

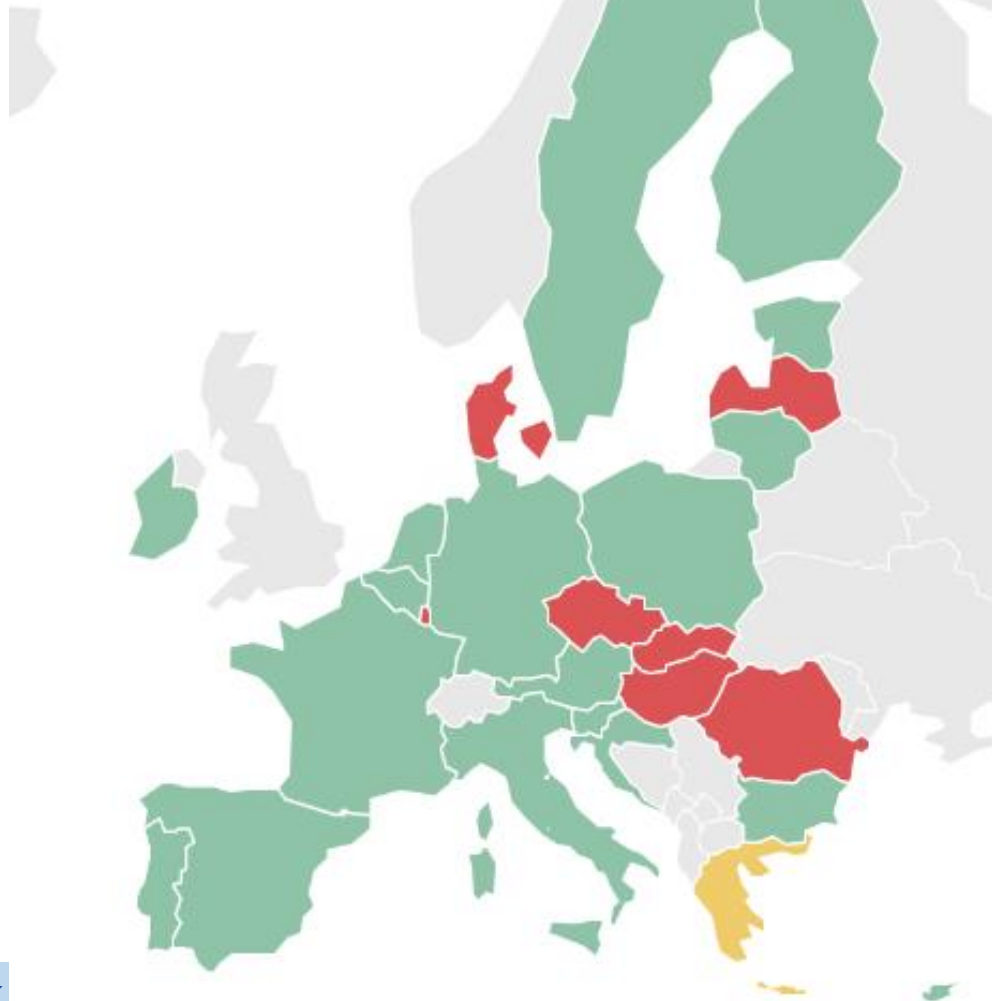
# National SME Test Report

*SME Envoys meeting  
October 1st, Brussels*



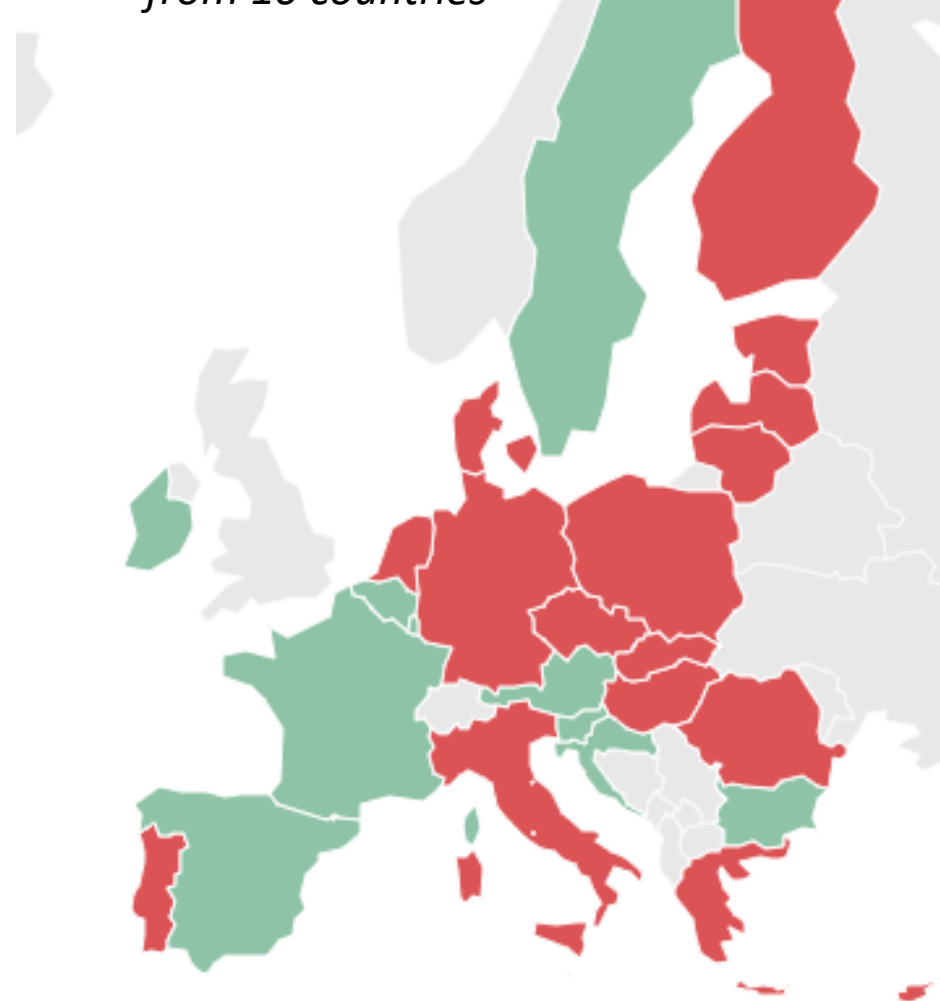
- Study commissioned by the SME Envoy Network and the European Commission - carried out by Belgium's FPS Economy
- Updates the antecedent 2017 report
- 2 surveys: member states & national SME stakeholders
- Replies from
  - 20/27 EU member countries
  - 12 national SME organizations, representing 10 countries

Respondent member states  
*20/27 EU countries*



[Link](#)

Respondent SME stakeholders  
*12 national SME organizations  
from 10 countries*



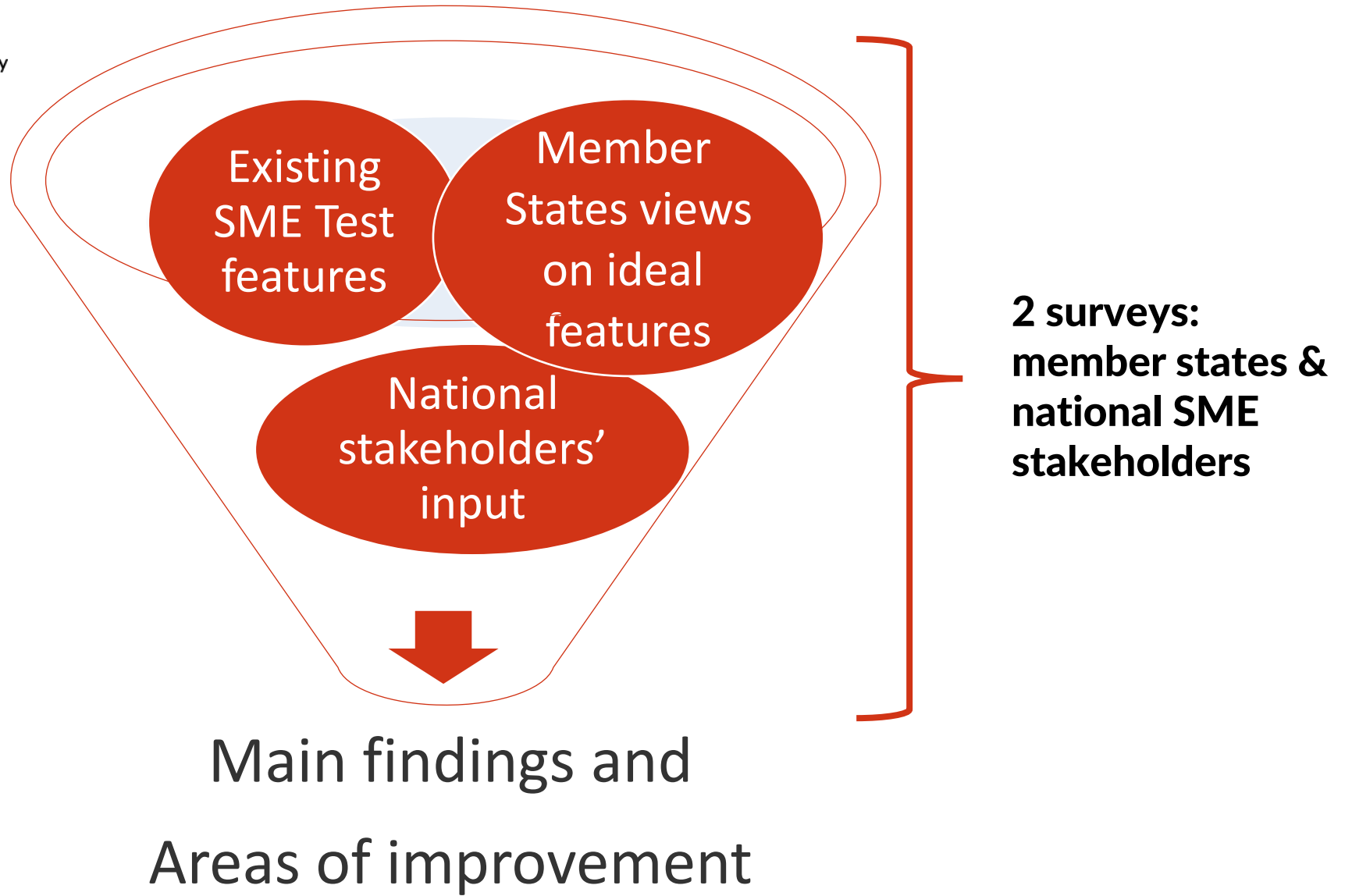
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● Responded ● Did not respond ● Responded, but has no SME Test



