

**STUDY ON BARRIERS TO THE CREATION AND
GROWTH OF SMES AND THEIR PARTICIPATION
IN PUBLIC PROCUREMENT**

E/CNMC/004/23

Market Research Collection
E/CNMC/004/23
ISSN: 2792-5919
Date: January 13, 2026

www.cnmc.es

The National Commission on Markets and Competition (CNMC) prepares the *Market Studies Collection*, using a competition advocacy and good regulation approach, with the aim of issuing non-binding recommendations to Public Administrations or other stakeholders in order to guarantee, preserve, and promote the proper functioning, transparency and existence of effective competition in all markets and productive sectors, for the benefit of consumers and users.

The CNMC disseminates the market studies that make up the collection through its official website <https://www.cnmc.es/impulsamos-la-competencia/estudios-y-evaluacion-expost/estudios-de-mercado> or CNMC web repository.

This document is a translation of the original and may contain inaccuracies. To view the original document, please visit the following website:

<https://www.cnmc.es/expedientes/ecnmc00423>

Reproduction is permitted only if the source is cited.

ISSN: 2792-5919

Market Research Collection

National Commission on Markets and Competition

[Study on barriers to the creation and growth of SMEs and their participation in public procurement](#)

E/CNMC/004/23

<https://www.cnmc.es/expedientes/ecnmc00423>

© CNMC, 2026

Study on barriers to the creation and growth of SMEs and their participation in public procurement

E/CNMC/004/23

ABSTRACT

SMEs are a key element for the efficient and competitive functioning of the Spanish economy. This Study identifies problems that affect them in their process of creation, growth and participation in public procurement, and puts forward recommendations for improvement. First, it recommends promoting a more integrated and pro-competitive market, by coordinating regulations and encouraging the use of model ordinances. Second, it calls for facilitating business creation by strengthening the operation, efficiency and dissemination of CIRCE and the PAE network, and by promoting regulatory sandboxes. Third, it advocates for a regulatory framework that supports business growth by tailoring obligations for SMEs and avoiding threshold effects. Fourth, it recommends steering public policies toward competition and growth by applying the “once-only” principle and implementing pro-competitive support and aid schemes. Fifth, it calls for strengthening measures to combat late payments. With regard to public procurement, the Study recommends reinforcing a pro-competitive approach in the planning, preparation and design of tenders; facilitating the submission of bids; reducing burdens during contract execution; ensuring that contracting authorities are provided with sufficient resources; and reviewing and simplifying the regulatory framework. Finally, it recommends seeking advice from the CNMC.

KEY WORDS: regulation; business creation; business growth; public procurement.

JEL CODES: H57; K20; K23; L26; L50; L51; L53.

CONTENTS

EXECUTIVE SUMMARY.....	8
1. Introduction	15
2. Economic characterization	16
2.1. Structure of the business fabric.....	16
2.1.1. Distribution by size and age	16
2.1.2. Distribution by legal form.....	19
2.1.3. Sectoral distribution.....	21
2.1.4. Territorial distribution.....	24
2.1.5. Comparison with the European environment.....	25
2.2. Business dynamics.....	29
2.2.1. Business creation and destruction	29
2.2.2. Business Survival.....	31
2.2.3. Business dynamics according to legal form.....	33
2.3. Productivity	34
2.3.1. Analysis by sector of activity and company size	34
2.3.2. Comparison with the European environment.....	36
2.4. Internationalization	36
2.5. Innovation and adoption of new technologies.....	38
2.6. Participation in public procurement	44
3. Legal and institutional framework.....	52
3.1. Main elements of the regulatory framework with an impact on SMEs	52
3.1.1. Administrative procedures for the creation of companies.....	52
3.1.2. Recent regulations relevant to business activity	59
3.1.3. Regulations specifically related to access and exercise	65
3.1.4. Royal Decree on the Proportionality Test Prior to Adopting New Professional Regulations	70
3.1.5. Public Procurement Regulation.....	71
3.2. Other measures in the field of SMEs	72
3.2.1. SME support instruments.....	72
3.2.2. Institutional framework in the field of SMEs	77
3.2.3. Initiatives, strategies and plans	80
4. Barriers to the creation and growth of SMEs	84
4.1. Barriers related to Market Unity	84
4.1.1. Regulatory complexity and fragmentation.....	84
4.1.2. Regulatory restrictions on market unity.....	86
4.1.3. Administrative fragmentation and insufficient interoperability	87

