

## Basic information

**2025/0131(COD)**

COD - Ordinary legislative procedure (ex-codecision procedure)  
Directive

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)

Amending Directive 2014/65 [2011/0298\(COD\)](#)  
Amending Directive 2022/2557 [2020/0365\(COD\)](#)

### Subject

3.45.02 Small and medium-sized enterprises (SME), craft industries  
3.45.08 Business environment, reduction of the administrative burdens

### Legislative priorities

[Joint Declaration 2026](#)

Awaiting Parliament's position in 1st reading

## Key players

European Parliament	Joint committee responsible	Rapporteur	Appointed
	<a href="#">ECON</a> Economic and Monetary Affairs	VIVALDINI Mariateresa (ECR)	24/06/2025
	<a href="#">LIBE</a> Civil Liberties, Justice and Home Affairs	VIGENIN Kristian (S&D)	24/06/2025
		Shadow rapporteur MANDL Lukas (EPP) BENJUMEA BENJUMEA Isabel (EPP) BAJADA Thomas (S&D) LEGGERI Fabrice (P/E) BORRÁS PABÓN Mireia (P/E) TYNKKYNEN Sebastian (ECR) VASCONCELOS Ana (Renew) ÓDOR L'udovít (Renew) RIBA I GINER Diana (Greens/EFA) BARRENA ARZA Fernando (The Left) SARAMO Jussi (The Left)	

	<table border="1"> <tr> <td><b>Committee for opinion</b></td> <td><b>Rapporteur for opinion</b></td> <td><b>Appointed</b></td> </tr> <tr> <td><b>ITRE</b> Industry, Research and Energy</td> <td>The committee decided not to give an opinion.</td> <td></td> </tr> <tr> <td><b>IMCO</b> Internal Market and Consumer Protection</td> <td>NÍ MHURCHÚ Cynthia (Renew)</td> <td>25/09/2025</td> </tr> </table>	<b>Committee for opinion</b>	<b>Rapporteur for opinion</b>	<b>Appointed</b>	<b>ITRE</b> Industry, Research and Energy	The committee decided not to give an opinion.		<b>IMCO</b> Internal Market and Consumer Protection	NÍ MHURCHÚ Cynthia (Renew)	25/09/2025
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Council of the European Union										
European Commission	<table border="1"> <tr> <td><b>Commission DG</b></td> <td><b>Commissioner</b></td> </tr> <tr> <td>Internal Market, Industry, Entrepreneurship and SMEs</td> <td>-- --</td> </tr> <tr> <td>Secretariat-General</td> <td>-- --</td> </tr> </table>	<b>Commission DG</b>	<b>Commissioner</b>	Internal Market, Industry, Entrepreneurship and SMEs	-- --	Secretariat-General	-- --			
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European Economic and Social Committee										

Key events			
Date	Event	Reference	Summary
21/05/2025	Legislative proposal published	<a href="#">COM(2025)0502</a>	<a href="#">Summary</a>
07/07/2025	Committee referral announced in Parliament, 1st reading		
25/02/2026	Vote in committee, 1st reading		
25/02/2026	Committee decision to open interinstitutional negotiations with report adopted in committee		
27/02/2026	Committee report tabled for plenary, 1st reading	<a href="#">A10-0034/2026</a>	<a href="#">Summary</a>
09/03/2026	Committee decision to enter into interinstitutional negotiations announced in plenary (Rule 71)		
11/03/2026	Committee decision to enter into interinstitutional negotiations confirmed by plenary (Rule 71)		

Technical information	
<b>Procedure reference</b>	2025/0131(COD)
<b>Procedure type</b>	COD - Ordinary legislative procedure (ex-codecision procedure)
<b>Procedure subtype</b>	Legislation
<b>Legislative instrument</b>	Directive
<b>Amendments and repeals</b>	Amending Directive 2014/65 <a href="#">2011/0298(COD)</a> Amending Directive 2022/2557 <a href="#">2020/0365(COD)</a>
<b>Legal basis</b>	Rules of Procedure EP 59 Treaty on the Functioning of the European Union TFEU 053-p1 Treaty on the Functioning of the European Union TFEU 114
<b>Mandatory consultation of other institutions</b>	<a href="#">European Economic and Social Committee</a>

<b>Stage reached in procedure</b>	Awaiting Parliament's position in 1st reading
<b>Committee dossier</b>	CJ12/10/02943

