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WORKING DOCUMENT

From: General Secretariat of the Council
To: Antici Group (Simplification)

Subject: Omnibus IV (SMC) - MS compiled comments

Delegations will find enclosed compilation of MS comments as received from BE, BG, FR, LU, MT, NL, PT and SI on the Omnibus IV - SMC proposal.

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MS COMMENT
Omnibus IV
Small-mid caps – 30-07-2025

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BELGIUM

Belgian experts wanted to contribute in a constructive way ahead of the upcoming first Presidency compromise text and proposed the following:

- SME support remains a priority, and the SMC-definition complements the definition on SME's to support their development and scaling up. (= DK proposal) This new category has been set up to facilitate the development of start-ups and scale-ups. These SMCs were initially SMEs. That is why SMEs must still be stimulated in their development and therefore let them reach this new intermediary stage of SMCs.

BULGARIA

Please find below the comments from Bulgaria to the proposal on Small mid-caps, in particular related to MIFID and Prospectus amendments:

Bulgaria generally supports the establishment of an intermediate category of enterprises that distinguishes enterprises that have exceeded the thresholds for SMEs not to be subject to the same regulatory requirements as large enterprises and thus to facilitate their growth.

However, Bulgaria notes that the definition of small mid-cap companies proposed in MIFID would capture companies with a market capitalization which are considered as large companies taking into account the size of the Bulgarian capital market.

Bulgaria believes that there should be a balance between the need to simplify legislation in order to improve the competitiveness of EU businesses and the protection of investors' interests.

In this regard, Bulgaria considers that **a review clause** should be envisaged to assess the impact of the proposed alleviations in MIFID and Prospectus on the capital markets and investors.

FRANCE

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

amending Regulations (EU) 2016/679, (EU) 2016/1036, (EU) 2016/1037, (EU) 2017/1129, (EU) 2023/1542 and (EU) 2024/573 as regards the extension of certain mitigating measures available for small and medium sized enterprises to small mid-cap enterprises and further simplification measures

Guidelines to be followed

Please kindly provide your contributions in the table below.

Drafting suggestions: you may use '**track changes**' or formatting (for example **bold-underline** for additions and ~~strike through~~ for deletions, **where necessary, in a different colour**).

Name of document: please add the **two initials** of your delegation's country followed by a space (to the MS Word document name), followed by any optional text, for example, for Austria: **AT comments ondocx**

Thank you for your cooperation!

Commission proposal	Drafting suggestions	Justifications
General comments		
THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,		

Commission proposal	Drafting suggestions	Justifications
Having regard to the Treaty on the Functioning of the European Union, and in particular Article 16, Article 114, Article 192 (1) and Article 207 (2) 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		

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

Commission proposal	Drafting suggestions	Justifications
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 rationalise 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 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 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 enterprises 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

Commission proposal	Drafting suggestions	Justifications
<p>(4) Enterprises outgrowing the SME definition – the ‘small mid-cap enterprises’ (‘SMCs’) – play a vital role in the Union’s economy⁸. 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 earlier⁹.</p>		
<p>(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.</p>		

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>

Commission proposal	Drafting suggestions	Justifications
<p>(6) Regulations (EU) 2016/679¹⁰, (EU) 2016/1036¹¹, (EU) 2016/1037¹², (EU) 2017/1129¹³ and (EU) 2023/1542¹⁴ of the European Parliament and of the Council contain a number of provisions that aim at providing support, simplification or mitigating measures to SMEs. More specifically, those provisions are aimed at alleviating administrative burdens, reducing or eliminating market entry barriers, facilitating compliance, considering the specific situation of SMEs when implementing their obligations and when assessing the economic and social impacts of those obligations, providing dedicated guidance, support and assistance to SMEs.</p>		
<p>(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 – insert full title and reference) and cover enterprises that are up to three times the size of</p>		

¹⁰ Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) (OJ L 119, 4.5.2016, p. 1, ELI: <http://data.europa.eu/eli/reg/2016/679/oj>)

¹¹ Regulation (EU) 2016/1036 of the European Parliament and of the Council of 8 June 2016 on protection against dumped imports from countries not members of the European Union (OJ L 176, 30.6.2016, p. 21, ELI: <http://data.europa.eu/eli/reg/2016/1036/oj>)

¹² Regulation (EU) 2016/1037 of the European Parliament and of the Council of 8 June 2016 on protection against subsidised imports from countries not members of the European Union (OJ L 176, 30.6.2016, p. 55, ELI: <http://data.europa.eu/eli/reg/2016/1037/oj>)

¹³ Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (OJ L 168, 30.6.2017, p. 12, ELI: <http://data.europa.eu/eli/reg/2017/1129/oj>)

¹⁴ Regulation (EU) 2023/1542 of the European Parliament and of the Council of 12 July 2023 concerning batteries and waste batteries, amending Directive 2008/98/EC and Regulation (EU) 2019/1020 and repealing Directive 2006/66/EC (OJ L 191, 28.7.2023, p. 1, ELI: <http://data.europa.eu/eli/reg/2023/1542/oj>).