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## Draghi's report – THE FUTURE OF EUROPEAN COMPETITIVENESS

*Draghi's future for the SME test:*

[...] **subjecting all new proposals up for adoption to a revamped competitiveness and SME test would allow for the effective filtering of all future actions and proposals.**

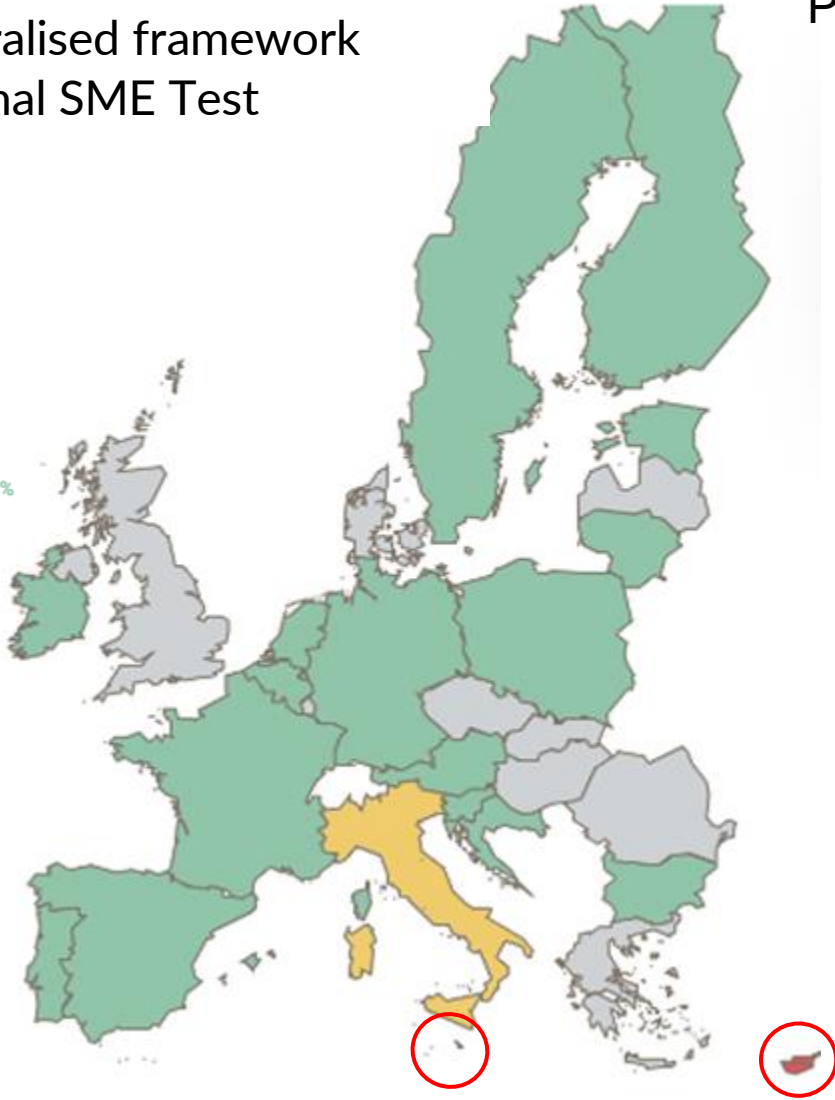
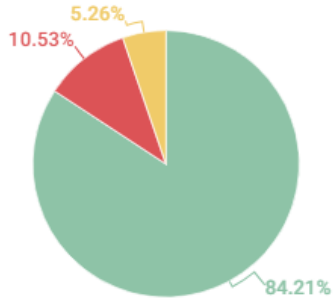
Draghi report, 09/2024



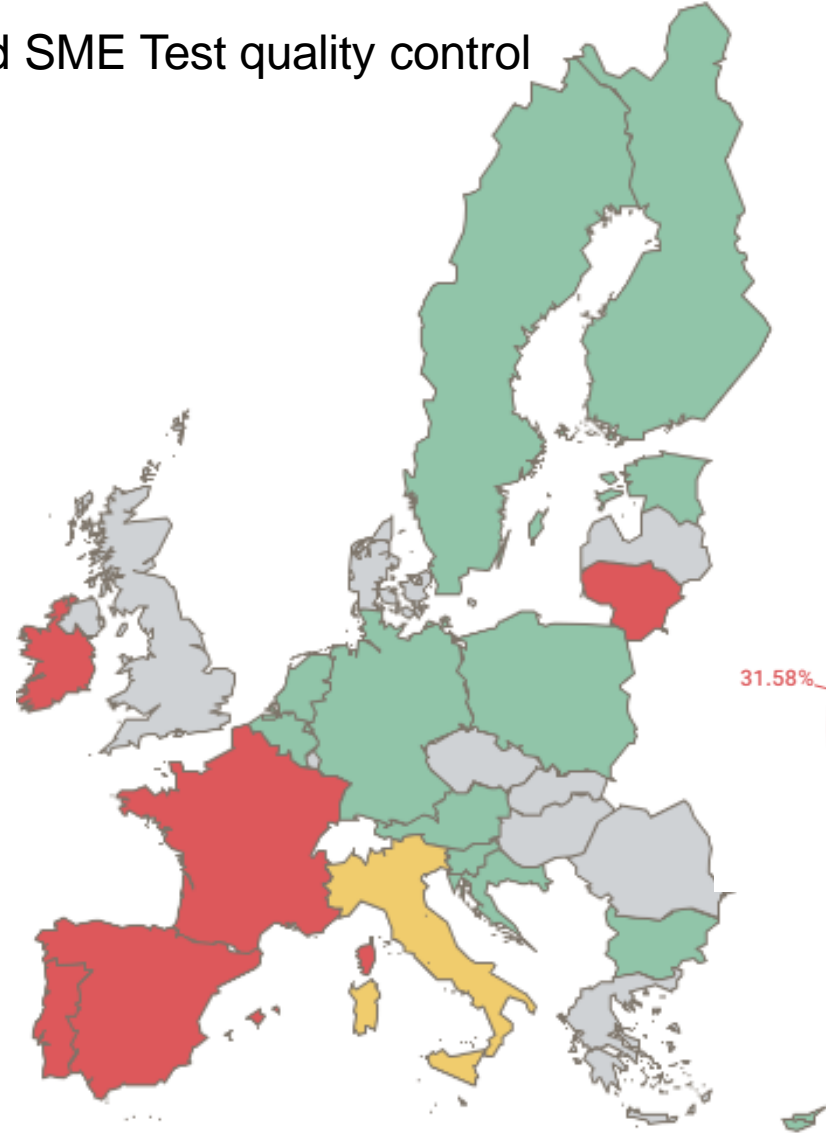
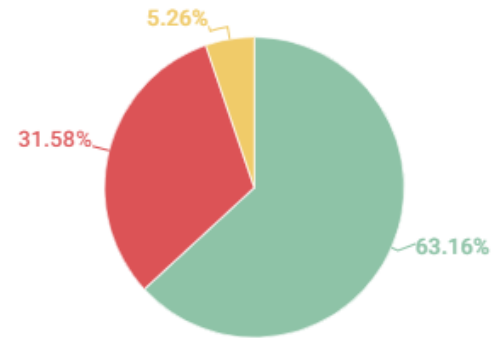
# Brief snapshot of the national SME Test landscape in the EU



### (De)centralised framework for national SME Test



### Planned SME Test quality control



● Decentralised 
 ● Centralised 
 ● Don't know

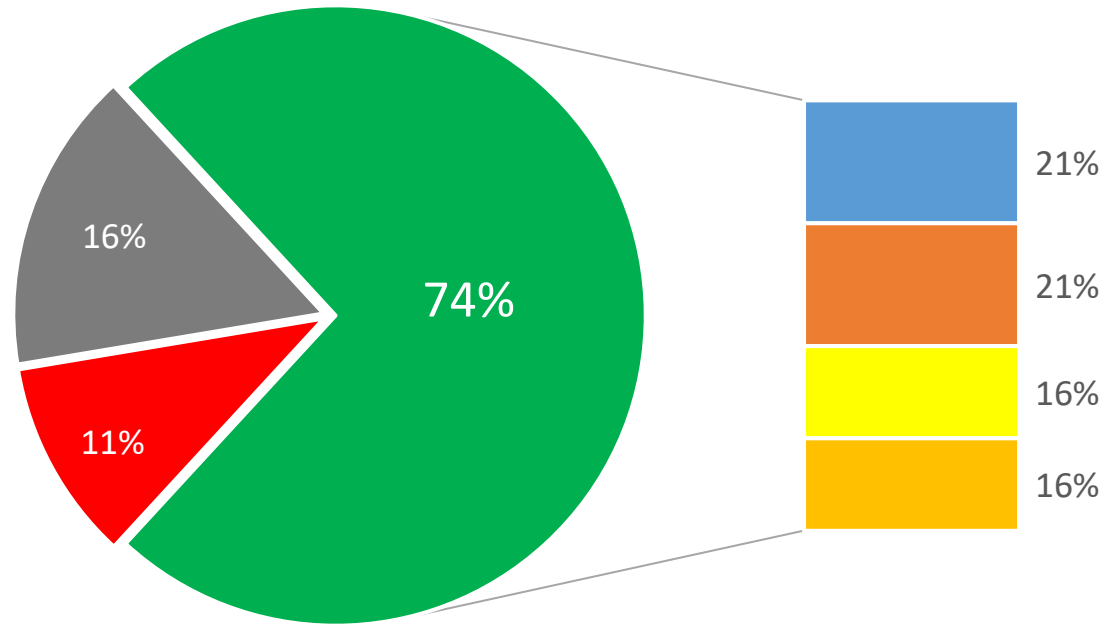


● Yes 
 ● No 
 ● Don't know

## Do Member states hold stakeholder consultation when carrying out their national SME Test ?

When the SME Test is carried out, does it include consultations with stakeholders?  
(Member states)