4.2. Barriers related to company incorporation	90
4.2.1. Procedures required for the incorporation and effective start-up of a company	90
4.2.2. Limited knowledge of tools and platforms aimed at facilitating business creation.....	93
4.2.3. Licenses and permits for the start of the activity	94
4.3. Barriers related to the cost of regulatory compliance for SMEs.....	97
4.3.1. Disproportionate regulatory burden on SMEs	97
4.3.2. Regulatory leaps as they grow: the "threshold effect"	99
4.4. Barriers related to SME support schemes	101
4.4.1. Barriers that may affect digitalisation support programs	102
4.4.2. Barriers that may affect internationalisation support programs.....	104
4.5. Barriers related to the regulatory and institutional framework on late payments	104
5. Analysis of barriers faced by smes to access public procurement ..	107
5.1. Information asymmetries.....	107
5.2. Extensive and fragmented legislation	108
5.3. Barriers related to the planning, preparation and design of tenders	109
5.3.1. Insufficient planning and dissemination of contractual programming	109
5.3.2. Insufficient implementation of preparatory actions.....	110
5.3.3. Inclusion of unnecessary or disproportionate requirements in the specifications	111
5.4. Barriers related to bid submission	112
5.4.1. Difficulties in the electronic submission of tenders	112
5.4.2. Tight deadlines for the submission of bids	113
5.5. Charges and costs during contract execution.....	114
5.5.1. Financial and administrative requirements.....	114
5.5.2. Contractual rigidities.....	115
6. Conclusions	116
7. Recommendations.....	119
1ª. PROMOTING A MORE INTEGRATED AND PRO-COMPETITIVE MARKET.....	119
I. Regulatory coordination to promote market unity	119
II. Promoting the municipal adoption of "model ordinances".....	121
2ª. FACILITATING BUSINESS CREATION.....	122
III. Advancing the CIRCE system as a "one-stop shop" for company creation.....	122
IV. Strengthening the PAE network as a tool for assistance	124
V. Strengthen information campaigns aimed at SMEs about CIRCE and PAE	126

VI.	Expanding the use of Self-Declaration Statements	127
VII.	Strengthening efficiency in the processing of licenses	128
VIII.	Considering increasing use of regulatory sandboxes	129
3^a.	PROMOTING A REGULATORY FRAMEWORK THAT FACILITATES AND SUPPORTS BUSINESS GROWTH AND COMPETITION	130
IX.	Modulating regulatory obligations and compliance costs for SMEs without discouraging growth	130
X.	Designing transitions to replace the "step effect" with a "ramp"	132
XI.	Applying the principles of efficient regulation	135
4^a.	GUIDING ADMINISTRATION AND PUBLIC POLICIES TOWARDS BUSINESS GROWTH AND COMPETITION	136
XII.	Promoting compliance with the "once-only" principle	136
XIII.	Implementing proactive, user-centric administrative support.....	137
XIV.	Ensuring efficiency and pro-competitive focus of SME support schemes	137
5^a.	COMBATING LATE PAYMENTS	143
XV.	Promoting the State Observatory on Private Sector Late Payment.....	143
XVI.	Reforming Law 3/2004 on combating late payment in commercial transactions	145
6^a.	DEEP REFORM OF THE PUBLIC PROCUREMENT FRAMEWORK	146
XVII.	Reforming the public procurement framework to effectively promote SME participation	146
XVIII.	Reviewing and simplifying the national public procurement framework to strengthen its pro-competitive approach, coherence and accessibility.....	149
7^a.	IMPROVING THE ACCESSIBILITY AND PRACTICALITY OF INFORMATION ON PUBLIC TENDERS.....	151
XIX.	Optimising the Public Sector Procurement Platform (PLACSP)	151
XX.	Maximising awareness of public tenders and calls	153
8^a.	STRENGTHENING BEST PRACTICES IN THE PLANNING, PREPARATION AND DESIGN PHASES OF TENDERS.....	155
XXI.	Strengthening planning and publication of procurement schedules	155
XXII.	Strengthening preparatory actions for tenders.....	156
XXIII.	Refining procedures and tender design with a pro-competitive orientation	157
9^a.	FACILITATING THE SUBMISSION OF BIDS	159
XXIV.	Facilitating bid submission and reducing operational risk in electronic submission	159
XXV.	Adjusting bid submission deadlines to contract complexity	161
10^a.	REDUCING FINANCIAL AND ADMINISTRATIVE BURDENS DURING CONTRACT EXECUTION	162
XXVI.	Ensuring effective compliance with public sector payment deadlines	162
XXVII.	Adapting guarantee and other contractual cost requirements to the contract's scope	163

