European Parliament
2024-2029

TEXTS ADOPTED

P10_TA(2026)0383

Amending certain Directives as regards the extension of certain mitigating measures available for small and medium sized enterprises to small mid-cap enterprises and further simplifying measures (Omnibus IV)

European Parliament legislative resolution of 24 November 2026 on the proposal for a directive of the European Parliament and of the Council amending Directives 2014/65/EU and (EU) 2022/2557 as regards the extension of certain mitigating measures available for small and medium sized enterprises to small mid-cap enterprises and further simplifying measures (COM(2025)0502 – C10-0093/2025 – 2025/0131(COD))

(Ordinary legislative procedure: first reading)

The European Parliament,

– having regard to the Commission proposal to Parliament and the Council (COM(2025)0502),

– having regard to Article 294(2) and Article 53(1) and Article 114 of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C10-0093/2025),

– having regard to Article 294(3) of the Treaty on the Functioning of the European Union,

– having regard to the opinion of the European Economic and Social Committee of 18 September 2025[1],

– having regard to the provisional agreement approved by the committees responsible under Rule 75(4) of its Rules of Procedure, and the undertaking given by the Council representative by letter of 26 June 2026 to approve Parliament’s position, in accordance with Article 294(4) of the Treaty on the Functioning of the European Union,

[1] OJ C, C/2026/29, 16.1.2026, ELI: http://data.europa.eu/eli/C/2026/29/oj .

– having regard to Rule 60 of its Rules of Procedure,

– having regard to the joint deliberations of the Committee on Economic and Monetary Affairs and the Committee on Civil Liberties, Justice and Home Affairs under Rule 59 of the Rules of Procedure,

– having regard to the opinion of the Committee on the Internal Market and Consumer Protection,

– having regard to the report of the Committee on Economic and Monetary Affairs and the Committee on Civil Liberties, Justice and Home Affairs (A10-0034/2026),

1. Adopts its position at first reading hereinafter set out;

2. Calls on the Commission to refer the matter to Parliament again if it replaces, substantially amends or intends to substantially amend its proposal;

3. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

P10_TC1-COD(2025)0131

Position of the European Parliament adopted at first reading on 24 November 2026 with a view to the adoption of Directive (EU) 2026/... of the European Parliament and of the Council amending Directives 2014/65/EU and (EU) 2022/2557 as regards the extension of certain mitigating measures available for small and medium-sized enterprises to small mid-cap enterprises *with a view to simplification*

(Text with EEA relevance)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 53(1) ***and*** Article 114 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],

After consulting the Committee of the Regions,

▌

Acting in accordance with the ordinary legislative procedure[2],

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1 OJ C, C/2026/29, 16.1.2026, ELI: http://data.europa.eu/eli/C/2026/29/oj.

2 Position of the European Parliament of 24 November 2026.

Whereas:

(1) ‘Europe's Choice: Political Guidelines for the next European Commission 2024-2029’ sets out a plan for the Union’s sustainable prosperity and competitiveness. Making business easier and deepening the internal market are among the plan’s key priorities.

(2) The Commission’s communication of 29 April 2021 entitled ‘Better regulation: Joining forces to make better laws’ also supports the competitiveness of Union enterprises by aiming to ensure that Union legal acts achieve their objectives, at a minimum cost. In its communication of 16 March 2023 entitled ‘Long-term competitiveness of the EU: looking beyond 2030’ and its communication of 29 January 2025 entitled ‘A Competitiveness Compass for the EU’, the Commission identified the need to rationalise and simplify reporting requirements for enterprises and administrations and committed to reducing the administrative burden by at least 25% for all enterprises and at least 35% for small and medium-sized enterprises (‘SMEs’).

(3) On 12 September 2023, the Commission published a communication entitled ‘SME Relief Package’, announcing its goal to help SMEs compete and grow by being attentive to the needs of enterprises that, due to their growth, exceed the thresholds set out in the definition of SMEs, and the broader range of small mid-cap enterprises (‘SMCs’). Action 18 of that communication provided that the Commission would develop a harmonised definition for SMCs, build a dataset based on that definition, and assess possible measures to support SMCs in their growth, including the potential application, in adapted form, to SMCs of certain measures favouring SMEs.

(4) Enterprises that, due to their growth, no longer fall within the definition of SMEs, in particular SMCs, play a vital role in the Union’s economy ***and are key drivers of Union competitiveness, innovation and job creation***. SMCs are prominently present in industrial ecosystems that are key to Union competitiveness and its technological sovereignty, including electronics, aerospace and defence, energy, energy-intensive industries and health. Approximately 20% of all SMCs were SMEs three years earlier.

