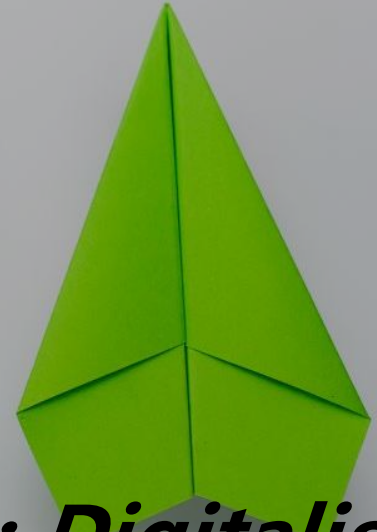
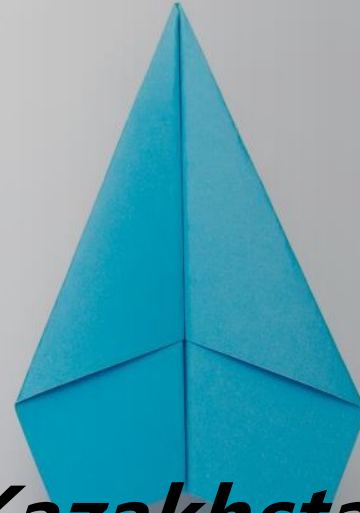
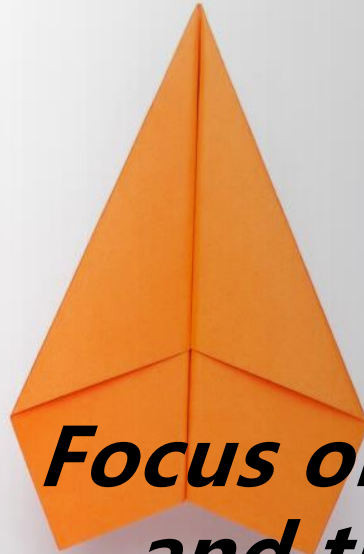
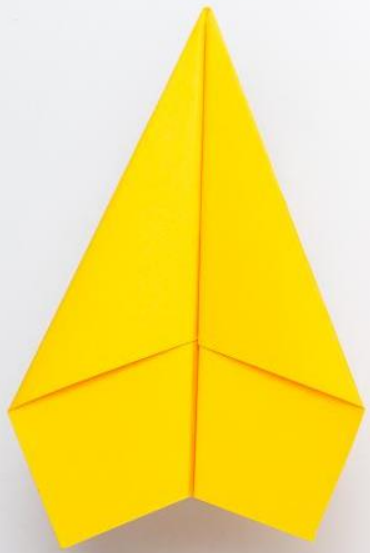




The SME test: Taking SMEs into account when regulating



Focus on Kazakhstan: Digitalisation and the operational environment for SMEs

Renny Reyes
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WHY DO SMES NEED TO BE CONSIDERED WHEN REGULATING?

**Relevance to
the
economy**

Size

**Limited
resource
s**

**Disproportionate
effect of
regulations**

What is the SME test?



Identify and estimate positive and negative impacts that regulations could have or are having on different SMEs



Identify and propose mitigating measures that could avoid or minimize negative impacts

RIA and the SME test

How are SMEs accounted for when developing regulations in OECD countries?



On which regulations?



When?



How?



Which regulations?

For which regulations is the SME test conducted?

- All (proposed) regulations
- Only regulations that are business oriented
- Use of thresholds

Thresholds examples

Qualitative v. quantitative

Total national annual costs:

- € 1 million

In-depth SMEs test v. Simple test

Financial Impact:

- 10,000 SMEs or >€2,5million

Business cycle:

- > 500 SMEs

Administrative costs

- = €100,000 total per year

Mandatory v. Recommended

Number of firms affected:

- > 10,000 firms



When?

When is the SME test conducted?



When there is already a draft of the regulation



Before there is a policy solution



For existing regulations



How?