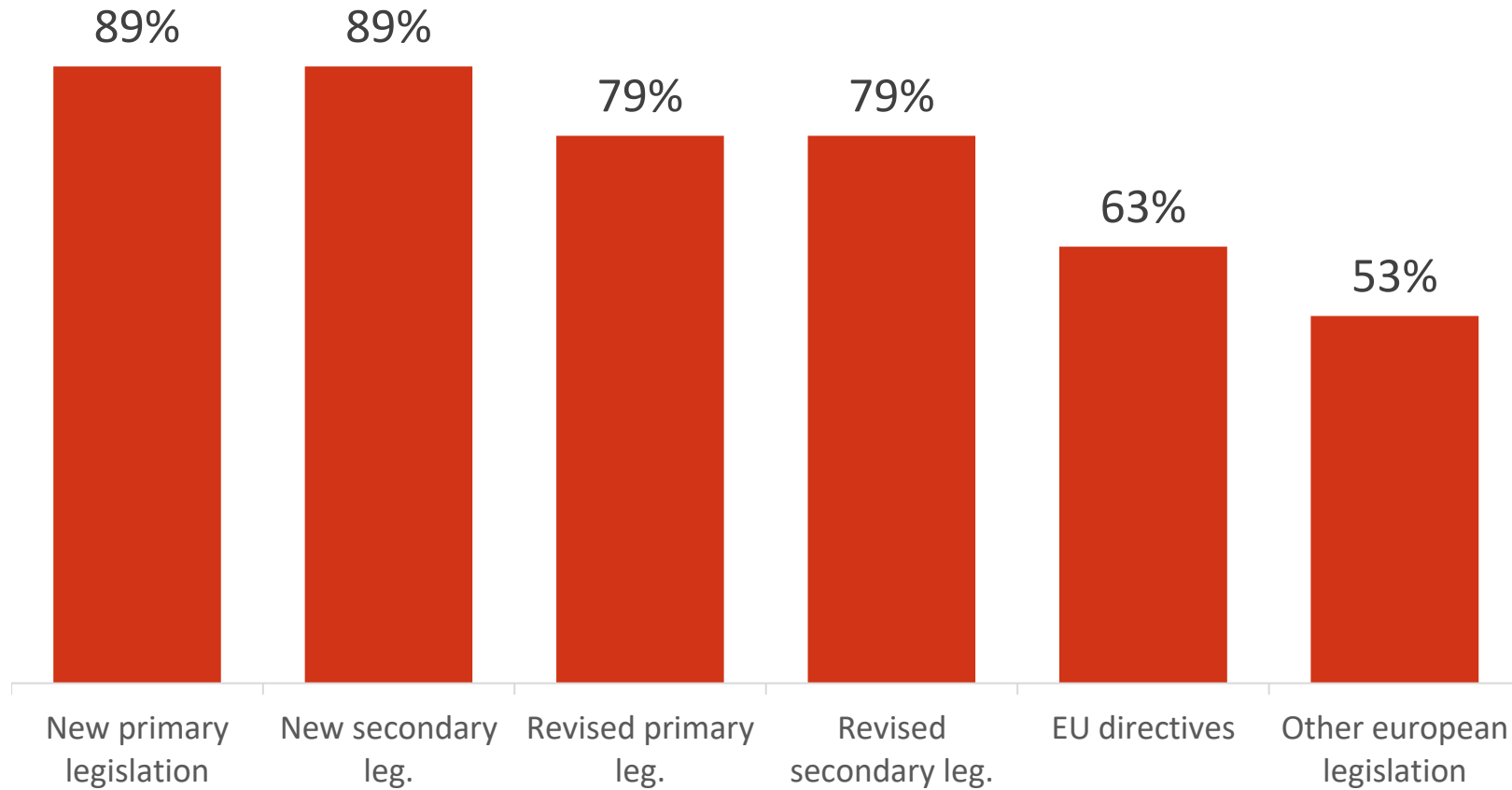
- Yes, even though it is not mandatorily linked to the SME Test, it is common practice
- Yes, it is a mandatory element of our SME Test
- Yes, but it is mandatory only under certain conditions
- Only occasionally
- No
- Don't know





## Application scope of the SME Test

To what type of legislation is the SME Test applied?

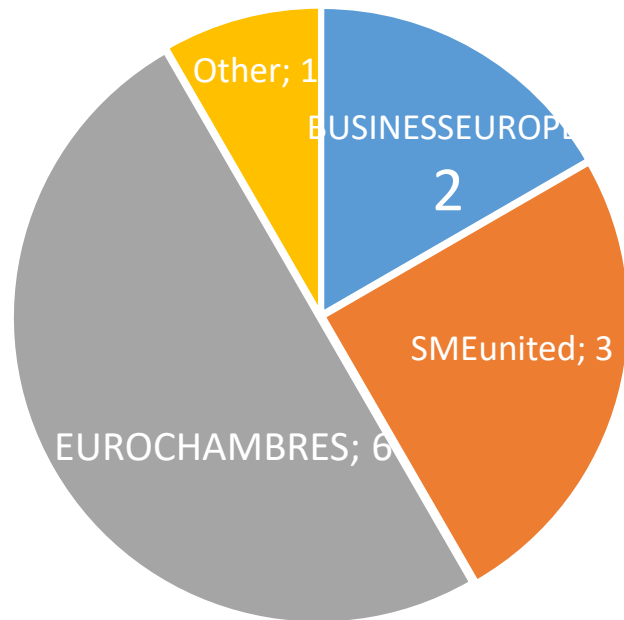


# Main findings & Areas of improvement

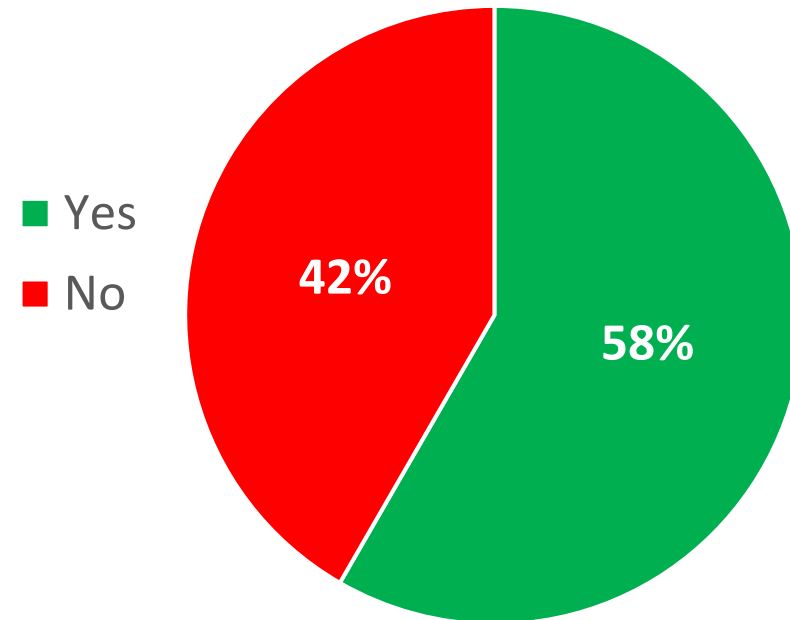


## → Lack of awareness about the SME Test amongst stakeholders

Stakeholder association membership  
of respondents:



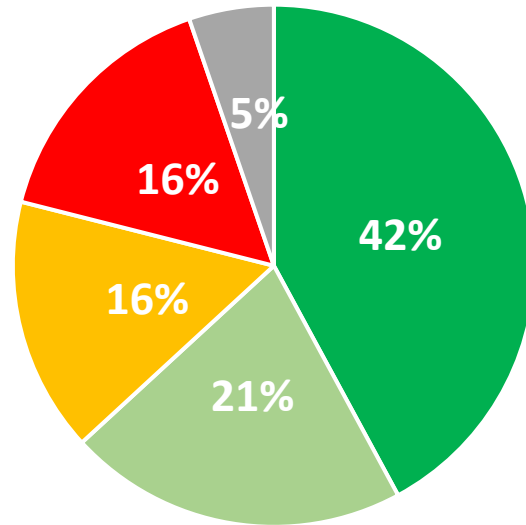
Are you aware of the existence of an SME Test  
in your country? (Stakeholders)



# → Increased transparency through the publication of the national SME Test results.

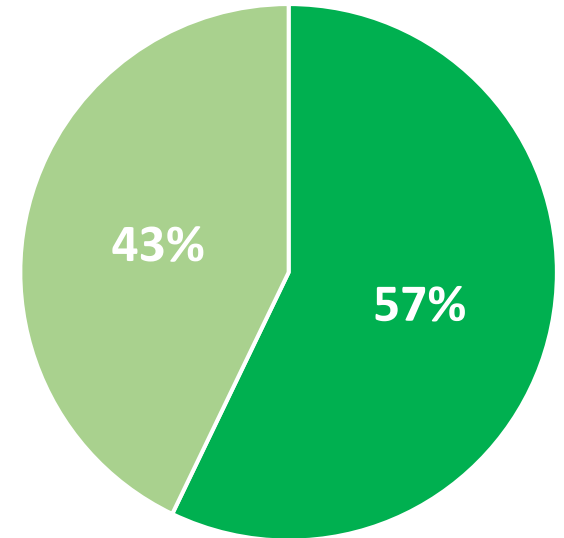
Are the SME Test results available to stakeholders and to the public? (Member States)

- Yes, they are published and they are easily traceable.
- Yes, they are published but can be difficult to trace.
- They are not published, but they are available on request.
- No, they are not available.
- Don't know.



