

A large stack of papers, some white and some yellow, with a black binder clip attached. The background is a soft-focus image of the papers.

Position on the fourth Omnibus Simplification package

The logo for Eurochambres, featuring a stylized yellow circle with a blue outline and a blue diagonal line, surrounded by yellow stars.

EUROCHAMBRES

Eurochambres position on the fourth Omnibus Simplification package

Eurochambres supports the European Commission's efforts to simplify regulation and reduce administrative burdens on EU businesses. At the same time, the fourth Omnibus Simplification package presented in May has a limited impact on the broader business community. Eurochambres urges the Commission to come forward with genuine simplification proposals and significantly reduce the compliance costs faced by European businesses.

While the package proposes some small positive changes, addressing certain regulatory challenges of 38.000 companies will not bring any immediate and tangible relief for the remaining 26 million European SMEs.

1. Small mid-cap (SMC) category: addressing the 'cliff-edge' effect or introducing further complexity?

- With the 2023 SME Relief Package, the Commission identified small mid-cap companies as a dynamic segment of Europe's economy held back by a lack of skilled employees or administrative burden. Both Mr. Draghi and Mr. Letta highlighted similar conclusions in their two high-level reports, which indicated that extending supporting measures designed for SMEs to SMCs would have a positive impact on the functioning of the single market and European competitiveness.
- Eurochambres fully agrees with the Commission's identification of the regulatory complexity as a real barrier for SMEs in scaling and outgrowing the current SME threshold. While addressing the so-called 'cliff-edge' effect that discourages growth is a good argument, it will not, however, bring immediate relief to companies and would not necessarily and automatically incentivise the scaling of those businesses currently belonging to the SME segment.
- Eurochambres acknowledges the unique position in the market of mid-cap companies as a key segment of the economy to bolster Europe's resilience and their potential contribution to economic growth, innovation, and employment. However, extending SME-friendly provisions to 38.000 companies falling under the proposed SMC category¹ as proposed by the Commission, will not deliver much relief to the remaining 26 million European SMEs.
- The chamber network invites the Commission to clarify the rationale behind the newly proposed thresholds and to map the EU business landscape by company size comprehensively. This data would be a more robust foundation for assessing the appropriateness of current and future thresholds and their scope.

¹ The new SMC category for companies will cover businesses with a staff headcount between 250 and 749 employees, an annual turnover of a maximum EUR 150 million, or a balance sheet of EUR 129 million

- Eurochambres invites the Commission to fundamentally revise its approach to SMEs, which are too often overlooked in policymaking. The chamber network emphasises the importance of a proportionate regulatory framework and urges the Commission to take more substantive actions in alleviating European SMEs from compliance costs and administrative burdens associated with both EU and national legislation.
- Eurochambres insists that the best approach to ensure a fit-for-purpose regulatory framework is to draft legislation with smaller businesses in mind from the outset and adhere to the “Think Small First” principle. This would ensure that adverse and unexpected impacts on smaller businesses are prevented, rather than being addressed through subsequent omnibus simplification proposals that amend already adopted legal texts in the future.

2. Eurochambres comments on the proposed amendments to the legislative acts:

- The proposed amendments to the legislative acts are generally well-received by the chamber network. However, these measures must be accompanied by practical implementation tools, such as informational portals, standardized templates, and multilingual resources, to ensure accessibility, especially for smaller and rapidly expanding entities. Establishing monitoring mechanisms is crucial to safeguard the competitive positions of existing SMEs.

