prosperity and competitiveness. Making business easier and deepening the Single Market are among the plan's key priorities.
- (2) The Commission's better regulation agenda<sup>4</sup> also supports the competitiveness of Union enterprises by aiming to ensure that Union laws deliver on their objectives at a minimum cost. In 2023, the Commission identified the need to rationalise and simplify reporting requirements for enterprises and administrations<sup>5</sup> and committed to reduce administrative burdens by 25%.
- (3) On 12 September 2023, the Commission published the SME Relief Package<sup>6</sup>, announcing its goal to help small and medium sized enterprises ('SMEs') compete and grow, by being attentive to the needs of enterprises that outgrow the thresholds of the

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<sup>1</sup> OJ C , , p. .

<sup>2</sup> OJ C , , p. .

<sup>3</sup> [https://commission.europa.eu/document/download/e6cd4328-673c-4e7a-8683-f63ffb2cf648\\_en?filename=Political%20Guidelines%202024-2029\\_EN.pdf](https://commission.europa.eu/document/download/e6cd4328-673c-4e7a-8683-f63ffb2cf648_en?filename=Political%20Guidelines%202024-2029_EN.pdf)

<sup>4</sup> Better regulation: Joining forces to make better laws, COM(2021) 219 final, available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM:2021:219:FIN>

<sup>5</sup> Long-term competitiveness of the EU: looking beyond 2030, COM(2023) 168 final, available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52023DC0168>

<sup>6</sup> SME Relief Package (europa.eu). See also annex 3A to this report SME relief package policy tracker.

SME definition<sup>7</sup>, and those in the broader range of small mid-cap enterprises. Action 18 of this relief package announced that the Commission would ‘develop a harmonised definition for small mid-cap enterprises, build a dataset based on such definition and assess possible measures to support these enterprises in their growth (including potential application in adapted form of certain measures favouring SMEs)’.

- (4) Enterprises outgrowing the SME definition – the ‘small mid-cap enterprises’ (‘SMCs’) – play a vital role in the Union’s economy<sup>8</sup>. They are prominently present in industrial ecosystems that are key to the competitiveness of the Union and its technological sovereignty, in fields including electronics, aerospace and defence, energy, energy-intensive industries and health. Around 20% of all small mid-cap enterprises were SMEs three years earlier<sup>9</sup>.
- (5) Compared to SMEs, SMCs tend to demonstrate a higher pace of growth, and level of innovation and digitisation. Nevertheless, where administrative burden is concerned, they face similar challenges as SMEs, leading to a need for proportionality in legislation and for targeted support. To enable the smooth transition of SMEs into SMCs, it is important to address in a coherent manner the cliff-effect that may arise once they outgrow the segment of SMEs and are faced with rules that apply to large enterprises. To make business easier for SMCs and reduce their administrative burden, a number of existing acts which provide for specific mitigating rules for SMEs should be adapted to extend the scope of those provisions and include SMCs.
- (6) Regulations (EU) 2016/679<sup>10</sup>, (EU) 2016/1036<sup>11</sup>, (EU) 2016/1037<sup>12</sup>, (EU) 2017/1129<sup>13</sup> and (EU) 2023/1542<sup>14</sup> of the European Parliament and of the Council contain a number of provisions that aim at providing support, simplification or mitigating measures to SMEs. More specifically, those provisions are aimed at alleviating administrative burdens, reducing or eliminating market entry barriers, facilitating

<sup>7</sup> SMEs are defined as enterprises with under 250 employees, combined with an annual turnover up to 50 million euro or a balance sheet total up to 43 million - Recommendation 2003/361/EC - [https://single-market-economy.ec.europa.eu/smes/sme-definition\\_en](https://single-market-economy.ec.europa.eu/smes/sme-definition_en)

<sup>8</sup> Study to map, measure and portray the EU mid-cap landscape - <https://op.europa.eu/en/publication-detail/-/publication/ad5fdad5-6a33-11ed-b14f-01aa75ed71a1/language-en/format-PDF/source-277396461>

<sup>9</sup> <https://www.esri.ie/system/files/publications/BKMNEXT429.pdf>

<sup>10</sup> Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) (OJ L 119, 4.5.2016, p. 1, ELI: <http://data.europa.eu/eli/reg/2016/679/oj>)

<sup>11</sup> Regulation (EU) 2016/1036 of the European Parliament and of the Council of 8 June 2016 on protection against dumped imports from countries not members of the European Union (OJ L 176, 30.6.2016, p. 21, ELI: <http://data.europa.eu/eli/reg/2016/1036/oj>)

<sup>12</sup> Regulation (EU) 2016/1037 of the European Parliament and of the Council of 8 June 2016 on protection against subsidised imports from countries not members of the European Union (OJ L 176, 30.6.2016, p. 55, ELI: <http://data.europa.eu/eli/reg/2016/1037/oj>)

<sup>13</sup> Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (OJ L 168, 30.6.2017, p. 12, ELI: <http://data.europa.eu/eli/reg/2017/1129/oj>)

<sup>14</sup> Regulation (EU) 2023/1542 of the European Parliament and of the Council of 12 July 2023 concerning batteries and waste batteries, amending Directive 2008/98/EC and Regulation (EU) 2019/1020 and repealing Directive 2006/66/EC (OJ L 191, 28.7.2023, p. 1, ELI: <http://data.europa.eu/eli/reg/2023/1542/oj>).

compliance, considering the specific situation of SMEs when implementing their obligations and when assessing the economic and social impacts of those obligations, providing dedicated guidance, support and assistance to SMEs.

- (7) To ensure consistency and legal certainty, a definition of SMCs should be introduced in those acts. While the definition of SMCs should in principle correspond to the definition in **Commission recommendation – insert full title and reference**) and cover enterprises that are up to three times the size of SMEs, it should, where appropriate, build on the definitions of SMEs that are already provided in the acts that are being amended, which were considered fitting by the legislators.
- (8) Regulation (EU) 2016/679 provides for the protection of natural persons with regard to the processing of personal data and free movement of such data. The obligation to maintain records of processing should be simplified so that it applies to all enterprises and organisations with fewer than 750 employees, provided that their processing activities are not likely to result in a high risk to the data subjects' rights and freedoms.
- (9) In order to reflect the above, it is necessary to amend Article 30(5) of Regulation (EU) 2016/679, by extending the scope of the derogation from the record-keeping obligation to SMCs and organisations with fewer than 750 employees to allow also them to profit from that derogation and by providing that the derogation applies unless the processing is likely to result in a 'high risk' to data subjects' rights and freedoms, within the meaning of Article 35 of Regulation (EU) 2016/679. In particular the processing of personal data referred to in paragraph 3 of that provision should be considered as requiring the data controller or the processor to maintain records of its processing activities.
- (10) In this context, the processing of special categories of personal data which is necessary for the purposes of carrying out the obligations and exercising specific rights of the controller or of the data subject in the field of employment and social security and social protection law, as referred to in Article 9(2), point (b), of Regulation (EU) 2016/679, should not as such require that records of processing be maintained.
- (11) Furthermore, in order to extend to SMCs, the provisions that are available for micro, small and medium-sized enterprises under Regulation (EU) 2016/679, the following articles should also be amended:
  - Article 4, which contains the definitions applicable for the purpose of Regulation (EU) 2016/679. For reasons of clarity, definitions should be added for micro, small and medium-sized enterprises, and for small mid-cap enterprises. For small and medium-sized enterprises, it is appropriate to follow the choice of the co-legislator as expressed in recital (13) of the preamble to Regulation (EU) 2016/679. For SMCs, reference should be made to point 2 of Commission Recommendation 2025/EC/XXX of XX May 2025.
  - Article 40, which provides that Member States, the supervisory authorities, the Board and the Commission are to encourage associations and other bodies representing categories of controllers or processors to draw up codes of conduct, and that the specific needs of micro, small and medium-sized enterprises are to be taken into account when doing so. This requirement should be extended to include the specific needs of SMCs.
  - Article 42, which provides that when Member States, the supervisory authorities, the Board and the Commission are to encourage, in particular at Union level, the establishment of data protection certification mechanisms and of data protection

seals and marks by certification bodies referred to in Article 43 of that Regulation or by competent supervisory authorities, the specific needs of micro, small and medium-sized enterprises are to be taken into account. This requirement should also be extended to include the specific needs of SMCs.