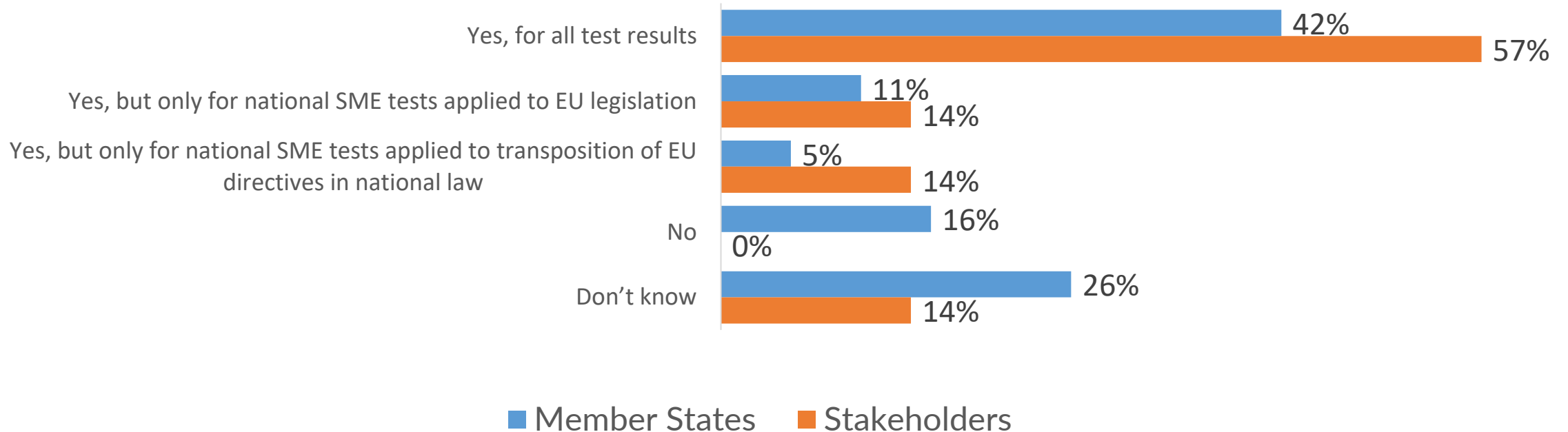
In your opinion, should the SME Test results be available to stakeholders and to the public? (stakeholders)

- Yes, always
- Yes, in some cases



# → Increased transparency through cross-country exchange of the national SME Test results.

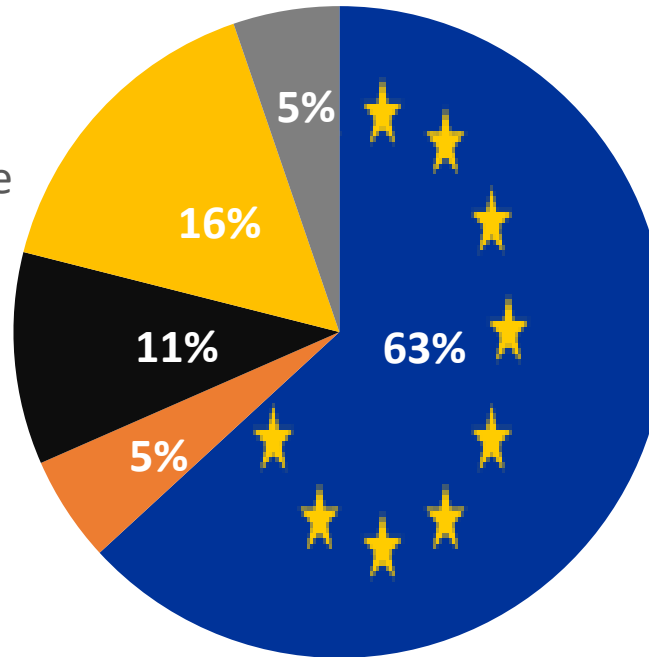
Would it be useful to have access to SME Test results from other member states?



## → Using the European SME definition

What definition of SME do you apply for the SME Test?  
(Member States)

- European definition
- Definition based only on the number of employees
- No clear definition
- Other
- Don't know



All stakeholders (100%) supported the use of the European SME definition

# → Current situation: use of compulsory testing for primary and new secondary legislation

To what type of legislation is the SME Test applied?

	New primary legislation	New secondary legislation	Revised primary legislation	Revised secondary legislation	EU directives	Other european legislation	Total
Compulsory SME Test	47%	32%	32%	26%	21%	21%	30%
Compulsory SME Test only under specific conditions	26%	32%	32%	21%	16%	0%	21%
Always optional SME Test	16%	26%	16%	32%	26%	32%	25%
Don't know	5%	5%	16%	21%	16%	26%	15%
No SME Test	5%	5%	5%	0%	21%	21%	10%
Total	100%	100%	100%	100%	100%	100%	100%

## → Desired situation

In your opinion, to what type of legislation should the SME Test be applied?

	<b>New primary legislation</b>	<b>New secondary legislation</b>	<b>Revised primary legislation</b>	<b>Revised secondary legislation</b>	<b>EU directives</b>	<b>Other european legislation</b>	<b>Total</b>
Compulsory SME Test	42%	26%	37%	26%	21%	21%	29%
Compulsory SME Test only under specific conditions	42%	32%	32%	26%	26%	16%	29%
Always optional SME Test	5%	32%	21%	37%	26%	32%	25%
Don't know	11%	5%	11%	5%	11%	16%	10%
No SME Test	0%	5%	0%	5%	16%	16%	7%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>0%</b>



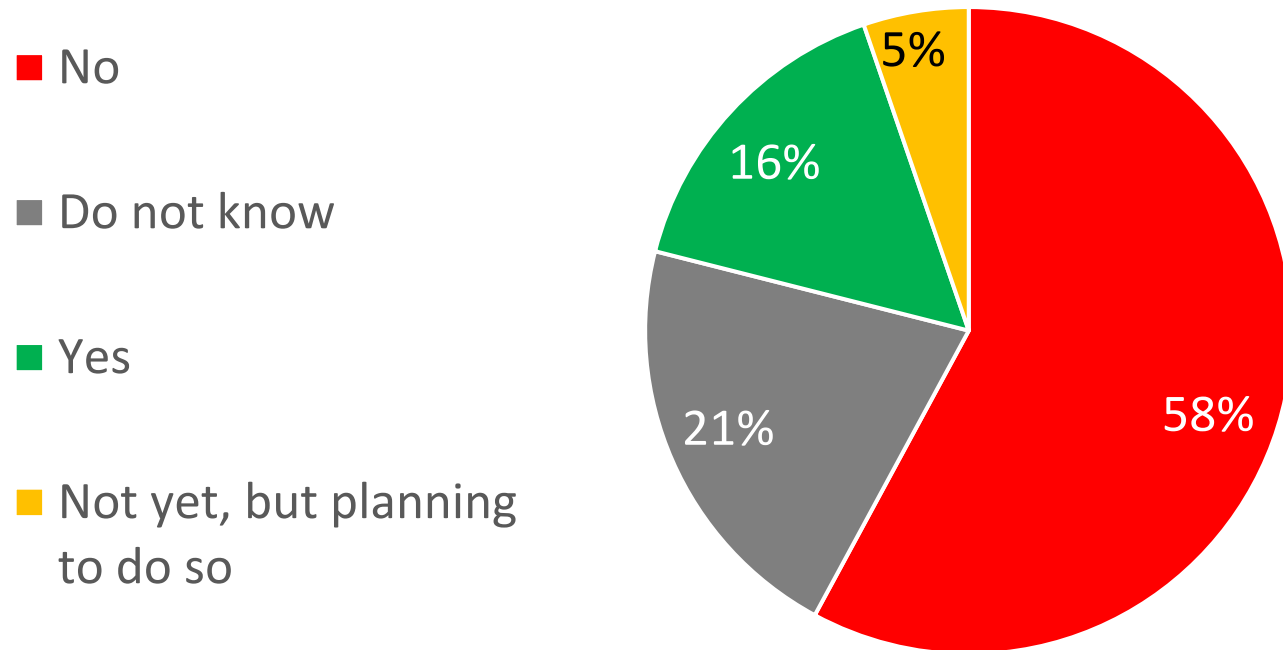
# → Increase the use of compulsory testing under conditions for new Primary legislation and European legislation

Difference in percentage points between reality and hypothetical scenario, i.e. **positive numbers point to what respondent member states would like to see more of and vice versa**

	New primary legislation	New secondary legislation	Revised primary legislation	Revised secondary legislation	EU directives	Other European legislation	Total
Compulsory SME Test	-5	-5	5	0	0	0	-1
Compulsory SME Test only under specific conditions	16	0	0	5	11	16	8
Always optional SME Test	-11	5	5	5	0	0	1
Don't know	5	0	-5	-16	-5	-11	-5
No SME Test	-5	0	-5	5	-5	-5	-3