11ª. PROVIDING SUFFICIENT RESOURCES AND CAPACITIES TO CONTRACTING AUTHORITIES.....	164
XXVIII. Strengthening capacities and professionalization of contracting authorities	164
12ª. SEEKING ADVICE FROM THE CNMC	166
XXIX. Leveraging CNMC's resources and advice on regulation, public procurement and public aid	166
ANNEX I. RECOMMENDATIONS ADDRESSED TO CONTRACTING AUTHORITIES TO PROMOTE THE PARTICIPATION OF SMES IN PUBLIC PROCUREMENT.....	168
BIBLIOGRAPHY	169

EXECUTIVE SUMMARY

Small and medium-sized enterprises (SMEs) are of fundamental importance to the Spanish economy. They form the backbone of the business fabric, accounting for more than 99.8% of all companies in Spain and generating 65% of business employment and 55% of the private sector's value added.

They are also a key driver of competition and innovation. SMEs expand the range of goods and services, contribute new ideas and in doing so increase competitive pressure, fostering more efficient and competitive markets. Moreover, their participation in public procurement boosts competition and thus helps improve the prices and quality in public purchasing, leading to savings for the State and improvements in public services. For these reasons, it is essential that they do not face unjustified barriers to market entry and operation, nor unnecessary obstacles to participating in public procurement.

The objective of this Study is to analyse the barriers faced by SMEs in their creation, growth and participation in public procurement, in order to put forward recommendations to help mitigate these obstacles. In this way, the Study seeks to promote more efficient and competitive markets that deliver better offers, greater variety and innovation, and, overall, a more prosperous economy, for the benefit of consumers and users.

Compared with their counterparts in other European countries, Spanish SMEs tend to be smaller, have lower rates of creation and survival, lower productivity and lower participation in public procurement. An analysis of the legal and institutional framework suggests that these characteristics may partly be due to the existence of a set of barriers that hinder both the creation of firms and their subsequent growth and development.

Thus, during the business start-up phase, institutional fragmentation and the need to interact with multiple public bodies may constitute significant obstacles, particularly in the absence of full interoperability between administrations. This can hinder or delay the swift commencement of business activity due to an excessive administrative burden, over-bureaucratization, and unnecessary delays. As regards the growth phase, regulatory disparities across different levels of government may generate adaptation and compliance costs and hamper expansion. In addition, certain regulatory requirements may be particularly burdensome for SMEs, together with the existence of a “threshold effect” that discourages growth. Furthermore, there are difficulties in accessing support instruments, such as the multiplicity of schemes, fragmented information, and bureaucratic complexity. Finally, persistent late payment in commercial transactions undermines firms' liquidity and financial stability, especially that of SMEs, thereby limiting their capacity to invest, innovate, or grow.