- (12) The European Data Protection Supervisor and the European Data Protection Board were consulted, in accordance with Article 42(1) and (2) of Regulation (EC) 2018/1725, and they delivered a joint opinion on [XXX, date].
- (13) Regulations (EU) 2016/1036 and (EU) 2016/1037 are part of the Union's trade defence system. They allow the Union to investigate and address dumping and subsidisation by third countries and restore a level playing field in the Union market. If an investigation confirms the existence of such practices and resulting injury to the Union industry, the Commission imposes an anti-dumping or countervailing duty, provided such imposition is not against the Union interest. Anti-dumping and anti-subsidy investigations require active involvement from enterprises. Investigations are normally initiated on the basis of a formal complaint from the affected Union industry that must contain evidence of the unfair practice and of the injury it has caused. Investigations require active involvement of, and data from, producers, importers and users of the product in the Union. Mainly because of their fragmentation and lack of resources, it is often very difficult for SMEs to understand trade defence and cooperate in trade defence proceedings. This is why Regulations (EU) 2016/1036 and (EU) 2016/1037 include provisions to overcome the barriers that stop smaller enterprises from accessing and using trade defence, namely through a dedicated helpdesk, and by, whenever possible, aligning investigation periods with the financial year. It is considered appropriate to ensure that SMCs also benefit from those provisions.
- (14) Regulation (EU) 2017/1129 sets out requirements for drawing up of a prospectus in cases where securities are offered to the public or admitted to trading on a regulated market. That Regulation, as amended by Regulation (EU) 2024/2809, provides for a streamlined EU Growth issuance prospectus that has lighter requirements, compared to a standard prospectus, to make the listing process less burdensome and less costly for certain types of enterprises and in certain cases. The main categories of beneficiaries of such streamlined prospectus are enterprises with a growth potential, notably SMEs and other enterprises whose securities are admitted or are to be admitted to trading on an SME growth market. In order to reduce the burden for SMCs and potentially make them more attractive to investors, it is appropriate to also enable SMCs to draw up an EU Growth issuance prospectus for their offers of securities to the public, including when such offers are accompanied with an admission to trading on a multilateral trading facility.
- (15) In order to clarify the treatment of SMCs in Regulation (EU) 2017/1129, it is necessary to introduce in its Article 2 a definition of SMC, distinct from the definition of an SME. Small mid-cap enterprises for the purpose of that Regulation should be defined either as enterprises that meet at least two out of the three criteria based on the average number of employees, a total balance sheet and an annual net turnover, or as enterprises that meet the definition of small mid-cap enterprises set out under Directive 2014/65/EU.
- (16) SMEs and SMCs are particularly dependent on services provided by credit institutions and insurers, often relying on only one or few principal providers of these services. Resolution regimes ensure uninterrupted access to deposits and critical functions where a financial institution fails. Where resolution authorities use their power to

convert liabilities of a financial institution to resolve it in a timely manner and ensure the continuity of critical functions, prior preparation and publication of a prospectus is not feasible due to the short timeframe imposed in the context of a resolution. It is therefore important to introduce an exemption from the obligation to publish a prospectus that applies to an offer to the public of both securities resulting from a conversion due to the exercise of powers under Directive 2014/59/EU of the European Parliament and of the Council<sup>15</sup> and Directive (EU) 2025/1 of the European Parliament and of the Council<sup>16</sup> and securities resulting from a conversion due to the exercise of a comparable power in third-country resolution proceedings that implements the Financial Stability Board's 'Key Attributes of Effective Resolution Regimes for Financial Institutions', published in October 2011. Equally, the existing exemption for the admission to trading on a regulated market of securities resulting from a conversion due to the exercise of powers under Directive 2014/59/EU and Directive (EU) 2025/1 from the obligation to publish a prospectus should be extended to securities resulting from a conversion due to the exercise of a comparable power in third-country resolution proceedings that implements those internationally agreed standards.

- (17) The provision in Regulation (EU) 2017/1129 concerning the EU Growth issuance prospectus will apply as of 5 March 2026, as the Commission is required to develop delegated acts to specify the reduced content and the standardised format and sequence of that prospectus. It is therefore appropriate to defer the application of the amendments to Regulation (EU) 2017/1129 concerning the EU Growth issuance prospectus set out in this Regulation to 5 March 2026.
- (18) Regulation (EU) 2023/1542 establishes rules concerning batteries and waste batteries. Article 47 of that Regulation exempts SMEs from certain obligations regarding battery due diligence policies. The scope of that provision should be extended to SMCs, so that they are also exempted from those obligations. To ensure consistency, it is appropriate to refer to SMCs in the same way bearing in mind that they are entities up to three times the size of SMEs, i.e. with a net turnover which should thus be less than EUR 150 million.
- (19) Pursuant to Article 52 of Regulation (EU) 2023/1542, economic operators referred to in Article 48(1) of that Regulation are required - on an annual basis – to review and make publicly available, including on the internet, a report on their battery due diligence policy. With a view to reducing the administrative burden on economic operators, operators should be required to review and make publicly available their due diligence policy only every three years instead of annually. This burden reduction should apply to all economic operators, including SMCs.

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<sup>15</sup> Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/EEC, and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU, and Regulations (EU) No 1093/2010 and (EU) No 648/2012, of the European Parliament and of the Council ([OJ L 173, 12.6.2014, p. 190](#)).

<sup>16</sup> Directive (EU) 2025/1 of the European Parliament and of the Council of 27 November 2024 establishing a framework for the recovery and resolution of insurance and reinsurance undertakings and amending Directives 2002/47/EC, 2004/25/EC, 2007/36/EC, 2014/59/EU and (EU) 2017/1132 and Regulations (EU) No 1094/2010, (EU) No 648/2012, (EU) No 806/2014 and (EU) 2017/1129 ([OJ L, 2025/1, 8.1.2025, ELI: <http://data.europa.eu/eli/dir/2025/1/oj>](#)).



- (20) The requirement in Article 20(4), point (a) of Regulation (EU) 2024/573 of the European Parliament and of the Council<sup>17</sup> to register in the F-gas Portal prior to carrying out any imports and exports of products and equipment containing fluorinated greenhouse gases, is intended to facilitate enforcement. However, the burden resulting from that requirement may be disproportionate compared to its benefit, in particular for SMEs and SMCs. Therefore, the registration requirement should be limited to imports for which reporting requirements apply and to exports for which an export limitation exists. To the extent that this Regulation amends Regulation (EU) 2024/573 the appropriate legal basis, in so far as those amendments are concerned, is Article 192(1) TFEU.
- (21) Regulations (EU) 2016/679, (EU) 2016/1036, (EU) 2016/1037, (EU) 2017/1129, (EU) 2023/1542 and (EU) 2024/573 should therefore be amended accordingly,

HAVE ADOPTED THIS REGULATION:

### *Article 1*

#### *Amendments to Regulation (EU) 2016/679*

Regulation (EU) 2016/679 is amended as follows:

- (1) in Article 4, the following points (27) and (28) are added:

‘(27) ‘micro, small, and medium-sized enterprises’ means enterprises as defined in Article 2 of the Annex to Commission Recommendation 2003/361/EC\*;

(28) ‘small mid-cap enterprises’ means enterprises as defined in point (2) of the Annex to Commission Recommendation 2025/EC/XX of XX May 2025\*\*.;

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\* Commission Recommendation of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises (OJ L 124, 20.5.2003, p. 36, ELI: <http://data.europa.eu/eli/reco/2003/361/oj>).