General Data Protection Regulation (GDPR) - Regulation (EU) 2016/679

- The proposed extension of derogations under Article 30(5) of Regulation (EU) 2016/679 is a positive step to relieve businesses from certain burdens placed by compliance obligations under the GDPR.
- The chamber network supports the Commission’s proposal to exempt SMCs – in addition to SMEs – from the obligation to maintain records of data processing activities, except where the enterprise or organisation is engaged in ‘high-risk’ processing. At the same time, as the other GDPR obligations, such as accountability and transparency, remain fully applicable, the suggested change to Article 30(5) risks having very limited practical effect.
- As pointed out in our recent [Position on the GDPR simplification](#), reducing record-keeping obligations for SMEs must necessarily be accompanied by simplification of the information, accountability, and transparency obligations imposed on SMEs. All these adjustments must be geared towards paying greater attention to the risk-based approach and eliminating existing legal uncertainties. Recital 13 of the GDPR, which recognises the special situation of SMEs, has played a minimal role in practice to date.
- With many companies still facing disproportionate compliance requirements, including extensive record-keeping, detailed documentation of data processing activities, and ongoing obligations to monitor and report on their data practices, further targeted GDPR simplification measures within the announced Omnibus Simplification package on Digitalisation are urgently needed.

- In addition to a sheer reduction in the reporting obligations under the GDPR for businesses, Eurochambres invites the Commission to provide clearer guidance on what constitutes '*high-risk processing*' and enhance the practical application of the GDPR's risk-based approach, as this remains a significant concern for businesses and organisations. Fragmented guidance from supervisory authorities further contributes to the existing uncertainty.

Markets in financial instruments Directive – Directive (EU) 2014/65

- Eurochambres welcomes the proposed changes to Article 4(1) and Article 33 to extend mitigating measures to SMCs under MiFID II. This recognition of the specific challenges faced by SMCs represents a balanced and inclusive approach to EU enterprise policy. At the same time, Eurochambres recommends regular assessment of the impact of these changes to ensure they are effective and proportionate.

EU Battery Regulation - Regulation (EU) 2023/1542

- Eurochambres supports the proposed extension of due diligence obligations for SMEs also to SMCs by amending Article 47 under Regulation (EU) 2023/1542. However, whenever a company is in the supply chain of an obliged company (under Article 47 of the EU Battery Regulation), the data must be supplied to that company so that it can fulfil its due diligence obligations.
 - To ensure coherence between the legal acts, the EU Battery Regulation should be amended in line with the content of the Corporate Sustainability Due Diligence Directive (CSDDD), e.g. the proposed amendment to mainly limit full due diligence requirements to direct business partners.
- In addition, the chamber network highlights the need for further simplification concerning the EU Battery Regulation. For example, Article 74(5) stipulates that the costs borne by the manufacturer for collection/sorting/recycling must be clearly shown to the end user at the point of sale of a new battery. This requirement to label the visible fee is questionable, as it does not bring any added value for consumers and creates unnecessary work for manufacturers and retailers.
 - Eurochambres therefore invites the Commission to remove this requirement from the EU Battery Regulation, or, at least, add a minimum provision, e.g. that disposal costs below 1 Euro do not have to be advertised (Example: the disposal costs for a button cell are approx. 0.002 EUR).
- Concerning the numerous outstanding secondary legislation on the EU Battery Regulation, the chamber network urges pragmatic and flexible implementation. If necessary, the secondary legislation should be used to revise the EU Battery Regulation.
- The two-year extension – from 18 August 2025 to 18 August 2027 – provides the necessary time for businesses to adapt. Nevertheless, even the one-year period between the publication of the Commission guidelines and the postponed application date still seems extremely ambitious for many companies, given the considerable organisational and structural adjustment requirements.

Regulation on protection against dumped imports - Regulation (EU) 2016/1036 and Regulation on protection against subsidised imports - Regulation (EU) 2016/1037

- The extension in the scope of provisions under Article 5 (1a), whereby both SMEs and SMCs have facilitated access to the trade defence instrument, is to be welcomed. Extending the already foreseen assistance to SMEs through a dedicated helpdesk, which provides general information and explanations on procedures and how to submit a complaint, or by releasing standard questionnaires, also to SMCs, can be considered an alleviating measure to reduce the regulatory burden on businesses. However, Eurochambres notes that its impact in reality risks being limited.
- Similarly to Regulation (EU) 2016/1036, the amendments to Regulation (EU) 2016/1037 extend the access to a dedicated helpdesk also to SMCs. Eurochambres, therefore, questions whether such changes will provide any relief to the broader business community and urges the Commission to focus on addressing much more pressing issues.

