The SME Self-Assessment User Guide

June 2021

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The SME Self-Assessment

The SME Self-Assessment questionnaire allows you to determine whether your organisation qualifies as a Micro, Small or Medium-sized Enterprise ('SME') according to the relevant rules of the European Commission.
The assessment is based on the SME Recommendation 2003/361/EC (http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2003:124:0036:0041:en:PDF) as well as on the definition of Micro, Small and Medium-sized Enterprises (http://ec.europa.eu/growth/smes/business-friendly-environment/sme-definition/index_en.htm).

The questionnaire comprises a series of easy-to-answer questions in logical sequence: the answer you provide will determine the next question in the sequence.

Some important keywords

To establish the SME status of an organisation, it is necessary to determine its "ownership structure". The questions in the SME Self-Assessment questionnaire will help you describe the family tree ("ownership structure") of your organisation. Furthermore, it will help you assess whether your organisation fulfils the requirements set out in the SME Recommendation.

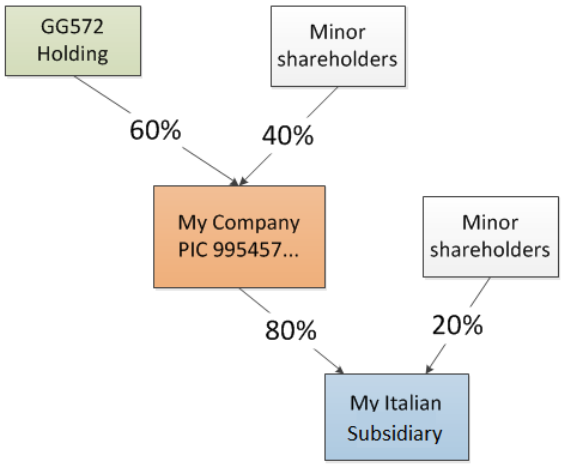
The SME questionnaire first requires information about your organisation (in the following example "My company"), and about any other relevant entities to which it is related.

Example: 60% of My Company is owned by "GG572 Holding" (the Shareholder). Other (minor) companies own shares/voting rights of My Company, each owning less than 25%.

My Company has an 80% subsidiary (the Participation) in Italy (My Italian Subsidiary). The rest of "My Italian Subsidiary" is owned by minor shareholders.

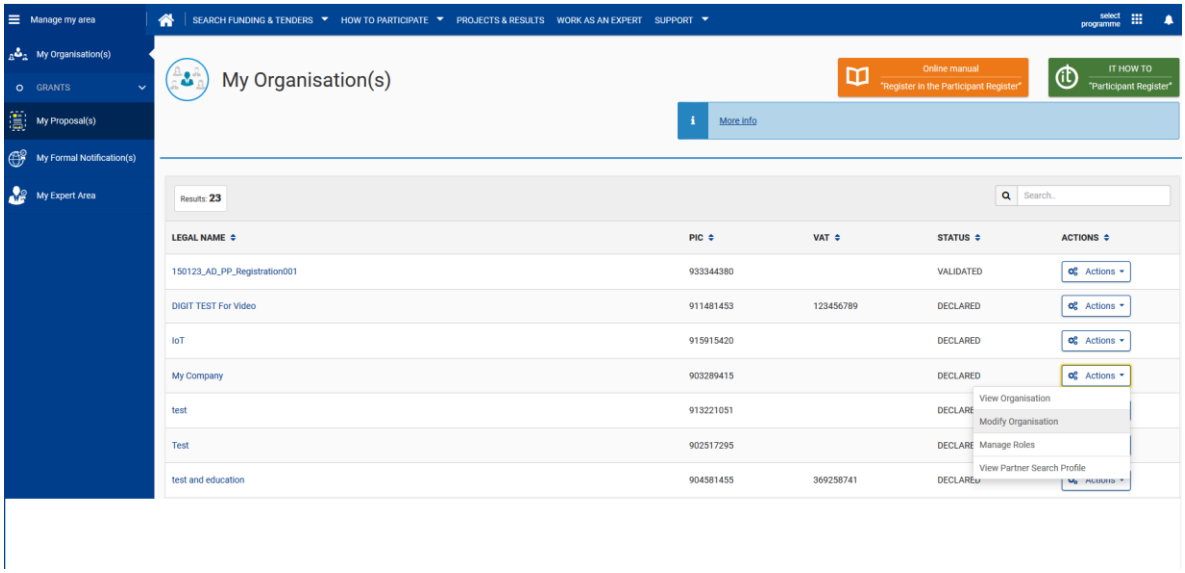
In a case like this, you will be asked to enter financial data of:

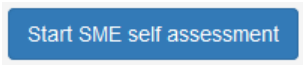
- the Shareholder (GG572 Holding) and
- the Participation (My Italian Subsidiary).

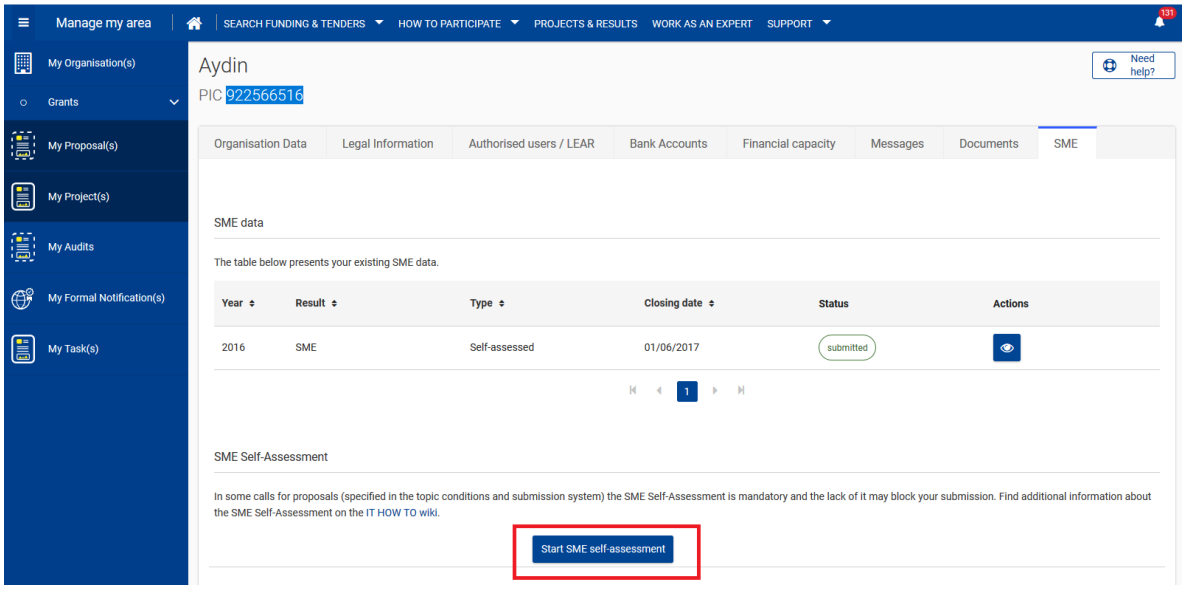


Getting started

Access first the Participant Register. To do so, log on into the Funding & Tenders Portal and go to My Organisation(s) within Manage my area on the left side. Click on the Actions button next to your organisation and select Modify organisation.

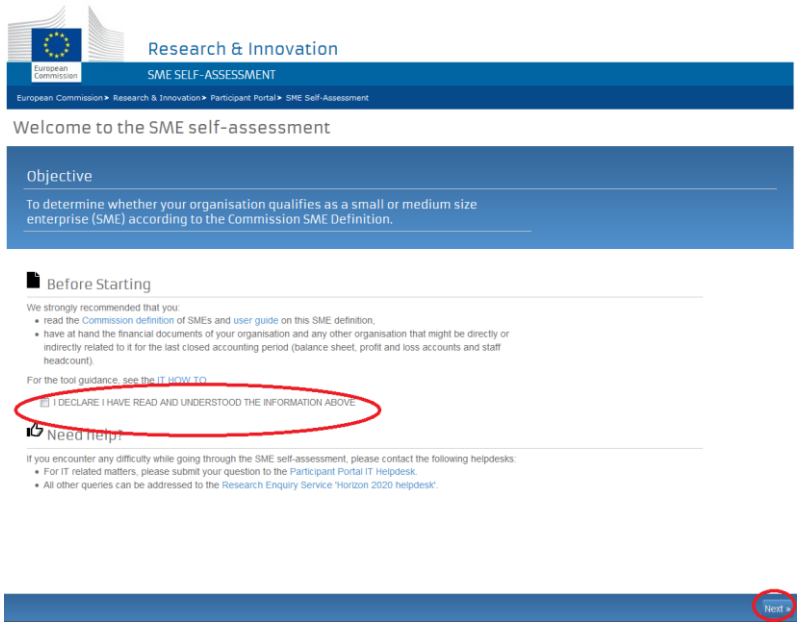


Go to the **SME** tab and click on  to start the SME questionnaire.



