How to complete your SME declaration

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Version 1
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<thead>
<tr>
<th>Version</th>
<th>Publication date</th>
<th>Changes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Version 1</td>
<td>February 2023</td>
<td>Initial version.</td>
</tr>
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References
How to use this guide

Commission Recommendation 2003/361/EC is the legal basis for determining the conditions regarding qualification as an SME.

Before completing the declaration, besides reading these guidelines, carefully read through the recommendation and the SME user guide.

To help you complete the declaration, you can also use the SME self-assessment questionnaire.
Definitions
What is a small and medium-sized enterprise?

To be an SME, your company must fit the **EC definition of SME**.

You are an SME if:

- You employ less than 250 employees **AND**
- Your annual turnover does not exceed EUR 50 million **OR** your balance sheet total does not exceed EUR 43 million.

These ceilings apply to the figures for individual firms only. A firm that is part of a larger group may need to include staff headcount/turnover/balance sheet data from that group too. See later in this document.
Autonomous enterprise

An applicant enterprise is autonomous if it:

• is totally independent, i.e., it has no participation in other enterprises, and no enterprise has a participation in it,
• or is not totally independent, but:
  • does not have a holding of 25% or more in any other enterprise or
  • is not 25% or more owned by any enterprise or public body or jointly by several linked enterprises or public bodies, apart from some exceptions,*
• and does not draw up consolidated accounts and is not included in the accounts of an enterprise which draws up consolidated accounts and is thus not a linked enterprise.

*On the exceptions, read further information in SME model declaration, page 118/9, note (4).
Exceptions to the definition of autonomous enterprise

An enterprise can still be ranked as autonomous if any of the following types of investor holds 25-50 % of its capital or voting rights:

• public investment corporations, venture capital companies and business angels,
• universities and non-profit-making research centers,
• institutional investors, including regional development funds,
• Autonomous local authorities with an annual budget of less than EUR 10 million and fewer than 5 000 inhabitants.

→ One or more of the above investors may individually have a stake of up to 50 % in an enterprise, provided they are not linked, either individually or jointly, to the enterprise under SME assessment.
Partner enterprise

An applicant enterprise is a partner of another enterprise if it:

- has a holding of more than 25% but less than 50% of the capital or voting rights in the other enterprise, or the other enterprise has a holding of more than 25% but less than 50% of the capital or voting rights in the applicant enterprise,
- the enterprises are not linked enterprises,
- does not draw up consolidated accounts which include the other enterprise by consolidation and is not included by consolidation in the accounts of the other enterprise or of an enterprise linked to it.*

For the applicant enterprise to be partner at least one of the above conditions must be true.

*Read further information in the SME model declaration, page 118/9, note (5).
Linked enterprise

An applicant enterprise is linked if it:

• holds a majority (>50%) of the shareholders’ or members’ voting rights in another enterprise, or another enterprise holds a majority (>50%) of the shareholders’ or members’ voting rights in the applicant enterprise,
• or it has the right to appoint or remove a majority (>50%) of the administrative, management or supervisory body of another enterprise, or another enterprise has the right to appoint or remove a majority of the administrative, management or supervisory body of the applicant enterprise,
• or it has the right to exercise a dominant influence over another entity (pursuant to a contract or a provision in the memorandum or articles of association) or a contract enables another entity to exercise a dominant influence over the applicant enterprise.

A typical example of a linked enterprise is the wholly owned subsidiary.

In case a relationship of this kind occurs through the ownership of one or more individuals (acting jointly), the enterprises involved are considered as linked if they operate on the same or adjacent markets.

If the applicant enterprise is in a franchise with another enterprise, they are not necessarily considered as linked. It depends on the terms of each individual franchising agreement. However, if the franchising agreement creates one of the relationships listed above, the enterprises are considered linked.
An enterprise is not an SME according to the Definition if 25 % or more of its capital or voting rights are directly or indirectly owned or controlled, jointly or individually, by one or more public bodies. The reason for this stipulation is that public ownership may give certain advantages to enterprises, notably financial, over other enterprises that are financed by private capital. In addition, it is often not possible to calculate the relevant staff and financial data of public bodies.*

The types of investors listed on slide 6 are not covered by this rule. The total holding by such investors in an enterprise may add up to a maximum of 50 % of the enterprise’s voting rights. Above 50 %, the enterprise cannot be considered an SME.

How to fill in the declaration
Which data do I need to complete my SME declaration?

To complete your SME declaration, you need:

- Data of any partner company of your enterprise.
- Data of any company linked to your enterprise.
- Data of any company linked to any of the partners of your enterprise.
- Data of any company linked to any company that is linked to your enterprise.
- Data of any partner to any company linked to your enterprise.

If your enterprise has other partners, only the data of the partner enterprise(s) situated immediately upstream or downstream need to be taken into account. You do not have to consider data of partners to your partner companies.

