



## **Commission proposes simplification measures to save EU businesses a further €400 million per year**

Brussels, 21 May 2025

The European Commission [proposes to cut](#) €400 million in annual administrative cost for companies, adding to the €8 billion already targeted through [earlier simplification efforts](#). With a new category of small-mid caps, the measures will ease compliance obligations and thus free resources for growth and investment across the Single Market. The measures boost incentives for SMEs to scale up, digitise regulatory processes, reduce red tape, and support the Commission's goal to cut administrative costs by 25% overall and by 35% for SMEs by the end of this mandate.

### **Unlocking targeted support for small mid-caps**

When SMEs grow beyond 250 employees, they become large enterprises under the current rules — and face a sharp increase in compliance obligations. This “cliff-edge” can discourage growth and limit competitiveness. The European Commission is therefore identifying a new category of companies, small mid-caps (SMCs), i.e. companies with fewer than 750 employees; and either up to €150 million in turnover or up to €129 million in total assets.

These small mid-caps - nearly 38,000 companies in the EU - will access for the first time certain existing SME benefits, such as specific derogations under the General Data Protection Regulation (GDPR) or simplified rules, such as prospectus rules making listing of SMCs on the stock market simpler and less costly.

### **Exemption from Fluorinated greenhouse gas registration**

Around 10,000 companies, in 2026 alone, will no longer need to register in the [EU F-gas Portal](#) under proposed changes.

Currently, all importers and exporters of products containing Fluorinated gas (F-gases) must register. Around 2,000 new companies request registration each month, many of them small car dealers importing or exporting a few second-hand cars with an F-gas in the air-conditioning system. The proposed change will reduce compliance burden for smaller firms handling limited trade volumes while maintaining the climate objectives of the [Regulation](#).

### **Risk-based record-keeping**

Today's proposal simplifies the record-keeping obligation in the GDPR, taking into account the specific needs and challenges of small and medium-sized companies and organisations, while ensuring that the rights of individuals are protected. The proposal exempts SMCs and organisations with fewer than 750 employees, in addition to SMEs.

SMEs, SMCs and organisations with fewer than 750 employees will only be required to maintain records when the processing of personal data is “high risk” under the GDPR. By focusing record-keeping requirements on high-risk activities, organisations can devote their resources to areas where data protection is most critical, while maintaining high standards of data protection.

### **From paper to digital**

The proposal will accelerate the digital transition, eliminating cumbersome paper-based requirements in product legislation. Current EU rules still require companies to provide paper-based declarations of conformity, instructions for use, and others. By digitising these requirements, companies can submit and distribute information more easily and national authorities can verify compliance more efficiently.

### **Legal certainty through common specifications**

Companies, including SMEs and SMCs, will have a clear path to demonstrate that their products meet EU requirements, even when EU-wide harmonised standards are not available. This will offer them more legal certainty, reduce costs, and increase competitiveness.

### **Smoother phase-in of due diligence obligations for batteries**

To help the battery industry navigate the challenges of sourcing raw materials in uncertain times, the Commission is giving companies more time to prepare for new due diligence rules.

The deadline for complying with these rules will be pushed back by two years, from 2025 to 2027. This also offers more time for the setting up of third-party verification bodies.

In addition, the due diligence guidelines will be published one year before the obligations take effect. This will give timely guidance to businesses and help ensure a smoother implementation of the new rules.

### **Background**

This proposal is the [fourth Simplification Omnibus package](#) presented by the European Commission under this mandate, in a resolute effort across the entire institution to reduce unnecessary bureaucracy and create a regulatory environment that drives innovation, growth, quality jobs and investment.

[Omnibus I and II](#) streamlined rules on sustainability reporting and due diligence rules and EU investments, delivering around €6.3 billion in annual administrative relief. [Omnibus III](#), presented last week, focused on simplifying the Common Agricultural Policy, saving up to €1.58 billion annually for farmers and €210 million for national administrations.

The next Omnibus package, tentatively scheduled for June 2025, will focus on defence, and aim at helping reach the investment goals set out in the [White Paper](#), and allow innovative companies to flourish.

This will be followed by an [Omnibus for the Chemical Industry](#) and a Digital package.

This change in regulatory and corporate culture involves the whole European Commission. Every Commission service and Member of College is tasked with [delivering on this rationalisation effort](#), reducing administrative burdens and aligning rules with the realities on the ground.

More information is available [in our Q&A](#) and our [factsheet](#).

IP/25/1277

### **Quote(s):**

*"Cutting red tape and simplifying rules means giving businesses the freedom to innovate, grow, and create jobs. Today's Omnibus is another stepping stone in this regard, extending new benefits to small and mid-cap companies and ensuring that legislation is aligned with on-the-ground reality."*

Stéphane Séjourné, Executive Vice-President for Prosperity and Industrial Strategy - 21/05/2025

*"Today we propose the fourth simplification omnibus. This package will cut a further €400 million from the cost of doing business in the EU, adding to the more than EUR 8 billion savings already identified so far this year. We will continue with our relentless pursuit of simplification to make EU regulation simpler, faster and better for everyone - citizens, consumers, businesses, and public administrations."*

Valdis Dombrovskis, Commissioner for Economy and Productivity; Implementation and Simplification - 21/05/2025

### **Press contacts:**

[Arianna PODESTA](#) (+32 2 298 70 24)

[Quentin CORTES](#) (+32 2 29 13283)

General public inquiries: [Europe Direct](#) by phone [00 800 67 89 10 11](#) or by [email](#)

### **Related media**



[Read-out of the weekly meeting of the von der Leyen Commission by Stéphane Séjourné, Executive Vice-President of the European Commission, on the Single Market Strategy and Fourth Omnibus proposal on small mid-caps](#)