\*\* Commission Recommendation of X May 2025 concerning the definition of small mid-cap enterprises (XXXX)’ ;

- (2) in Article 30, paragraph 5 is replaced by the following:

‘5. The obligations referred to in paragraphs 1 and 2 shall not apply to an enterprise or an organisation employing fewer than 750 persons unless the processing it carries out is likely to result in a high risk to the rights and freedoms of data subjects, within the meaning of Article 35.’;

- (3) in Article 40, paragraph 1 is replaced by the following:

‘1. The Member States, the supervisory authorities, the Board and the Commission shall encourage the drawing up of codes of conduct intended to contribute to the proper application of this Regulation, taking account of the specific features of the various processing sectors and the specific needs of micro, small and medium-sized enterprises and of small mid-cap enterprises.’;

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<sup>17</sup> Regulation (EU) 2024/573 of the European Parliament and of the Council of 7 February 2024 on fluorinated greenhouse gases, amending Directive (EU) 2019/1937 and repealing Regulation (EU) No 517/2014 (OJ L 2024/573, 20.02.2024, ELI: <http://data.europa.eu/eli/reg/2024/573/oj>)

(4) in Article 42, paragraph 1 is replaced by the following:

‘1. The Member States, the supervisory authorities, the Board and the Commission shall encourage, in particular at Union level, the establishment of data protection certification mechanisms and of data protection seals and marks, for the purpose of demonstrating compliance with this Regulation of processing operations by controllers and processors. The specific needs of micro, small and medium-sized enterprises and of small mid-cap enterprises shall be taken into account.’

## *Article 2*

### *Amendments to Regulation (EU) 2016/1036*

Regulation (EU) No 2016/1036 is amended as follows:

(1) in Article 5 (1a), the first subparagraph is replaced by the following:

‘The Commission shall facilitate access to the trade defence instrument for diverse and fragmented industry sectors, largely composed of small and medium-sized enterprises (‘SMEs’)\* or small mid-cap enterprises (‘SMCs’)\*\*, through a dedicated Helpdesk, for example by awareness raising, by providing general information and explanations on procedures and on how to submit a complaint, by releasing standard questionnaires in all official languages of the Union and by replying to general, non-case-specific queries.’

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\* Commission Recommendation of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises (OJ L 124, 20.5.2003, p. 36, ELI: <http://data.europa.eu/eli/reco/2003/361/oj>).

\*\* Commission Recommendation of X May 2025 concerning the definition of small mid-cap enterprises (XXXX)’ ;

(2) in Article 6, paragraph 9, is replaced by the following:

‘9. For proceedings initiated pursuant to Article 5(9), an investigation shall, whenever possible, be concluded within one year. In any event, such investigations shall in all cases be concluded within 14 months of initiation, in accordance with the findings made pursuant to Article 8 for undertakings or the findings made pursuant to Article 9 for definitive action. Investigation periods shall, whenever possible, especially in the case of diverse and fragmented sectors largely composed of SMEs or SMCs, coincide with the financial year.’

## *Article 3*

### *Amendments to Regulation (EU) 2016/1037*

Regulation (EU) No 2016/1037 is amended as follows:

(1) in Article 10 (1a), the first subparagraph is replaced by the following:

‘The Commission shall facilitate access to the trade defence instrument for diverse and fragmented industry sectors, largely composed of small and medium-sized enterprises (SMEs)(\*) or small mid-caps enterprises (SMCs)(\*\*), through a dedicated Helpdesk, for example by awareness raising, by providing general information and explanations on procedures and on how to submit a complaint, by releasing standard questionnaires in all official languages of the Union and by replying to general, non-case-specific queries.’

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\* Commission Recommendation of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises (OJ L 124, 20.5.2003, p. 36, ELI: <http://data.europa.eu/eli/reco/2003/361/oj>).

\*\* Commission Recommendation of X May 2025 concerning the definition of small mid-cap enterprises (XXXX)';

(2) in Article 11, paragraph 9 is replaced by the following:

‘9. For proceedings initiated pursuant to Article 10(11), an investigation shall, whenever possible, be concluded within one year. In any event, such investigations shall in all cases be concluded within 13 months of their initiation, in accordance with the findings made pursuant to Article 13 for undertakings or the findings made pursuant to Article 15 for definitive action. Investigation periods shall, whenever possible, especially in the case of diverse and fragmented sectors largely composed of SMEs or SMCs, coincide with the financial year.’

#### *Article 4*

##### *Amendments to Regulation (EU) 2017/1129*

Regulation (EU) 2017/1129 is amended as follows:

(1) Article 1 is amended as follows:

(a) in paragraph 4, the following point (dc) is inserted:

‘(dc) an offer of securities resulting from the conversion or exchange of other securities, own funds or eligible liabilities by a resolution authority due to the exercise of a power referred to in Article 53(2), Article 59(2) or Article 63(1) of Directive 2014/59/EU or the exercise of a power referred to in Article 35(1), Article 39(2) or Article 42(1) of Directive (EU) 2025/1 of the European Parliament and of the Council <sup>(\*)</sup> or by a relevant third-country authority due to the exercise of a comparable power in third-country resolution proceedings;’;

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(\*) Directive (EU) 2025/1 of the European Parliament and of the Council of 27 November 2024 establishing a framework for the recovery and resolution of insurance and reinsurance undertakings and amending Directives 2002/47/EC, 2004/25/EC, 2007/36/EC, 2014/59/EU and (EU) 2017/1132 and Regulations (EU) No 1094/2010, (EU) No 648/2012, (EU) No 806/2014 and (EU) 2017/1129 (OJ L, 2025/1, 8.1.2025, ELI: <http://data.europa.eu/eli/dir/2025/1/oj>).

(b) in paragraph 5, point (c) is replaced by the following:

(2) ‘(c) securities resulting from the conversion or exchange of other securities, own funds or eligible liabilities by a resolution authority due to the exercise of a power referred to in Article 53(2), Article 59(2) or Article 63(1) of Directive 2014/59/EU or the exercise of a power referred to in Article 35(1), Article 39(2) or Article 42(1) of Directive (EU) 2025/1 or by a relevant third-country authority due to the exercise of a comparable power in third-country resolution proceedings;’;

(3) Article 2 is amended as follows:

(a) the following points (dc) and (dd) are inserted:

(4) ‘(dc) ‘relevant third-country authority’ means a relevant third-country authority as defined in Article 2(1), point (90), of Directive 2014/59/EU or a relevant third-country authority as defined in Article 2, point (74), of Directive (EU) 2025/1;

- (5) (dd) ‘third-country resolution proceedings’ means third-country resolution proceedings as defined in Article 2(1), point (88), of Directive 2014/59/EU or third-country resolution proceedings as defined in Article 2, point (72), of Directive (EU) 2025/1;’;
- (a) in Article 2, the following point (fa) is inserted:
  - “(fa) ‘small mid-cap enterprises’ or ‘SMCs’ means any of the following:
    - (i) companies which, according to their last annual or consolidated accounts, meet at least two of the following three criteria: an average number of employees during the financial year of less than 750, a total balance sheet not exceeding EUR 129 000 000 and an annual net turnover not exceeding EUR 150 000 000;
    - (ii) small mid-cap enterprises as defined in Article 4(1), point (13a), of Directive 2014/65/EU;”;
- (6) in Article 15a, paragraph 1 is replaced by the following:
  - ‘1. Without prejudice to Article 1(4) and Article 3(2) and (2a), the following persons may draw up an EU Growth issuance prospectus in the case of an offer of securities to the public, provided that they have no securities admitted to trading on a regulated market:
    - (a) SMEs;
    - (b) SMCs;
    - (c) issuers, other than SMEs and SMCs, whose securities are, or are to be admitted to trading on an SME growth market;
    - (d) offerors of securities that have been issued by issuers referred to in points (a), (b), and (c).’.

