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PROPOSAL

No. Cion doc.:	COM(2025) 502 final/2
Subject:	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

Delegations will find attached document COM(2025) 502 final/2.

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Brussels, 23.5.2025
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2025/0131 (COD)

This document corrects COM(2025) 502 final of 21.05.2025
Concerns English version only
Adjustments which do not affect the substance of the text (completion of references)
The text shall read as follows:

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

{SWD(2025) 501 final}

EXPLANATORY MEMORANDUM

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[1]. 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 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[2]. Making business easier and deepening the Single Market are among the plan's key priorities.

The Commission's better regulation agenda[3] 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[4] 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)[5].

Mario Draghi in his report on 'The future of European competitiveness'[6], argues that EU regulation imposes a proportionally higher burden on SMEs and small mid-cap enterprises (SMCs)[7] 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[8]. Mid-cap enterprises can therefore contribute to completing the Single Market and making it work better.

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1 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

2 https://commission.europa.eu/document/download/e6cd4328-673c-4e7a-8683-f63ffb2cf648_en?filename=Political%20Guidelines%202024-2029_EN.pdf

3 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

4 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

5 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

6 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, p. 65

7 I.e. companies that have outgrown the SME definition.

8 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[9], 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[10], 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'[11] shows 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[12], the definition for SMCs therefore covers enterprises that are three times the size of SMEs[13]. 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 (Commission Recommendation of 21.5.2025 on the definition of small mid-cap enterprises - C(2025) 3500 final), as part of a simplification package for small mid-caps, which also includes this proposal for a Regulation 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[14] and the Guidance on Risk Finance[15], 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 can help companies to scale in relevant and important sectors. The definition of SMCs in said Recommendation

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9 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.

10 SMEs are currently defined as companies 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

11 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

12 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

13 As defined in Commission Recommendation 2003/361/ EC

14 General Block Exemption Regulation

15 Guidelines on State aid to promote risk finance investments

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, 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 aim is to support SMCs dealing with similar challenges as 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 in the following legislation acts:

For Directive 2014/65/EU on markets in financial instruments, this proposal aims to extend the support currently available for SMEs to access SME growth markets. In order to extend such benefit to SMCs, the proposal adds a definition of an SMC in Article 4(1) and, in Article 33(3), allows the operator of a multiple trading facility (MTF), applying to have its MTF registered as an SME growth market, to demonstrate compliance with the minimum threshold based on both SME and SMC issuers admitted to trading on SME growth markets.

Directive (EU) 2022/2557 on the resilience of critical entities requires Member States to adopt a strategy for enhancing the resilience of critical entities (Article 4). In this strategy, Member States must provide a description of measures already in place which aim to facilitate the implementation of certain obligations by the SMEs that are identified as critical entities (Article 4(2)). This proposal aims at drawing attention to SMCs by extending the obligation for Member States to describe in their strategy also facilitating measures for SMCs, in case such measures are already in place at national level.

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

This proposal is part of a package of measures aiming at reducing administrative burden for SMCs by extending to them certain provisions that SMEs currently benefit from. Its purpose is to deliver on the commitment of the Commission to 1) make business easier and reduce administrative burden by 25% and 35% for SMEs, and 2) extend proportionality in EU law to small mid-caps.

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, as it merely extends to SMCs measures already in place for SMEs, without any rick to lower socio-economic and environmental standards.

- **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 53(1) and Article 114 of the Treaty on the Functioning of the European Union, which are the legal basis of the acts it amends.

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 it easier and less burdensome for them to apply such legislation. 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 enterprises 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 certain rules currently applicable to SMEs.

• Proportionality

Extending to SMCs of certain provisions already applicable to SMEs simplifies the legal framework by making minimum changes to Member States' existing obligations. As a result, SMCs should be hereinafter conferred 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 by the co-legislator for those acts, and cover enterprises that are three times the size of those SMEs.

• Choice of the instrument

The Directives concerned by this proposal provide a different degree of harmonisation of national legislation for the relevant areas. These pieces of legislation contain provisions that take into account the situation of SMEs and ensure that requirements avoid imposing an unnecessary burden on SMEs. This proposal aims at ultimately making such legislation less burdensome for SMCs, in the same way as it is currently applied to SMEs.

Therefore, in the interest of efficiency, a joint proposal for the extension of the provisions applicable to SMEs to SMCs in the form of the present omnibus proposal appears to be the most suitable solution. In particular, the choice of a Directive for this proposal is justified by the need to use the same legal instrument as the legal acts that are to be amended.