Commission proposal	Drafting suggestions	Justifications
<p>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.</p>		
<p>(8) Regulation (EU) 2016/679 provides for the protection of natural persons with regard to the processing of personal data and free movement of such data. The obligation to maintain records of processing should be simplified so that it applies to all enterprises and organisations with fewer than 750 employees, provided that their processing activities are not likely to result in a high risk to the data subjects' rights and freedoms.</p>	<p>(8) Regulation (EU) 2016/679 provides for the protection of natural persons with regard to the processing of personal data and free movement of such data. The obligation to maintain records of processing should be simplified so that it applies to all enterprises and organisations with fewer than 750 <u>1000</u> employees, provided that their processing activities are not likely to result in a high risk to the data subjects' rights and freedoms.</p>	<p>With a 750-employee ceiling, recital 8 would contradict recital 3 which underlines the need to “develop a harmonised definition for small mid-cap enterprises”. Through the Omnibus-I process, the Council agreed to raise the thresholds for CSRD and Taxonomy to 1000 employees and a net turnover exceeding EUR 450 000 000 and also agreed on a “cap in the value chain” for CSRD and CS3D limiting the information collected from the undertakings below 1000 employees. This 1000-employee standard was chosen “to limit the burden for smaller undertakings” and to apply legislations “in a more proportionate way”. Omnibus-I therefore established for the sustainability legislations a <i>de facto</i> limit between companies below and above 1000 employees. Establishing a different definition through Omnibus IV, which was made to</p>

Commission proposal	Drafting suggestions	Justifications
		<p>harmonize the definition of small mid-cap enterprises at the European level, would go against the Council decision on Omnibus I and against the very objective of Omnibus IV through creating more complexity. For consistency reasons and to actually reach the initial objective of this omnibus, a 1000-employee ceiling has to be chosen.</p>
<p>(9) In order to reflect the above, it is necessary to amend Article 30(5) of Regulation (EU) 2016/679, by extending the scope of the derogation from the record-keeping obligation to SMCs and organisations with fewer than 750 employees to allow also them to profit from that derogation and by providing that the derogation applies unless the processing is likely to result in a ‘high risk’ to data subjects’ rights and freedoms, within the meaning of Article 35 of Regulation (EU) 2016/679. In particular the processing of personal data referred to in paragraph 3 of that provision should be considered as requiring the data controller or the processor to maintain records of its processing activities.</p>	<p>(9) In order to reflect the above, it is necessary to amend Article 30(5) of Regulation (EU) 2016/679, by extending the scope of the derogation from the record-keeping obligation to SMCs and organisations with fewer than 750 1000 employees to allow also them to profit from that derogation and by providing that the derogation applies unless the processing is likely to result in a ‘high risk’ to data subjects’ rights and freedoms, within the meaning of Article 35 of Regulation (EU) 2016/679. In particular the processing of personal data referred to in paragraph 3 of that provision should be considered as requiring the data</p>	<p><i>See recital 8 detailed explanation</i></p>

Commission proposal	Drafting suggestions	Justifications
	controller or the processor to maintain records of its processing activities.	
(10) In this context, the processing of special categories of personal data which is necessary for the purposes of carrying out the obligations and exercising specific rights of the controller or of the data subject in the field of employment and social security and social protection law, as referred to in Article 9(2), point (b), of Regulation (EU) 2016/679, should not as such require that records of processing be maintained.		
(11) Furthermore, in order to extend to SMCs, the provisions that are available for micro, small and medium-sized enterprises under Regulation (EU) 2016/679, the following articles should also be amended:		
– Article 4, which contains the definitions applicable for the purpose of Regulation (EU) 2016/679. For reasons of clarity, definitions should be added for micro, small and medium-sized enterprises, and for small mid-cap enterprises. For small and medium-sized enterprises, it is appropriate to follow the choice of the co-legislator as expressed in recital (13) of the preamble to Regulation (EU) 2016/679. For SMCs, reference should be made to point 2 of Commission Recommendation 2025/EC/XXX of XX May 2025.		