## *Article 5*

### *Amendments to Regulation (EU) 2023/1542*

Regulation (EU) 2023/1542 is amended as follows:

- (1) in Article 47, the first paragraph is replaced by the following:

‘This Chapter does not apply to economic operators that had a net turnover of less than EUR 150 million in the financial year preceding the last financial year, and that are not part of a group, consisting of parent and subsidiary undertakings, which, on a consolidated basis, exceeds the limit of EUR 150 million.’;

- (2) in Article 52(3), the first sentence is replaced by the following:

‘The economic operator referred to in Article 48(1) shall, by the latest one year after the date specified in Article 48(1) and at least every three years thereafter, review and make publicly available, including on the internet, a report on its battery due diligence policy.’.

## *Article 6*

### *Amendment to Regulation (EU) 2024/573*

Regulation (EU) 2024/573 is amended as follows:

in Article 20(4), point (a) is replaced by the following:

‘(a) the following imports and exports, except in the case of temporary storage as defined in Article 5, point (17), of Regulation (EU) No 952/2013:

- (i) the import or export of fluorinated greenhouse gases;
- (ii) the placing on the market of products and equipment containing fluorinated greenhouse gases that requires reporting under Article 26;
- (iii) the export of products and equipment as referred to in Article 22(3) containing or whose functioning relies upon, fluorinated greenhouse gases with a GWP of 1000 or more as from the prohibition date stated in Annex IV;’.

## *Article 7*

### *Entry into force and application*

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*

Article 4, points (2)(b) and (3), shall apply as of 5 March 2026.

This Regulation shall be binding in its entirety and directly applicable in the Member States in accordance with the Treaties.

Done at Brussels,

*For the European Parliament*  
*The President*

*For the Council*  
*The President*

## **LEGISLATIVE FINANCIAL AND DIGITAL STATEMENT**

1.	FRAMEWORK OF THE PROPOSAL/INITIATIVE .....	3
1.1.	Title of the proposal/initiative .....	3
1.2.	Policy area(s) concerned .....	3
1.3.	Objective(s) .....	3
1.3.1.	General objective(s) .....	3
1.3.2.	Specific objective(s) .....	3
1.3.3.	Expected result(s) and impact .....	3
1.3.4.	Indicators of performance .....	3
1.4.	The proposal/initiative relates to: .....	4
1.5.	Grounds for the proposal/initiative .....	4
1.5.1.	Requirement(s) to be met in the short or long term including a detailed timeline for roll-out of the implementation of the initiative .....	4
1.5.2.	Added value of EU involvement (it may result from different factors, e.g. coordination gains, legal certainty, greater effectiveness or complementarities). For the purposes of this section 'added value of EU involvement' is the value resulting from EU action, that is additional to the value that would have been otherwise created by Member States alone. ....	4
1.5.3.	Lessons learned from similar experiences in the past .....	4
1.5.4.	Compatibility with the multiannual financial framework and possible synergies with other appropriate instruments .....	5
1.5.5.	Assessment of the different available financing options, including scope for redeployment .....	5
1.6.	Duration of the proposal/initiative and of its financial impact .....	6
1.7.	Method(s) of budget implementation planned .....	6
2.	MANAGEMENT MEASURES .....	8
2.1.	Monitoring and reporting rules .....	8
2.2.	Management and control system(s) .....	8
2.2.1.	Justification of the budget implementation method(s), the funding implementation mechanism(s), the payment modalities and the control strategy proposed .....	8
2.2.2.	Information concerning the risks identified and the internal control system(s) set up to mitigate them .....	8
2.2.3.	Estimation and justification of the cost-effectiveness of the controls (ratio between the control costs and the value of the related funds managed), and assessment of the expected levels of risk of error (at payment & at closure) .....	8
2.3.	Measures to prevent fraud and irregularities .....	9
3.	ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE .....	10
3.1.	Heading(s) of the multiannual financial framework and expenditure budget line(s) affected .....	10

3.2.	Estimated financial impact of the proposal on appropriations.....	12
3.2.1.	Summary of estimated impact on operational appropriations.....	12
3.2.1.1.	Appropriations from voted budget .....	12
3.2.1.2.	Appropriations from external assigned revenues .....	17
3.2.2.	Estimated output funded from operational appropriations.....	22
3.2.3.	Summary of estimated impact on administrative appropriations.....	24
3.2.3.1.	Appropriations from voted budget .....	24
3.2.3.2.	Appropriations from external assigned revenues .....	24
3.2.3.3.	Total appropriations .....	24
3.2.4.	Estimated requirements of human resources.....	25
3.2.4.1.	Financed from voted budget.....	25
3.2.4.2.	Financed from external assigned revenues .....	26
3.2.4.3.	Total requirements of human resources .....	26
3.2.5.	Overview of estimated impact on digital technology-related investments .....	28
3.2.6.	Compatibility with the current multiannual financial framework.....	28
3.2.7.	Third-party contributions .....	28
3.3.	Estimated impact on revenue .....	29
4.	DIGITAL DIMENSIONS .....	29
4.1.	Requirements of digital relevance.....	30
4.2.	Data .....	30
4.3.	Digital solutions .....	31
4.4.	Interoperability assessment .....	31
4.5.	Measures to support digital implementation .....	32

## 1. FRAMEWORK OF THE PROPOSAL/INITIATIVE

### 1.1. Title of the proposal/initiative

Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Regulations (EU) 2016/679, (EU) 2016/1036, (EU) 2016/1037, (EU) 2017/1129, (EU) 2023/1542 and (EU) 2024/573 as regards the extension of certain mitigating measures available for small and medium sized enterprises to small mid-cap enterprises and further simplification measures

### 1.2. Policy area(s) concerned

Simplification, Competitiveness

### 1.3. Objective(s)

#### 1.3.1. General objective(s)

To support the growth and development of small and medium-sized enterprises (SMEs) into small mid-caps, thus increasing their competitiveness and contribution to European welfare and prosperity

To promote a favorable business environment and to reduce administrative burdens for SMEs and small mid-caps, thereby enhancing their ability to innovate, create jobs, and contribute to economic growth

#### 1.3.2. Specific objective(s)

Extend some mitigating measures to small mid-caps in order to facilitate their growth and development. The proposal aims to extend certain mitigating measures currently available to SMEs to small mid-caps, mainly in the area of burden reduction and simplified or assisted reporting and to simplify a registration requirement for certain importers and exporters, by putting forward proposals for 2 omnibus acts amending an number of EU legislative acts.

#### 1.3.3. Expected result(s) and impact

*Specify the effects which the proposal/initiative should have on the beneficiaries/groups targeted.*

The proposal/initiative is expected to have the following effects on the beneficiaries/groups targeted:

- Reduced administrative burdens: Small mid-caps and importers and exporters of certain products and equipment containing F-gases, in particular small enterprises will experience a reduction in administrative burdens, which will enable them to focus on their core business activities and improve their competitiveness
- Improved competitiveness: Small mid-caps will become more competitive, both domestically and internationally, which will enable them to increase their market share and contribute to European economic growth
- Job creation: The growth and development of small mid-caps will lead to the creation of new jobs, which will contribute to reducing unemployment and promoting social cohesion



- Increased innovation: Small mid-caps will be encouraged to innovate and develop new products and services, which will contribute to improving the overall innovation capacity of the European economy

- Improved contribution to European welfare and prosperity: Small mid-caps will make a greater contribution to European welfare and prosperity, which will be reflected in increased economic growth, improved living standards, and enhanced social cohesion

Target groups:

The proposal/initiative is targeted at the approximately 38,000 small mid-caps in the EU, which are defined as enterprises with between 250 and 749 staff (for the estimation here: relying on head-count only). In addition, up to 10 000 traders are estimated to be exempted from the obligation to register in the F-gas Portal per year.

