

Simplified rules for small “mid-cap” companies

Comunicati stampa

- New category of company that falls between SMEs and large enterprises
- EP proposes thresholds of 1,000 employees, €200M in turnover or €172M in total assets to define small mid-caps

New laws seek to boost the competitiveness of EU so-called small “mid-cap” (SMC) enterprises as they grow beyond SME status with targeted measures.

On Wednesday, three EP committees voted to endorse proposals introducing the concept of small mid-cap enterprises (SMCs) and extending to them various exemptions that so far have been available to small and medium enterprises (SMEs). The aim is to avoid cliff-edge situations where a company’s obligations drastically increase when they grow beyond the SME threshold.

MEPs want to see SMCs defined as companies with fewer than 1,000 employees; and either up to €200 million in turnover or up to €172 million in total assets (the Commission proposed 750 employees, €150 million in turnover and €129 million in total assets). At the same time, Parliament wants to ensure that support for SMEs is not diluted, that EU support follows a “think small first” principle, and that the thresholds are reviewed every five years.

Lighter record-keeping obligations for data protection purposes

Under the new law, current SME exemptions from record-keeping obligations under the General Data Protection Regulation (GDPR) would be extended to SMCs when processing data that is not considered high-risk for the subject’s rights. The exemption will not apply to processing sensitive data including biometrics and data on ethnic origin, political opinions, religion, health, or criminal convictions.

Better access to capital markets

The new definition of SMCs in the [Markets in Financial Instruments Directive](#) (MiFID) would reduce administrative burdens. It would allow these companies (SMCs) to access SME growth markets and benefit from simpler prospectus disclosure rules, in line with the updated [Prospectus Regulation](#). This would make it easier for SCMs to raise money on capital markets.

An SME Growth Market is a special type of [multilateral trading facility](#) created to help small and medium-sized enterprises (SMEs) access public funding, with rules that are adapted to smaller companies.

Simplification measures for batteries and F-gases

Under the [Batteries Regulation](#), SMEs are exempt from certain obligations on battery due diligence policies. To reduce the administrative burden, MEPs want the requirement for economic operators to review, update and make publicly available their due diligence policy to be extended to SMCs and apply every five years or more often if a significant change occurs (instead of every three years as in the Commission's original proposal).

All importers and exporters of products and equipment containing F-gases are required to register in the F-gas Portal [under the EU's F-gases Regulation](#), making this burden disproportionate in particular for SMEs and SMCs. MEPs want this registration requirement to be limited to imports for which reporting requirements apply (10 tonnes of CO₂ equivalent or more of hydrofluorocarbons or 100 tonnes of CO₂ equivalent or more of other fluorinated greenhouse gases) and to exports for which an export limitation exists.

Support for critical infrastructure entities

The package also applies to legislation on the resilience of critical entities, where member states need to support SMC critical entities as they implement the obligations, and to trade defence instruments, access to which should be made easier for SMCs alongside SMEs.

You can read statements by the co-rapporteurs [here](#).

Background

Introducing tailored measures to support SMCs was one of the recommendations of the [Draghi report on EU competitiveness](#), and of the [Letta report on the future of the single market](#).

The two acts voted today form part of the [fourth Omnibus package on simplification](#) proposed by the European Commission in May 2025.

Next steps

The economics and civil liberties committees adopted changes to MiFID and the resilience of critical entities directive with 98 in favour, 6 against, and 5 abstentions. Inter-institutional negotiations were authorised with 102 in favour, 6 against, and 1 abstention.

The same committees plus the environment committee adopted changes impacting the GDPR and rules on prospectuses, fluorinated gases, batteries and trade defence instruments

with 158 in favour, 9 against, and 10 abstentions. Inter-institutional negotiations were authorised with 166 in favour, 9 against, and no abstentions.

Once the mandates have been endorsed by the EP plenary (planned for March), negotiations with the Council can begin.