Commission proposal	Drafting suggestions	Justifications
<p>– Article 40, which provides that Member States, the supervisory authorities, the Board and the Commission are to encourage associations and other bodies representing categories of controllers or processors to draw up codes of conduct, and that the specific needs of micro, small and medium-sized enterprises are to be taken into account when doing so. This requirement should be extended to include the specific needs of SMCs.</p>		
<p>– Article 42, which provides that when Member States, the supervisory authorities, the Board and the Commission are to encourage, in particular at Union level, the establishment of data protection certification mechanisms and of data protection seals and marks by certification bodies referred to in Article 43 of that Regulation or by competent supervisory authorities, the specific needs of micro, small and medium-sized enterprises are to be taken into account. This requirement should also be extended to include the specific needs of SMCs.</p>		
<p>(12) The European Data Protection Supervisor and the European Data Protection Board were consulted, in accordance with Article 42(1) and (2) of Regulation (EC) 2018/1725, and they delivered a joint opinion on [XXX, date].</p>		
<p>(13) Regulations (EU) 2016/1036 and (EU) 2016/1037 are part of the Union’s trade defence system. They allow the Union to investigate and</p>		

Commission proposal	Drafting suggestions	Justifications
<p>address dumping and subsidisation by third countries and restore a level playing field in the Union market. If an investigation confirms the existence of such practices and resulting injury to the Union industry, the Commission imposes an anti-dumping or countervailing duty, provided such imposition is not against the Union interest. Anti-dumping and anti-subsidy investigations require active involvement from enterprises. Investigations are normally initiated on the basis of a formal complaint from the affected Union industry that must contain evidence of the unfair practice and of the injury it has caused. Investigations require active involvement of, and data from, producers, importers and users of the product in the Union. Mainly because of their fragmentation and lack of resources, it is often very difficult for SMEs to understand trade defence and cooperate in trade defence proceedings. This is why Regulations (EU) 2016/1036 and (EU) 2016/1037 include provisions to overcome the barriers that stop smaller enterprises from accessing and using trade defence, namely through a dedicated helpdesk, and by, whenever possible, aligning investigation periods with the financial year. It is considered appropriate to ensure that SMEs also benefit from those provisions.</p>		
<p>(14) Regulation (EU) 2017/1129 sets out requirements for drawing up of a prospectus in cases where securities are offered to the public or admitted to trading on a regulated market.</p>		

Commission proposal	Drafting suggestions	Justifications
<p>That Regulation, as amended by Regulation (EU) 2024/2809, provides for a streamlined EU Growth issuance prospectus that has lighter requirements, compared to a standard prospectus, to make the listing process less burdensome and less costly for certain types of enterprises and in certain cases. The main categories of beneficiaries of such streamlined prospectus are enterprises with a growth potential, notably SMEs and other enterprises whose securities are admitted or are to be admitted to trading on an SME growth market. In order to reduce the burden for SMCs and potentially make them more attractive to investors, it is appropriate to also enable SMCs to draw up an EU Growth issuance prospectus for their offers of securities to the public, including when such offers are accompanied with an admission to trading on a multilateral trading facility.</p>		
<p>(15) In order to clarify the treatment of SMCs in Regulation (EU) 2017/1129, it is necessary to introduce in its Article 2 a definition of SMC, distinct from the definition of an SME. Small mid-cap enterprises for the purpose of that Regulation should be defined either as enterprises that meet at least two out of the three criteria based on the average number of employees, a total balance sheet and an annual net turnover, or as enterprises that meet the definition of small mid-cap enterprises set out under Directive 2014/65/EU.</p>		

Commission proposal	Drafting suggestions	Justifications
<p>(16) SMEs and SMCs are particularly dependent on services provided by credit institutions and insurers, often relying on only one or few principal providers of these services. Resolution regimes ensure uninterrupted access to deposits and critical functions where a financial institution fails. Where resolution authorities use their power to convert liabilities of a financial institution to resolve it in a timely manner and ensure the continuity of critical functions, prior preparation and publication of a prospectus is not feasible due to the short timeframe imposed in the context of a resolution. It is therefore important to introduce an exemption from the obligation to publish a prospectus that applies to an offer to the public of both securities resulting from a conversion due to the exercise of powers under Directive 2014/59/EU of the European Parliament and of the Council¹⁵ and Directive (EU) 2025/1 of the European Parliament and of the Council¹⁶ and securities resulting from a conversion due to the exercise of a comparable power in third-country resolution proceedings that implements the Financial Stability Board’s ‘Key Attributes of Effective Resolution Regimes for Financial Institutions’, published in October 2011.</p>		

¹⁵ Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/EEC, and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU, and Regulations (EU) No 1093/2010 and (EU) No 648/2012, of the European Parliament and of the Council ([OJ L 173, 12.6.2014, p. 190](#)).

¹⁶ Directive (EU) 2025/1 of the European Parliament and of the Council of 27 November 2024 establishing a framework for the recovery and resolution of insurance and reinsurance undertakings and amending Directives 2002/47/EC, 2004/25/EC, 2007/36/EC, 2014/59/EU and (EU) 2017/1132 and Regulations (EU) No 1094/2010, (EU) No 648/2012, (EU) No 806/2014 and (EU) 2017/1129 ([OJ L, 2025/1, 8.1.2025, ELI: <http://data.europa.eu/eli/dir/2025/1/oj>](#)).