#### 1.3.4. *Indicators of performance*

*Specify the indicators for monitoring progress and achievements.*

N/A

#### 1.4. **The proposal/initiative relates to: None of the below.**

☐ a new action

☐ a new action following a pilot project / preparatory action<sup>1</sup>

☐ the extension of an existing action

☐ a merger or redirection of one or more actions towards another/a new action

#### 1.5. **Grounds for the proposal/initiative**

##### 1.5.1. *Requirement(s) to be met in the short or long term including a detailed timeline for roll-out of the implementation of the initiative*

This proposal concerns two omnibus acts amending EU legislation. It can therefore only be carried out at EU level.

##### 1.5.2. *Added value of EU involvement (it may result from different factors, e.g. coordination gains, legal certainty, greater effectiveness or complementarities). For the purposes of this section 'added value of EU involvement' is the value resulting from EU action, that is additional to the value that would have been otherwise created by Member States alone.*

N/A

##### 1.5.3. *Lessons learned from similar experiences in the past*

N/A

##### 1.5.4. *Compatibility with the multiannual financial framework and possible synergies with other appropriate instruments*

N/A

<sup>1</sup> As referred to in Article 58(2), point (a) or (b) of the Financial Regulation.

*1.5.5. Assessment of the different available financing options, including scope for redeployment*

N/A
-----

## 1.6. Duration of the proposal/initiative and of its financial impact

### ☐ limited duration

- ☐ in effect from [DD/MM]YYYY to [DD/MM]YYYY
- ☐ financial impact from YYYY to YYYY for commitment appropriations and from YYYY to YYYY for payment appropriations.

### ☐ unlimited duration

- Implementation with a start-up period from YYYY to YYYY,
- followed by full-scale operation.

## 1.7. Method(s) of budget implementation planned<sup>2</sup>

### ☐ Direct management by the Commission

- ☐ by its departments, including by its staff in the Union delegations;
- ☐ by the executive agencies

### ☐ Shared management with the Member States

### ☐ Indirect management by entrusting budget implementation tasks to:

- ☐ third countries or the bodies they have designated
- ☐ international organisations and their agencies (to be specified)
- ☐ the European Investment Bank and the European Investment Fund
- ☐ bodies referred to in Articles 70 and 71 of the Financial Regulation
- ☐ public law bodies
- ☐ bodies governed by private law with a public service mission to the extent that they are provided with adequate financial guarantees
- ☐ bodies governed by the private law of a Member State that are entrusted with the implementation of a public-private partnership and that are provided with adequate financial guarantees
- ☐ bodies or persons entrusted with the implementation of specific actions in the common foreign and security policy pursuant to Title V of the Treaty on European Union, and identified in the relevant basic act
- ☐ bodies established in a Member State, governed by the private law of a Member State or Union law and eligible to be entrusted, in accordance with sector-specific rules, with the implementation of Union funds or budgetary guarantees, to the extent that such bodies are controlled by public law bodies or by bodies governed by private law with a public service mission, and are provided with adequate financial guarantees in the form of joint and several liability by the controlling bodies or equivalent financial guarantees and which may be, for each action, limited to the maximum amount of the Union support.

<sup>2</sup> Details of budget implementation methods and references to the Financial Regulation may be found on the BUDGpedia site: <https://myintracomm.ec.europa.eu/corp/budget/financial-rules/budget-implementation/Pages/implementation-methods.aspx>.

## MANAGEMENT MEASURES

### 2.1. Monitoring and reporting rules

N/A
-----

### 2.2. Management and control system(s)

#### 2.2.1. *Justification of the budget implementation method(s), the funding implementation mechanism(s), the payment modalities and the control strategy proposed*

N/A
-----

#### 2.2.2. *Information concerning the risks identified and the internal control system(s) set up to mitigate them*

N/A
-----

#### 2.2.3. *Estimation and justification of the cost-effectiveness of the controls (ratio between the control costs and the value of the related funds managed), and assessment of the expected levels of risk of error (at payment & at closure)*

N/A
-----

### 2.3. Measures to prevent fraud and irregularities

N/A
-----

### 3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE

#### 3.1. Heading(s) of the multiannual financial framework and expenditure budget line(s) affected

- Existing budget lines

*In order of multiannual financial framework headings and budget lines.*

Heading of multiannual financial framework	Budget line	Type of expenditure	Contribution			
	Number	Diff./Non-diff. <sup>1</sup>	from EFTA countries <sup>2</sup>	from candidate countries and potential candidates <sup>3</sup>	From other third countries	other assigned revenue
	N/A	Diff./Non-diff.	YES/NO	YES/NO	YES/NO	YES/NO

- New budget lines requested

*In order of multiannual financial framework headings and budget lines.*

Heading of multiannual financial framework	Budget line	Type of expenditure	Contribution			
	Number	Diff./Non-diff.	from EFTA countries	from candidate countries and potential candidates	from other third countries	other assigned revenue
	N/A	Diff./Non-diff.	YES/NO	YES/NO	YES/NO	YES/NO
	[XX.YY.YY.YY]	Diff./Non-diff.	YES/NO	YES/NO	YES/NO	YES/NO
	[XX.YY.YY.YY]	Diff./Non-diff.	YES/NO	YES/NO	YES/NO	YES/NO

<sup>1</sup> Diff. = Differentiated appropriations / Non-diff. = Non-differentiated appropriations.

<sup>2</sup> EFTA: European Free Trade Association.

<sup>3</sup> Candidate countries and, where applicable, potential candidates from the Western Balkans.

### 3.2. Estimated financial impact of the proposal on appropriations

#### 3.2.1. Summary of estimated impact on operational appropriations

- ☒ The proposal/initiative does not require the use of operational appropriations
- ☐ The proposal/initiative requires the use of operational appropriations, as explained below

##### 3.2.1.1. Appropriations from voted budget

EUR million (to three decimal places)

Heading of multiannual financial framework		Number					
DG: <.....>			Year	Year	Year	Year	TOTAL MFF
			2024	2025	2026	2027	2021-2027
Operational appropriations							
Budget line	Commitments	(1a)					0.000
	Payments	(2a)					0.000
Budget line	Commitments	(1b)					0.000
	Payments	(2b)					0.000
Appropriations of an administrative nature financed from the envelope of specific programmes <sup>1</sup>							
Budget line		(3)					0.000
TOTAL appropriations for DG <.....>	Commitments	=1a+1b+3	0.000	0.000	0.000	0.000	0.000
	Payments	=2a+2b+3	0.000	0.000	0.000	0.000	0.000
DG: <.....>			Year	Year	Year	Year	TOTAL MFF
			2024	2025	2026	2027	2021-2027
Operational appropriations							
Budget line	Commitments	(1a)					0.000

<sup>1</sup> Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former 'BA' lines), indirect research, direct research.

	Payments	(2a)					0.000
Budget line	Commitments	(1b)					0.000
	Payments	(2b)					0.000
Appropriations of an administrative nature financed from the envelope of specific programmes <sup>2</sup>							
Budget line		(3)					0.000
<b>TOTAL appropriations for DG &lt;.....&gt;</b>	Commitments	=1a+1b+3	0.000	0.000	0.000	0.000	0.000
	Payments	=2a+2b+3	0.000	0.000	0.000	0.000	0.000
			Year 2024	Year 2025	Year 2026	Year 2027	<b>TOTAL MFF 2021-2027</b>
TOTAL operational appropriations	Commitments	(4)	0.000	0.000	0.000	0.000	0.000
	Payments	(5)	0.000	0.000	0.000	0.000	0.000
TOTAL appropriations of an administrative nature financed from the envelope for specific programmes		(6)	0.000	0.000	0.000	0.000	0.000
<b>TOTAL appropriations under HEADING &lt;....&gt; of the multiannual financial framework</b>	Commitments	=4+6	0.000	0.000	0.000	0.000	0.000
	Payments	=5+6	0.000	0.000	0.000	0.000	0.000
<b>Heading of multiannual financial framework</b>		Number					

DG: <.....>			Year 2024	Year 2025	Year 2026	Year 2027	<b>TOTAL MFF 2021-2027</b>
Operational appropriations							
Budget line	Commitments	(1a)					0.000

<sup>2</sup> Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former 'BA' lines), indirect research, direct research.