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[16] 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 small mid-cap enterprise definition 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 6 February 2025. 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 of 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 to legislation to extend to SMCs the measures currently applicable to SMEs. These changes are based on experience gained from implementing EU legislation. The changes 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.

- **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 for SMEs.

This is a REFIT proposal, aimed at simplifying legislation and cutting red tape for stakeholders.

- **Fundamental rights**

N/A.

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

4. BUDGETARY IMPLICATIONS

N/A.

5. OTHER ELEMENTS

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

N/A.

- **Explanatory documents**

N/A.

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

With regard to Directive 2014/65/EU:

Where Article 4(1) includes a definition of SMEs, a definition of SMCs will now be included. It will define SMCs as a category of enterprises, distinct from SMEs.

Article 33 requires that at least 50 % of the issuers whose financial instruments are admitted to trading on the multilateral trading facility (MTF) are SMEs at the time when the MTF is registered as an SME growth market and in any calendar year. This proposal will allow the operator of an MTF, applying to have its MTF registered as an SME growth market, to demonstrate compliance with the threshold based on both SME and SMC issuers admitted to trading on the SME growth market. This will allow SMCs to better benefit from access to SME growth markets.

With regard to Directive (EU) 2022/2557:

Article 4 lays down that each Member State must adopt by 17 January 2026 a strategy for enhancing the resilience of critical entities (the ‘strategy’). In this strategy, Member States must provide a description of measures already in place which aim to facilitate the implementation of certain obligations by the SMEs that are identified as critical entities. The current proposal aims to draw attention to SMCs by extending this obligation for Member States, so that they also describe such facilitation measures for SMCs, in case they exist.

A definition of SMCs should be added to the definition of SMEs included under Article 4.

2025/0131 (COD)

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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

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 53(1), Article 114 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,[1]

Having regard to the opinion of the Committee of the Regions[2],

Acting in accordance with the ordinary legislative procedure,

Whereas:

(1) In the political guidelines for the European Commission's 2024-2029 term[3], 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[4] 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 rationalize and simplify reporting requirements for enterprises and administrations[5] and committed to reduce administrative burdens by 25%.

(3) On 12 September 2023, the Commission published the SME Relief Package[6], 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 SME definition[7], and those in the broader range of small mid-cap enterprises. Action 18

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1 OJ C , , p.

2 OJ C , , p. .

3 https://commission.europa.eu/document/download/e6cd4328-673c-4e7a-8683-f63ffb2cf648_en?filename=Political%20Guidelines%202024-2029_EN.pdf

4 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

5 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

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

7 SMEs are defined as companies 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

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.[8] 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[9].

(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) Directive 2014/65/EU[10] of the European Parliament and of the Council, contains certain provisions that aim at providing simplification or mitigating measures to SMEs. More specifically, those provisions aim at alleviating administrative burden and reducing or eliminating market entry barriers or draw Member States' attention to the benefits that SMEs derive from dedicated guidance, support and assistance. Directive (EU) 2022/2557 [11] of the European Parliament and the Council provides that Member States should support critical entities, including those that qualify as small or medium-sized enterprises, in strengthening their resilience. The Directive requires Member States to include in their resilience strategies a description of measures that are already in place at national level which aim to facilitate the implementation of the obligations of SMEs that were identified as critical entities.

(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 of 21.5.2025 on the definition of small mid-cap enterprises - C(2025) 3500 final 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) Directive 2014/65/EU identifies a subcategory of multilateral trading facilities ('MTF') known as SME growth markets. Article 33 (3), point (a), of that Directive lays down

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8 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

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

10 Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (recast) (OJ L 173, 12.6.2014, p. 349, ELI: http://data.europa.eu/eli/dir/2014/65/oj.)

11 Directive (EU) 2022/2557 of the European Parliament and of the Council of 14 December 2022 on the resilience of critical entities and repealing Council Directive 2008/114/EC (OJ L 333, 27.12.2022, p. 164, ELI: http://data.europa.eu/eli/dir/2022/2557/oj).

specific conditions to ensure that those trading venues effectively benefit SMEs by facilitating their access to capital and the further development of specialist markets that cater for SMEs' needs. That provision should be extended to include SMCs, to also allow those companies to access capital markets through those SME growth markets.

(9) Directive (EU) 2022/2557 obliges the Member States to support critical entities that qualify as SMEs in strengthening their resilience. In doing so, Member States are to prevent excessive administrative burdens. To this purpose, Member States are to adopt strategies for enhancing the resilience of critical entities. Pursuant to Article 4 of that Directive, each strategy is to contain a description of measures that are already in place to facilitate the implementation of certain obligations by the SMEs that are identified as critical entities by the Member States. The scope of that provision should be extended to include SMCs, so that Member States should include a description of any facilitating measures for SMC in their strategies.