Regulation on fluorinated greenhouse gases (F-gases) (EU) 2024/573

- The Commission's proposal is sensible and provides a certain degree of relief. However, the Commission should consider further simplification measures in the framework of F-gases.
- For instance, the Commission should clarify whether persons who only use alternatives to F-gases are excluded from qualification requirements under Art. 10. The Commission's current interpretation is that such persons must also fulfil the requirements. However, according to Art. 2 FGR, the scope is limited to F-gases in Annexes I, II, and III. The consequence of this is that the Regulation practically interferes with vocational training. It also requires maintaining a complex qualification/certification system for an unlimited period. This is associated with unjustified administrative costs and expenses for companies, authorities, and bodies responsible for certification.
- A further extensive simplification for companies, authorities, and bodies entrusted with certification would be to leave it to the member states to decide whether training courses must be repeated at least every 7 years. At present, such repetitions are mandatory under Art. 10 (9). As a result of this obligation, the qualification requirements of the Regulation are no longer efficiently integrated into the existing vocational training systems of some member states, as was the case under the previous Regulation, which allowed this flexibility. This makes a costly parallel administrative structure necessary, which has no added value, as companies already train their employees at regular intervals and as required, often much more frequently than every 7 years.

Prospectus Regulation - Regulation (EU) 2017/1129

- The chamber network agrees with the extension in the use of an EU Growth issuance prospectus, currently typically drawn up by SMEs, also to SMCs to reduce their cost of listing and potentially make those companies more attractive to investors, thus

facilitating access to funding by SMCs.

Critical entities resilience Directive - Directive (EU) 2022/2557

- Eurochambres welcomes the proposed changes to Article 4 in Directive (EU) 2022/2557. Ensuring that member states describe measures to facilitate the implementation of certain obligations by both SMEs and SMCs that are identified as critical entities is a welcome initiative. However, Eurochambres considers such cosmetic changes to be far from addressing the problem of regulatory pressure from the root cause and risks resulting in additional paperwork for member states and public authorities. This, in turn, holds the potential to create an additional burden on businesses whenever information is not already easily available.

Proposals for a Directive and a Regulation as regards digitalisation and common specifications

- The use of interoperable digital solutions for declarations and user instructions is a forward-thinking measure that can help reduce compliance costs. However, the transition to a 'digital-by-default' approach must avoid penalising companies that have invested in alternative compliance systems.
- Digitalisation presents a valuable opportunity to reduce administrative burdens, especially through the implementation of the "once only" principle for data submission. Nevertheless, care must be taken to ensure solutions are practical and business-friendly. Automating reporting through digital and AI tools requires that companies have access to the necessary data. Businesses, in practice, are faced with difficulties in obtaining and calculating the required data points.
- Chambers of commerce, through their Digital Enterprise Points (PID), highlight the need to bridge the digital divide, particularly affecting SMEs in rural or underserved areas. A hybrid approach during the transition, along with strong cybersecurity and interoperability assurances, is essential to build trust and ensure inclusivity.
- The move to provide EU declarations of conformity in electronic form can reduce compliance costs and promote regulatory consistency. Where such declarations must accompany a product, it is reasonable to require that they be issued electronically and made accessible via a URL or machine-readable code.
- The Digital Product Passport (DPP), applicable under the new Ecodesign Regulation and to products like batteries and toys, offers an effective way to update and share conformity information, facilitating cross-border trade. Businesses are willing to store and disclose data in the DPP, provided its use is limited to clearly defined purposes such as declarations of conformity and user instructions.
- Eurochambres expresses serious reservations concerning the Proposals for a Directive and a Regulation as regards the digitalisation and alignment of common specifications (CS).
- While the chamber network supports the Commission's objective to modernise and accelerate the standardisation system, the proposed provisions on CS risk create a

parallel structure that undermines the established public-private partnership. This partnership has been central to an open, inclusive, and industry-led European Standardisation System.