SMEs also face a range of barriers to accessing public procurement, not only when it comes to being awarded contracts, but especially even in considering whether to participate by submitting bids. These barriers include information asymmetries and regulatory complexity; territorial fragmentation of the regulatory framework; the possible inclusion in tender documents of unnecessary or disproportionate requirements; high administrative and financial burdens; and contractual rigidities that may exacerbate uncertainty and erode SME's margins, thereby discouraging their sustained participation in public procurement.

The main conclusion of this Study is that, in light of the challenges faced by SMEs, a stronger, more dynamic and more competitive economy requires a proactive, coordinated and continuous commitment by public administrations to remove the barriers that hinder SMEs from competing, innovating, growing and achieving scale. This approach is also aligned with the European priority of deepening the construction of efficient, competitive and integrated markets and of achieving scale, with the aim of strengthening the growth potential, innovation capacity and economic resilience of Spain and the EU.

On this basis, and in order to facilitate the activities of SMEs, including their creation, growth and participation in public procurement, **the CNMC puts forward the following recommendations:**

1^a. PROMOTING A MORE INTEGRATED AND PRO-COMPETITIVE MARKET

I. Regulatory coordination to promote market unity

It is recommended to: i) promote coordinated regulatory governance that fosters market unity and facilitates SME growth; ii) promote initiatives to simplify administrative burdens throughout the national territory; and iii) disseminate mechanisms for the protection of economic operators within the framework of market unity.

II. Promoting the municipal adoption of "model ordinances"

It is proposed to promote the voluntary adoption at the municipal level of "model ordinances", such as those developed within the framework of the Sectoral Conference for Regulatory Improvement and the Business Climate for the "exercise of retail commercial activities and the provision of certain services", in order to streamline procedures and provide greater legal certainty.

2ª. FACILITATING BUSINESS CREATION

III. Advancing the CIRCE system as a "one-stop shop" for company creation

It is recommended to: i) fully integrate municipal and regional procedures into the CIRCE ecosystem; ii) explore improvements in the digital interfaces of CIRCE and the DUE; and iii) ensure transparency and strengthen the continuous evaluation of the system.

IV. Strengthening the PAE network as a tool for assistance

It is recommended to strengthen the PAE network as an assistance tool, including the regulation of the designation of new PAEs by Ministerial Order, ensuring adequate resources, reinforcing the virtual PAE and its service channels, creating regulatory repositories interconnected with CIRCE and reinforcing the comprehensive evaluation of the PAE network.

V. Strengthen information campaigns aimed at SMEs about CIRCE and PAE

It is recommended to promote information campaigns on the CIRCE system and the PAE network, highlighting their benefits through videos, simple guides, webinars and social media posts.

VI. Expanding the use of Self-Declaration Statements

It is recommended to expand the use of self-declaration statements instead of the previous licensing system, reviewing and extending the catalogue of activities exempt from Law 12/2012.

VII. Strengthening efficiency in the processing of licenses

When licences are justified, it is recommended to improve predictability and speed of processing through short and effective deadlines, fully digital processing, possible repositories of activity requirements, simultaneous management between authorities, and monitoring of processing times for the continuous service improvement.

VIII. Considering increasing use of regulatory sandboxes

It is recommended to generalize the use of regulatory sandboxes with objective access criteria and clear limits, allowing SMEs and startups to experiment under supervision, reducing entry barriers, adjusting regulation according to risks and benefits, and promoting innovation and competition.

3ª. PROMOTING A REGULATORY FRAMEWORK THAT FACILITATES AND SUPPORTS BUSINESS GROWTH AND COMPETITION

IX. Modulate regulatory obligations and compliance costs for SMEs without discouraging growth

It is recommended to modulate SME's obligations, avoiding disproportionate burdens while maintaining the objectives of the regulation. To this end, de minimis clauses, reduced information requirements, longer adaptation periods and partial exemptions may be considered.