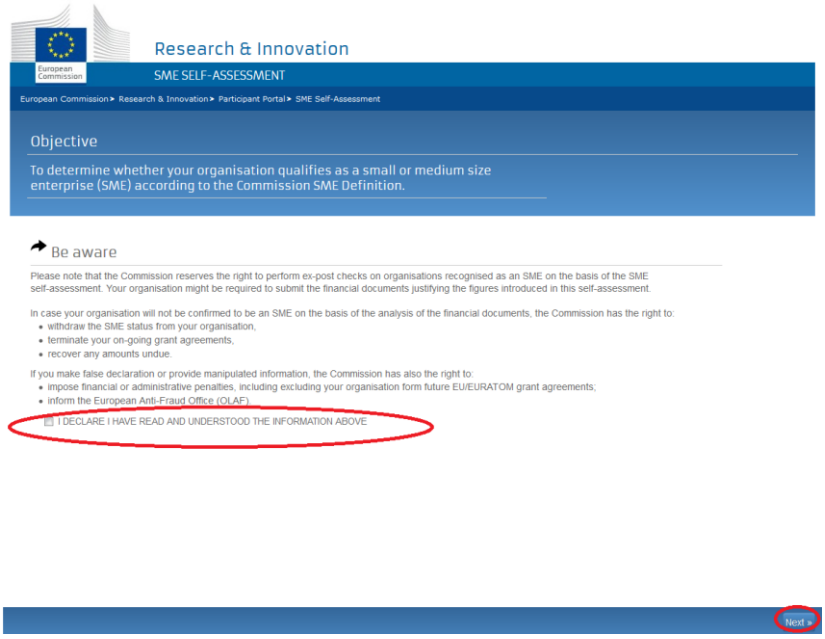
The first screen includes links to information you need to be familiar with before completing the questionnaire, such as the European Commission's SME definition, the User Guide on the SME definition and the link to the **IT How To**, where information about how to use the questionnaire is to be found.

After having read the above documents, you can start the questionnaire, by ticking the declaration about having read and understood the information shown. To proceed, click next.



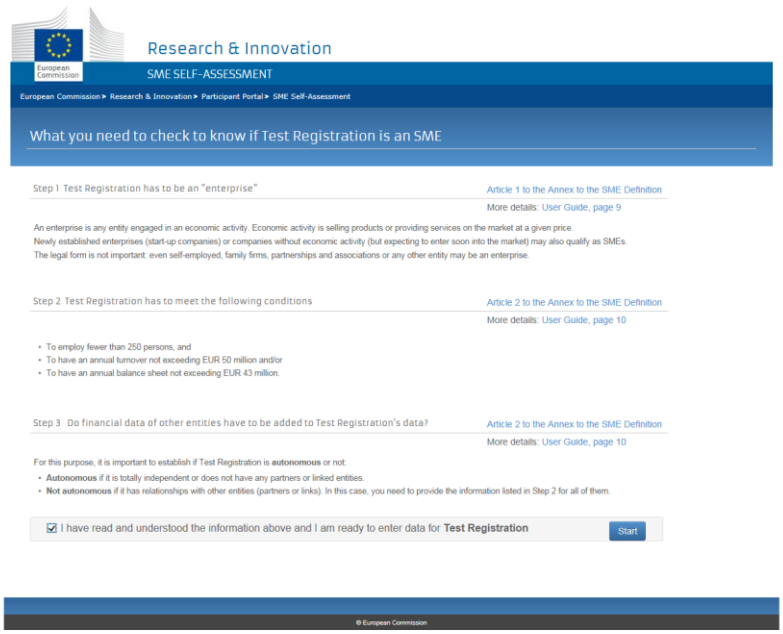
The second screen will inform you about responsibilities and potential consequences of inaccurate and false declaration made in fulfilling the SME self-assessment.

After having read these warnings, you can proceed with the questionnaire, by ticking the declaration. To continue, click next.



You are required to read the information displayed on this third screen on which you will also find ad hoc links to the relevant EU documentation (SME Definition and User Guide - i.e. 1, 2, 3 below).

After having read carefully the information provided, you are required to tick the corresponding declaration box (i.e. 4 below) and launch the SME questionnaire by clicking on the Start button (5 below).

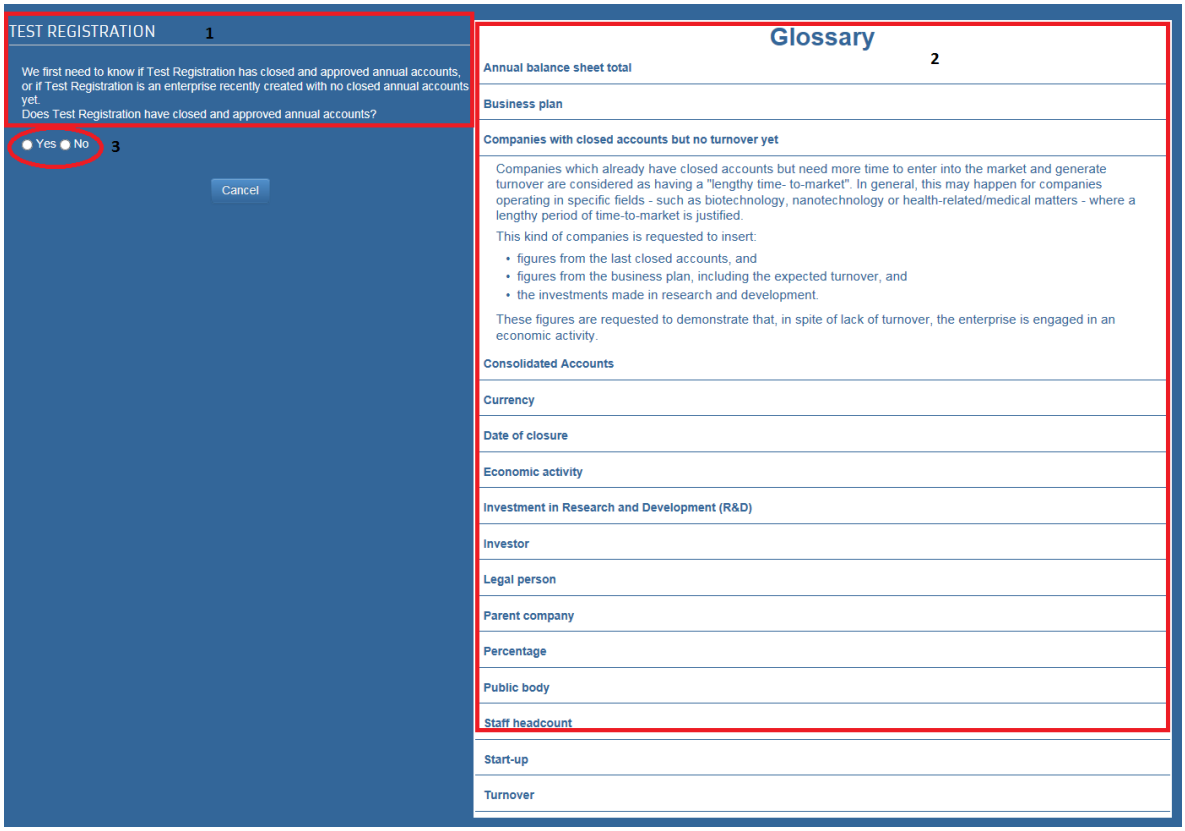

Research & Innovation
SME SELF-ASSESSMENT
European Commission > Research & Innovation > Participant Portal > SME Self-Assessment
What you need to check to know if Test Registration is an SME
Step 1 Test Registration has to be an "enterprise"
Article 1 to the Annex to the SME Definition
More details: User Guide, page 9
An enterprise is any entity engaged in an economic activity. Economic activity is selling products or providing services on the market at a given price.
Newly established enterprises (start-up companies) or companies without economic activity (but expecting to enter soon into the market) may also qualify as SMEs.
The legal form is not important: even self-employed, family firms, partnerships and associations or any other entity may be an enterprise.
Step 2 Test Registration has to meet the following conditions
Article 2 to the Annex to the SME Definition
More details: User Guide, page 10
To employ fewer than 250 persons, and
To have an annual turnover not exceeding EUR 50 million and/or
To have an annual balance sheet not exceeding EUR 43 million.
Step 3 Do financial data of other entities have to be added to Test Registration's data?
Article 2 to the Annex to the SME Definition
More details: User Guide, page 10
For this purpose, it is important to establish if Test Registration is autonomous or not:
Autonomous if it is totally independent or does not have any partners or linked entities.
Not autonomous if it has relationships with other entities (partners or links). In this case, you need to provide the information listed in Step 2 for all of them.
I have read and understood the information above and I am ready to enter data for Test Registration
Start
© European Commission

The SME-Questionnaire step by step

All along the questionnaire you will find:

- on the left hand side of the screen: the questions to be answered (#1 on next screen shot), and

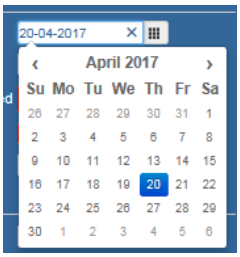
- on the right hand side of the screen: a glossary containing all the information necessary to answer the questions asked. Definitions are in alphabetical order (#2 on next screen shot). Answering the question (#3 on next screen shot) triggers a new question (#4 on second next screen shot). The corresponding Glossary definition will be expanded for your better understanding of the question (#5 on second screen shot). You may, at any time, expand any of the Glossary definitions by clicking on its title.