- Eurochambres also highlights the risk of developing impractical or burdensome requirements due to insufficient engagement with businesses, standardisation bodies, technical entities, experts, and sectoral stakeholders.
- The development of harmonised European standards (hENs) should remain the primary objective. As pointed out by the Commission itself, these standards promote global trade and international cooperation in general. The EU should continue promoting open, transparent processes aligned with WTO criteria and strengthen the collaboration with international standards development organisations such as the International Organization for Standardization (ISO), the International Electrotechnical Commission (IEC), and the International Telecommunication Union (ITU).
- The process triggering the development and adoption of CS lacks clarity. Eurochambres urges the Commission to apply existing inclusive, transparent, and stakeholder-driven processes defined in Articles 13 and 14 of the Standardisation Regulation (1025/2012). Alternatively, CS should be based on a harmonised approach, and it must be clearly stated that they are a fallback option, which is subject to strict criteria, to prevent the establishment of a parallel system.
- A key concern for the chamber network is that CS are not automatically repealed once a harmonised standard is published in the EU Official Journal that covers the same regulatory requirements. As seen in Article 20(7) of the Machinery Regulation (2023/1230), such a clause is essential and should be explicitly included in any legislative proposal involving CS.
- In addition, the process for drawing up CS is regulated in detail in the Machinery Regulation, with the Commission justifying its reasons for adopting CS. The implementing acts establishing CS are adopted in the examination procedure. When preparing the draft for a CS, the Commission takes into account the views of the relevant bodies or expert groups and consults the relevant stakeholders. All of this is missing in the current Commission proposals.
- Therefore, Eurochambres stresses the need to align the proposal concerning CS with the Machinery Regulation. Specifically, any provisions on CS in legislation should reflect the wording and fallback conditions set out in Article 20 of the Machinery Regulation.
- Eurochambres invites the Commission to reconsider the current approach to CS, as it is essential to clarify the conditions, processes, and stakeholder involvement under which CS may be developed and used. At the same time, we urge the Commission to prioritise efforts to improve and accelerate the existing European Standardisation System, including addressing the delays caused by constraints in the HAS.
- Regarding Regulation (EU) 2024/1781 establishing a framework for the setting of ecodesign requirements for sustainable products (ESPR), this omnibus proposal is

disappointing. It does not provide for a reduction in reporting obligations, but only for the creation of a digital contact and the transmission of information and documentation on product conformity to the authorities, only in electronic form. However, the deadlines for feedback to the authorities provided for in the ESRP should generally be extended from 15 days to 30 days. This applies in particular to Art. 27 (10), Art. 28 (2) lit c, Art. 29 (8), Art. 30 (5), and Art. 36 (2) ESRP. In view of the amount and complexity of the information to be collected, such an extension is in any case proportionate and appropriate. Furthermore, companies need the implementation of the ESRP to be as low-threshold as possible, as well as an urgent reduction in reporting obligations. For example, substances of concern (at least 4.600 substances whose occurrence must be reported) are one of the 16 ESRP criteria where there is a need for simplification.



Eurochambres – the association of European chambers of commerce and industry – represents more than 20 million businesses through its members and a network of 1700 regional and local chambers across Europe. Eurochambres is the leading voice for the broad business community at EU level, building on chambers' strong connections with the grass roots economy and their hands-on support to entrepreneurs. Chambers' member businesses – over 93% of which are SMEs – employ over 120 million people.

Previous positions can be found here: <https://bit.ly/ECHPositions>

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