The SME user guide provides six examples of different links among enterprises (see SME user guide, pages 25 – 30). Read through the examples while you read this guide.
If your company is autonomous
Enter your company’s name, address, registration or VAT number, and provide the names and titles of the principal directors – Chairman (CEO), Director-General or equivalent.

If your company is autonomous, mark the box ‘Autonomous enterprise.’
Then, complete this table with your headcount, annual turnover and balance sheet total. This data must be relating to the last approved accounting period, calculated on an annual basis. In case of newly established enterprises whose accounts have not yet been approved, the data shall be derived from a reliable estimate made in the course of the financial year.

Provide data in Euro. Use thousands to say millions (ex. 32,000 to say 32,000,000).

Compared to the previous account period, is there a change in the headcount, annual turnover and balance sheet total which could result in a change of category of your company (from SME to big enterprise or from big enterprise to SME)? Check ‘Yes’ or ‘No.’ If ‘Yes,’ you must attach a declaration regarding the previous accounting period.

Sign the document. It is important that the signatory is a person who has the legal authorisation to sign official documents on behalf of the company, otherwise the form is not valid. Remember to add the city and date.
If your company is partner and/or linked
If your company is not autonomous, indicate if it is **partner** and/or **linked**.

Depending on your relationships with other enterprises, you may be either partner or linked, or both. In case you are both, select both options.

Complete this section in green as last. First, you need to complete other sections of the form. See how in the next slides.
Go to page 118/12 and complete 'partnership sheet' following the example here. Complete one 'partnership sheet' for each enterprise with which your company is 'partner.' Remember to provide data in Euro and to use thousands to say millions (ex. 32,000 to say 32,000,000).

**Note:** Partner enterprises of your linked enterprises are treated as your partners. If they do not already draw up consolidated accounts with those linked enterprises, you should complete a ‘partnership sheet’ for each one of them and add their data in Box A.

These raw data are derived from the accounts and other data of your ‘partner’ enterprise, consolidated if they exist. If your ‘partner’ enterprise is ‘linked’ to another enterprise, the raw data regarding the partner enterprise must include 100% of the data of the linked enterprise, unless the accounts data of the linked enterprise are already included by means of consolidation in the accounts of the partner enterprise. If the accounts data of a linked enterprise are not included by consolidation, go to page 118/15 and complete a ‘linkage sheet’ with data on the linked enterprise.

Indicate here:
(a) the percentage of the holding (in terms of the share of the capital or voting rights, whichever is higher) of your company in the partner enterprise to which this sheet relates.
(b) the percentage of the holding (in terms of the share of the capital or voting rights, whichever is higher) of the partner enterprise to which this sheet related in your company.

The higher of these two percentages (in the example here circled in red) should be applied to the raw data entered in the previous table. The results of this proportional calculation must be inserted in the ‘Partnership box.’
‘Partner’ (step 2)

Now go to page 118/11. For each enterprise for which a ‘partnership sheet’ has been completed, the data in the partnership box should be entered in Box A.

Include data of all partners (including partners of linked enterprises, if they do not draw up consolidated accounts with those linked enterprises).
Go to page 118/10 and complete the ‘annex to the declaration.’

In the first row, insert the data of your company or consolidated accounts. Note: If your company is also linked and draws up consolidated accounts with its linked enterprises, copy here data from Box B[1] (page 118/13).

In the second row, copy data from Box A (page 118/11).

If your company is also linked and does not draw up consolidated accounts with its linked enterprises, in the third row, copy data from Box B[2] (page 118/14).

### Calculation for the partner or linked type of enterprise

**Reference period:** 2021-2022

<table>
<thead>
<tr>
<th>Data of the applicant enterprise or consolidated accounts</th>
<th>HEA source (AWU)</th>
<th>Annual turnover (€)</th>
<th>Balance sheet total (€)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Data (1) of the applicant enterprise or consolidated accounts</td>
<td>70</td>
<td>21,000</td>
<td>25,000</td>
</tr>
<tr>
<td>2. Proportionally aggregated data (2) of all partner enterprises (if any) (copy data from Box A in annex A)</td>
<td>128,64</td>
<td>20,480</td>
<td>22,400</td>
</tr>
<tr>
<td>3. Added up data (3) of all linked enterprises (if any) — if not included by consolidation in line 1 (copy data from Box B[2] in annex B)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>198,64</td>
<td>41,480</td>
<td>47,400</td>
</tr>
</tbody>
</table>

(1) EUR 1 000.

(2) Definition, Article 1(2) and (3).

(3) All data must be relating to the last approved accounting period and calculated on an annual basis. In the case of newly-established enterprises whose accounts have not yet been approved, the data to apply shall be derived from a reliable estimate made in the course of the financial year (Definition, Article 4).

(4) The data of the enterprise, including the headcount, are determined on the basis of the accounts and other data of the enterprise or, where they exist, the consolidated accounts of the enterprise, or the consolidated accounts in which the enterprise is included through consolidation.

The data entered in the ‘Total’ row of the above table should be entered in the box ‘Data used to determine the category of enterprise’ in the declaration.
'Partner' (step 4)

Go back to the first page of the model declaration (118/7) and complete the missing information.