How to answer the questions:

The initial questions are of 'yes/no' type; you will be required to provide input afterwards.

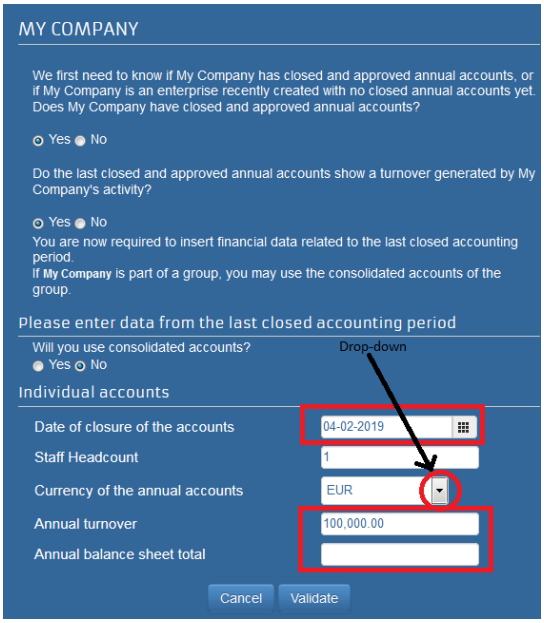
The icon indicates fields with date format. Click on the empty space on the left side to display a calendar and to select a date:



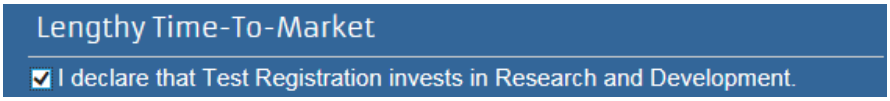
Some other fields are drop-down lists.

Fields without icon on the right are number fields where you need to provide input manually.

Whenever you provide wrong kind of input format or no input, a message will list the errors. Amend accordingly to be able to continue:



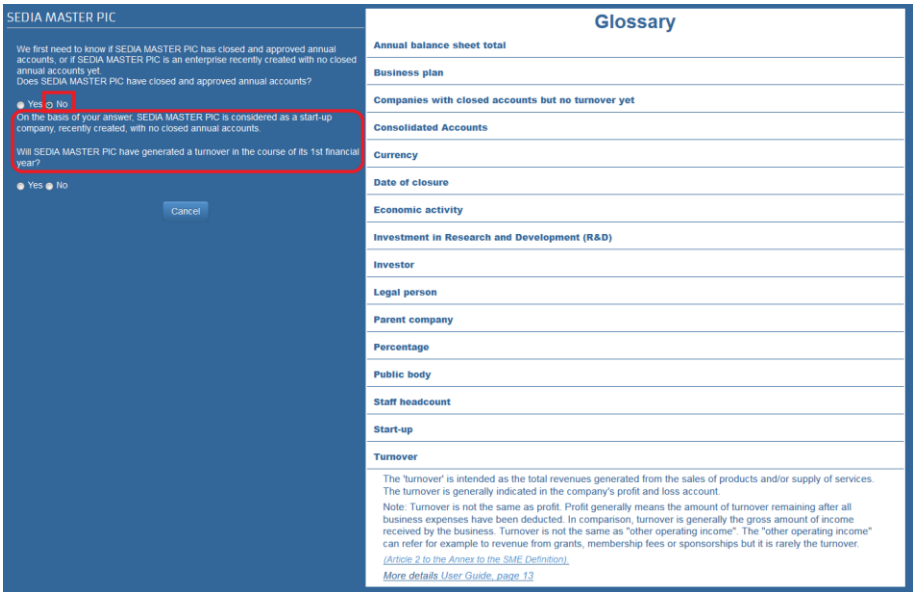
You could also encounter questions for which you need to make a declaration. Tick the corresponding box in those cases.



Please note that, at any time, clicking the Cancel button will take you out of the questionnaire without saving.

Step 1 My Organization

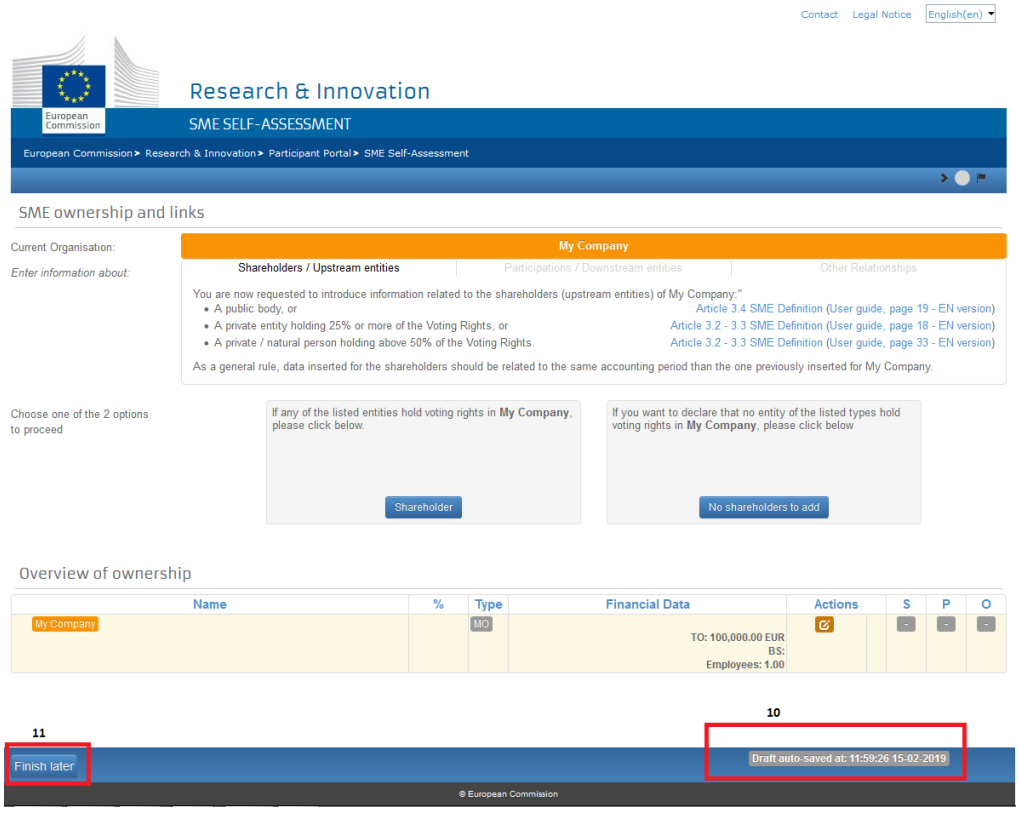
You will be asked first to fill in information concerning your organisation. Each answer triggers a different new set of questions:



You will reach the end of this first section when you are presented with the validate button Validate.

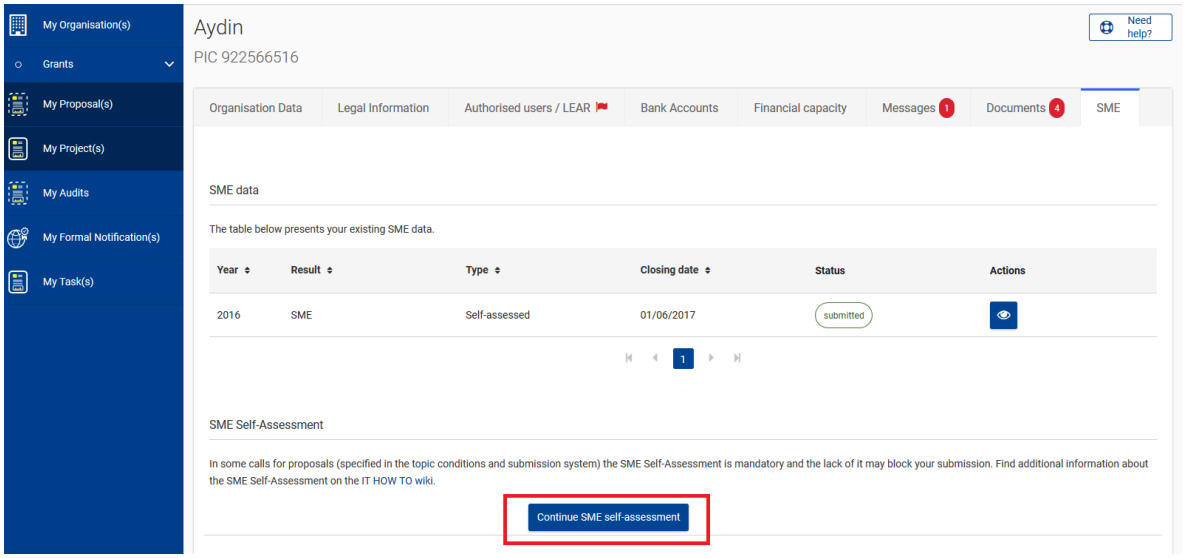
Click on it in order to validate your input.

