Amending certain Directives as regards the extension of certain mitigating measures available for small and medium sized enterprises to small mid-cap enterprises and further simplifying measures (Omnibus IV)

2025/0131(COD) - 27/02/2026 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Economic and Monetary Affairs and the Committee on Civil Liberties, Justice and Home Affairs jointly adopted the report by Mariateresa VIVALDINI (ECR, IT) and Kristian VIGENIN (S&D, BG) on the proposal for a directive of the European Parliament and of the Council amending Directives 2014/65/EU and (EU) 2022/2557 as regards the extension of certain mitigating measures available for small and medium sized enterprises to small mid-cap enterprises and further simplifying measures.

As part of the **Omnibus Package IV**, the Commission's proposal aims to make limited and targeted amendments to Directive 2014/65/EU on markets in financial instruments and Directive (EU) 2022/2557 on the resilience of critical entities to extend to small mid-cap enterprises (SMCs) the measures currently applicable to SMEs.

The committees responsible recommended that the European Parliament adopt its position at first reading by amending the proposal as follows:

Purpose

According to Members, the directive should ensure that related EU legislation remains proportionate, reduces unnecessary burdens and stimulates growth and investment of companies in the Union and their ability to thrive in the global economy.

Extension to small and medium-sized businesses

Members specified that it is necessary to adapt certain existing acts which provide specific mitigation rules for SMEs to extend the scope of those provisions and include SMCs, provided that doing so does not affect or reduce the scope, funding, or application of Union measures dedicated to SMEs including specific provisions and budgetary allocations made available to them under Union law.

Thus, Union law should continue to apply the **‘think small first’** principle to ensure proportionality, as well as adequate protection of and targeted support for the smallest companies.

The proposals set out in this Directive should be accompanied by a set of complementary measures aimed at supporting SMEs and SMCs, not only through regulatory simplification but also through the reduction of administrative burden, the use of fiscal incentives, the strengthening of access to talent and skills, and the promotion and adoption of innovative technologies.

Definitions

Members proposed to amend Directive (EU) 2022/2557 by defining **‘micro, small and medium-sized enterprises’** means enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding **EUR 50 million**, or an annual balance sheet total not exceeding **EUR 43 million,** while **‘small mid-cap enterprises’** means enterprises that are not micro, small, and medium-sized enterprises, that employ **fewer than 1000 persons**, and that have an annual turnover not exceeding **EUR 200 million** or an annual balance sheet total not exceeding EUR 172 million.

Report

The Commission should, **within five years** of the entry into force of this Directive, and every five years thereafter, carry out an evaluation and submit to the European Parliament and the Council a report on the implementation of the provisions of Directives 2014/65/EU and (EU) 2022/2557 as amended by this Directive, including the impact on the reduction of administrative burdens and competitiveness, on economic, social and environmental aspects, as well as on the development and growth of micro, small and medium-sized enterprises.

The report should particularly focus on the possible need to review the thresholds defining small mid-cap enterprises, in light of economic and market developments. The report should be accompanied, if appropriate, by a legislative proposal.