(10) Directives 2014/65/EU and (EU) 2022/2557 should therefore be amended accordingly,

HAVE ADOPTED THIS DIRECTIVE:

Article 1
Amendments to Directive 2014/65/EU

Directive 2014/65/EU is amended as follows:

(1) in Article 4(1), the following point (13a) is inserted:

'(13a) 'small mid-cap enterprises', for the purposes of this Directive, means companies that had an average market capitalisation equal to or higher than EUR 200 000 000 and lower than EUR 1 000 000 000 on the basis of end-year quotes for the previous three calendar years;';

(2) in Article 33(3), point (a) is replaced by the following:

'(a) at least 50% of the issuers whose financial instruments are admitted to trading on the MTF are SMEs or SMCs or both, at the time when the MTF is registered as an SME growth market and in any calendar year thereafter;'.

Article 2
Amendment to Directive (EU) 2022/2557

In Article 4(2) of Directive (EU) 2022/2557, point (h) is replaced by the following:

'(h) a description of measures already in place which aim to facilitate the implementation of obligations under Chapter III of this Directive by small and medium-sized enterprises within the meaning of the Annex to Commission Recommendation 2003/361/EC* and by small mid-cap enterprises within the meaning of the Annex to Commission Recommendation XX** that the Member State in question has identified as critical entities.'.

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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 21.5.2025 on the definition of small mid-cap enterprises - C(2025) 3500 final.

Article 3
Transposition

1. Member States shall adopt and publish, by [Note to PO: insert exact date – […] 12 months after entry into force of this Directive] at the latest, the laws, regulations and administrative provisions necessary to comply with this Directive. They shall forthwith communicate to the Commission the text of those provisions.

   They shall apply those provisions from **[Note to PO: insert exact date – […] 12 months and one day after entry into force of this Directive].**

   When Member States adopt those provisions, they shall contain a reference to this Directive or be accompanied by such a reference on the occasion of their official publication. Member States shall determine how such reference is to be made.

2. Member States shall communicate to the Commission the text of the main provisions of national law which they adopt in the field covered by this Directive.

Article 4
Entry into force

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

Article 5
Addressees

This Directive is addressed to the Member States.

Done at Brussels,

For the European Parliament *For the Council*

The President *The President*

LEGISLATIVE FINANCIAL AND DIGITAL STATEMENT

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1. FRAMEWORK OF THE PROPOSAL/INITIATIVE

1.1. Title of the proposal/initiative

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 to SME to small mid-cap enterprises

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, by putting forward a proposal for an omnibus act amending Directive 2014/65.

Extend, as regards SMCs identified as critical entities, the obligation for Member States to describe, in their resilience strategies, the measures already in place at national level which aim to facilitate the implementation of their obligations under Directive (EU) 2022/2557 by putting forward a proposal for the omnibus act amending Directive (EU) 2022/2557.

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 overall effects on the beneficiaries/groups targeted:

- Reduced administrative burdens: Small mid-caps 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 and quality 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

- Improved visibility related to the resilience of critical entities: Small mid-caps that are identified as critical entities contribute to the overall protection and resilience of the EU. The facilitating measures they enjoy under national law will be described in national resilience strategies.

Target groups:

Overall, the proposal/initiative is focussing on the approximately 31,000 small mid-caps in the EU.

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[1]

☐ 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] As referred to in Article 58(2), point (a) or (b) of the Financial Regulation.

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

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[2]

☐ **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.

[2] 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.[1]	from EFTA countries[2]	from candidate countries and potential candidates[3]	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

[1] Diff. = Differentiated appropriations / Non-diff. = Non-differentiated appropriations.

[2] EFTA: European Free Trade Association.

[3] 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 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[1]							
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**

[1] 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[2]							
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 **2024**	Year **2025**	Year **2026**	Year **2027**	**TOTAL MFF 2021-2027**
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**
Heading of multiannual financial framework	Number						

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**

[2] 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[3]							
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 **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[4]							
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 **2024**	Year **2025**	Year **2026**	Year **2027**	**TOTAL MFF 2021-2027**
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**

[3] 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.