If you detect an error, please correct the relevant field. Otherwise you can go the following step of the questionnaire.



At this point, your input has been saved as a draft (# 10 above). You can leave the questionnaire, by clicking the Finish later button (# 11 above), and return back to it at any moment by clicking the

in the Beneficiary Register application.

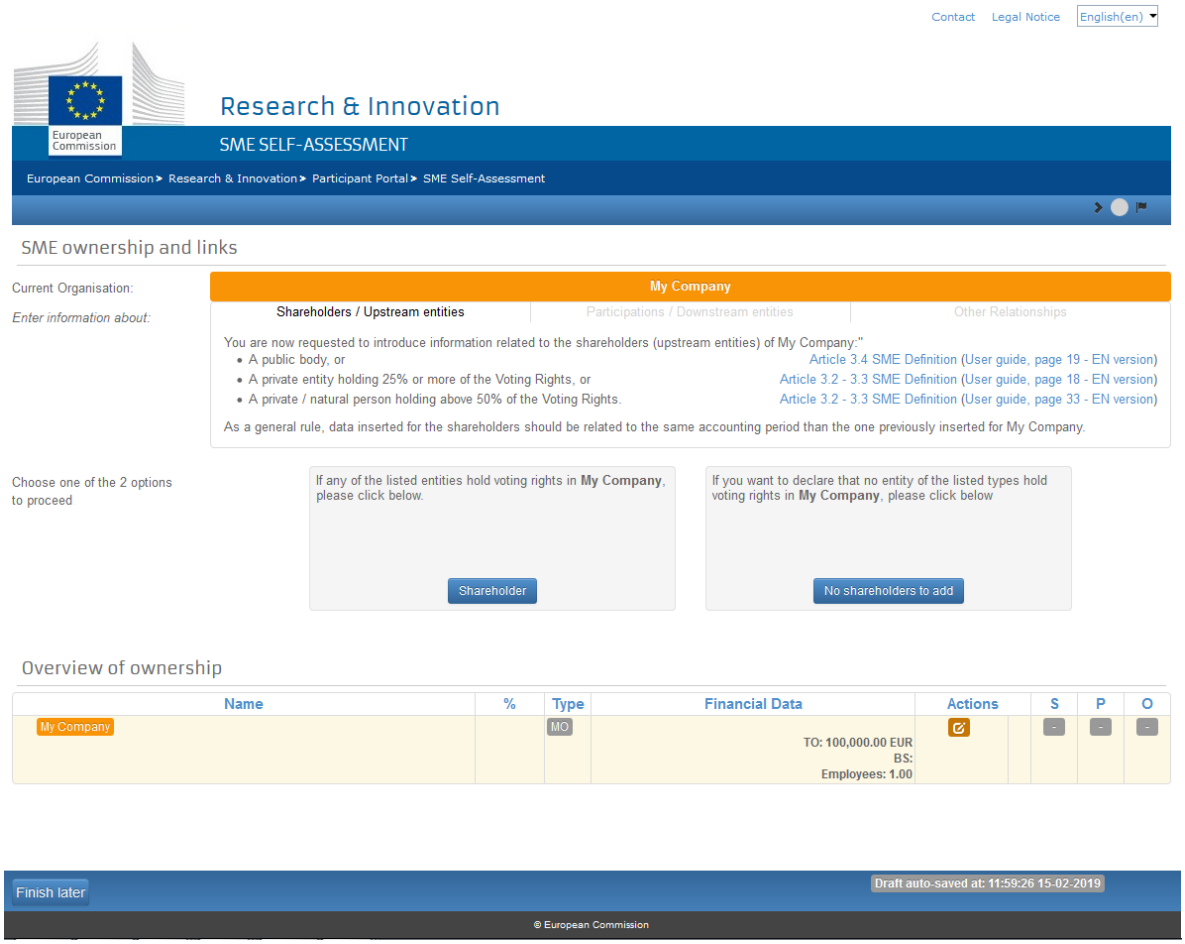


Note: If, at a later stage, you come back to the self-assessment, you will face the same declarations as in the initial phase. You will therefore have to acknowledge them again by ticking the corresponding boxes.

Step 2: Shareholders

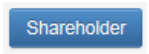
Now the system will ask you to enter information concerning the "family tree" of your organization (in this case the name of the company is Test Registration).

You have to indicate here the existence of **Shareholders** related to your organisation. You will secondly be asked to fill in information concerning these shareholders, if any.



When adding Shareholders, the system will ensure that you enter the totality of the shares (i.e. 100%).

To help you provide only relevant information, the question will indicate, each time, the categories (with minimum percentages) of the entities whose data contribute to the calculation.

It is, thus, very important to carefully read the different options before clicking on 

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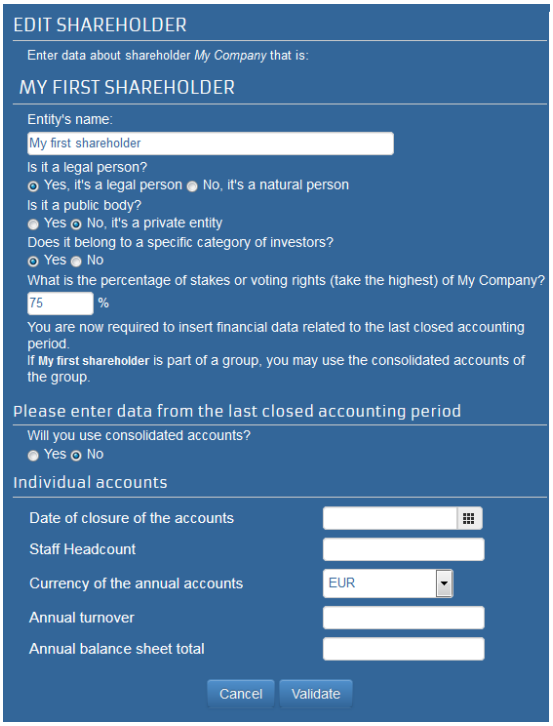
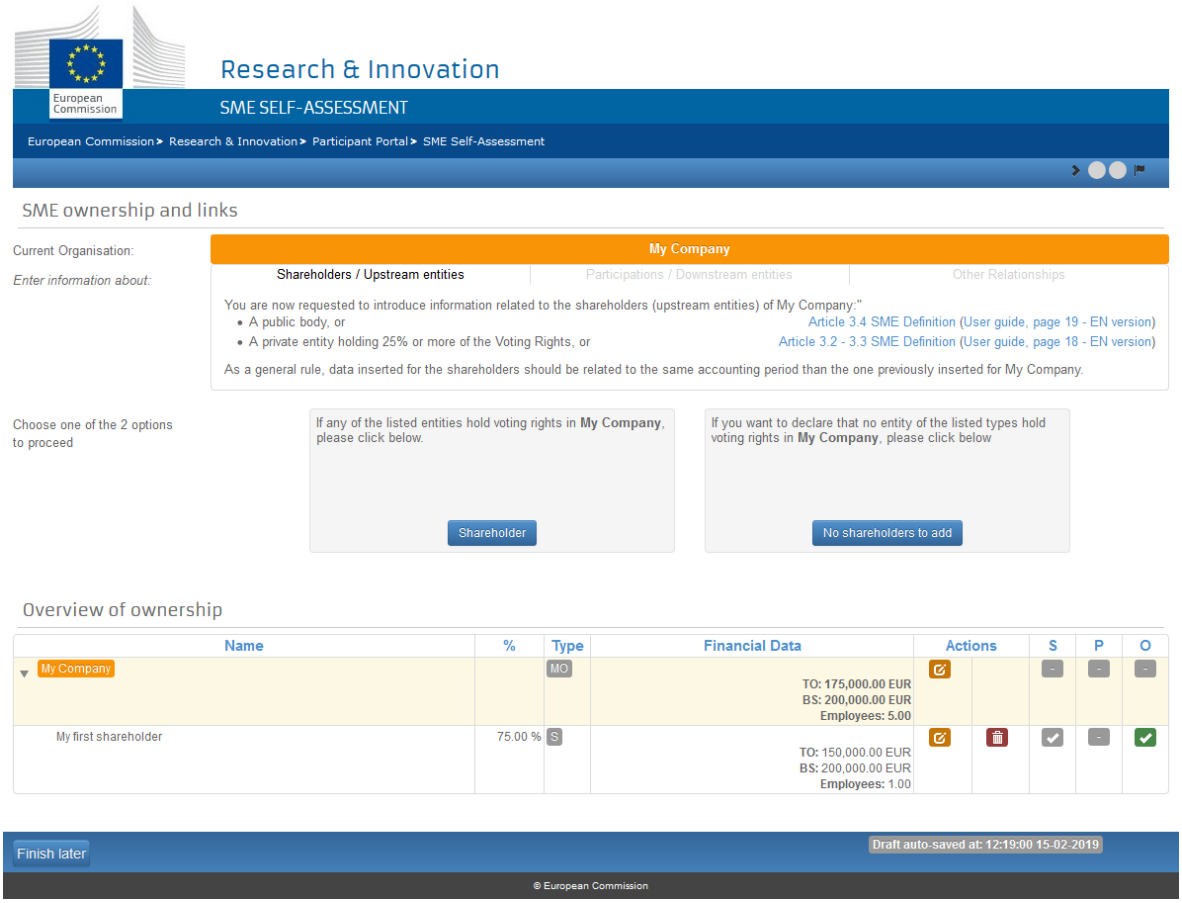
Next, a new blue pane will slide in and you will be asked to enter information concerning the shareholder1 (name of the entity, whether it is a legal/natural person, public/private and if it belongs to one of the investors categories).