Commission proposal	Drafting suggestions	Justifications
<p>Equally, the existing exemption for the admission to trading on a regulated market of securities resulting from a conversion due to the exercise of powers under Directive 2014/59/EU and Directive (EU) 2025/1 from the obligation to publish a prospectus should be extended to securities resulting from a conversion due to the exercise of a comparable power in third-country resolution proceedings that implements those internationally agreed standards.</p>		
<p>(17) The provision in Regulation (EU) 2017/1129 concerning the EU Growth issuance prospectus will apply as of 5 March 2026, as the Commission is required to develop delegated acts to specify the reduced content and the standardised format and sequence of that prospectus. It is therefore appropriate to defer the application of the amendments to Regulation (EU) 2017/1129 concerning the EU Growth issuance prospectus set out in this Regulation to 5 March 2026.</p>		
<p>(18) Regulation (EU) 2023/1542 establishes rules concerning batteries and waste batteries. Article 47 of that Regulation exempts SMEs from certain obligations regarding battery due diligence policies. The scope of that provision should be extended to SMCs, so that they are also exempted from those obligations. To ensure consistency, it is appropriate to refer to SMCs in the same way bearing in mind that they are entities up to three times the size of SMEs, i.e.</p>		

Commission proposal	Drafting suggestions	Justifications
with a net turnover which should thus be less than EUR 150 million.		
<p>(19) Pursuant to Article 52 of Regulation (EU) 2023/1542, economic operators referred to in Article 48(1) of that Regulation are required - on an annual basis – to review and make publicly available, including on the internet, a report on their battery due diligence policy. With a view to reducing the administrative burden on economic operators, operators should be required to review and make publicly available their due diligence policy only every three years instead of annually. This burden reduction should apply to all economic operators, including SMCs.</p>		
<p>(20) The requirement in Article 20(4), point (a) of Regulation (EU) 2024/573 of the European Parliament and of the Council¹⁷ to register in the F-gas Portal prior to carrying out any imports and exports of products and equipment containing fluorinated greenhouse gases, is intended to facilitate enforcement. However, the burden resulting from that requirement may be disproportionate compared to its benefit, in particular for SMEs and SMCs. Therefore, the registration requirement should be limited to imports for which reporting requirements apply and to exports for which an export limitation exists. To the extent that this Regulation amends Regulation (EU) 2024/573</p>		

¹⁷ Regulation (EU) 2024/573 of the European Parliament and of the Council of 7 February 2024 on fluorinated greenhouse gases, amending Directive (EU) 2019/1937 and repealing Regulation (EU) No 517/2014 (OJ L 2024/573, 20.02.2024, ELI: <http://data.europa.eu/eli/reg/2024/573/oj>)

Commission proposal	Drafting suggestions	Justifications
the appropriate legal basis, in so far as those amendments are concerned, is Article 192(1) TFEU.		
(21) Regulations (EU) 2016/679, (EU) 2016/1036, (EU) 2016/1037, (EU) 2017/1129, (EU) 2023/1542 and (EU) 2024/573 should therefore be amended accordingly,		
HAVE ADOPTED THIS REGULATION:		
<i>Article 1</i>		
<i>Amendments to Regulation (EU) 2016/679</i>		
Regulation (EU) 2016/679 is amended as follows:		
(1) in Article 4, the following points (27) and (28) are added:		
‘(27) ‘micro, small, and medium-sized enterprises’ means enterprises as defined in Article 2 of the Annex to Commission Recommendation 2003/361/EC*;		
(28) ‘small mid-cap enterprises’ means enterprises as defined in point (2) of the Annex to Commission Recommendation 2025/EC/XX of XX May 2025**.;		

* Commission Recommendation of 6 May 2003 concerning the definition of micro, small and medium-		

Commission proposal	Drafting suggestions	Justifications
sized enterprises (OJ L 124, 20.5.2003, p. 36, ELI: http://data.europa.eu/eli/reco/2003/361/oj).		
** Commission Recommendation of X May 2025 concerning the definition of small mid-cap enterprises (XXXX)';		
(2) in Article 30, paragraph 5 is replaced by the following:		
'5. The obligations referred to in paragraphs 1 and 2 shall not apply to an enterprise or an organisation employing fewer than 750 persons unless the processing it carries out is likely to result in a high risk to the rights and freedoms of data subjects, within the meaning of Article 35.';	'5. The obligations referred to in paragraphs 1 and 2 shall not apply to an enterprise or an organisation employing fewer than 750 1000 persons unless the processing it carries out is likely to result in a high risk to the rights and freedoms of data subjects, within the meaning of Article 35.';	<i>See recital 8 for detailed explanation</i>
(3) in Article 40, paragraph 1 is replaced by the following:		
'1. The Member States, the supervisory authorities, the Board and the Commission shall encourage the drawing up of codes of conduct intended to contribute to the proper application of this Regulation, taking account of the specific features of the various processing sectors and the specific needs of micro, small and medium-sized enterprises and of small mid-cap enterprises.';		