X. Designing transitions to replace the "step effect" with a "ramp"

It is recommended to replace "step effects" with a "ramp", so that increases in obligations when certain size thresholds are exceeded occur progressively, with multi-year reference periods and adaptation timelines.

XI. Applying the Principles of Efficient Regulation

The creation and growth of SMEs depend on an efficient regulatory framework. Therefore, it is recommended that regulations be guided by the principles of necessity and proportionality, efficiency (through ex ante and ex post evaluation), competitive neutrality, and clarity and transparency, analysing alternatives and specific effects on SMEs.

4ª. GUIDING ADMINISTRATION AND PUBLIC POLICIES TOWARDS BUSINESS GROWTH AND COMPETITION

XII. Promoting compliance with the "once-only" principle

It is recommended to extend the "once-only" principle across Public Administrations, sharing and reusing data at the source to prevent SMEs from resubmitting documents already available to the authorities.

XIII. Implementing proactive, user-centric administrative support

It is recommended to promote proactive services, such as intelligent reminders of regulatory compliance or pre-filling of documents, as well as strengthening initiatives like the company profile in "My Citizen Folder."

XIV. Ensuring efficiency and pro-competitive focus of SME support schemes

It is proposed to: i) allocate aid according to competitive criteria; ii) ensure requirements and procedures are practical for SMEs; iii) strengthen *ex-ante* and *ex-post* planning and evaluation; iv) design an optimal and rational institutional framework for SME support; and v) ensure that SMEs are properly integrated into programs supporting internationalisation and digitalisation.

5ª. COMBATING LATE PAYMENTS

XV. Promoting the State Observatory on Private Sector Late Payment

It is recommended to promote the operational implementation of the State Observatory on Private Sector Late Payments, with disaggregated periodic reports, collaboration with public bodies, and integration with electronic invoicing platforms, in order to improve transparency, traceability and the analysis of payment deadlines.

XVI. Reforming Law 3/2004 on combating late payment in commercial transactions

It is recommended to: i) apply automatic interest on late payments and compensation for collection costs in commercial transactions; and ii) introduce sanctioning mechanisms for non-compliance with payment deadlines.

6ª. DEEP REFORMING OF THE PUBLIC PROCUREMENT FRAMEWORK

XVII. Reforming the public procurement framework to effectively promote SME participation

Taking advantage of the current process of revision of the Public Procurement Directives, it is recommended to prioritize reforms aimed at facilitating access to public tenders, in particular for SMEs. The regulatory framework should maintain, as a strategic objective, fostering SME participation by incorporating effective measures that remove the main obstacles currently limiting their access. Measures could include ensuring the digitalisation of public procurement, simplifying and speeding up procedures, effectively applying the principle of proportionality, requiring planning of procurement activities, applying the general rule of dividing contracts into lots, controlling the use of mixed contracts, alleviating financial burdens, and ensuring transparency and oversight of subcontracting.

XVIII. Reviewing and simplifying the national public procurement framework to strengthen its pro-competitive approach, coherence and accessibility

Seizing the opportunity offered by the EU review, it is recommended to review and simplify the public procurement framework, through coherent codification of regulations, clear guidelines for managers and SMEs, more explicit focus on efficiency and competition with ex-ante and ex-post evaluation, and homogeneous criteria between administrations.

7^a. IMPROVING THE ACCESSIBILITY AND PRACTICALITY OF INFORMATION ON PUBLIC TENDERS

XIX. Optimising the Public Sector Procurement Platform (PLACSP)

It is recommended to: i) advance interoperability, unification and standardization of information; ii) improve platform usability and user experience; iii) improve bid search and filtering systems; iv) include executive summaries of tender documents.

XX. Maximizing awareness of public tenders and calls

It is recommended to: i) actively and systematically disseminate the calls; ii) implement guidance and training initiatives; and iii) adjust dissemination channels based on evaluation of their reach.