Click on **Validate** when done.

[1] Refer to chapter "Using consolidated accounts" in case you wish to use them.



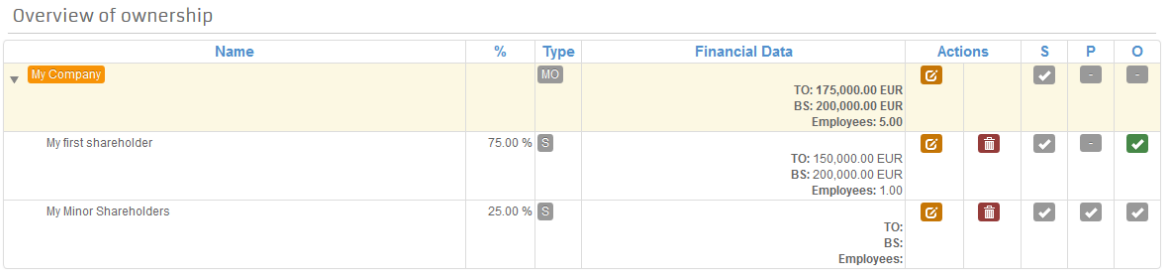
In our example, we add a shareholder holding 75% named My first Shareholder.



In case there are no (or no more) shareholders to be added (from one of the listed categories), click No shareholders to add to complete the ownership structure of the current entity. In this case

the system will create a **Minor Shareholders** category in the ownership structure which means that the rest of the ownership (or even the 100%) is not relevant to the calculation. In our example Minor Shareholders will hold 25%.

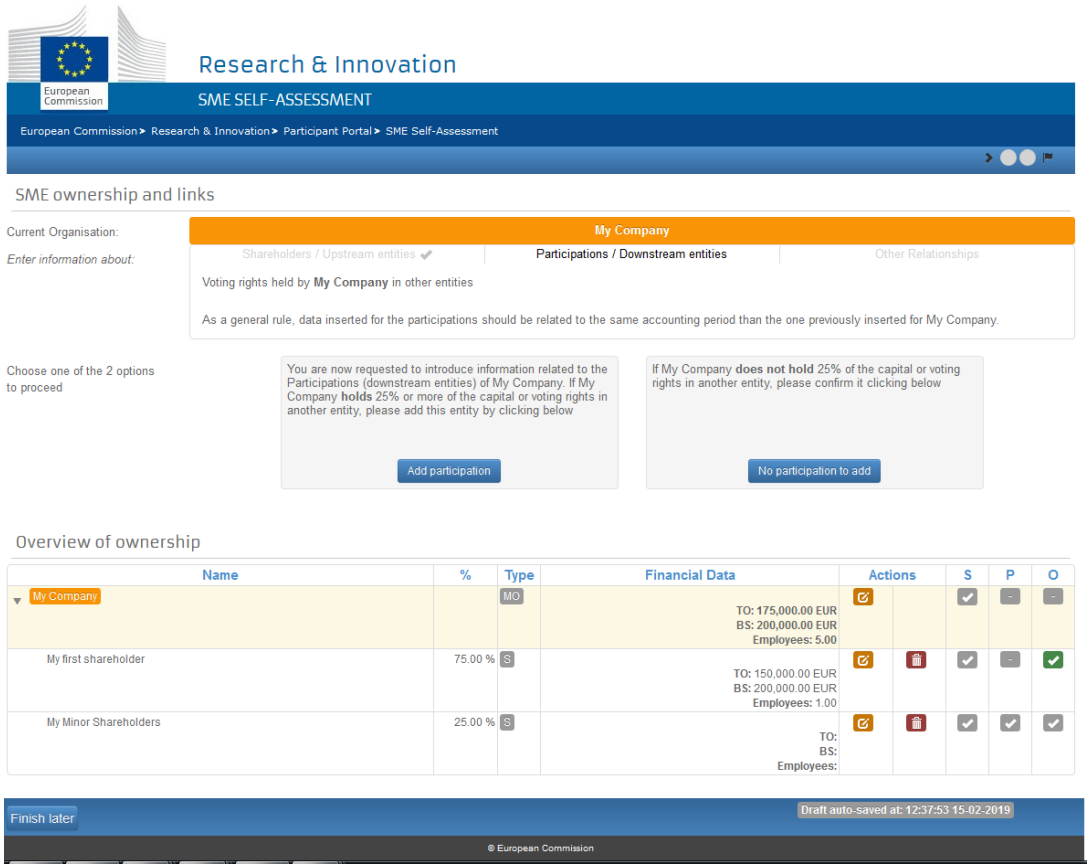
The Shareholder(s) added will be visible in the overview of the "family tree".



As a general rule, data inserted for the shareholders should be related to the same accounting period than the one previously inserted for your organisation.

Step 3: Participations

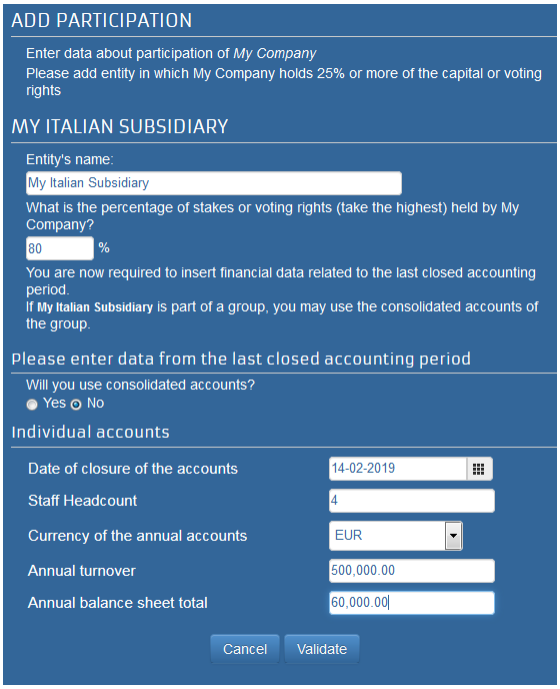
Once you have completed the Shareholder(s) section, the system will ask you to enter information concerning your Participation(s). You will therefore thirdly be asked to provide information about Participations.



Also in this case, the question will indicate every time what is the minimum percentage of Participation that you need to declare.

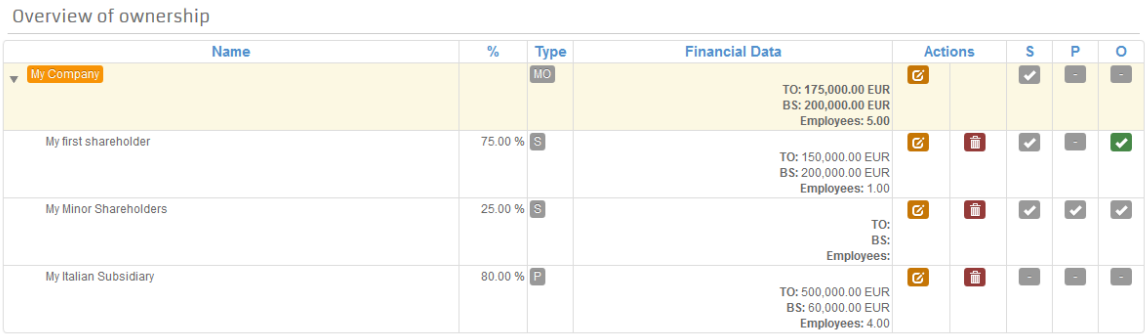
When you click on Add Participation, a blue pane containing questions about these Participations will slide in and you will be asked to enter information concerning Participation(s). Once this information is filled in, click Validate.