	Payments	(2a)					0.000
Budget line	Commitments	(1b)					0.000
	Payments	(2b)					0.000
Appropriations of an administrative nature financed from the envelope of specific programmes <sup>3</sup>							
Budget line		(3)					0.000
<b>TOTAL appropriations for DG &lt;.....&gt;</b>	Commitments	=1a+1b +3	0.000	0.000	0.000	0.000	0.000
	Payments	=2a+2b+3	0.000	0.000	0.000	0.000	0.000

DG: <.....>			Year 2024	Year 2025	Year 2026	Year 2027	TOTAL MFF 2021-2027
Operational appropriations							
Budget line	Commitments	(1a)					0.000
	Payments	(2a)					0.000
Budget line	Commitments	(1b)					0.000
	Payments	(2b)					0.000
Appropriations of an administrative nature financed from the envelope of specific programmes <sup>4</sup>							
Budget line		(3)					0.000
<b>TOTAL appropriations for DG &lt;.....&gt;</b>	Commitments	=1a+1b +3	0.000	0.000	0.000	0.000	0.000
	Payments	=2a+2b+3	0.000	0.000	0.000	0.000	0.000

			Year 2024	Year 2025	Year 2026	Year 2027	TOTAL MFF 2021-2027
TOTAL	operational	appropriations	0.000	0.000	0.000	0.000	0.000

<sup>3</sup> Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former 'BA' lines), indirect research, direct research.

<sup>4</sup> Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former 'BA' lines), indirect research, direct research.



	Payments	(5)	0.000	0.000	0.000	0.000	0.000
TOTAL appropriations of an administrative nature financed from the envelope for specific programmes		(6)	0.000	0.000	0.000	0.000	0.000
<b>TOTAL appropriations under HEADING &lt;....&gt;</b> of the multiannual financial framework	Commitments	=4+6	0.000	0.000	0.000	0.000	0.000
	Payments	=5+6	0.000	0.000	0.000	0.000	0.000

			Year 2024	Year 2025	Year 2026	Year 2027	TOTAL MFF 2021-2027
• TOTAL operational appropriations (all operational headings)	Commitments	(4)	0.000	0.000	0.000	0.000	0.000
	Payments	(5)	0.000	0.000	0.000	0.000	0.000
• TOTAL appropriations of an administrative nature financed from the envelope for specific programmes (all operational headings)		(6)	0.000	0.000	0.000	0.000	0.000
<b>TOTAL appropriations Under Heading 1 to 6</b> of the multiannual financial framework (Reference amount)	Commitments	=4+6	0.000	0.000	0.000	0.000	0.000
	Payments	=5+6	0.000	0.000	0.000	0.000	0.000

Heading of multiannual financial framework	7	'Administrative expenditure' <sup>5</sup>				
DG: <.....>		Year 2024	Year 2025	Year 2026	Year 2027	TOTAL MFF 2021- 2027
• Human resources		0.000	0.000	0.000	0.000	0.000
• Other administrative expenditure		0.000	0.000	0.000	0.000	0.000

<sup>5</sup>

The necessary appropriations should be determined using the annual average cost figures available on the appropriate BUDGpedia webpage.

<b>TOTAL DG &lt;.....&gt;</b>	Appropriations	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
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DG: <.....>	Year 2024	Year 2025	Year 2026	Year 2027	<b>TOTAL MFF 2021- 2027</b>
• Human resources	0.000	0.000	0.000	0.000	<b>0.000</b>
• Other administrative expenditure	0.000	0.000	0.000	0.000	<b>0.000</b>
<b>TOTAL DG &lt;.....&gt;</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>

<b>TOTAL appropriations under HEADING 7 of the multiannual financial framework</b>	(Total commitments = Total payments)	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
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EUR million (to three decimal places)

		Year 2024	Year 2025	Year 2026	Year 2027	<b>TOTAL MFF 2021-2027</b>
<b>TOTAL appropriations under HEADINGS 1 to 7</b>	Commitments	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
of the multiannual financial framework	Payments	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>

### 3.2.1.2. Appropriations from external assigned revenues

EUR million (to three decimal places)

Heading of multiannual financial framework	Number	
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DG: <.....>	Year 2024	Year 2025	Year 2026	Year 2027	<b>TOTAL MFF 2021-2027</b>
Operational appropriations					
Budget line	Commitments	(1a)			<b>0.000</b>

	Payments	(2a)					0.000
Budget line	Commitments	(1b)					0.000
	Payments	(2b)					0.000
Appropriations of an administrative nature financed from the envelope of specific programmes <sup>6</sup>							
Budget line		(3)					0.000
TOTAL appropriations for DG <.....>	Commitments	=1a+1b+3	0.000	0.000	0.000	0.000	0.000
	Payments	=2a+2b+3	0.000	0.000	0.000	0.000	0.000
DG: <.....>			Year	Year	Year	Year	TOTAL MFF 2021-2027
			2024	2025	2026	2027	
Operational appropriations							
Budget line	Commitments	(1a)					0.000
	Payments	(2a)					0.000
Budget line	Commitments	(1b)					0.000
	Payments	(2b)					0.000
Appropriations of an administrative nature financed from the envelope of specific programmes <sup>7</sup>							
Budget line		(3)					0.000
TOTAL appropriations for DG <.....>	Commitments	=1a+1b+3	0.000	0.000	0.000	0.000	0.000
	Payments	=2a+2b+3	0.000	0.000	0.000	0.000	0.000
			Year	Year	Year	Year	TOTAL MFF 2021-2027
			2024	2025	2026	2027	
TOTAL operational appropriations	Commitments	(4)	0.000	0.000	0.000	0.000	0.000
	Payments	(5)	0.000	0.000	0.000	0.000	0.000

<sup>6</sup> Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former 'BA' lines), indirect research, direct research.

<sup>7</sup> Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former 'BA' lines), indirect research, direct research.

TOTAL appropriations of an administrative nature financed from the envelope for specific programmes		(6)	0.000	0.000	0.000	0.000	0.000
<b>TOTAL appropriations under HEADING &lt;....&gt;</b> of the multiannual financial framework	Commitments	=4+6	0.000	0.000	0.000	0.000	0.000
	Payments	=5+6	0.000	0.000	0.000	0.000	0.000
<b>Heading of multiannual financial framework</b>		Number					

DG: <.....>			Year	Year	Year	Year	TOTAL MFF
			2024	2025	2026	2027	2021-2027
Operational appropriations							
Budget line	Commitments	(1a)					0.000
	Payments	(2a)					0.000
Budget line	Commitments	(1b)					0.000
	Payments	(2b)					0.000
Appropriations of an administrative nature financed from the envelope of specific programmes <sup>8</sup>							
Budget line		(3)					0.000
<b>TOTAL appropriations for DG &lt;.....&gt;</b>	Commitments	=1a+1b+3	0.000	0.000	0.000	0.000	0.000
	Payments	=2a+2b+3	0.000	0.000	0.000	0.000	0.000
DG: <.....>			Year	Year	Year	Year	TOTAL MFF
			2024	2025	2026	2027	2021-2027
Operational appropriations							
Budget line	Commitments	(1a)					0.000
	Payments	(2a)					0.000

<sup>8</sup> Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former 'BA' lines), indirect research, direct research.