8^a. STRENGTHENING BEST PRACTICES IN THE PLANNING, PREPARATION AND DESIGN PHASES OF TENDERS

XXI. Strengthening planning and publication of procurement schedules

It is recommended to: i) integrate planning into the ordinary management cycle; ii) publish complete, comprehensible and reusable annual plans; iii) link scheduling to accountability and evaluation.

XXII. Strengthening preparatory actions for tenders

It is recommended to make preparatory actions in public procurement a standard practice in tender management.

XXIII. Refining procedures and tender design with a pro-competitive orientation

It is recommended to design procedures and tenders with a pro-competitive approach, dividing into lots, prioritizing open procedures and dynamic purchasing systems, adjusting solvency requirements, avoiding discriminatory conditions, using objective and neutral criteria, limiting excessive durations and not unduly restricting subcontracting.

9^a. FACILITATING THE SUBMISSION OF BIDS

XXIV. Facilitating bid submission and reducing operational risk in electronic submission

It is recommended to reduce operational risks for SMEs in electronic bidding by reinforcing pre-check and test environments, applying the "once-only" principle, standardizing forms and formats, improving incident management and corrections, and enabling alerts and enhanced support.

XXV. Adjusting bid submission deadlines to contract complexity

It is recommended to set submission deadlines appropriate to the complexity of the tender, allowing bidders sufficient time to prepare their proposals.

10ª. REDUCING FINANCIAL AND ADMINISTRATIVE BURDENS DURING CONTRACT EXECUTION

XXVI. Ensuring effective compliance with public sector payment deadlines

It is proposed to: i) include a certification and payment schedule in the tender documents; ii) publish payment indicators; iii) facilitate direct payment to subcontractors; iv) speed up credit transfers; and v) implement automatic and ex officio settlement of late payment interest.

XXVII. Adapting guarantee and other contractual cost requirements to the contract's scope

It is recommended to tailor guarantee requirements and other contractual costs to the size and scope of the contract, facilitating alternative guarantees and partial refunds, reviewing the proportionality of additional requirements, and incorporating agile price adjustments.

11ª. PROVIDING SUFFICIENT RESOURCES AND CAPACITIES TO CONTRACTING AUTHORITIES

XXVIII. Strengthening capacities and professionalization of contracting authorities

It is recommended to: i) enhance the professionalization of contracting authorities; and ii) explore organizational improvements in contracting bodies.

12ª. SEEKING ADVICE FROM THE CNMC

XXIX. Leveraging CNMC's resources and advice on regulation, public procurement and public aid

It is recommended that Public Administrations seek the CNMC's advice on regulatory projects, public aid, procurement and other actions with an impact on competition, and that they integrate the CNMC's guides, studies and training activities into their practices to ensure efficient and pro-competitive public interventions.

1. INTRODUCTION

Small and medium-sized enterprises (SMEs) form the backbone of the Spanish business fabric. Of the 3,255,276 companies operating in Spain in 2023, 3,250,210 were SMEs (companies with fewer than 250 employees), accounting for 99.84% of the total, generating 65% of private-sector employment and 55% of the private sector's value added. Moreover, SMEs are a crucial driver of competition and innovation, promoting more efficient and dynamic markets. Their participation in public procurement is also key, insofar as promoting competition in these processes contributes to obtaining better prices and qualities in public acquisitions, generating savings for the public coffers and improving services provided to citizens.

Given the special significance of SMEs, it is essential for the CNMC to analyse the environment in which they operate, with the aim of identifying potential constraints that may hinder their entry and growth, as well as their participation in public procurement procedures. Reducing these frictions helps lower costs, intensify competitive pressure, and enable the most efficient companies to grow, innovate, win contracts, and expand internationally. This agenda aligns with the European priority of advancing the construction of efficient, competitive and integrated markets and gaining scale, thereby strengthening the growth potential, innovation capacity and economic resilience of Spain and the EU.