[4] 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**
TOTAL appropriations under HEADING <….>	Commitments	=4+6	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**
of the multiannual financial framework	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**
TOTAL appropriations Under Heading 1 to 6	Commitments	=4+6	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**
of the multiannual financial framework (Reference amount)	Payments	=5+6	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**

Heading of multiannual financial framework	**7**	'Administrative expenditure'[5]

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**
TOTAL DG <…….>	Appropriations	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**

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

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**
TOTAL DG <…….>	Appropriations	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**

TOTAL appropriations under HEADING 7 of the multiannual financial framework	(Total commitments = Total payments)	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**

EUR million (to three decimal places)

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

3.2.1.2. Appropriations from external assigned revenues

EUR million (to three decimal places)

Heading of multiannual financial framework	Number	

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[6]							
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 **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[7]							
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 **2024**	Year **2025**	Year **2026**	Year **2027**	**TOTAL MFF 2021-2027**
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 <….>	Commitments	=4+6	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**

6 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.

7 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.

of the multiannual financial framework	Payments	=5+6	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**
Heading of multiannual financial framework	Number						

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[8]							
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 **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[9]							
Budget line		(3)					**0.000**
TOTAL appropriations	Commitments	=1a+1b+3	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**

[8] 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.

[9] 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.

for DG <…….>	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	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 <….>	Commitments	=4+6	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**
of the multiannual financial framework	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**
TOTAL appropriations under Headings 1 to 6	Commitments	=4+6	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**
of the multiannual financial framework (Reference amount)	Payments	=5+6	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**

Heading of multiannual financial framework	**7**	'Administrative expenditure'[10]

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

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**
TOTAL DG <…….>	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**
TOTAL DG <…….>	Appropriations	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**

TOTAL appropriations under HEADING 7 of the multiannual financial framework	(Total commitments = Total payments)	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**

EUR million (to three decimal places)

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

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)

			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

Indicate objectives and outputs ⇩	OUTPUTS																			
	Type[11]	Average cost	No	Cost	No	Cost	No	Cost	No	Cost	No	Cost	No	Cost	No	Cost	No	Cost	Total No	Total cost
SPECIFIC OBJECTIVE No 1[12]…																				
- Output																				
- Output																				
- Output																				
Subtotal for specific objective No 1																				
SPECIFIC OBJECTIVE No 2 ...																				
- Output																				
Subtotal for specific objective No 2																				
TOTALS																				

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

12 As described in Section 1.3.2. 'Specific objective(s)'

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 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**

3.2.3.2. 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**
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**

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)[1]

VOTED APPROPRIATIONS		Year **2024**	Year **2025**	Year **2026**	Year **2027**
• Establishment plan posts (officials and temporary staff)					
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
• External staff (inFTEs)					
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
TOTAL		**0**	**0**	**0**	**0**

3.2.4.2. Financed from external assigned revenues

EXTERNAL ASSIGNED REVENUES	Year **2024**	Year **2025**	Year **2026**	Year **2027**
• Establishment plan posts (officials and temporary staff)				
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

[1] 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.

Other budget lines (specify)		0	0	0	0
• External staff (in full time equivalent units)					
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
TOTAL		**0**	**0**	**0**	**0**

3.2.4.3. Total requirements of human resources

TOTAL VOTED APPROPRIATIONS + EXTERNAL ASSIGNED REVENUES		Year **2024**	Year **2025**	Year **2026**	Year **2027**
• Establishment plan posts (officials and temporary staff)					
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
• External staff (in full time equivalent units)					
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
TOTAL		**0**	**0**	**0**	**0**

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

	To be covered by current staff available in the Commission services	**Exceptional additional staff***		
		To be financed under Heading 7 or Research	**To be financed from BA line**	**To be financed from fees**
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**
HEADING 7					
IT expenditure (corporate)	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					
Policy IT expenditure on operational programmes	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**

3.2.6. 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[2]			
		Year **2024**	Year **2025**	Year **2026**	Year **2027**
Article …….					

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

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

4. DIGITAL DIMENSIONS

4.1. Requirements of digital relevance

- Reference to Article: Article 1 (1) Description: Definition of small mid-cap enterprises; affected stakeholders : Member states, legal entities operators in scope of this directive; High level process: Assess SMC status; Category: Data

- Reference to Article: Article 1(2) ; Description: Rules for admission on trading on the MTF; Affected stakeholders: Member States; High level process: Control admission process; Category: Data;Digital Solution, Digital Public Service

- Reference to Article: Article 2 ; Description: Includes the new SMC category as part of elaborating on the existence of a strategy for businesses including SMEs and SMCs; Affected

[2] 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.

stakeholders: Member States; High level process: Define resilience strategy for critical entities; Category: Data;Digital Solution, Digital Public Service

4.2. Data

SMC status as specified in Article 1 (1) and Article 2.

4.3. Digital solutions

N/A

4.4. Interoperability assessment

Digital public service: Admission for trading on MTF markets and Critical entities Resilience public service. 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.