(5) Directive 2014/65/EU of the European Parliament and of the Council[3] contains certain provisions that aim to provide simplification or mitigating measures for SMEs. More specifically, those provisions aim to alleviate the administrative burden, reduce or eliminate market entry barriers, and draw Member States' attention to the benefits that SMEs derive from dedicated guidance, support and assistance. Directive (EU) 2022/2557 of the European Parliament and of the Council[4] provides that Member States are to support critical entities, including those that qualify as SMEs, in strengthening their resilience. That Directive requires Member States to include in their resilience strategies a description of measures already in place at national level which aim to facilitate the implementation of obligations by SMEs that Member States have identified as critical entities.

(6) Compared to SMEs, SMCs tend to demonstrate a higher pace of growth and a higher level of innovation and ***digitisation***. Nevertheless, as far as the administrative burden is concerned, they face similar challenges to SMEs, leading to a need for proportionality in legislation and for targeted support. To enable the smooth transition of an enterprise from SME to SMC, it is important to address, in a coherent manner, the 'cliff effect' that might arise once an enterprise, due to its growth, is no longer an SME and is faced with rules that apply to larger enterprises. ***In order to achieve the overarching objective of facilitating the operation of businesses and the internal market, with a particular focus on SMCs, Directives 2014/65/EU and (EU)***

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3 Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (OJ L 173, 12.6.2014, p. 349, ELI: http://data.europa.eu/eli/dir/2014/65/oj).

4 Directive (EU) 2022/2557 of the European Parliament and of the Council of 14 December 2022 on the resilience of critical entities and repealing Council Directive 2008/114/EC (OJ L 333, 27.12.2022, p. 164, ELI: http://data.europa.eu/eli/dir/2022/2557/oj).

2022/2557, which provide for specific mitigating rules for SMEs, should be ***amended. In particular, in order to make business easier for SMCs and reduce their administrative burden, those Directives should be*** adapted so as to extend the scope of those rules to include SMCs***, while ensuring that the 'think small first' principle continues to apply, including by maintaining proportionality and adequate protection of, and targeted support for, the smallest companies***. ***Those amendments should not affect or reduce the scope, funding, or application of Union measures dedicated to SMEs, including specific provisions and budgetary allocations made available to them under Union law, including the multiannual financial framework. The amendments introduced by this Directive are limited to amendments to Directives 2014/65/EU and (EU) 2022/2557 and do not affect other Union legal acts applicable to SMEs or to other categories of undertakings.***

(7) ***For the purposes of this amending Directive, which is part of the Omnibus IV package,*** SMCs should***,*** in principle***, be defined as enterprises that are not SMEs, that employ fewer than 1000 persons, and that either have an annual turnover not exceeding EUR 200 million or an annual balance sheet total not exceeding EUR 172 million, with those numbers and amounts being calculated in accordance with point 1 and points 3 to 6 of the Annex to*** Commission ***Recommendation (EU) 2025/1099***[5]***. The scope of that definition covers*** enterprises that are up to ***four*** times the size of SMEs ***without extending to large mid-caps or large enterprises. References in this amending Directive to Recommendation (EU) 2025/1099 and Commission Recommendation 2003/361/EC***[6] should ***be understood as referring to the original version of those recommendations.***

(8) ***To ensure a coherent and evidence-based approach to SMCs, the Commission should, within five years of the date of entry into force of this amending Directive, submit a report to the European Parliament and the Council on the review of the application of the definition of SMCs and on the implementation of the provisions of Directives 2014/65/EU and (EU) 2022/2557 amended by this Directive, including the impact on the reduction of the administrative burden as well as on the competitiveness of SMCs, considering also economic, social and environmental aspects, where appropriate. As part of that review, the Commission should***

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5 ***Commission Recommendation (EU) 2025/1099 of 21 May 2025 on the definition of small mid-cap enterprises (OJ L, 2025/1099, 28.5.2025, ELI: http://data.europa.eu/eli/reco/2025/1099/oj).***

6 ***Commission Recommendation 2003/361/EC 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).***

compile an overview of existing definitions of SMCs in Union legal acts. That report should focus, in particular, on any need to review the thresholds by which SMCs are defined in light of inflation, scope, and economic and market developments, with a view to considering further harmonisation of the application of the definition of SMCs across Union legal acts, where appropriate. That report should also focus on existing derogations, simplifications, exemptions and other preferential treatment granted to SMCs in Union legal acts, and should be accompanied, where appropriate, ***by a legislative proposal***.

(9) Directive 2014/65/EU identifies a subcategory of multilateral trading facilities (‘MTF’) known as SME growth markets. Article 33(3), point (a), of that Directive lays down specific conditions to ensure that those trading venues effectively benefit SMEs by facilitating their access to capital and the further development of specialist markets that cater for SMEs’ needs. That provision should be extended to include SMCs, to also allow those companies to access capital markets through SME growth markets***, while still supporting SMEs and maintaining the existing approach in relation to them***.

