The new SME definition
User guide and model declaration

In the 25-member EU, there are:
- some 23 million SMEs,
- representing 99% of all EU companies,
- employing around 75 million people.

<table>
<thead>
<tr>
<th>SME thresholds</th>
<th>Staff:</th>
<th>Turnover:</th>
<th>Balance sheet:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Micro enterprise</td>
<td>&lt; 10</td>
<td>≤ 2 million</td>
<td>≤ 2 million</td>
</tr>
<tr>
<td>Small enterprise</td>
<td>&lt; 50</td>
<td>≤ 10 million</td>
<td>≤ 2 million</td>
</tr>
<tr>
<td>Medium-sized enterprise</td>
<td>&lt; 250</td>
<td>≤ 250 million</td>
<td>≤ 43 million</td>
</tr>
</tbody>
</table>

Common abbreviations:
- EIB: European Investment Bank
- EIF: European Investment Fund
- EU: European Union
- AWU: Annual work unit
- R&D: Research and development
- SME: Small and medium-sized enterprise

This guide contains:
- Details and explanations of the new SME definition which took effect on 1/1/2005.
- A model declaration that individual companies may complete themselves when applying to SME support schemes in order to establish their SME status.
DISCLAIMER:
This SME User Guide serves as a general orientation for entrepreneurs when applying the new SME definition. It does not have any legal value and does not bind the Commission in any way. Commission Recommendation 2003/361/EC as published in the Official Journal of the European Union L 124, p. 36 of 20 May 2003 is the sole authentic basis for determining the conditions regarding qualification as an SME.