



SME Test:

Proposed Amendments to Section 22 of the Employment Permits Act 2024 *Restriction on the Grant of an Employment Permit (50:50 Rule)*

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 | ☒ |
| Online consultation | ☒ |
| Consultation with SME representative bodies | ☒ |
| Notifications of consultation to database of interested stakeholders | ☒ |
| Interviews and panels with experts | ☐ |
| Webinars | ☐ |
| Roundtables | ☐ |
| Public meetings | ☐ |
| Other | ☐ |

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

If Other, please provide details:

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 ☐

The amendments proposed will have a beneficial impact across enterprises of all sizes. The table below demonstrates an understanding of the volume of employment permit activity by company size during 2025. The breakdown of permits issued by employer size indicates a broad spread of permit holders across SME enterprises.

Permits Issued in 2025 by Employer Size		
SME	Number of Employers	Permits Issued 2025
micro	2,348	3,033
small	2,920	5,742
medium	1,876	8,983
large	766	11,239

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

Yes ☐ No ☒

If Yes, please specify.

The proposals are primarily aimed at benefitting enterprises in the health and social work sector which typically includes health care assistants, nurses, doctors and home carers.

The distribution of SMEs by sector is broadly distributed, with the greatest concentration being in accommodation and food service activities (predominantly chefs) and health and

social work activities which typically includes health care assistants, nurses, doctors and home carers.

Breakdown of Employers Issued Permits in 2025 by size and Economic Sector		
Economic Sector of Employer	% of Large Employers	% of SME Employers
I - Accommodation & Food Services Activities	4.93%	25.96%
S - Other Service Activities	10.77%	12.09%
Q - Health & Social Work Activities	19.97%	9.22%
F - Construction	4.41%	8.12%
J - Information & Communication Activities	11.02%	6.98%
A - Agriculture, Forestry & Fishing	2.72%	6.56%
G - Wholesale & Retail Trade	3.11%	4.90%
C - All Other Manufacturing	3.89%	4.76%

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

Yes ☒ No ☐

If Yes, please specify.

The proposed amendments will benefit rural SMEs as currently they are subject to disadvantage due to smaller local labour pools and heavier reliance on non EEA workers. The amendment could help maintain essential services where alternatives are limited.

The table below demonstrates the understanding of the breakdown of permits issued by region. The breakdown of employer size indicates a broad spread of permit holders across SME enterprises. Similarly, the distribution of SMEs in receipt of permits issued in 2025 is distributed across all 26 counties, most heavily concentrated in Dublin, followed by Cork, Limerick and Galway.

Breakdown of Employers Issued Permits in 2025 by Size and County		
County of Employer	% of large Employers	% of SMEs
	large	micro, small, medium
Dublin	57.88%	44.69%
Cork	9.95%	11.06%
Limerick	3.10%	4.75%
Galway	4.13%	4.13%
Meath	1.68%	3.71%
Kildare	3.10%	3.65%
Tipperary	0.90%	2.37%
Louth	2.20%	2.06%
Wicklow	0.78%	1.96%
Kerry	1.55%	1.96%
Clare	1.16%	1.96%
Wexford	1.42%	1.81%

Westmeath	1.16%	1.79%
Donegal	0.52%	1.58%
Waterford	2.20%	1.57%
Kilkenny	1.68%	1.55%
Cavan	0.90%	1.37%
Mayo	1.68%	1.34%
Offaly	0.78%	1.18%
Laois	0.39%	1.16%
Monaghan	0.78%	0.95%
Carlow	0.65%	0.95%
Roscommon	0.65%	0.76%
Sligo	0.52%	0.74%
Longford	0.00%	0.57%
Leitrim	0.26%	0.38%

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.

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.

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.