(10) Directive (EU) 2022/2557 obliges Member States to support critical entities that qualify as SMEs in strengthening their resilience. In doing so, Member States are to prevent excessive administrative burden. To that end, each Member State is required to adopt a strategy for enhancing the resilience of critical entities. Pursuant to Article 4 of that Directive, each strategy is to contain a description of measures already in place which aim to facilitate the implementation of certain obligations by SMEs that are identified as critical entities by Member States. The scope of that Article should be extended to include SMCs, so that Member States are obliged to include a description of any facilitating measures for SMCs in their strategies. ***Such measures should support compliance by SMEs and SMCs without undermining the objectives of that Directive.***

(11) Since the objective of this Directive, namely to amend Directives 2014/65/EU and (EU) 2022/2557 so as to reduce the administrative burden for SMCs by extending to them mitigating measures that currently benefit SMEs, cannot be sufficiently achieved by the Member States but can rather, by reason of the scale or effects of the action, be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality as set out in that Article, this Directive does not go beyond what is necessary in order to achieve that objective.

(12) Directives 2014/65/EU and (EU) 2022/2557 should therefore be amended accordingly,

HAVE ADOPTED THIS DIRECTIVE:

Article 1

Amendments to Directive 2014/65/EU

Directive 2014/65/EU is amended as follows:

(1) Article 4(1) is amended as follows:

(a) point (13) is replaced by the following:

‘(13) “small and medium-sized enterprises” means companies that had an average market capitalisation of less than EUR 200 000 000 on the basis of end-year quotes for the previous three calendar years;’;

(b) the following point is inserted:

‘(13a)“small mid-cap enterprises” or “***SMCs”*** means companies that had an average market capitalisation equal to or higher than EUR 200 000 000 and lower than EUR 1 000 000 000 on the basis of end-year quotes for the previous three calendar years;’; ▌

(2) in Article 33(3), point (a) is replaced by the following:

‘(a) at least 50% of the issuers whose financial instruments are admitted to trading on the MTF are SMEs or SMCs or both, at the time when the MTF is registered as an SME growth market and in any calendar year thereafter;’.

Article 2

Amendments to Directive (EU) 2022/2557

Directive (EU) 2022/2557 ***is amended as follows***:

(1) in Article 2, the following points are added:

‘(11) “small and medium-sized enterprises” means enterprises as defined in the Annex to Commission Recommendation 2003/361/EC**;

(12) “small mid-cap enterprises” means enterprises that are not micro, small and medium-sized enterprises, that employ fewer than 1000 persons, and that either have an annual turnover not exceeding EUR 200 million or an annual balance sheet total not exceeding EUR 172 million, with those numbers and amounts being calculated in accordance with point (1) and points (3) to (6) of the Annex to Commission Recommendation (EU) 2025/1099**.***

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* Commission Recommendation 2003/361/EC 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).

** Commission ***Recommendation (EU) 2025/1099 of 21*** May 2025 on the definition of small mid-cap enterprises (***OJ L, 2025/1099, 28.5.2025, ELI: http://data.europa.eu/eli/reco/2025/1099/oj).’;***

(2) in Article 4(2), point (h) is replaced by the following:

‘(h) a description of measures already in place which aim to facilitate the implementation of obligations under Chapter III of this Directive by small and medium-sized enterprises ▌ and by small mid-cap enterprises ▌ that the Member State in question has identified as critical entities. ▌ ’.

Article 3

Review

By … [five years from the date of entry into force of this amending Directive], the Commission shall submit a report to the European Parliament and the Council on the review of the application of the definition of SMCs, as provided for in Commission Recommendation (EU) 2025/1099, and on the implementation of the provisions of Directives 2014/65/EU and (EU) 2022/2557 amended by this Directive, including the impact on the reduction of the administrative burden as well as on the competitiveness of SMCs, considering also economic, social and environmental aspects, where appropriate. As part of that review, the Commission shall compile an overview of existing definitions of SMCs in Union legal acts. The report shall focus, in particular, on any need to review the thresholds by which SMCs are defined in light of inflation, scope, and economic and market developments, with a view to considering further harmonisation of the application of the definition of SMCs across Union legal acts, where appropriate. The report shall also focus on the existing derogations, simplifications, exemptions and other preferential treatment granted to SMCs across Union legal acts. The report shall be accompanied, where appropriate, by a legislative proposal.

Article 4

Transposition

1. ***By … [15 months from the date of entry into force of this amending Directive],*** Member States shall adopt and publish ***the measures*** necessary to comply with this Directive. They shall ***immediately inform*** the Commission ***thereof***.

   They shall apply those ***measures from … [15*** months and one day from ***the date of*** entry into force of this amending Directive].

   When Member States adopt those ***measures***, they shall contain a reference to this Directive or ***shall*** be accompanied by such ▌ reference on the occasion of their official publication. ***The methods of making*** such reference ***shall be laid down by Member States***.

2. Member States shall communicate to the Commission the text of the main provisions of national law which they adopt in the field covered by this Directive.

Article 5

Entry into force

This Directive shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

Article 6

Addressees

This Directive is addressed to the Member States.

Done at…,…

For the European Parliament	*For the Council*
The President	*The President*