Insert here data from the ‘Total’ row of the ‘annex to the declaration’ (p. 118/10).

Remember that the person who signs the declaration must have the legal authorisation to sign legally-binding documents on behalf of the company, otherwise the declaration is not valid.
Go to page 118/13 and check ‘Case 1’ and/or ‘Case 2.’

Check ‘Case 1’ if your company draws up consolidated accounts or is included in the consolidated accounts of another enterprise.

Check ‘Case 2’ if your company or one or more of its linked enterprises do not draw up consolidated accounts or are not included in the consolidated accounts.

ANNEX B

Linked enterprises

A) Determine the case applicable to the applicant enterprise:

☐ Case 1: The applicant enterprise draws up consolidated accounts or is included by consolidation in the consolidated accounts of another enterprise. (Box B(1))

☐ Case 2: The applicant enterprise or one or more of the linked enterprises do not establish consolidated accounts or are not included in the consolidated accounts. (Box B(2)).
'Linked' (Case 1, step 2)

If you checked 'Case 1,' on the same page (118/13), complete Box B(1) with data from the consolidated accounts. Remember to provide data in Euro and to use thousands to say millions (ex. 32,000 to say 32,000,000).

Remember: partner enterprises of your linked enterprises are treated as partners of your company. If they are not already included by consolidation in the accounts of those linked enterprises, complete a 'partnership sheet' and add their data in Box A.

The data entered in Box B(1) should be entered in line 1 of the table in 'annex to the declaration' (next slide, p. 118/10).

<table>
<thead>
<tr>
<th>Linked enterprise</th>
<th>Address (of registered office)</th>
<th>Registration/ VAT number (*)</th>
<th>Names and titles of the principal director(s) (*)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Magma T</td>
<td>Rue Palatine 9, Paris, 75932 France</td>
<td>1165165945</td>
<td>Matti Parl, CEO</td>
</tr>
<tr>
<td>Anteis Spa</td>
<td>Via Dottu 399, Ancona, 3472 Italy</td>
<td>11688248789</td>
<td>Sara Port, Director General</td>
</tr>
</tbody>
</table>

(*) Where in the consolidated accounts the headcount data appear, the calculation of is to be done by adding the data from the enterprises to which the enterprise in question is linked.

(**) EUR 1,000.

The data entered in the 'Total' row of the above table should be entered in line 1 of the table in the Annex to the declaration.
The data entered in Box B[1] should be entered in first row of the table in the ‘annex to the declaration.’

Complete the ‘Total’ row.

<table>
<thead>
<tr>
<th>Reference period</th>
<th>2021-2022</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Hashmark (AWU)</td>
</tr>
<tr>
<td>1. Data of the applicant enterprise or consolidated accounts (copy data from box B[1] in annex B (%)</td>
<td>220</td>
</tr>
<tr>
<td>2. Proportionally aggregated data of all partner enterprises (if any) (copy data from box A in annex A)</td>
<td></td>
</tr>
<tr>
<td>3. Added up data of all linked enterprises (if any) — if not included by consolidation in line 1 (copy data from box B[2] in annex B)</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>220</td>
</tr>
</tbody>
</table>
‘Linked’ (Case 2, step 2)

If you checked ‘Case 2,’ go to page 118/15 and complete a ‘linkage sheet’ for each linked enterprise with which there are no consolidated accounts. Remember to provide data in Euro and to use thousands to say millions (ex. 32,000 to say 32,000,000).

Then, add up their data on page 118/14 in Box B(2)
In the first row of the ‘annex to the declaration,’ insert data of your company. If your company draws up consolidated accounts, you should have completed Box B(1) in Annex B; therefore, add data from Box B(1).

In the third row, provide data entered in the ‘Total’ row of Box B(2). Then, complete the ‘Total’ row.
Finally, go back to the first page of the model declaration (118/7) and complete the missing information.

Complete this table with data from the ‘annex to the declaration’ (reference period and ‘Total’ row). Remember to provide data in Euro and to use thousands to say millions (ex. 32,000 to say 32,000,000).

<table>
<thead>
<tr>
<th>Reference period (**)</th>
<th>Annual turnover (**)</th>
<th>Balance sheet total (**)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(*) All data must be relating to the last approved accounting period and calculated on an annual basis. In the case of newly-established enterprises whose accounts have not yet been approved, the data to apply shall be derived from a reliable estimate made in the course of the financial year.

( **) EUR 1 000.

Important: Compared to the previous accounting period there is a change regarding the data, which could result in a change of category of the applicant enterprise [micro, small, medium-sized or big enterprise].

☐ No
☐ Yes (in this case fill in and attach a declaration regarding the previous accounting period (**)).

Signature

Name and position of the signatory, being authorised to represent the enterprise: ____________________________

__________________________

I declare on my honour the accuracy of this declaration and of any annex thereto.

Done at ____________________________

Signature:
References
