



Position Paper

July 2017

EUROCHAMBRES' feedback on the Inception Impact Assessment on the revision of the EU SME definition

This paper provides feedback on the Inception Impact Assessment published by the European Commission on 8 June 2017 and aims to contribute to the ongoing discussions regarding a potential revision of the EU SME Definition, as set out in Recommendation 2003/361/EC. Overall, EUROCHAMBRES considers that the level and scope of current criteria – based on staff headcount and either turnover or balance sheet total - remain adequate. Below are specific comments.

Definition threshold

Increasing the thresholds would render the definition redundant, as it already covers 99% of businesses in the EU. An increase would undermine the key objective specified in the inception IA to 'ensure that available support and special measures to reduce administrative burden are focussing on those enterprises that are most in need of it'. We acknowledge that a reassessment of the financial thresholds may be pertinent in view of the compound increase in inflation and productivity since 2003.

Definition criteria

There are certainly arguments for factoring elements other than size and either turnover or balance-sheet into policy discussions and measures, such as sector, activity, or phase in the business life cycle. However, it would be extremely complex, both for administrations and businesses, to attempt further to cover such variables in the SME definition itself, and this complexity could undermine the application of the definition. It is indeed crucial that the SME definition is clear and simple, not least to ensure that it is correctly applied and proves effective in policy implementation.

Start-ups and Scale-ups

In the September 2012 Evaluation of the SME Definition, lock-in effects discouraging SMEs to scale-up because of the loss of benefits provided by the SME status were not attributed to the EU SME Definition but to regulations applying at national level and to the application of other ceilings that do not relate to the Definition. This suggests that a change to the Definition of EU SME is not the key to tackle this issue. Moreover, wherever thresholds are set, there will be implications.

Legal certainty

EUROCHAMBRES recognises the need to enhance legal certainty in order to ensure that support programmes and measures are targeted as much as possible at those businesses for which they are designed.

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EUROCHAMBRES – The Association of European Chambers of Commerce and Industry represents over 20 million enterprises in Europe – 93% of which are SMEs – through members in 43 countries and a European network of 1700 regional and local Chambers.