Commission proposal	Drafting suggestions	Justifications
(4) in Article 42, paragraph 1 is replaced by the following:		
‘1. The Member States, the supervisory authorities, the Board and the Commission shall encourage, in particular at Union level, the establishment of data protection certification mechanisms and of data protection seals and marks, for the purpose of demonstrating compliance with this Regulation of processing operations by controllers and processors. The specific needs of micro, small and medium-sized enterprises and of small mid-cap enterprises shall be taken into account.’		
<i>Article 2</i>		
<i>Amendments to Regulation (EU) 2016/1036</i>		
Regulation (EU) No 2016/1036 is amended as follows:		
(1) in Article 5 (1a), the first subparagraph is replaced by the following:		
‘The Commission shall facilitate access to the trade defence instrument for diverse and fragmented industry sectors, largely composed of small and medium-sized enterprises		

Commission proposal	Drafting suggestions	Justifications
<p>(‘SMEs’)* or small mid-cap enterprises (‘SMCs’)**, through a dedicated Helpdesk, for example by awareness raising, by providing general information and explanations on procedures and on how to submit a complaint, by releasing standard questionnaires in all official languages of the Union and by replying to general, non-case-specific queries.’</p>		
<p>_____</p>		
<p>* 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).</p>		
<p>** Commission Recommendation of X May 2025 concerning the definition of small mid-cap enterprises (XXXX)’ ;</p>		
<p>(2) in Article 6, paragraph 9, is replaced by the following:</p>		
<p>‘9. For proceedings initiated pursuant to Article 5(9), an investigation shall, whenever possible, be concluded within one year. In any event, such investigations shall in all cases be concluded within 14 months of initiation, in accordance with the findings made pursuant to Article 8 for undertakings or the findings made</p>		

Commission proposal	Drafting suggestions	Justifications
<p>pursuant to Article 9 for definitive action.</p> <p>Investigation periods shall, whenever possible, especially in the case of diverse and fragmented sectors largely composed of SMEs or SMCs, coincide with the financial year.’</p>		
Article 3		
Amendments to Regulation (EU) 2016/1037		
<p>Regulation (EU) No 2016/1037 is amended as follows:</p>		
<p>(1) in Article 10 (1a, the first subparagraph is replaced by the following:</p>		
<p>‘The Commission shall facilitate access to the trade defence instrument for diverse and fragmented industry sectors, largely composed of small and medium-sized enterprises (SMEs)(*) or small mid-caps enterprises (SMCs)**), through a dedicated Helpdesk, for example by awareness raising, by providing general information and explanations on procedures and on how to submit a complaint, by releasing standard questionnaires in all official languages of the Union and by replying to general, non-case-specific queries.’</p>		
<p>* 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).</p>		

Commission proposal	Drafting suggestions	Justifications
** Commission Recommendation of X May 2025 concerning the definition of small mid-cap enterprises (XXXX)';		
(2) in Article 11, paragraph 9 is replaced by the following:		
'9. For proceedings initiated pursuant to Article 10(11), an investigation shall, whenever possible, be concluded within one year. In any event, such investigations shall in all cases be concluded within 13 months of their initiation, in accordance with the findings made pursuant to Article 13 for undertakings or the findings made pursuant to Article 15 for definitive action. Investigation periods shall, whenever possible, especially in the case of diverse and fragmented sectors largely composed of SMEs or SMCs, coincide with the financial year.'		
Article 4		
Amendments to Regulation (EU) 2017/1129		
Regulation (EU) 2017/1129 is amended as follows:		
(1) Article 1 is amended as follows:		
(a) in paragraph 4, the following point (dc) is inserted:		

Commission proposal	Drafting suggestions	Justifications
<p>‘(dc) an offer of securities resulting from the conversion or exchange of other securities, own funds or eligible liabilities by a resolution authority due to the exercise of a power referred to in Article 53(2), Article 59(2) or Article 63(1) of Directive 2014/59/EU or the exercise of a power referred to in Article 35(1), Article 39(2) or Article 42(1) of Directive (EU) 2025/1 of the European Parliament and of the Council (*) or by a relevant third-country authority due to the exercise of a comparable power in third-country resolution proceedings;’;</p>		
<p>(*) Directive (EU) 2025/1 of the European Parliament and of the Council of 27 November 2024 establishing a framework for the recovery and resolution of insurance and reinsurance undertakings and amending Directives 2002/47/EC, 2004/25/EC, 2007/36/EC, 2014/59/EU and (EU) 2017/1132 and Regulations (EU) No 1094/2010, (EU) No 648/2012, (EU) No 806/2014 and (EU) 2017/1129 (OJ L, 2025/1, 8.1.2025, ELI: http://data.europa.eu/eli/dir/2025/1/oj).</p>		
<p>(b) in paragraph 5, point (c) is replaced by the following:</p>		
<p>(2) ‘(c) securities resulting from the conversion or exchange of other securities, own funds or eligible liabilities by a resolution authority due to the exercise of a power referred</p>		