Budget line		Commitments	(1b)						0.000
		Payments	(2b)						0.000
Appropriations of an administrative nature financed from the envelope of specific programmes <sup>9</sup>									
Budget line			(3)						0.000
TOTAL appropriations for DG <.....>		Commitments	=1a+1b+3	0.000	0.000	0.000	0.000	0.000	0.000
		Payments	=2a+2b+3	0.000	0.000	0.000	0.000	0.000	0.000
				Year	Year	Year	Year	TOTAL MFF 2021-2027	
				2024	2025	2026	2027		
TOTAL operational appropriations		Commitments	(4)	0.000	0.000	0.000	0.000	0.000	
		Payments	(5)	0.000	0.000	0.000	0.000	0.000	
TOTAL appropriations of an administrative nature financed from the envelope for specific programmes			(6)	0.000	0.000	0.000	0.000	0.000	
TOTAL appropriations under HEADING <....>  of the multiannual financial framework		Commitments	=4+6	0.000	0.000	0.000	0.000	0.000	
		Payments	=5+6	0.000	0.000	0.000	0.000	0.000	
					Year 2024	Year 2025	Year 2026	Year 2027	TOTAL MFF 2021-2027
• TOTAL operational appropriations (all operational headings)		Commitments	(4)	0.000	0.000	0.000	0.000	0.000	
		Payments	(5)	0.000	0.000	0.000	0.000	0.000	
• TOTAL appropriations of an administrative nature financed from the envelope for specific programmes (all operational headings)			(6)	0.000	0.000	0.000	0.000	0.000	

<sup>9</sup> Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former 'BA' lines), indirect research, direct research.

<b>TOTAL appropriations under Headings 1 to 6</b> of the multiannual financial framework (Reference amount)	Commitments	=4+6	0.000	0.000	0.000	0.000	0.000
	Payments	=5+6	0.000	0.000	0.000	0.000	0.000

<b>Heading of multiannual financial framework</b>	<b>7</b>	‘Administrative expenditure’ <sup>10</sup>					
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EUR million (to three decimal places)

DG: <.....>		Year 2024	Year 2025	Year 2026	Year 2027	TOTAL MFF 2021- 2027
• Human resources		0.000	0.000	0.000	0.000	0.000
• Other administrative expenditure		0.000	0.000	0.000	0.000	0.000
<b>TOTAL DG &lt;.....&gt;</b>	Appropriations	0.000	0.000	0.000	0.000	0.000

DG: <.....>		Year 2024	Year 2025	Year 2026	Year 2027	TOTAL MFF 2021- 2027
• Human resources		0.000	0.000	0.000	0.000	0.000
• Other administrative expenditure		0.000	0.000	0.000	0.000	0.000
<b>TOTAL DG &lt;.....&gt;</b>	Appropriations	0.000	0.000	0.000	0.000	0.000

<b>TOTAL appropriations under HEADING 7 of the multiannual financial framework</b>	(Total commitments = Total payments)	0.000	0.000	0.000	0.000	0.000
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EUR million (to three decimal places)

	Year	Year	Year	Year	<b>TOTAL MFF</b>
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<sup>10</sup>

The necessary appropriations should be determined using the annual average cost figures available on the appropriate BUDGpedia webpage.

		2024	2025	2026	2027	2021-2027
<b>TOTAL appropriations under HEADINGS 1 to 7</b>	Commitments	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
of the multiannual financial framework	Payments	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>

### 3.2.2. Estimated output funded from operational appropriations (not to be completed for decentralised agencies)

Commitment appropriations in EUR million (to three decimal places)

Indicate objectives and outputs  ↓			Year 2024		Year 2025		Year 2026		Year 2027		Enter as many years as necessary to show the duration of the impact (see Section1.6)						TOTAL	
	OUTPUTS																	
	Type <sup>11</sup>	Average cost	No	Cost	No	Cost	No	Cost	No	Cost	No	Cost	No	Cost	No	Cost	Total No	Total cost
SPECIFIC OBJECTIVE No 1 <sup>12</sup> ...																		
- Output																		
- Output																		
- Output																		
Subtotal for specific objective No 1																		
SPECIFIC OBJECTIVE No 2 ...																		
- Output																		
Subtotal for specific objective No 2																		

<sup>11</sup> Outputs are products and services to be supplied (e.g. number of student exchanges financed, number of km of roads built, etc.).

<sup>12</sup> As described in Section 1.3.2. 'Specific objective(s)'

TOTALS																
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### 3.2.3. Summary of estimated impact on administrative appropriations

- ☒ X The proposal/initiative does not require the use of appropriations of an administrative nature
- ☐ The proposal/initiative requires the use of appropriations of an administrative nature, as explained below

#### 3.2.3.1. Appropriations from voted budget

VOTED APPROPRIATIONS	Year	Year	Year	Year	TOTAL 2021 - 2027
	2024	2025	2026	2027	
HEADING 7					
Human resources	0.000	0.000	0.000	0.000	0.000
Other administrative expenditure	0.000	0.000	0.000	0.000	0.000
Subtotal HEADING 7	0.000	0.000	0.000	0.000	0.000
Outside HEADING 7					
Human resources	0.000	0.000	0.000	0.000	0.000
Other expenditure of an administrative nature	0.000	0.000	0.000	0.000	0.000
Subtotal outside HEADING 7	0.000	0.000	0.000	0.000	0.000
TOTAL	0.000	0.000	0.000	0.000	0.000

#### 3.2.3.2. Appropriations from external assigned revenues

EXTERNAL ASSIGNED REVENUES	Year 2024	Year 2025	Year 2026	Year 2027	TOTAL 2021 - 2027
HEADING 7					
Human resources	0.000	0.000	0.000	0.000	0.000
Other administrative expenditure	0.000	0.000	0.000	0.000	0.000
Subtotal HEADING 7	0.000	0.000	0.000	0.000	0.000
Outside HEADING 7					
Human resources	0.000	0.000	0.000	0.000	0.000
Other expenditure of an administrative nature	0.000	0.000	0.000	0.000	0.000
Subtotal outside HEADING 7	0.000	0.000	0.000	0.000	0.000
TOTAL	0.000	0.000	0.000	0.000	0.000

#### 3.2.3.3. Total appropriations

TOTAL VOTED APPROPRIATIONS + EXTERNAL ASSIGNED REVENUES	Year  2024	Year  2025	Year  2026	Year  2027	TOTAL 2021 - 2027
HEADING 7					
Human resources	0.000	0.000	0.000	0.000	0.000
Other administrative expenditure	0.000	0.000	0.000	0.000	0.000
Subtotal HEADING 7	0.000	0.000	0.000	0.000	0.000
Outside HEADING 7					
Human resources	0.000	0.000	0.000	0.000	0.000

Other expenditure of an administrative nature	0.000	0.000	0.000	0.000	0.000
<b>Subtotal outside HEADING 7</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
<b>TOTAL</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>

The appropriations required for human resources and other expenditure of an administrative nature will be met by appropriations from the DG that are already assigned to management of the action and/or have been redeployed within the DG, together, if necessary, with any additional allocation which may be granted to the managing DG under the annual allocation procedure and in the light of budgetary constraints.