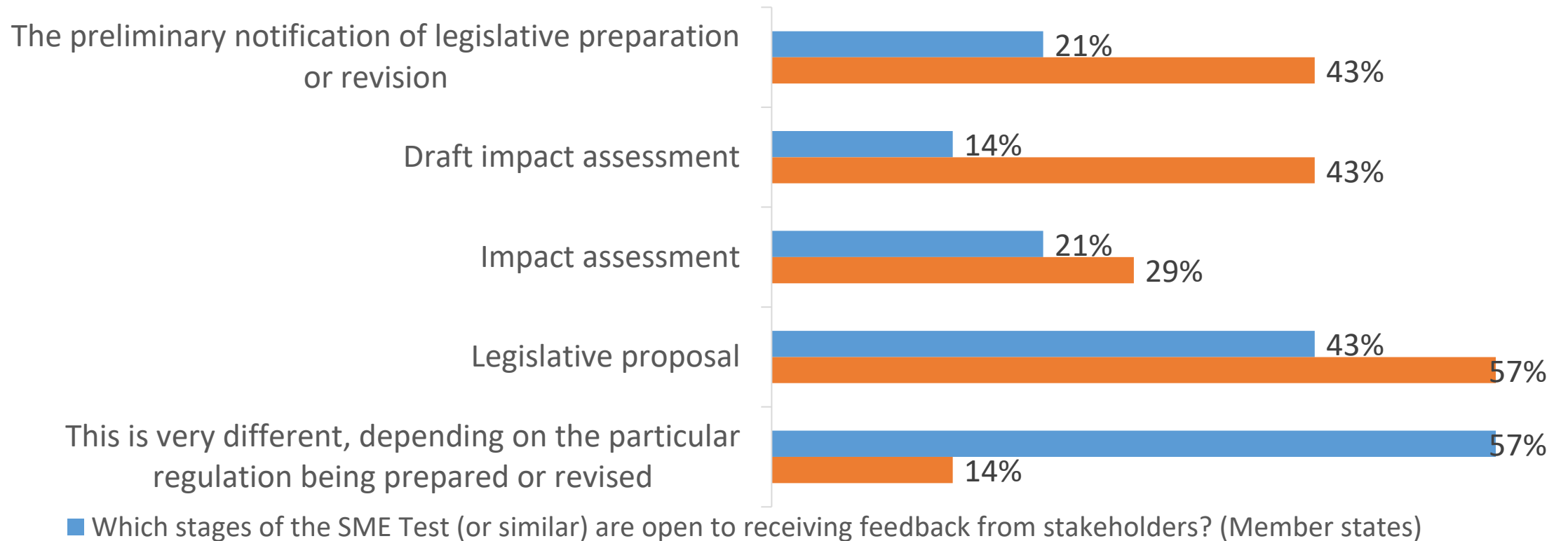
## → Use of SME Filter

Do you use the EU SME filter to decide whether to consult national SME stakeholders on a European legislative proposal? (Member states)



## → Increased and early stage stakeholder involvement

### Relevant SME Test stages for feedback from stakeholders



■ Which stages of the SME Test (or similar) are open to receiving feedback from stakeholders? (Member states)

■ Which stages of the SME Test (or similar) should be open to receiving feedback from stakeholders? (Stakeholders)

→ Increased and early stage stakeholder involvement

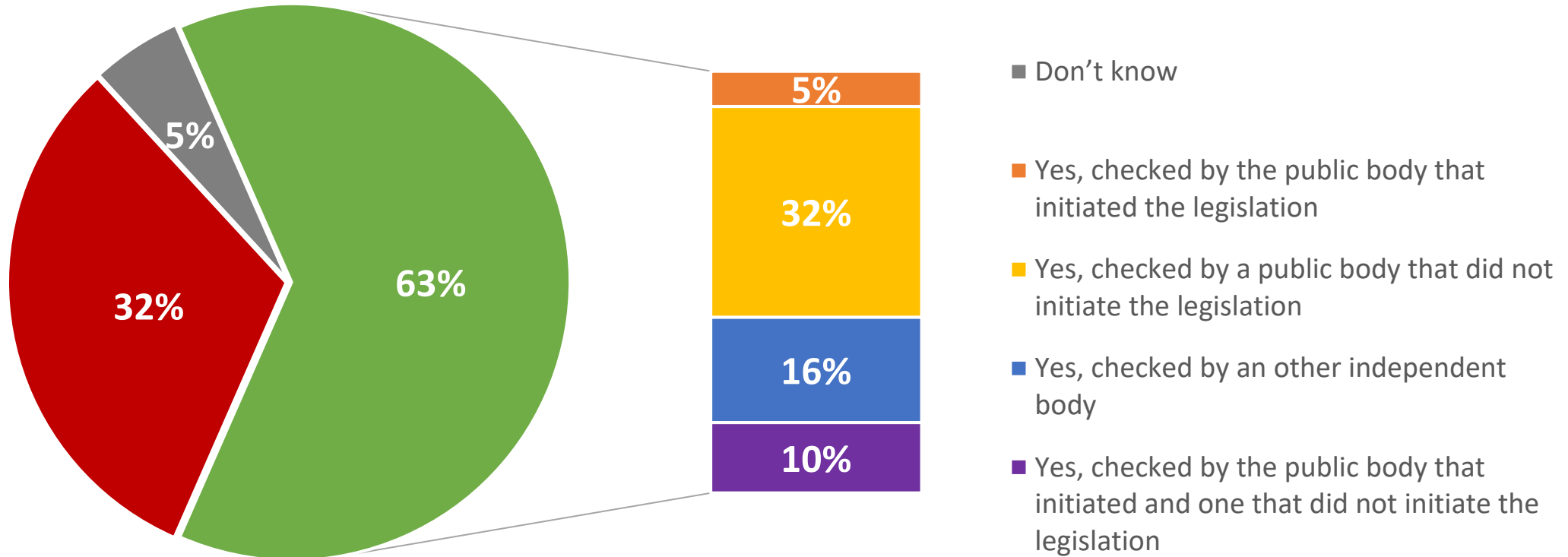
Improvements suggested by the member states included:

- Getting **in touch early with SMEs**
- Increased **involvement** of stakeholders to detect and evaluate impacts should be encouraged in early stages of drafting regulatory proposals
- There should be more **quantification of the effects on SMEs**

*Example: In 2018, the Netherlands introduced an SME panel consultation at the beginning of the legislative process for proposed legislation where substantial regulatory burden is expected for SMEs*

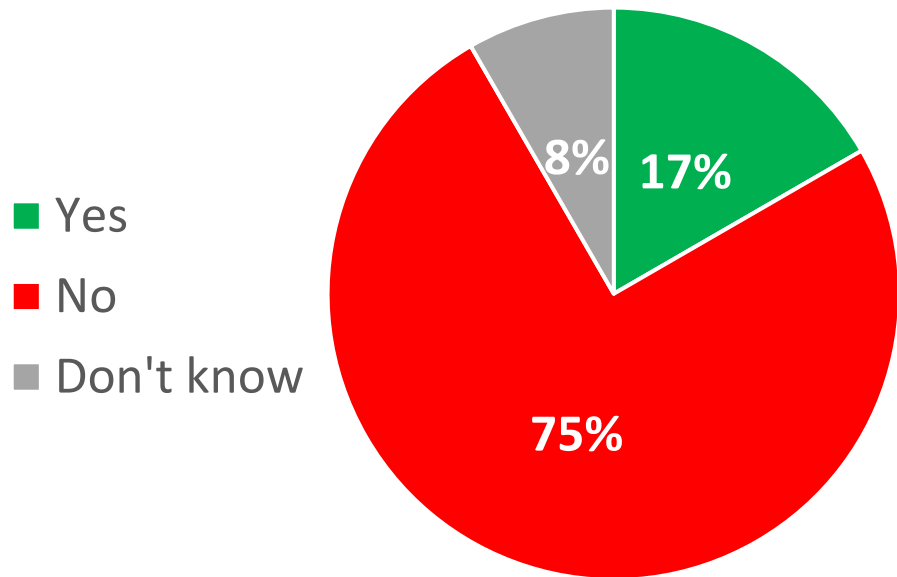
# → Independent quality control and increased transparency of results

Is there a quality control planned for checking the quality of the SME Tests?  
(Member states)

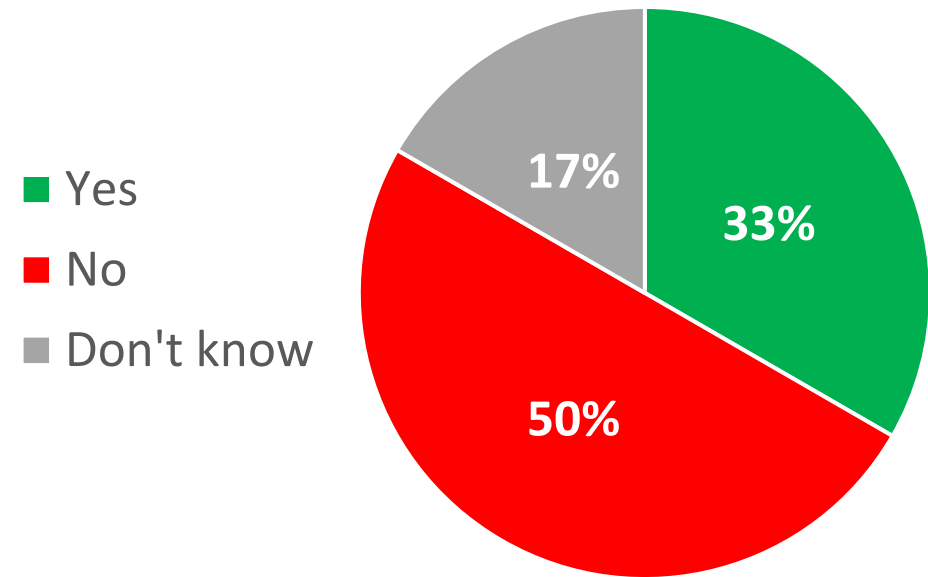


## → Independent quality control and increased transparency of results

Is the SME Test mandatorily reviewed in case of a negative quality control assessment? (Member states)