Commission proposal	Drafting suggestions	Justifications
to in Article 53(2), Article 59(2) or Article 63(1) of Directive 2014/59/EU or the exercise of a power referred to in Article 35(1), Article 39(2) or Article 42(1) of Directive (EU) 2025/1 or by a relevant third-country authority due to the exercise of a comparable power in third-country resolution proceedings;’;		
(3) Article 2 is amended as follows:		
(a) the following points (dc) and (dd) are inserted:		
(4) ‘(dc) ‘relevant third-country authority’ means a relevant third-country authority as defined in Article 2(1), point (90), of Directive 2014/59/EU or a relevant third-country authority as defined in Article 2, point (74), of Directive (EU) 2025/1;		
(5) (dd) ‘third-country resolution proceedings’ means third-country resolution proceedings as defined in Article 2(1), point (88), of Directive 2014/59/EU or third-country resolution proceedings as defined in Article 2, point (72), of Directive (EU) 2025/1;’;		
(a) in Article 2, the following point (fa) is inserted:		
“(fa) ‘small mid-cap enterprises’ or ‘SMCs’ means any of the following:		
(i) companies which, according to their last annual or consolidated accounts, meet at least two of the following three criteria: an average number of employees during the financial year of less than 750, a total balance sheet not	(i) companies which, according to their last annual or consolidated accounts, meet at least two of the following three criteria: an average	<i>See recital 8 for detailed explanation</i>

Commission proposal	Drafting suggestions	Justifications
exceeding EUR 129 000 000 and an annual net turnover not exceeding EUR 150 000 000;	number of employees during the financial year of less than 750 1000 , a total balance sheet not exceeding EUR 129 000 000 and an annual net turnover not exceeding EUR 14 50 000 000;	
(ii) small mid-cap enterprises as defined in Article 4(1), point (13a), of Directive 2014/65/EU;”;		
(6) in Article 15a, paragraph 1 is replaced by the following:		
‘1. Without prejudice to Article 1(4) and Article 3(2) and (2a), the following persons may draw up an EU Growth issuance prospectus in the case of an offer of securities to the public, provided that they have no securities admitted to trading on a regulated market:		
(a) SMEs;		
(b) SMCs;		
(c) issuers, other than SMEs and SMCs, whose securities are, or are to be admitted to trading on an SME growth market;		
(d) offerors of securities that have been issued by issuers referred to in points (a), (b), and (c).’.		
Article 5		
Amendments to Regulation (EU) 2023/1542		
Regulation (EU) 2023/1542 is amended as follows:		

Commission proposal	Drafting suggestions	Justifications
(1) in Article 47, the first paragraph is replaced by the following:		
‘This Chapter does not apply to economic operators that had a net turnover of less than EUR 150 million in the financial year preceding the last financial year, and that are not part of a group, consisting of parent and subsidiary undertakings, which, on a consolidated basis, exceeds the limit of EUR 150 million.’;		
(2) in Article 52(3), the first sentence is replaced by the following:		
‘The economic operator referred to in Article 48(1) shall, by the latest one year after the date specified in Article 48(1) and at least every three years thereafter, review and make publicly available, including on the internet, a report on its battery due diligence policy.’.		
Article 6		
Amendment to Regulation (EU) 2024/573		
Regulation (EU) 2024/573 is amended as follows:		
in Article 20(4), point (a) is replaced by the following:		

Commission proposal	Drafting suggestions	Justifications
‘(a) the following imports and exports, except in the case of temporary storage as defined in Article 5, point (17), of Regulation (EU) No 952/2013:		
(i) the import or export of fluorinated greenhouse gases;		
(ii) the placing on the market of products and equipment containing fluorinated greenhouse gases that requires reporting under Article 26;		
(iii) the export of products and equipment as referred to in Article 22(3) containing or whose functioning relies upon, fluorinated greenhouse gases with a GWP of 1000 or more as from the prohibition date stated in Annex IV;’.		
<i>Article 7</i>		
<i>Entry into force and application</i>		
This Regulation shall enter into force on the twentieth day following that of its publication in the <i>Official Journal of the European Union</i>		
Article 4, points (2)(b) and (3), shall apply as of 5 March 2026.		

Commission proposal	Drafting suggestions	Justifications
This Regulation shall be binding in its entirety and directly applicable in the Member States in accordance with the Treaties.		

