



Power Up Reclassification - SME Test

Screening question

Is the new policy, primary or secondary legislation, or regulatory compliance requirement relevant for SMEs¹?

The following questions must be answered:

- Are SMEs within the scope of the measure? Yes ☒ No ☐
- Does the measure specifically target SMEs? Yes ☒ No ☐
- Will or could SMEs be impacted directly or indirectly by the measure? Yes ☒ No ☐
- Are SME impacts likely to be more substantial than on other companies, for example, in terms of adverse effects? Yes ☒ No ☐

If you said yes to any of the above, complete Sections 1-5.

1. Consultation

1. What consultation will/has taken place to capture input from the SME community, particularly those most impacted by this measure?

- | | |
|--|-------------------------------------|
| Public consultation | <input type="checkbox"/> |
| Online consultation | <input type="checkbox"/> |
| Consultation with SME representative bodies | <input type="checkbox"/> |
| Notifications of consultation to database of interested stakeholders | <input type="checkbox"/> |
| Interviews and panels with experts | <input type="checkbox"/> |
| Webinars | <input type="checkbox"/> |
| Roundtables | <input type="checkbox"/> |
| Public meetings | <input type="checkbox"/> |
| Other | <input checked="" type="checkbox"/> |

If Other, please provide details:

The Department has not undertaken formal consultation on the reclassification process, but the Department has received substantial correspondence from SMEs outlining issues with their sectoral classification, which is the issue the reclassification process is designed to address.

¹ Medium <250 employees, Small < 50 employees, Micro SME <10 employees
As per EU definition of an SME: https://single-market-economy.ec.europa.eu/smes/sme-definition_en



2. Identification of affected businesses

2a: Please identify the type of SMEs that will be directly or indirectly (i.e. SMEs not in scope, but potentially affected indirectly, for instance through impacts on supply chain) affected by proposed policy change -

Micro (1-9 employees) ☐

Small (10-49 employees) ☐

Medium (50-249) employees ☐

All of the above ☒

2b: Has an estimate been carried out of the numbers of micro, small and medium companies affected directly or indirectly by the measure?

Yes ☒ No ☐

2c: Will the proposed policy change have a greater impact on SMEs in any particular economic sector?

Yes ☒ No ☐

If Yes, please specify.

ICOB2 and the Power Up grant are targeted at SMEs the retail, hospitality and beauty and the reclassification will disproportionately benefit SMEs.

2d: Will the proposed policy change have a greater impact on SMEs in any particular region?

Yes ☐ No ☒

If Yes, please specify.



3. Assessment of the impacts on SMEs

3a: What are the expected positive impacts of the policy change on SMEs ?

- Improved regulatory framework Yes ☐ No ☒
- Improved working conditions Yes ☐ No ☒
- Cost savings Yes ☐ No ☒

If other, please provide details.

These grants provides half of an SME's 2023 rate bill (up to a max of €5,000) plus a flat grant of €4,000 to those SMEs in the retail, hospitality and beauty sectors in recognition of high energy costs.

3b: Will the proposed changes result in any of the following impacts for SMEs?

- Administrative costs, including the obligation to provide information on the activities or products of the company, including one-off and recurring administrative costs? Yes ☐ No ☒
- Compliance costs, including the obligation to pay fees or duties; and costs created by the obligation to adapt the nature of the product/service and/or production/service delivery process to meet economic, social or environmental standards. Yes ☐ No ☒
- Other impacts, including on business entry and exit; competition and competitiveness? Yes ☐ No ☒
- Discourage entrepreneurship or innovation? Yes ☐ No ☒
- Impacts of any proposed exemption thresholds on business growth? Yes ☐ No ☒
- Impacts on SME population composition and location? Yes ☐ No ☒
- Additional reporting requirements? Yes ☐ No ☒



4. Assessment of alternative options and mitigating measures

4a. If the analysis above has shown that the proposed policy changes will result in negative impacts on SMEs, has there been consideration of any measures to mitigate against these impacts.

Examples of mitigating measures include

- Exemption for certain SME cohorts (e.g. micros);
- Simplification of administrative procedures and use of plain English;
- Reduction of information requirements;
- Less onerous or less frequent inspection regimes for small businesses;
- Provision of longer transitions periods for SMEs so that they can have more time to allocate resources when dealing with policies;
- Lower administrative fees;
- Access to financing or lower interest rates in order to comply;
- Training and assistance with compliance;
- Requirement for SMEs to have only to register for a certain activity rather than having to be fully licensed;
- One-stop shops.

Yes ☐ No ☐

Please provide details.

N/A



5. Post-completion of SME Test

5a: Have you noted the outcome of the SME Test identifying the impacts and provision for mitigating measures, under the Impacts section of the Memorandum for Government proposing the policy changes?

Yes ☒

No ☐

5b: Have you made this form available publicly on your Department website?

Yes ☐ No ☐

If not, please give reason why².

² It is expected that all completed Tests will be published. Redactions may be made to sensitive material. Very robust reasons must be provided if not publishing.