### Documentation gateway

<b>European Parliament</b>				
Document type	Committee	Reference	Date	Summary
Committee draft report		<a href="#">PE775.765</a>	14/11/2025	
Amendments tabled in committee		<a href="#">PE781.388</a>	10/12/2025	
Committee opinion	<a href="#">IMCO</a>	<a href="#">PE782.404</a>	27/01/2026	
Committee report tabled for plenary, 1st reading/single reading		<a href="#">A10-0034/2026</a>	27/02/2026	<a href="#">Summary</a>

<b>European Commission</b>			
Document type	Reference	Date	Summary
Legislative proposal	<a href="#">COM(2025)0502</a>	21/05/2025	<a href="#">Summary</a>
Document attached to the procedure	<a href="#">SWD(2025)0501</a> 	21/05/2025	

<b>National parliaments</b>				
Document type	Parliament /Chamber	Reference	Date	Summary
Contribution	<a href="#">IT_CHAMBER</a>	<a href="#">COM(2025)0502</a>	16/09/2025	
Contribution	<a href="#">ES_PARLIAMENT</a>	<a href="#">COM(2025)0502</a>	30/09/2025	
Contribution	<a href="#">FR_SENATE</a>	<a href="#">COM(2025)0502</a>	05/01/2026	

<b>Other institutions and bodies</b>				
Institution/body	Document type	Reference	Date	Summary
EESC	Economic and Social Committee: opinion, report	<a href="#">CES1910/2025</a>	18/09/2025	

<b>Additional information</b>		
Source	Document	Date
European Commission	<a href="#">EUR-Lex</a>	

## Meetings with interest representatives published in line with the Rules of Procedure

Rapporteurs, Shadow Rapporteurs and Committee Chairs

Transparency				
Name	Role	Committee	Date	Interest representatives
BAJADA Thomas	Shadow rapporteur	ECON	15/01/2026	BUSINESSEUROPE
BAJADA Thomas	Shadow rapporteur	ECON	03/12/2025	SMEunited aisbl
VASCONCELOS Ana	Shadow rapporteur	LIBE	20/11/2025	ACT   The App Association DIGITALEUROPE Electronic Frontier Foundation European Digital Rights
VASCONCELOS Ana	Shadow rapporteur	LIBE	18/11/2025	IVSH - Industrieverband Schneid- und Haushaltwaren e.V.
SARAMO Jussi	Shadow rapporteur	ECON	08/10/2025	Better Finance
SIPPEL Birgit	Rapporteur	LIBE	23/05/2025	Wirtschaftskammer Österreich

## 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) - 21/05/2025 - Legislative proposal

**PURPOSE:** to extend certain mitigating measures available for small and medium sized enterprises (SMEs) to small mid-cap enterprises (SMCs) in order to facilitate their growth and development.

**PROPOSED ACT:** Directive 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:** the European Commission has introduced a new package to simplify rules and reduce bureaucracy across the Single Market. This **fourth simplification Omnibus package** aims to make it easier for businesses to operate, innovate, and grow, while maintaining high standards of protection for consumers and the environment.

Mario Draghi in his report on 'The future of European competitiveness', argued that EU regulation imposes a proportionally higher burden on SMEs and small mid-cap enterprises (SMCs) than on larger enterprises. Therefore, 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.

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 of the related legislation. Extending to SMCs of certain provisions already applicable to SMEs simplifies the legal framework by making minimum changes to Member States' existing obligations.

**CONTENT:** therefore, as part of the IV Omnibus package, the Commission proposal seeks to make **limited and targeted changes** to legislation to extend to SMCs the measures currently applicable to SMEs.

The present proposal aims to include consideration for SMCs and proportionality when it comes to administrative burden, 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, where SMEs are defined by their average market capitalisation, such as in Directive 2014/65/EU, a similar approach should be applied when defining SMCs.

The changes ensure a more efficient and effective implementation.

This proposal thus aims to extend to SMCs certain provisions currently applied to SMEs in the following legislation acts:

- **For Directive 2014/65/EU** on markets in financial instruments, the proposal aims to extend the current support provided to SMEs to small mid-cap companies to enable these companies to access SME growth markets. To this end, the proposal adds a definition of small mid-cap companies, namely companies with an average market capitalisation equal to or above EUR 200 million and below EUR 1 billion based on year-end quotations of the three preceding calendar years;

- **Directive (EU) 2022/2557** requires Member States to assist critical entities that qualify as SMEs to strengthen their resilience. To this end, Member States must adopt **strategies to strengthen the resilience of critical entities**. According to that Directive, each strategy must contain a description of the

measures already in place to facilitate the implementation of certain obligations by SMEs that are identified as critical entities by Member States. It is proposed to extend the scope of this provision to small mid-cap enterprises, so that Member States should include in their strategies a description of any facilitating measures for SMCs.

## 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.