LUXEMBOURG

Following the meeting held on 24th July 2025, regarding the Commission's proposal on the Omnibus IV Simplification package – specifically concerning small mid-cap companies (SMCs) – we would like to submit our written comments:

In response to the question raised in the Presidency Discussion Note (document WK 10094/2024 INIT) concerning the transposition of the Directives, we wish to express our **support for the suggested transposition deadline of 12 months** in order to allow SMCs to benefit from the new measures quickly.

Furthermore, we would like to take this opportunity to also share our views regarding certain written comments on MiFID submitted by Member States ahead of the AGS meeting:

- We support Sweden's proposal to complement the SMC definition in Article 1(1) of the amending Directive with the abbreviation of SMCs ;

We hope these considerations will help inform the discussions going forward, and we remain at your disposal should you have any questions or require further input.

MALTA

Malta's Comments on the Presidency Note WK 10094/25 on Omnibus IV (Small Mid-Caps)

Weakening of SMEs rights and support

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

Malta certainly agrees that SME support should remain a priority, and thus, it must be ensured that the funding for SMCs does not dilute the funding for SMEs. Therefore, Malta can support the suggestion by the Presidency to add a recital for clarification in this regard.

Transposition of the Directives

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

Malta believes that having a longer transitional period is always helpful for enterprises as it assists them in planning, both from a strategic and operational perspective, to better manage compliance costs and tap into the business opportunities that the two directives might create.

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

Can delegations support clarifying the scope through amendments to the respective recitals? And Can delegations support keeping the operative text regarding GDPR Article 30(5)?

With regards to the clarification of the scope, Malta would appreciate clarification by way of the respective recitals regarding Article 30(5). We have three points to raise here:

- i. Malta would appreciate a justification for the exemption under Article 30(5), which allows certain organisations to be exempted from keeping a record of processing activities (ROPA) under specific conditions;**
- ii. A clarification would be appreciated on the scope of this exemption, particularly whether it applies to or excludes public authorities;**
- iii. It is also pertinent to ensure that the proposed changes in Article 30(5) show consistency with Article 35(3)(b), which requires Data Protection Impact Assessments (DPIAs) for large-scale data processing activities.**

Moreover, on the operative text on Article 30 (5), Malta can support the Presidency's intention to retain the Commission's original proposal.

Battery Regulation (2023/1542)

Are there any comments from delegations on these points on the Battery Regulation?

Malta can support the Presidency's approach - amending Article 52(3) to reflect CSDDD Article 7(3), including updating due diligence policies every two years and after any significant changes.

NETHERLANDS

Written comments on Omnibus IV (Small Midcaps)

General Comments and Questions

At this point no general written comments or questions from the Netherlands.

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

The Netherlands welcomes the effort under Omnibus IV proposal to reduce the administrative burden for small businesses under the GDPR while ensuring that fundamental rights remain fully protected.

As confirmed by the European Commission's Second Report on the application of the GDPR, the risk-based approach delivers strong protection for individuals and imposes proportionate obligations on data controllers and processors.

Yet, many smaller businesses still find GDPR compliance "complex" and worry about enforcement.

In tackling these concerns, independent supervisory authorities have a crucial role to play. The Netherlands encourages them to continue developing practical tools (such as templates and model information clauses) to make compliance more accessible for smaller organisations.

Moreover, under article 35 GDPR, supervisory authorities may publish lists of low-risk processing activities. These lists provide much needed clarity, help prevent "hesitance to act", administrative burden for small businesses and let companies focus their efforts where the risks are real. The Netherlands would welcome making the publication of such guidance a standard and possibly mandatory practice under the GDPR.

Therefore NL suggests amending **Article 35(5) GDPR** as well with the following:

*"The supervisory authority **shall** ~~may~~ also establish and make public a list of the kind of processing operations for which no data protection impact assessment is required. The supervisory authority shall communicate those lists to the Board."*

General - Battery Regulation (2023/1542)

At this point no written comments or questions from the Netherlands regarding the battery regulation.

PORTUGAL

PT comments on small mid-caps

31.07.2025

- 1) PT acknowledges the need to reduce administrative burdens and facilitate business for small mid-caps by extending to them certain provisions of existing acts that provide simplified rules for SMEs. However, we stress that these measures must not, under any circumstances, undermine the existing support and financing available to SMEs. PT therefore supports the Presidency's proposal to include, in the recitals of the three identified acts, a clarification regarding the potential impact on SMEs.

- 2) Concerning the length of the transposition deadline, PT believes the deadline should be at least 18 months.

SLOVENIA

Written contribution of Slovenia

Omnibus IV - GDPR

General comment:

Slovenia is in favour of establishing business-friendly and simplified legislation, however, such measures must be targeted, well-founded, and - like all measures that interfere with fundamental rights - proportionate to the objectives they pursue. A key element to obtain the necessary balance is the impact assessment, which was not carried out prior to the preparation of the proposal under consideration.