### 3.2.4. Estimated requirements of human resources

- ☒ The proposal/initiative does not require the use of human resources
- ☐ The proposal/initiative requires the use of human resources, as explained below

#### 3.2.4.1. Financed from voted budget

*Estimate to be expressed in full-time equivalent units (FTEs)<sup>1</sup>*

VOTED APPROPRIATIONS		Year 2024	Year 2025	Year 2026	Year 2027
<b>• Establishment plan posts (officials and temporary staff)</b>					
20 01 02 01 (Headquarters and Commission's Representation Offices)		0	0	0	0
20 01 02 03 (EU Delegations)		0	0	0	0
01 01 01 01 (Indirect research)		0	0	0	0
01 01 01 11 (Direct research)		0	0	0	0
Other budget lines (specify)		0	0	0	0
<b>• External staff (inFTEs)</b>					
20 02 01 (AC, END from the 'global envelope')		0	0	0	0
20 02 03 (AC, AL, END and JPD in the EU Delegations)		0	0	0	0
Admin. Support line [XX.01.YY.YY]	- at Headquarters	0	0	0	0
	- in EU Delegations	0	0	0	0
01 01 01 02 (AC, END - Indirect research)		0	0	0	0
01 01 01 12 (AC, END - Direct research)		0	0	0	0
Other budget lines (specify) - Heading 7		0	0	0	0
Other budget lines (specify) - Outside Heading 7		0	0	0	0
<b>TOTAL</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

#### 3.2.4.2. Financed from external assigned revenues

EXTERNAL ASSIGNED REVENUES		Year 2024	Year 2025	Year 2026	Year 2027
<b>• Establishment plan posts (officials and temporary staff)</b>					
20 01 02 01 (Headquarters and Commission's Representation Offices)		0	0	0	0
20 01 02 03 (EU Delegations)		0	0	0	0

<sup>1</sup> Please specify below the table how many FTEs within the number indicated are already assigned to the management of the action and/or can be redeployed within your DG and what are your net needs.

01 01 01 01 (Indirect research)	0	0	0	0
01 01 01 11 (Direct research)	0	0	0	0
Other budget lines (specify)	0	0	0	0
<b>• External staff (in full time equivalent units)</b>				
20 02 01 (AC, END from the ‘global envelope’)	0	0	0	0
20 02 03 (AC, AL, END and JPD in the EU Delegations)	0	0	0	0
Admin. Support line [XX.01.YY.YY]	- at Headquarters	0	0	0
	- in EU Delegations	0	0	0
01 01 01 02 (AC, END - Indirect research)	0	0	0	0
01 01 01 12 (AC, END - Direct research)	0	0	0	0
Other budget lines (specify) - Heading 7	0	0	0	0
Other budget lines (specify) - Outside Heading 7	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### 3.2.4.3. Total requirements of human resources

<b>TOTAL VOTED APPROPRIATIONS + EXTERNAL ASSIGNED REVENUES</b>	<b>Year 2024</b>	<b>Year 2025</b>	<b>Year 2026</b>	<b>Year 2027</b>
<b>• Establishment plan posts (officials and temporary staff)</b>				
20 01 02 01 (Headquarters and Commission’s Representation Offices)	0	0	0	0
20 01 02 03 (EU Delegations)	0	0	0	0
01 01 01 01 (Indirect research)	0	0	0	0
01 01 01 11 (Direct research)	0	0	0	0
Other budget lines (specify)	0	0	0	0
<b>• External staff (in full time equivalent units)</b>				
20 02 01 (AC, END from the ‘global envelope’)	0	0	0	0
20 02 03 (AC, AL, END and JPD in the EU Delegations)	0	0	0	0
Admin. Support line [XX.01.YY.YY]	- at Headquarters	0	0	0
	- in EU Delegations	0	0	0
01 01 01 02 (AC, END - Indirect research)	0	0	0	0
01 01 01 12 (AC, END - Direct research)	0	0	0	0
Other budget lines (specify) - Heading 7	0	0	0	0
Other budget lines (specify) - Outside Heading 7	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

The staff required to implement the proposal (in FTEs): N/A

	<b>To be covered by current staff available in the Commission services</b>	<b>Exceptional additional staff*</b>		
		<b>To be financed under Heading 7 or Research</b>	<b>To be financed from BA line</b>	<b>To be financed from fees</b>

Establishment plan posts			N/A	
External staff (CA, SNEs, INT)				

\*

Description of tasks to be carried out by:

Officials and temporary staff	
External staff	

### 3.2.5. Overview of estimated impact on digital technology-related investments

Compulsory: the best estimate of the digital technology-related investments entailed by the proposal/initiative should be included in the table below.

Exceptionally, when required for the implementation of the proposal/initiative, the appropriations under Heading 7 should be presented in the designated line.

The appropriations under Headings 1-6 should be reflected as “Policy IT expenditure on operational programmes”. This expenditure refers to the operational budget to be used to re-use/ buy/ develop IT platforms/ tools directly linked to the implementation of the initiative and their associated investments (e.g. licences, studies, data storage etc). The information provided in this table should be consistent with details presented under Section 4 “Digital dimensions”.

TOTAL Digital and IT appropriations	Year 2024	Year 2025	Year 2026	Year 2027	TOTAL MFF 2021 - 2027
<b>HEADING 7</b>					
IT expenditure (corporate)	0.000	0.000	0.000	0.000	0.000
<b>Subtotal HEADING 7</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
<b>Outside HEADING 7</b>					
Policy IT expenditure on operational programmes	0.000	0.000	0.000	0.000	0.000
<b>Subtotal outside HEADING 7</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
<b>TOTAL</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>

### 3.2.6. Compatibility with the current multiannual financial framework

The proposal/initiative:

- ☐ can be fully financed through redeployment within the relevant heading of the multiannual financial framework (MFF)
- ☐ requires use of the unallocated margin under the relevant heading of the MFF and/or use of the special instruments as defined in the MFF Regulation
- ☐ requires a revision of the MFF

### 3.2.7. Third-party contributions

The proposal/initiative:

- ☐ does not provide for co-financing by third parties
- ☐ provides for the co-financing by third parties estimated below:

Appropriations in EUR million (to three decimal places)

	Year 2024	Year 2025	Year 2026	Year 2027	Total
Specify the co-financing body					
TOTAL appropriations co-financed					

### 3.3. Estimated impact on revenue

- ☒ The proposal/initiative has no financial impact on revenue.
- ☐ The proposal/initiative has the following financial impact:
  - ☐ on own resources
  - ☐ on other revenue
  - ☐ please indicate, if the revenue is assigned to expenditure lines

EUR million (to three decimal places)

Budget revenue line:	Appropriations available for the current financial year	Impact of the proposal/initiative <sup>2</sup>			
		Year 2024	Year 2025	Year 2026	Year 2027
Article .....					

For assigned revenue, specify the budget expenditure line(s) affected.

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Other remarks (e.g. method/formula used for calculating the impact on revenue or any other information).

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## 4. DIGITAL DIMENSIONS

### 4.1. Requirements of digital relevance

Reference to Article: Article 4; Description: approval process of EU Growth prospectus document; affected stakeholders : Member states, legal entities operators in scope of this regulation; High level process: Assess SMC status; Category: Data.

Reference to Article: Article 5; Description: Market surveillance verification process ;

<sup>2</sup> As regards traditional own resources (customs duties, sugar levies), the amounts indicated must be net amounts, i.e. gross amounts after deduction of 20% for collection costs.

affected stakeholders : Member States' market surveillance authorities or national authorities; High level process: Assess SMC status; Category: Data.

#### **4.2. Data**

EU Growth prospectus could be structured for further interoperability.  
SMC definition.

#### **4.3. Digital solutions**

N/A

#### **4.4. Interoperability assessment**

Digital public service: Approval process of EU Growth prospectus document.

Legal layer measure : the new recommendation on the SMC definition provides a harmonised understanding of SMC that can be used cross sectors and cross borders.

Legal layer potential barrier solution:

- the reference to the annual accounts of companies facilitates the assessment of the enterprises to which the rules will apply.
- Future interoperability with digital company law and platforms such as BRIS should be explored.
- The development of an SME/SMC ID will reduce the administrative burden of declarations and assessments of the applicable status of a company and allow for exchange between managing authorities and other relevant actors.

Semantic layer potential barrier: neither the SME nor the SMC definition are prescriptive beyond the reference to the annual financial accounts of companies. For digital solutions, the correlation between the SME/SMC definition and data stemming from the accounting directive eg should be exploited.

Technical interoperability potential barrier: No format has been defined for the data in the SME/SMC definition.

#### **4.5. Measures to support digital implementation**

The new recommendation on SMC definition provides a harmonised understanding of SME/SMC that can be used cross sectors and cross borders.