In our example, the company "My Test Subsidiary" is indicated as owned at 80% by Test Registration.



When all the Participations are added, or in case there are no other relevant Participations, click No Participation to add to move to the next step.

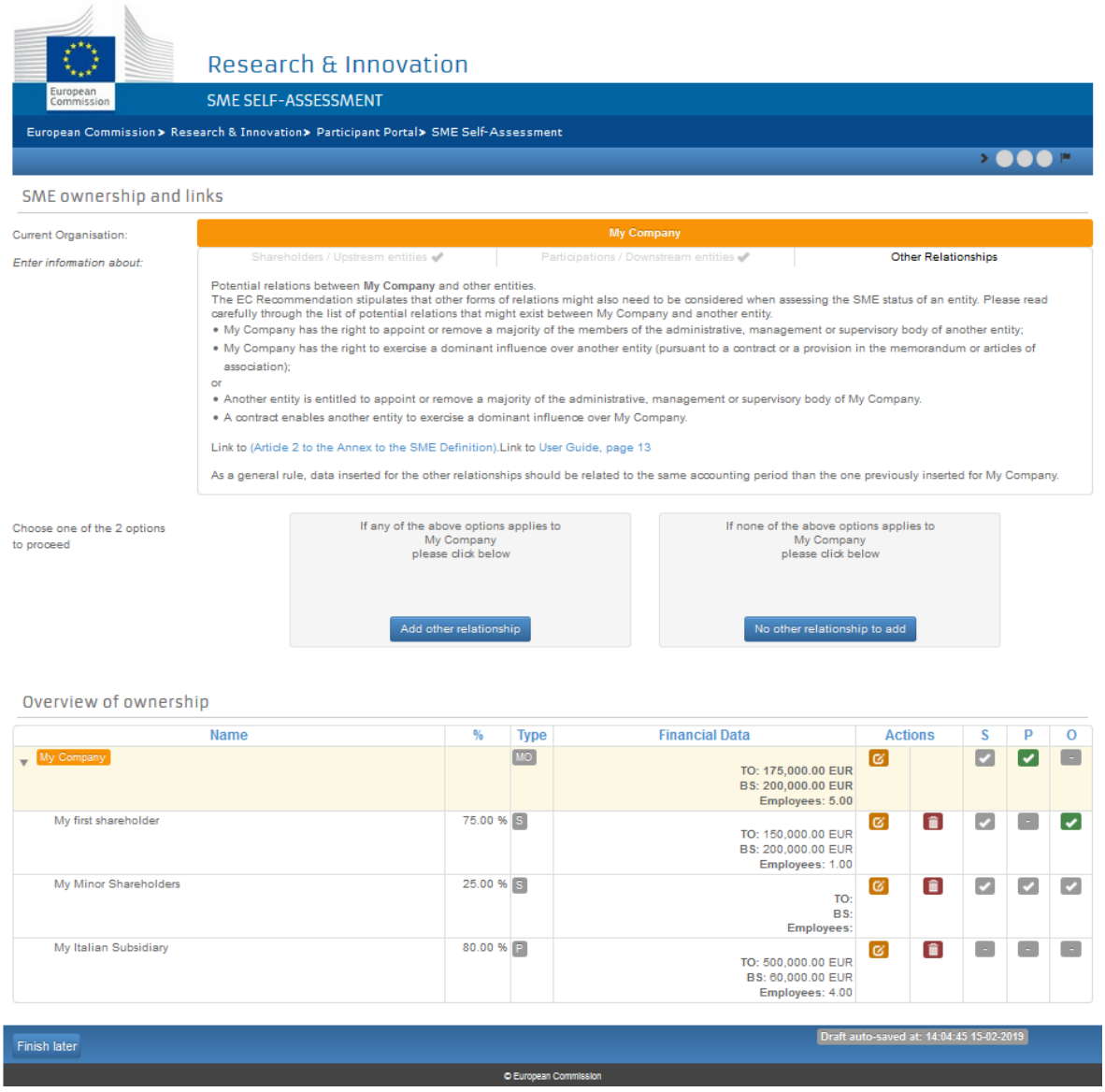
The Participation(s) added will be visible in the overview of the "family tree".



As a general rule, data inserted for the participations should be related to the same accounting period than the one previously inserted for your organisation.

Step 4: Other Relationships

Once you have completed the Participation(s) section, the system will ask you to enter information concerning your Other Relationship(s). You will therefore be asked to provide information about Other Relationship(s).

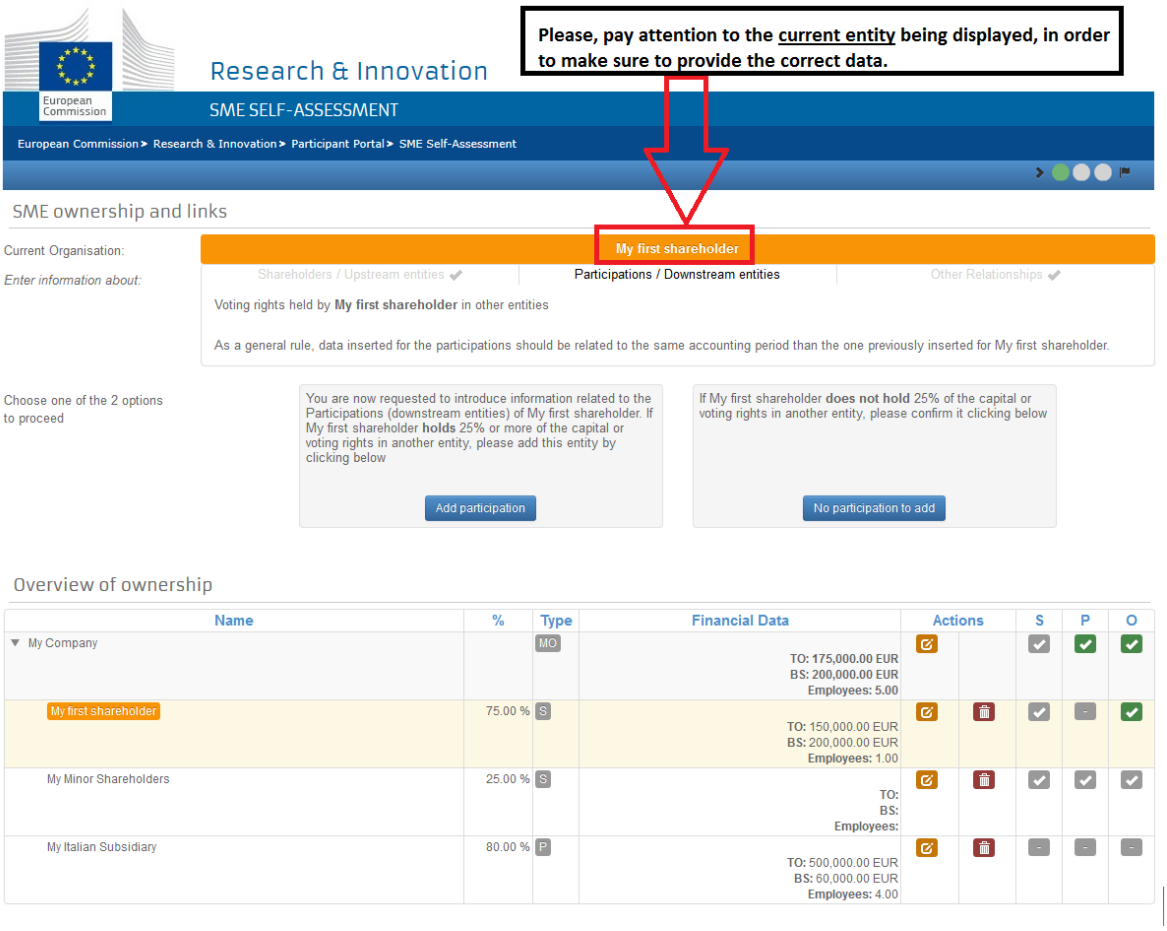


The question explains what kind of relationships has to be declared at this stage. You can click on the Add Other Relationship button and enter the information related to this entity. If there are none or no more relevant Other Relationships to be added, click on the No Relationship to ADD button.