The SME test in OECD countries: Common elements



IDENTIFICATION OF
AFFECTED GROUPS



STAKEHOLDER
ENGAGEMENT



ASSESSMENT OF
IMPACTS



ALTERNATIVES/
MITIGATING MEASURES

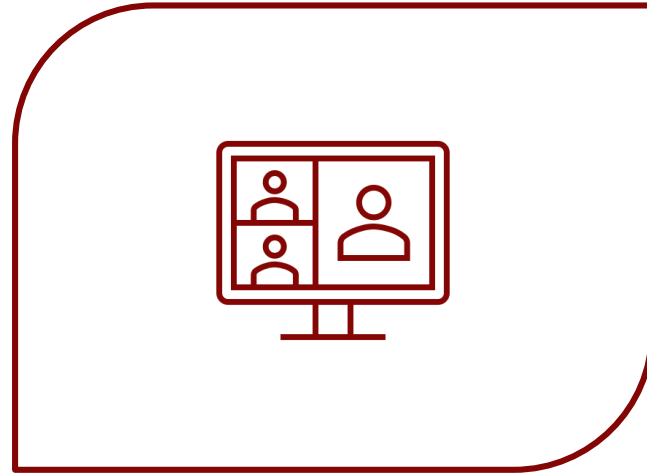


IDENTIFICATION OF AFFECTED GROUPS

Identification of potentially affected groups

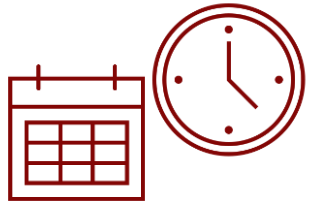
SMEs

- By size: Micro, Small, Medium-sized
- By sector: Energy, Digital, Agriculture
- By region: Geographical



STAKEHOLDER ENGAGEMENT

Facilitating stakeholder participation

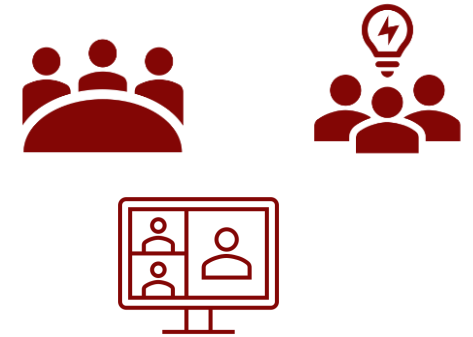


Early contact with SMEs



Actively reach out to different SMEs
(not only usual suspects)

Adapt the consultation methodology
to the needs of SMEs





IDENTIFICATION AND ASESSEMENT OF IMPACTS

Assessment of impacts of regulations on SMEs

- Identify positive and negative impacts on SMEs
 - Administrative burdens
 - Compliance costs
 - Financial costs
 - Indirect costs
 - Macro economic costs
 - Opportunity costs
 - Overall benefits
 - Effects on specific sectors
 - Effects on trade
 - Effects on competition

Assessment of how regulations will impact SMEs

- Which companies are directly or indirectly affected by each of these impacts?
- Are these SMEs disproportionately affected compared to larger firms?
- Are these impacts proportional to the objective of the regulation?



ALTERNATIVES /MITIGATING
MEASURES

Alternatives and mitigating measures targeted at SMEs

✓ Alternative policy options

✓ Exemptions

✓ Mitigating measures

Reduction of administrative fees

Simplification of administrative procedures

Longer transition
periods

Diminishing information requirements

Digitalisation of processes

OECD Good Practices & Recommendations

SMEs' interests are taken into account when regulating

SMEs' heterogeneity needs to be taken into account

Participation of SMEs in consultations needs to be facilitated

Go beyond administrative burdens...go beyond costs

Identify disproportionate impacts

Avoid unnecessary impacts and identify mitigation measures

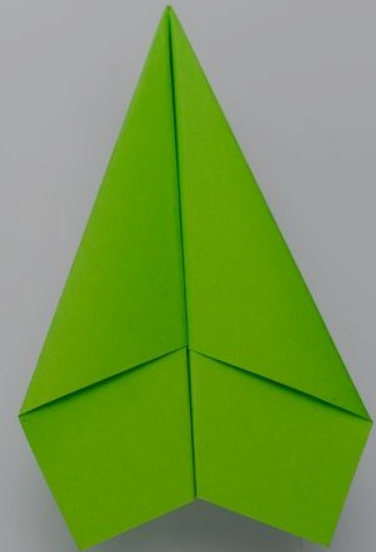
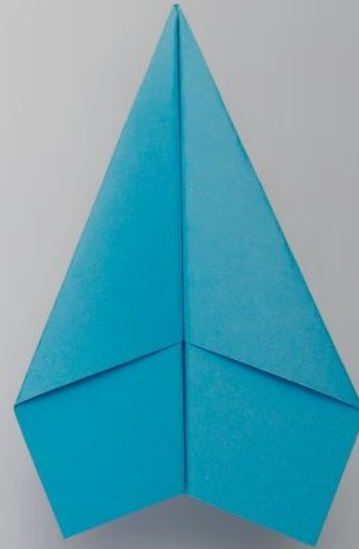
Guidelines for policymakers

SME test as part of RIA

SME test for existing regulations is also important



Thanks for your attention



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