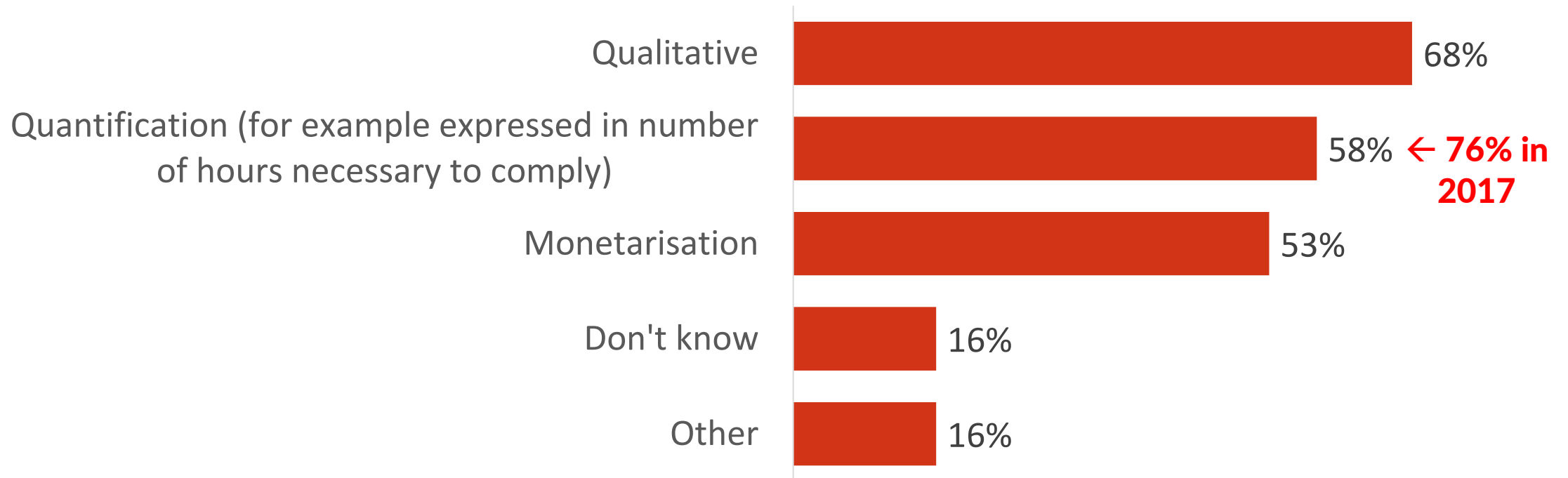


Is the report of the quality control published? (Member states)



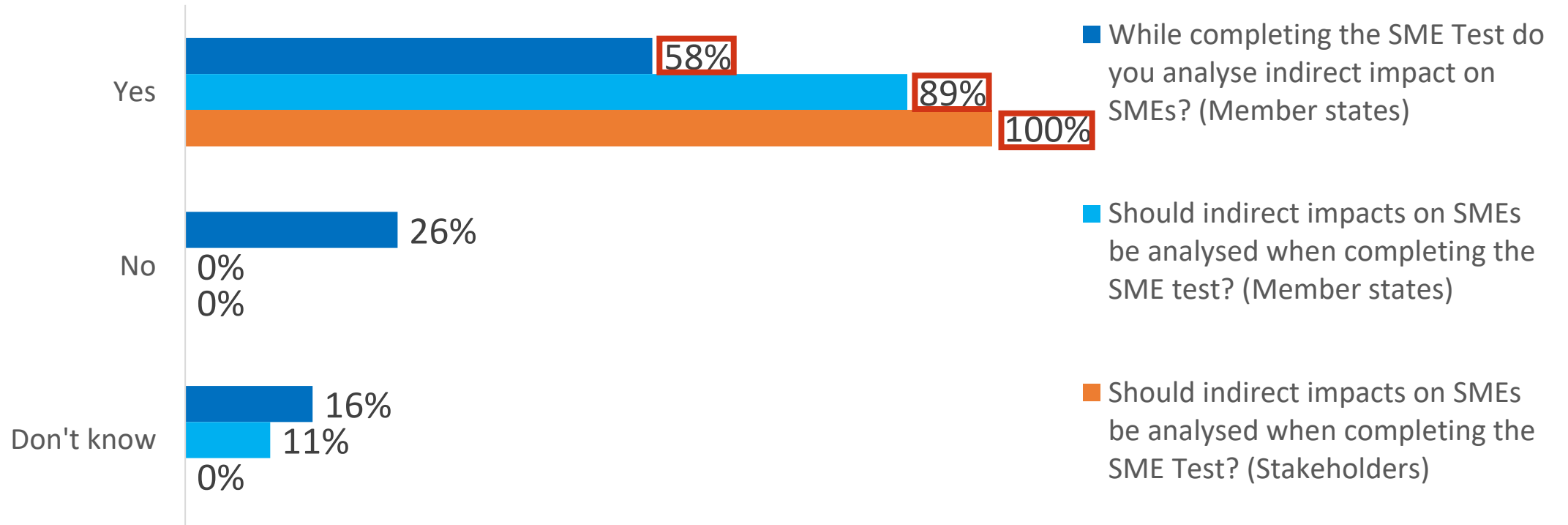
## → Increasing and improving quantitative impact assessments

When assessing the positive and negative impacts of legislative proposals, which methods are being used in your country? (Member states)



# → Attention for indirect impacts in SME Tests

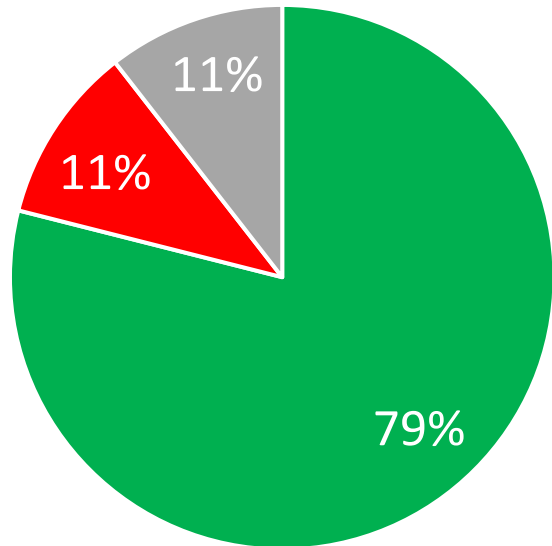
Indirect impact assessment in the SME Test





# → Differentiation between subcategories of SMEs

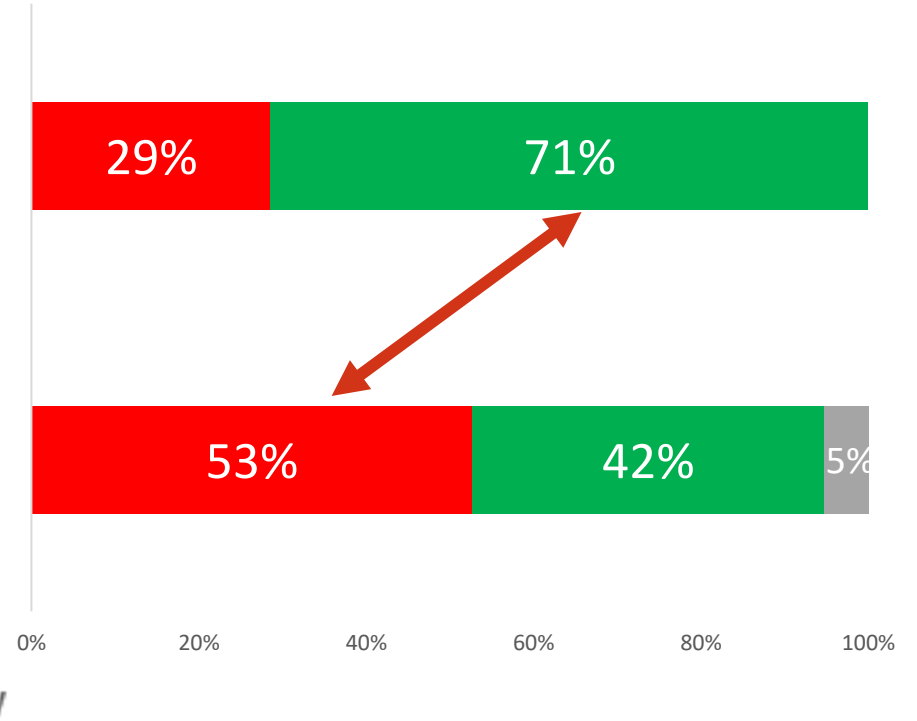
While completing the SME Test do you differentiate between SMEs and large companies? (Member states)



## Differentiation between SME subcategories

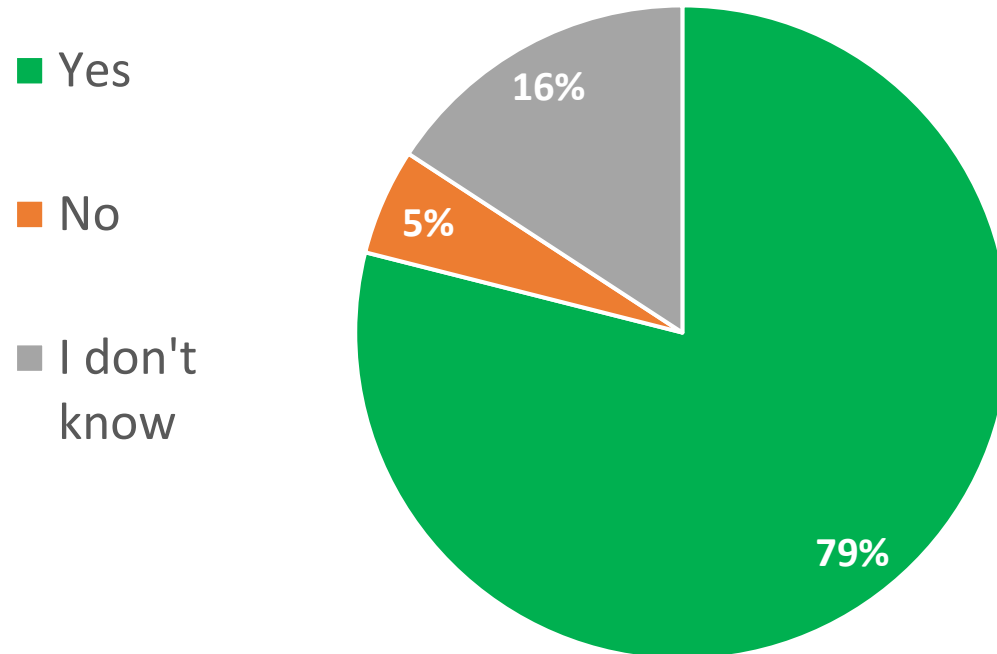
Do you think that the SME Test should differentiate between subcategories of SMEs? (Stakeholders)