STEP 5: The system moves to following entities

Once you have provided all the information for your organisation (Shareholders-Participation-Other Relationships), you will be asked to repeat the same exercise for all the entities you indicated as belonging to the "family tree".

In other words, you will complete again STEPS 2, 3 and 4 for each entity listed in the "family tree".



<u>Important:</u> Where am I?

To identify which is the current relevant entity at any given point in time look at the top of the table, in the orange box. In the overview of the ownership table, you will see the current entity in a light orange background.

The Progress Bar

If you want to see how far you are from the results page, you can give a look at the progress bar (top right of the screen). The circles represent the entities that have already been declared (a green circle for the completed ones and a grey bullet for the entities for which you still need to provide information).

If you are introducing a complex group structure, it may happen that either:

1) the

button is not present on the screen on which you introduce the data of the entity and you can't add the entity in the group structure

2) or you are directed immediately to the final "Ready for the results screen".

Such proceeding will indicate that the data of the entity must not be taken into account when calculating the thresholds relevant for the SME status.

Reviewing and editing the information:

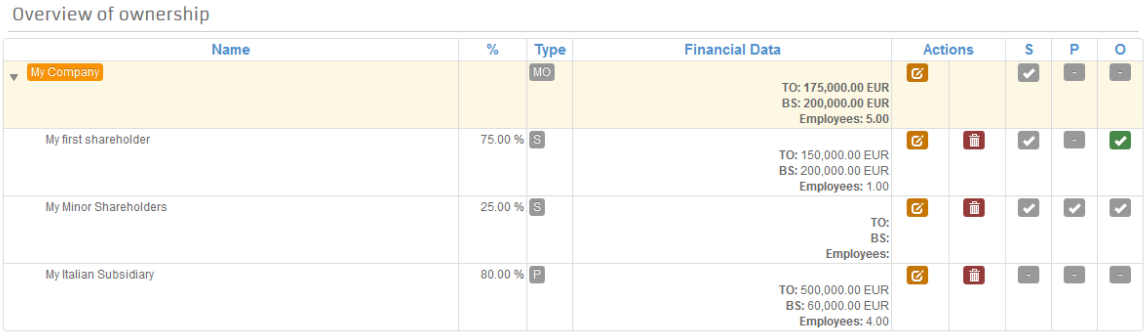
Overview

The table "Overview of Ownership" at the bottom of the main screen displays the entities that you declared, its corresponding financial data, ownership percentages, type of relationships as well as the parent company to which they are related. The **last** three columns (S for Shareholders, P for Participations and O for Other Relationships) include the information that has been completed so far.

The icon - indicates that you still need to provide information.

The green checkmark icon means that you provided all the required information or that no further information is needed.

The grey checkmark icon means that you don't have to provide information for the specific category of relationship.


Overview of ownership

Name	%	Type	Financial Data	Actions		S	P	O
My Company		MO	TO: 175,000.00 EUR BS: 200,000.00 EUR Employees: 5.00				-	-
My first shareholder	75.00 %	S	TO: 150,000.00 EUR BS: 200,000.00 EUR Employees: 1.00				-	
My Minor Shareholders	25.00 %	S	TO: BS: Employees:					
My Italian Subsidiary	80.00 %	P	TO: 500,000.00 EUR BS: 60,000.00 EUR Employees: 4.00			-	-	-

Edit data for a company

After creating an entity (which is done by validating the blue pane), you can edit the data at any time by clicking the edit button .

For this purpose, the blue pane will reappear and enable you to edit the information you provided previously: legal name, percentage, and financial data.

***Important:** The information related to the legal status of any entity is not editable using this procedure. If you want to change the status of any organisation from Natural Person to Legal Person, you will have to delete this entity and create a new one.*

Edit the Ownership Structure: Shareholders

If you have already submitted information about the shareholder structure of a certain entity and you want to modify that structure, you can do the following:

- Modify the percentage amount of a Shareholder: select the edit button corresponding to the shareholder and modify its percentage. If you are going to enter a higher percentage, the system will only allow it if a Minor Shareholder item has been previously generated for that shareholder structure. Once the new percentage value has been entered and validated, if the total % is less than 100%, you will have to confirm once again that the current entity does not have Other Shareholders.

- Delete a Shareholder by clicking . If you do so, you will have to replace the percentage that remains uncovered by adding a new shareholder or clicking.

  if the rest is assumed to be held by minor shareholders.

- Delete Minor Shareholders by clicking . You might want to do this if the percentage of non-relevant shareholders is now partially or totally held by a relevant shareholder. This case is similar to the previous one: you will have to replace the percentage that remains uncovered by adding a new shareholder or clicking

  (if the rest is held by minor shareholders).

Edit the Ownership Structure: Participations and other Relationships

If you forgot to add a **Participation** or an **Other relationship**, you can do it at a later stage by clicking the green check mark , corresponding to the appropriate relationship (column P or O).

Important: *This action can only be performed when the corresponding icon is the green check mark* *. If the* *icon is displayed next to the relevant relationship, you will have to wait before adding a new relationship. The questionnaire will prompt you to add it at a later point.*

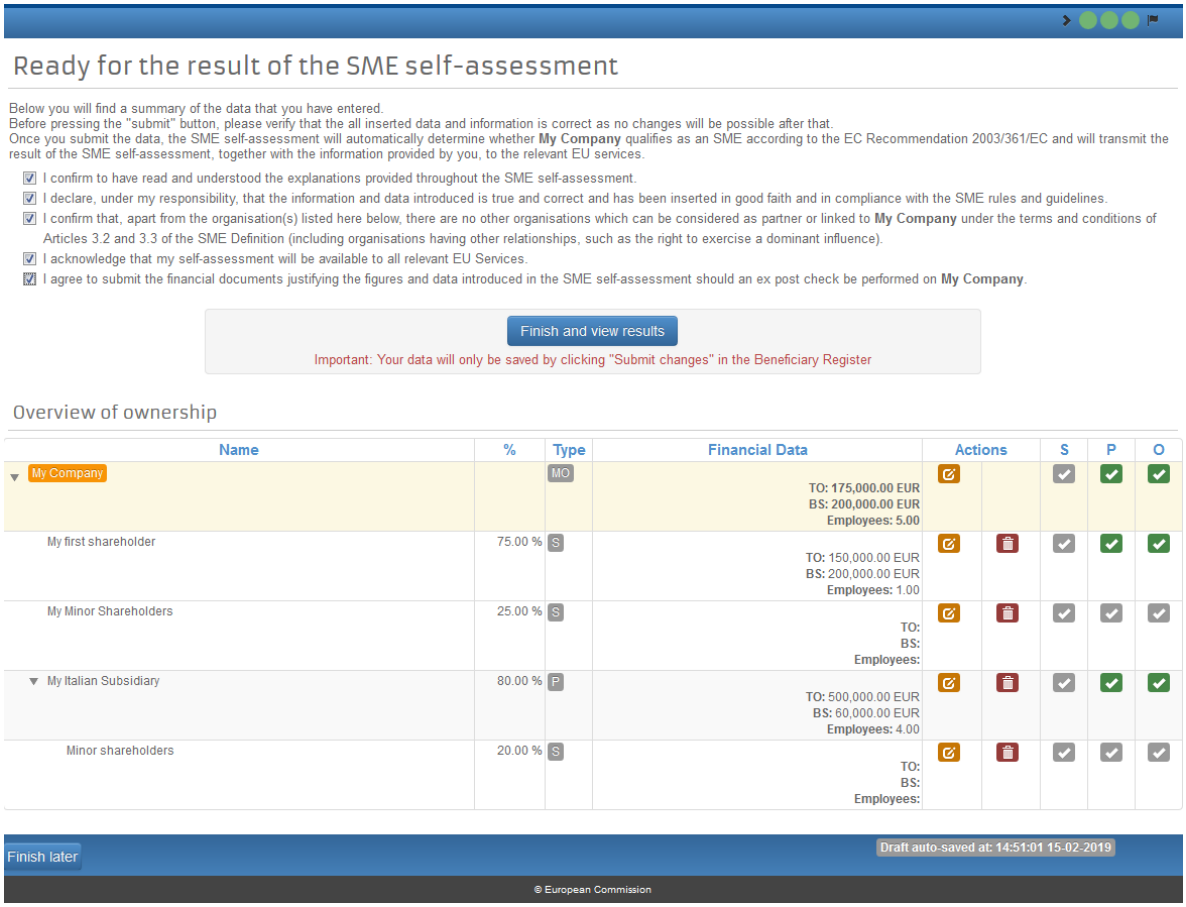
To delete a Participation or any Other Relationship (or a Shareholder), you can click the delete icon *placed next to that entity.*

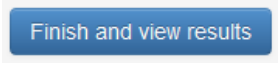
Important: *Every time you delete an entity, all relationships created by that entity will also be deleted.*

Ready for the Results

Once all the necessary information is entered, the “Ready for the results” page appears.

