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WORKING DOCUMENT

From:	General Secretariat of the Council
To:	Antici Group (Simplification)
Subject:	Omnibus IV – Small mid-caps – Presidency discussion note

Delegations will find enclosed a note by the Presidency with a view to steering the discussion on the proposals on Small mid-caps at the meeting of the Antici Group (Simplification) on 24 July 2025.

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Presidency Discussion Note

Antici Group on Simplification (AGS)

Thursday, 24 July 2025

Omnibus IV proposals on small mid-caps

Dear Colleagues,

During the afternoon session on 24 July, we will have the first AGS meeting under the Danish Presidency on the Omnibus IV package regarding small mid-caps. Continuing the discussions during the Polish Presidency at the AGS meetings on 10 and 25 June, as well as the written comments received from Member States by 3 July, the meeting on 24 July will aim to:

1. provide more clarity on those areas where Member States have asked questions, through answers from the Commission to the few remaining outstanding questions.
2. move closer towards agreement on the outstanding issues on the various legislative acts.

The Presidency takes note of the questions addressed to the Commission and will invite the Commission to answer orally at the beginning of the session. Questions were received on the GDPR (2016/679), Prospectus Regulation (Regulation (EU) 2017/1129), the Battery Regulation (Regulation (EU) 2023/1542), MiFID II (Directive 2014/65/EU), the Critical Entities Resilience (CER) Directive (Directive (EU) 2022/2557) and the F-Gas Regulation (Regulation (EU) 2024/573), so answers from the Commission will relate to these acts.

The Presidency has received a number of general questions and comments that are relevant for more than one of the legal acts. The Presidency will briefly summarize these comments and share intentions on how to move forward. Afterwards, comments addressing specific legal acts will be addressed as outlined below.

Comments received on issues that are not mentioned below mainly consist of minor technical clarifications and, thus, the Presidency suggests to move forward without introducing any substantial changes.

General questions and comments

Weakening of SMEs rights and support

The Presidency notes that some Member States suggest clarifying that extending the scope of certain tools and support measures or exemptions from SMEs to SMCs should not undermine the current level of support (including finance options) and possibilities for SMEs, including for the Anti Dumping Regulation (2016/1036) and Anti Subsidisation Regulation (2016/1037). Similarly, one Member State has suggested amendments to MiFID II (2014/65) following the same logic to prevent weakening SME's position.

The Presidency suggests adding a clarification in a recital, including for the three acts mentioned, stating that SME support remains a priority and that the SMC-definition complements the definition on SME's to support their development and scaling up. This would alleviate the immediate concern without introducing new rules or requirements that can be difficult to fulfil in practise.

- *Can delegations support the approach of adding this clarification on the impact on SMEs in the respective recitals?*

Transposition of the Directives

The Presidency notes that some Member States have raised concerns regarding the length of the transposition for the two Directives, hence indicating a preference for extending the deadline. While an extension would delay the easing of burden for SMCs, it would allow Member States more time to properly and in a timely manner implement the needed changes, thus avoiding potential fragmentation on the Single Market and potential infringement procedures.

- *The Presidency invites delegations to indicate their preference for the length of the transposition deadline.*

Questions and comments addressing specific legal acts

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

After the general comments, we will move to a discussion on the proposed amendments to the GDPR. To begin, the Presidency will briefly summarize the written comments received from Member States as the departure for a discussion on a favoured approach going forward.

Some Member States have requested further clarifications of the scope of the proposed amendment to Article 30(5) in the respective recitals, e.g., specifying that public authorities and bodies will not be able to avail themselves of the exemption and that the proposed changes of Article 30(5) are without prejudice to Article 35(3)(b). The Presidency intends to amend the respective recitals, to clarify the scope and practical implications of the proposed amendments in accordance with the Member States comments and the comments from EDPB and EDPS.

- *Can delegations support clarifying the scope through amendments to the respective recitals?*

As for the operative text regarding Article 30(5), the Presidency notes that some Member States have called for further simplification of the GDPR, while others have proposed limiting the scope of the proposed exemption, by lowering the threshold for the size of exempted enterprises and organizations or specifying that the processing of certain types of personal data always should be excluded from the scope of the proposed exemption.

In this context, we note that both the European Data Protection Board (EDPB) and European Data Protection Supervisor (EDPS) in a joint statement have welcomed the proposed targeted simplifications of the GDPR[1]. Particularly, we highlight that the EDPB and EDPS consider that the criteria of whether a given processing is "likely to result in high risk" is in line with the risk-based approach underlying the GDPR.

As a result of the considerations above, the Presidency intends to retain the text on Article 30(5) as proposed by the Commission.

- *Can delegations support keeping the operative text regarding GDPR Article 30(5)?*

As for the proposed amendments of GDPR Article 40(1), and Article 42(1), very limited comments to these amendments were received. Having in mind the endorsement of the EDPB and the EDPS of the proposed changes, the Presidency does not foresee to address this issue further, but would welcome any Member State that sees otherwise to take the floor.

Battery Regulation (2023/1542)

The Presidency will first summarize the written comments received from Member States regarding the Battery Regulation (Regulation (EU) 2023/1542) as the departure for a discussion on a favoured approach going forward.

Following the written comments, the Presidency has noted general support for the proposal as regards the Battery Regulation. However, the Presidency has noted one Member State calling for further alignment with the general legislation on due diligence, more specifically with CSDDD (Directive (EU) 2024/1760) Article 7.

Article 52:

Based on written comments from Member States, the Presidency suggests harmonizing the Battery Regulation with CSDDD on the Commission's proposed amendments to Article 52.

[1] https://www.edpb.europa.eu/system/files/2025-07/edpb_edps_jointopinion_202501_proposalsimplification_en.pdf

More specifically, the Presidency suggests aligning the wording of Article 52(3) with Article 7(3) of Directive (EU) 2024/1760 (CSDDD). This includes that the due diligence reporting will be required every 24 months rather than every three years.

Moreover, ensuring consistency with CSDDD and Article 7 thereof entails that economic operators will be obliged to review, make publicly available and, where necessary, update their battery due diligence policies after a significant change occurs. This is important to ensure that such policies cover current and foreseeable impacts on social issues, in particular human rights.

In that regard, the current wording of Article 52(3) of the Battery Regulation does not state an explicit obligation for companies to update their due diligence policies but merely review such policies and make them publicly available, including on the internet. This is, however, the case in Article 7 of the CSDDD where it is explicitly stated that companies must review, "and where necessary, update" such policies. The Presidency finds that the wording of the CSDDD should be reflected in the Battery Regulation and suggests adding "and where necessary, update" to Article 52(3). The Presidency considers this unproblematic as such an obligation is already implied in the current obligation in the Battery Regulation, but not explicitly, why this would merely constitute as a clarification creating more legal certainty for the companies.

Moreover, as the alignment with CSDDD also entails reviewing policies after a significant change occurs, the Presidency suggests that, as a consequence, the description of 'significant change' should be included in the Battery Regulation.

- *Are there any comments from delegations on these points on the Battery Regulation? Otherwise, the Presidency will move forward as outlined above.*

- *If delegations identify further areas necessary for guidance to the Presidency for the drafting of the first compromise text, delegations are invited to share these.*

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We look forward to seeing you on 24 July.

Kind regards

DK Presidency Team

Antici Group on Simplification