While completing the SME Test, do you differentiate between subcategories of SMEs? (Member states)



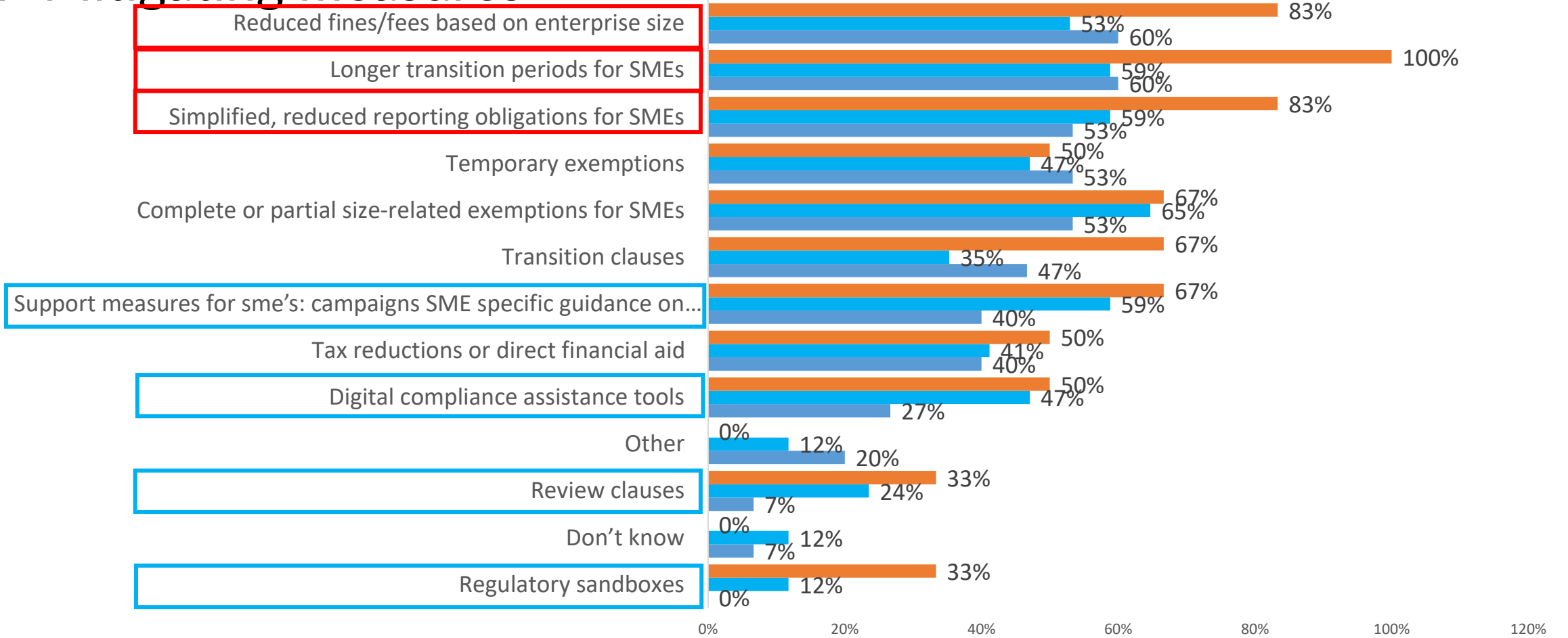
## → Mitigating measures

Number of member states whose SME Test refers to possible mitigating measures



# → Mitigating measures

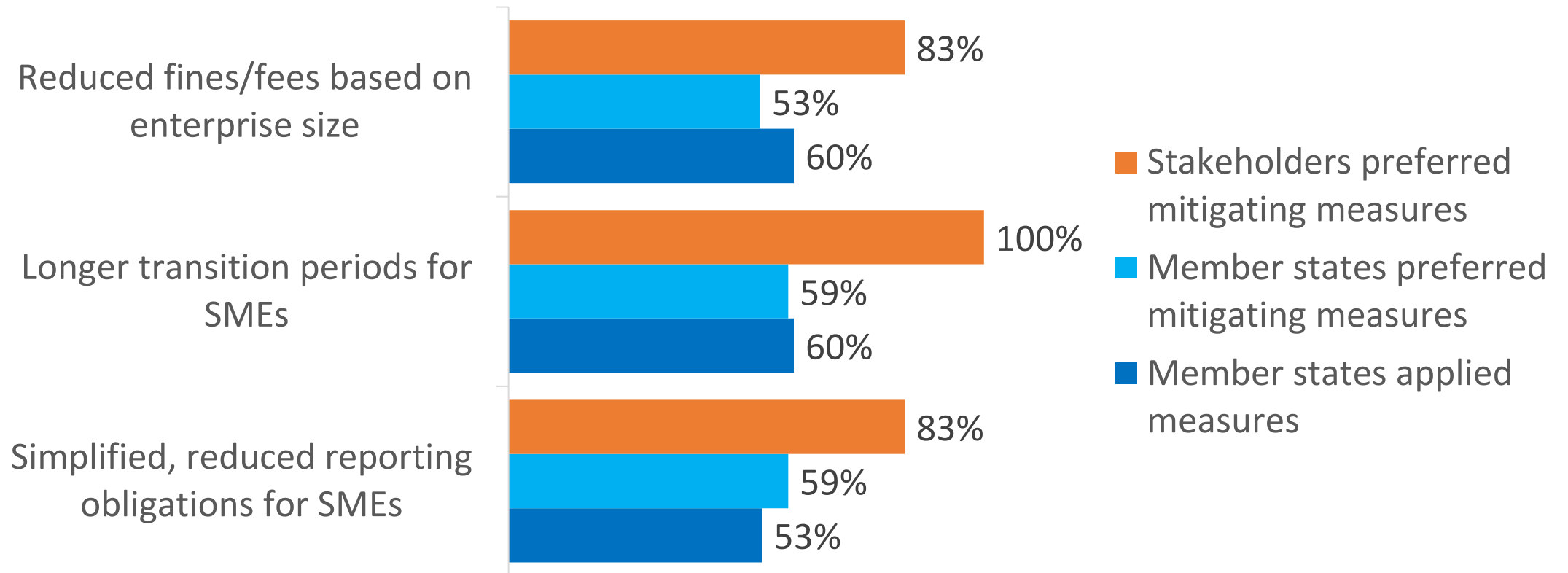
## Mitigating measures



■ Stakeholders preferred mitigating measures 
 ■ Member states preferred mitigating measures 
 ■ Member states applied measures

