

Amending certain Regulations as regards the extension of certain mitigating measures available for small and medium sized enterprises to small mid-cap enterprises and further simplification measures

2025/0130(COD) - 21/05/2025 - Legislative proposal

PURPOSE: to extend supportive measures for Small Mid-Cap companies (SMCs) in line with what is already available for Small and Medium-Sized companies (SMEs) to alleviate administrative burdens.

PROPOSED ACT: Regulation of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: compared to SMEs, small mid-caps tend to demonstrate a faster growth rate and a higher intensity of innovation and digitalisation. However, with regard to administrative burden, they face similar challenges to SMEs. In order to facilitate the activities of small mid-caps and reduce their administrative burden, certain existing acts that provide for specific mitigating rules for SMEs should be adapted to extend their scope and include small mid-caps.

The European Commission has therefore identified a new category of companies, small mid-cap companies, i.e. companies with fewer than 750 employees; and up to EUR 150 million in turnover or EUR 129 million in total assets. These small mid-cap companies would have access for the first time to certain existing benefits for SMEs.

This proposal is the **fourth Simplification Omnibus package** presented by the European Commission.

CONTENT: this proposal aims to **extend to small and mid-cap companies certain provisions currently applied to SMEs** and proposes simplification measures for the benefit of SMEs and small and mid-cap companies in the following legislative acts:

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

Proposed amendments aim to simplify the record-keeping obligation in the GDPR, taking into account the specific needs and challenges of small and medium-sized companies and organisations, while ensuring that the rights of individuals are protected. The proposal exempts SMCs and organisations with fewer than 750 employees, in addition to SMEs.

SMEs, SMCs and organisations with fewer than 750 employees will only be required to maintain records when the processing of personal data is 'high risk' under the GDPR. By focusing record-keeping requirements on high-risk activities, organisations can devote their resources to areas where data protection is most critical, while maintaining high standards of data protection.

Regarding Regulation (EU) 2017/1129 on EU Growth issuance prospectus

This regulation sets out exemptions from the prospectus obligation for certain offers of securities to the public or admissions to trading on a regulated market. This provision is 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 or by third-country authorities under a comparable legal framework.

The use of alleviated prospectuses 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.

Regulation (EU) 2023/1542 on batteries

Under this regulation, SMEs are exempt 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.

With a view to reducing the administrative burden on economic operators, the 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

Currently all importers and all exporters of products and equipment are required to register in the F-gas Portal. 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.