Now is the time to check that all the information provided is correct. You can do so by reviewing it on the "Overview" section of the Ownership table.



After your review, click 

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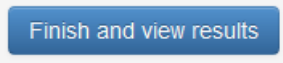
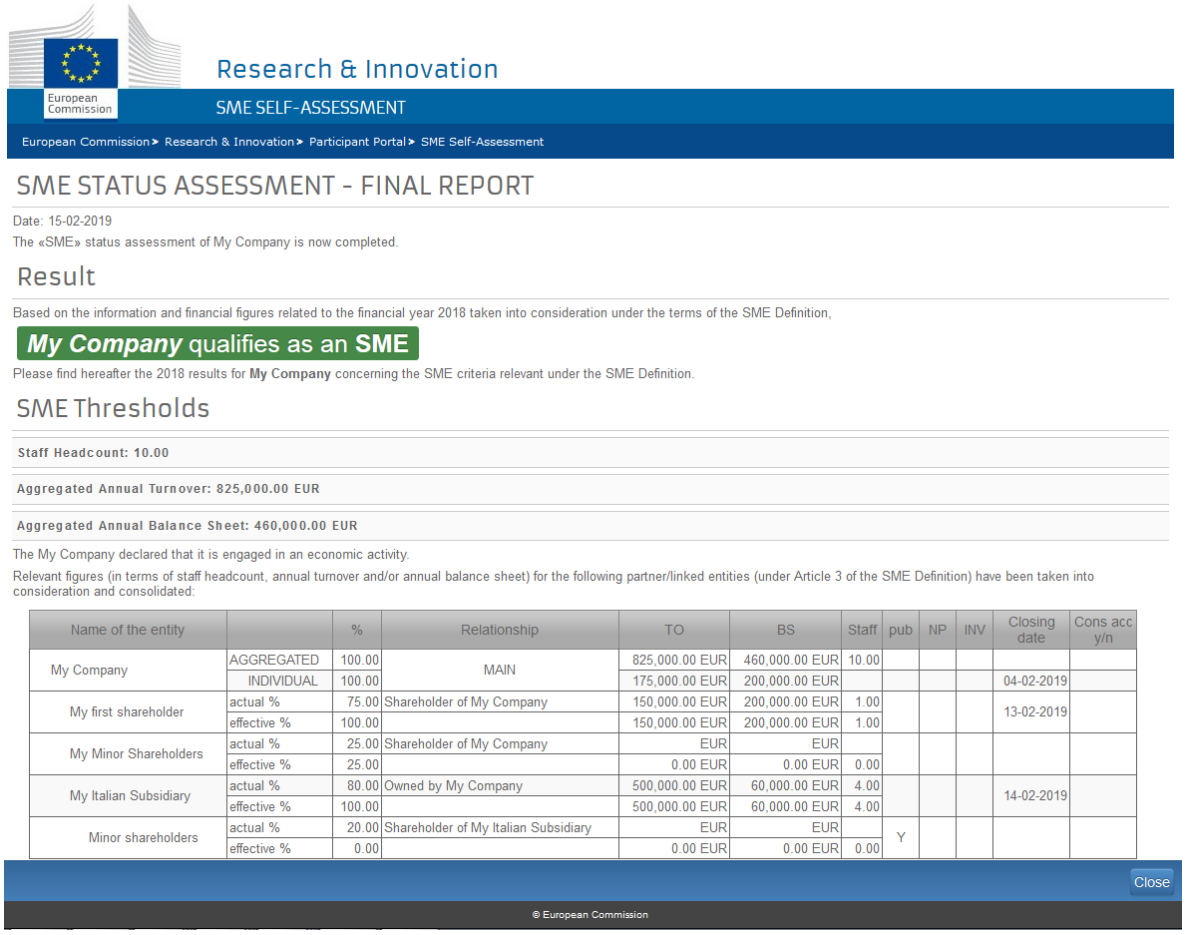
<u>Important:</u> It can happen that you see the results page although some information concerning the created entities is still missing.

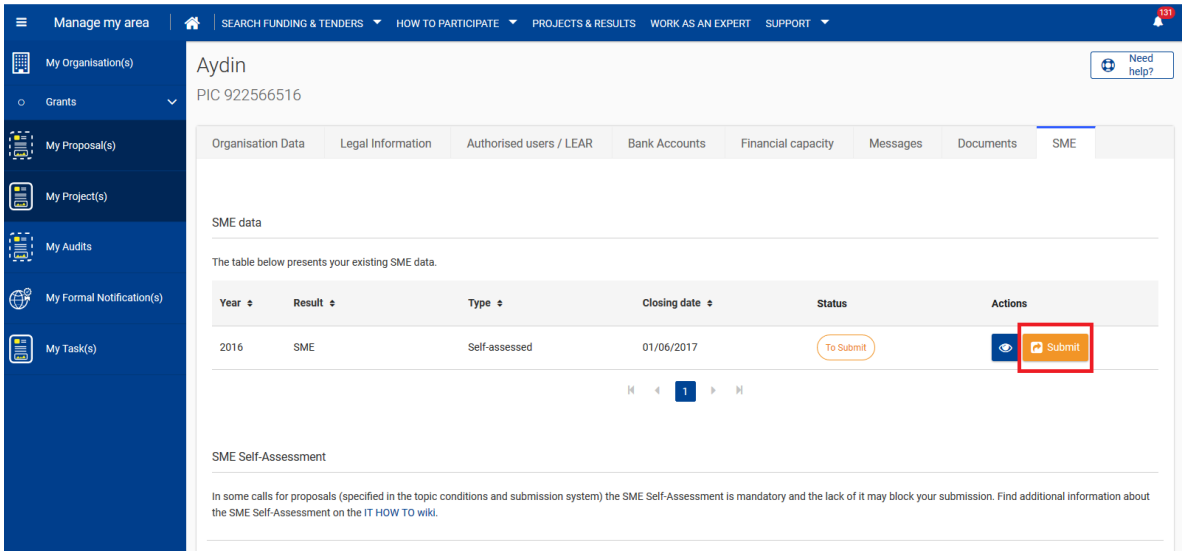
This means that, while performing the calculation process, the SME self-assessment detected that some of the relevant thresholds have already been exceeded. Therefore, your organisation does not qualify as a SME.

After clicking 

, you will see the final report.



You have to submit the result of your self-assessment at this point. To do so, click on Close. The system will automatically direct you back to the Portal, where you can click on **Submit** to save the results into your organisation data.



Additional information about specific situations

Using Consolidated Accounts

Every time you are asked to enter financial data for a given entity, you have the option of using consolidated accounts.

The use of consolidated accounts allows you to provide financial data for a group of companies at once.

After selecting this option, you have to indicate whether the selected company is preparing consolidated accounts for a group (is the parent company) or if its accounts are included in consolidated accounts prepared by another company (parent company).

When using consolidated accounts, only the parent company will have to provide financial (consolidated) data.

Important: *Your organisation will always have to provide individual financial data, even if you are using Consolidated Accounts*

It can happen that, at the end of the process, some entities remain without a parent company: if so, a message will list these entities and the parent companies (if existing).

You will be able to fix this by performing one of the following actions:

- Select (by clicking the edit button in the overview of the ownership table) one of the parent companies and link it to one or more of the listed entities);
- Select (by clicking the edit button in the overview of the ownership table) one of these entities and link it to a parent company;
- Select (by clicking the edit button in the overview of the ownership table) one of these entities, and provide individual financial data (after deselecting the consolidated options).

SME Self-Assessment - Tips and tricks

- Get Prepared. Prepare the latest financial accounts of all the relevant organisations and keep them at hand while entering data in the SME Self-Assessment. As a recommendation, it is very helpful to prepare a diagram that shows the relationships between your organisation and the other relevant organisations in its ownership structure. You are asked to declare the following financial data: Total Annual Balance Sheet, Annual Turnover, Currency used, Staff Headcount and Date of Closure of the financial period.

- Always stay focused on the current question and follow the corresponding instructions.

- What am I being asked? When you answer the questions, always pay attention to the Current Organisation – this is the organisation that you are expected to enter data for (highlighted in orange on the screen).

- Read carefully the complete question.

- Relevant information only - The tool will not ask you and will not let you enter data which is not relevant for self-assessment purposes.

- No duplicates - Make sure you are not adding an organisation that you have already mentioned.

- Overview - You can review your added organisations and their situation in the Overview of ownership table at any moment during this process.

- Did I forget something? The Overview of ownership is also the place where you can re-edit or correct data already entered, using the buttons next to each organisation (edit, delete, etc.).

- Ready to submit The tool will invite you to submit your data once all required information is encoded for all organisations indicated. It is then time to check that all data is correct.