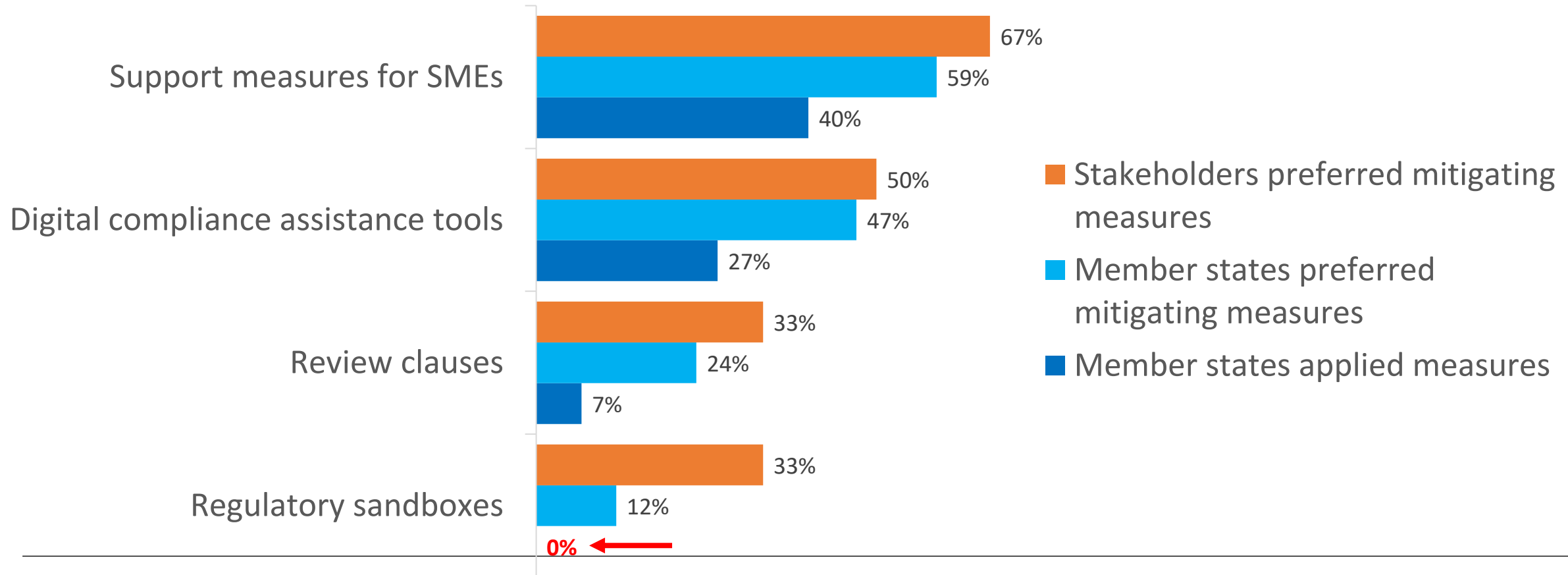
## → Mitigating measures

Overall correspondance between applied and preferred mitigating measures



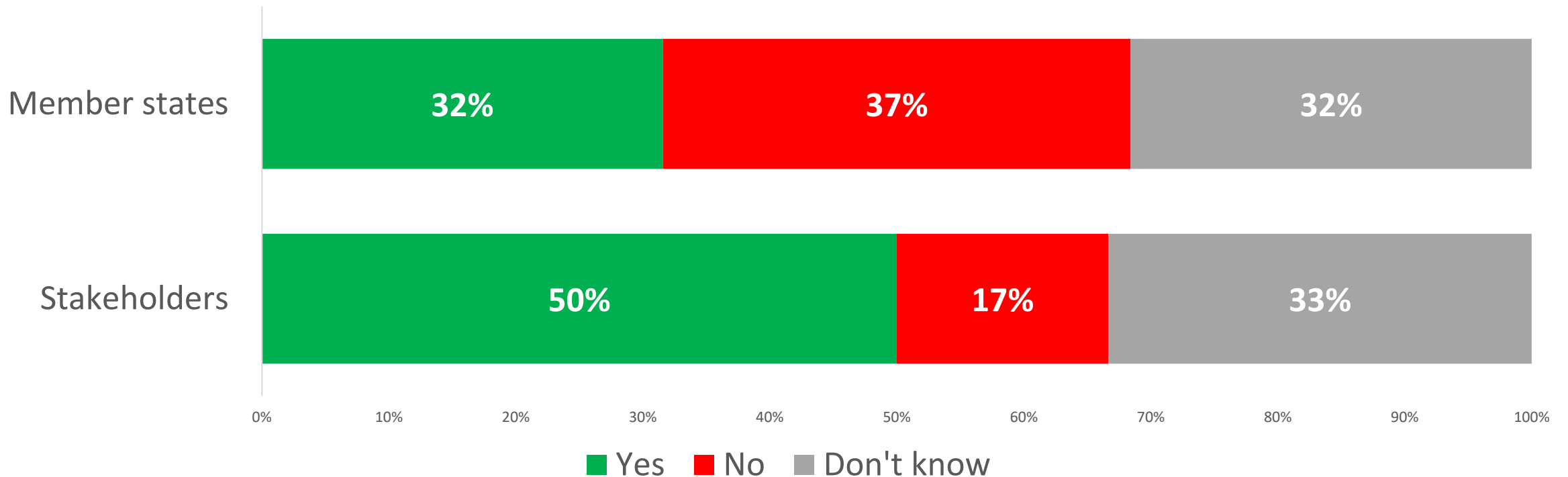
## → Mitigating measures

Strongest gap between applied and preferred mitigating measures



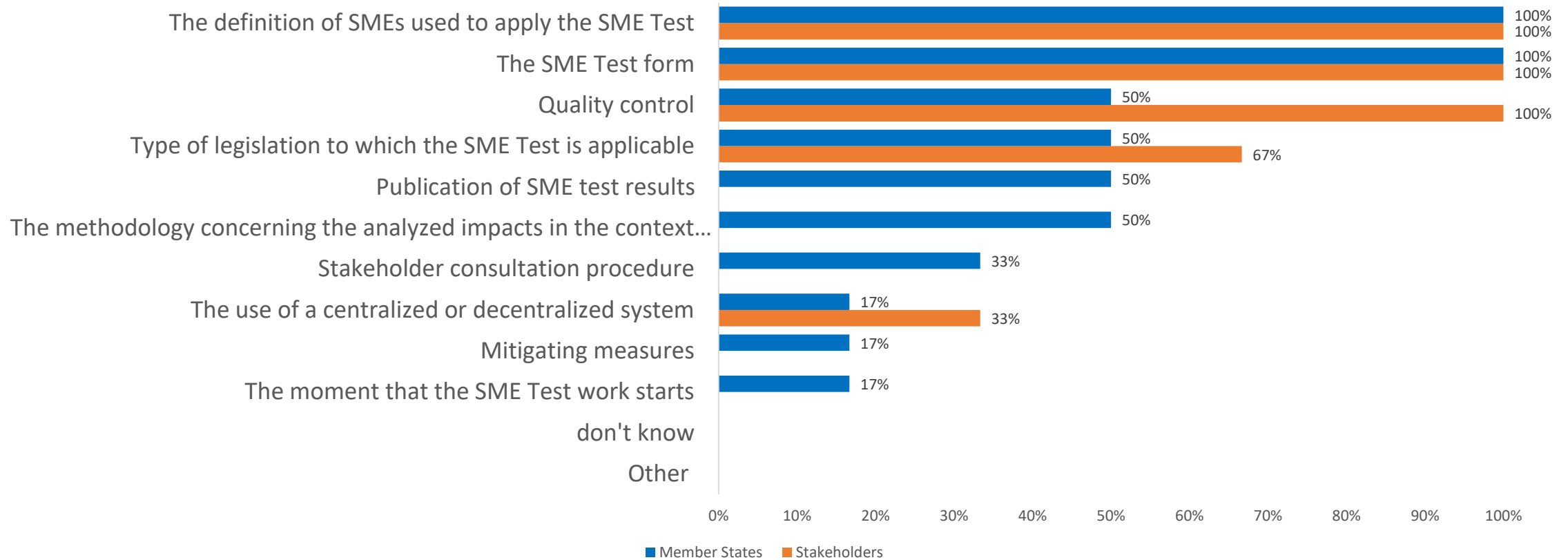
## → Standardization / Harmonization of national SME Tests

Should a level of standardization be established for the SME Tests ?



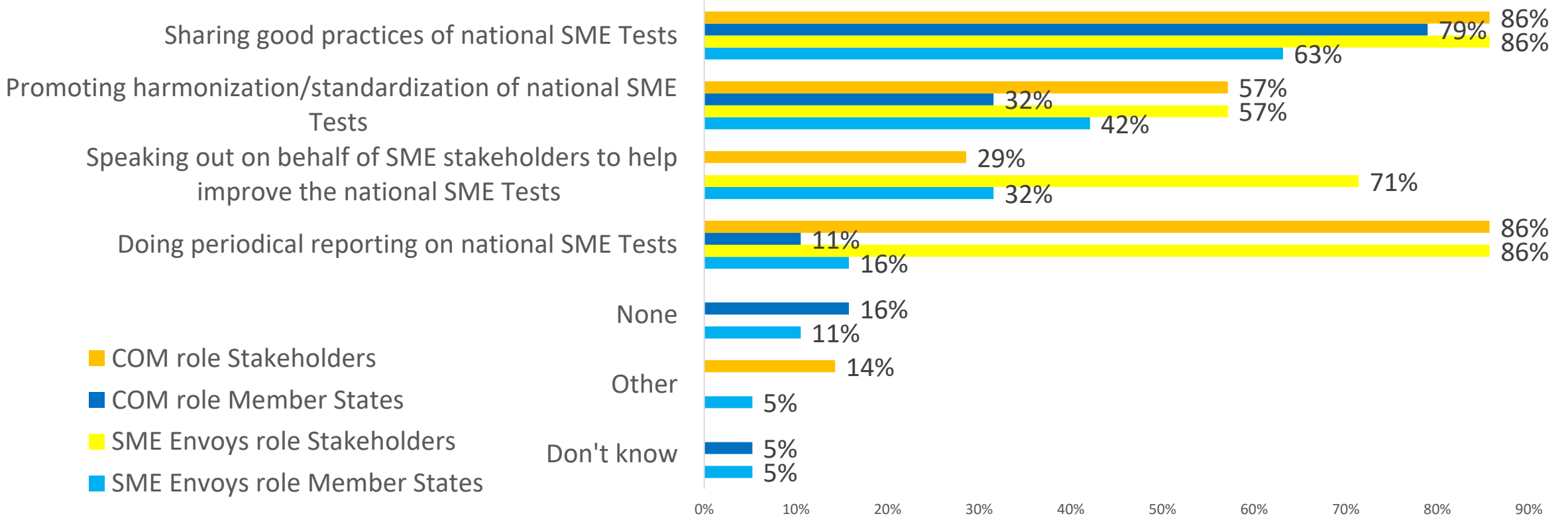
# → Standardization / Harmonization of national SME Tests

Where should harmonization/standardization be applied ?



# → Role of EU Commission and SME Envoys network?

What should be the role of the European Commission and the SME Envoys regarding the national SME tests?





## → Draghi Report (09/2024) THE FUTURE OF EUROPEAN COMPETITIVENESS on the European SME Test :

- Need for **sufficient quantitative evidence** to identify and tackle the **cumulative burden of EU legislation** on SMEs.
- A majority of analysed impact assessments were of **insufficient quality** (*SME Test Benchmark 2022*).
- Suggests including small mid-caps into impact assessments

→ see Member States' call for increasing quantitative impact assessments of national SME tests

→ see debate on SME definition to use in the national SME Tests



## → Draghi Report (09/2024) THE FUTURE OF EUROPEAN COMPETITIVENESS on the European SME Test :

- To uphold **proportionality** for SMEs and small mid-caps, the existing **competitiveness test** and **SME test** should merge.
- need to **assess and identify** relevant mitigation measures for SMEs that could be extended to further companies
- calls for a **clear methodology** to measure the cumulative impact of all new proposals up for adoption on SMEs
- Revamping of the competitiveness test and expansion to cover small mid-caps





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