

EBIC POLICY ON DETERMINING COMPANY SIZE AND MEMBERSHIP CATEGORY

EBIC members are grouped into five categories, determined by company size. These categories affect the level of dues paid, number of weighted votes and other operational details of the association.

In line with European Commission guidelines, the category is determined by a combination of headcount (in “Annual Work Unit” or “Full-times Equivalent”, depending on which abbreviation you use.) and annual turnover. Where the categorization differs depending on turnover or number of staff, turnover is determinant.

In addition, EBIC uses a Large and Very Large category. Criteria for classification into those categories are listed in the second table at the right.

Enterprise category	Headcount: Annual Work Unit (AWU)	Annual turnover
Medium-sized	< 250	≤ €50 million (in 1996 € 40 million)
Small	< 50	≤ €10 million (in 1996 € 7 million)
Micro	< 10	≤ €2 million (previously not defined)

Adapted from: [“The new SME Definition: user guide and model declaration”](#) by the European Commission.

Is my company’s category affected by investors, partnerships and linkages?

If a subsidiary and the group that owns it are both members, then the subsidiary need only count its own resources for determining its category. However, if only the subsidiary is a member, then it must count the resources of the entire group. The same principle extends to other types of affiliation.

	Headcount (AWU)	Annual turnover
Large	≤ 1250	≤ €500 million
Very Large	> 1250	> €500 million

The Commission’s guidelines for determining the size of the company in other types of affiliation are summarized below:

- Your enterprise is considered stand-alone if no other entity has more than a 25% stake in your enterprise and you do not have a stake of more than 25% in any other company. The European Commission makes exceptions for investment by venture capitalists, business angels and public investment corporations, universities, institutional investors and small, local authorities.
- Partnerships are defined by an investment of one company in another of more than 25% and less than 51% of the decision-making power in the target company.
- Linked enterprises are characterised by one company being able to make key decisions for another, such as holding majority voting rights or being able to appoint or remove the majority of administrators, managements, etc.

Where partnerships or linkages exist, then the formulae for determining membership categories look like this:

Partnerships: 100% of your company A's data + x% of any partners data (proportionate to the partnership share, regardless of whether the other company invests in you or vice versa).

Linkages: 100% of your company A's data + 100% of any linked enterprise's data (regardless of whether the other company controls your decision-making or vice versa).

For more information, please see "The new SME Definition: user guide and model declaration", available at http://ec.europa.eu/enterprise/policies/sme/files/sme_definition/sme_user_guide_en.pdf.