Furthermore, simplification or reduction of obligations during the regular course of business is no guarantee for burdens of companies affected by the amendment not to increase in subsequent procedural phases.

On the Admissibility of Amending Essential Elements of Legislative Acts by the European Commission through Recommendations

The EU legal order clearly stipulates that essential elements of a legislative act may only be adopted by the Union legislator - the European Parliament and the Council - through the ordinary or special legislative procedure.

Article 290 TFEU provides that a legislative act may delegate to the Commission the power to adopt non-legislative acts of general application to supplement or amend certain non-essential elements of the legislative act, but explicitly excludes essential elements of the legislative act. Article 288 TFEU defines recommendations as non-binding instruments that do not create legal rights or obligations for their addressees. Adopting essential elements of legislation through recommendations would therefore circumvent the legislative procedure, violate the principle of separation of powers among EU institutions and encroach upon the powers of the Union legislator.

The CJEU has held that essential elements of legislation must be set out in the legislative act itself and cannot be delegated to the Commission (e.g., case C-355/10 European Parliament v. Council of the European Union). If the Commission is not permitted to amend essential elements even through delegated acts, which are legally binding and subject to democratic oversight, then it absolutely cannot affect such elements through recommendations, which are by nature non-binding soft law instruments and are not foreseen as tools for exercising legislative powers.

Definitions of terms, if included in the text, constitute essential elements of a legislative act, as they significantly influence the scope of regulation and the uniform interpretation of its provisions.

In light of the above Slovenia proposes clear definitions in the text and strongly oppose references to non-legislative acts.

Slovenia kindly invites the CLS to express its views on the co-legislator's competence in this matter and to provide its assessment regarding the appropriateness of referring to non-legislative acts in relation to the essential elements of a legislative act.

On Broadening the scope of the derogation and changes to Article 30(5)

Slovenia stresses that there are no compelling reasons to justify the removal of a clearly defined records keeping obligation for enterprises whose normal operations would require the processing of special categories of personal data (Article 9 of the GDPR) and personal data relating to criminal convictions and offences (Article 10 of the GDPR). Protection of such categories of data is linked to the protection of a broader range of fundamental rights or to the prevention of interference with such rights.

In case of a breach involving special categories of personal data or data relating to criminal convictions and offences, it is often necessary to respond swiftly to prevent any further interference with fundamental rights. In such situations, maintaining records of processing activities can prove highly beneficial, as it fosters a culture of data protection within the company and helps prevent unintentional large-scale personal data breaches, which may have serious consequences for individuals.

At the very least, Slovenia considers it essential to further clarify the term “likely to result in a high risk” to provide a clear, stable and uniformly applicable legal framework.

Drafting proposals

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 16, Article 114, Article 192 (1) and Article 207 (2) 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,

Having regard to the opinion of the Committee of the Regions,

Acting in accordance with the ordinary legislative procedure,

Whereas:

...

(9) (EU) 2016/679, by extending the scope of the derogation from the record-keeping obligation to SMCs and organisations with fewer than 750 employees to allow also them to profit from that derogation and by providing that the derogation applies unless the processing is likely to result in a ‘high risk’ to data subjects’ rights and freedoms, within the meaning of Article 35 of Regulation (EU) 2016/679. In particular the processing of personal data referred to in paragraph 3 of that provision should be considered as requiring the data controller or the processor to maintain records of its processing activities. **This derogation should not apply where the processing includes special categories of data as referred to in Article 9(1) of Regulation (EU) 2016/679 or personal data relating to criminal convictions and offences referred to in Article 10 of Regulation (EU) 2016/679.**

Article 1

(1) _____ in Article 4, the following points (27) and (28) are added:

‘(27) ‘micro, small, and medium-sized enterprises’ means enterprises ~~as defined in Article 2 of the Annex to Commission Recommendation 2003/361/EC*~~ **which employ fewer than 250 persons and either have an annual turnover not exceeding EUR 50 million or an annual balance sheet total not exceeding EUR 43 million;**

(28) ‘small mid-cap enterprises’ means enterprises ~~as defined in point (2) of the Annex to Commission Recommendation 2025/EC/XX of XX May 2025**.~~ **which are not small and medium-sized enterprises, employ fewer than 750 persons and either have an annual turnover not exceeding EUR 150 million or an annual balance sheet total not exceeding EUR 129 million;**

(2) _____ in Article 30, paragraph 5 is replaced by the following:

’5. The obligations referred to in paragraphs 1 and 2 shall not apply to an enterprise or an organisation employing fewer than 750 persons unless the processing it carries out is likely to result in a high risk to the rights and freedoms of data subjects, within the meaning of Article 35, or the processing includes special categories of data as referred to in Article 9(1) or personal data relating to criminal convictions and offences referred to in Article 10.’