Accordingly, through this Study, the CNMC seeks to examine the barriers faced by SMEs to grow and participate in public procurement, in order to propose recommendations to mitigate these obstacles. In doing so, it seeks to promote more efficient and competitive markets, that provide better offers, greater variety and innovation, and, in general, a more prosperous economy, benefitting consumers and users.

This study is structured as follows. After this introduction, the second section analyses the economic characteristics of SMEs. The third section describes the main elements of the legal and institutional framework. The fourth section examines the potential barriers that SMEs may encounter during their start-up and growth, and the fifth section focuses specifically on the barriers faced by SMEs in public procurement. Finally, the sixth section summarizes the main conclusions derived from the analysis and the seventh section describes the recommendations put forward by the CNMC to remove barriers to SME's activity and growth and to improve their access to public procurement.

2. ECONOMIC CHARACTERIZATION

2.1. Structure of the business fabric

2.1.1. Distribution by size and age

First, an examination of the distribution of enterprises by size class and age, in terms of both absolute numbers and relative shares, provides insight into the structure of the business population in Spain. In addition, analysing the relative weight of different enterprise size groups allows for a more detailed understanding of the role of small and medium-sized enterprises within the Spanish economy.

The analysis draws on data from the Central Business Register (DIRCE¹). As shown in Table 1, these data indicate that, in terms of the number of enterprises, the Spanish business population is composed of 95.1% micro-enterprises (fewer than 10 employees), 4.09% small enterprises (10–49 employees), 0.65% medium-sized enterprises (50–249 employees), and only 0.16% large enterprises (250 or more employees). Overall, small and medium-sized enterprises (SMEs), defined as firms with fewer than 250 employees, account for 99.84% of the total enterprise population.

This distribution reflects a strong concentration of companies in the smaller sections (SMEs and, within them, micro-enterprises).

¹ The Central Business Register (DIRCE) is a statistical database managed by the Instituto Nacional de Estadística (INE), which compiles information on all enterprises established in Spain, regardless of whether they employ salaried workers and irrespective of their legal form, whether as natural or legal persons. DIRCE provides data on the number of enterprises and establishments in each autonomous community, classified by economic activity and number of employees. It is updated annually as of 1 January and is primarily intended to support the conduct of economic surveys.

Following a methodological revision applied by the INE to the DIRCE in 2022, more than 200,000 enterprises were removed from the business register (from 3,430,663 enterprises in 2022 to 3,207,580 in 2023). Although these entities were administratively registered, they did not exhibit actual economic activity. This technical adjustment, aimed at improving statistical quality, complicates direct comparisons with previous years, as the change in criteria disrupts the continuity of the historical time series.

Table 1. Distribution of enterprises by size (measured in employees)

	Number of enterprises	% of total
Micro-enterprises (0–9 employees)	3,095,880	95.10%
<i>Without employees</i>	1,692,479	51.99%
<i>1–2 employees</i>	955,079	29.34%
<i>3-5 employees</i>	316,419	9.72%
<i>6-9 employees</i>	131,903	4.05%
Small enterprises (10–49 employees)	133,269	4.09%
<i>10-19 employees</i>	84,907	2.61%
<i>20-49 employees</i>	48,362	1.49%
Medium-sized enterprises (50–249 employees)	21,061	0.65%
<i>50-99 employees</i>	13,079	0.40%
<i>100-199 employees</i>	6,615	0.20%
<i>200-249 employees</i>	1,367	0.04%
Large enterprises (250 or more employees)	5,066	0.16%
<i>250-999 employees</i>	3,856	0.12%
<i>1,000-4,999 employees</i>	1,012	0.03%
<i>5,000 or more employees</i>	198	0.01%
Total	3,255,276	100.00%

Source: Authors' own elaboration based on data from DIRCE (INE) as of 1 January 2024²

However, although SMEs, and within them micro-enterprises, are preponderant in number, their weight in employment and, above all, in value added is much lower (see Table 2). SMEs, which make up 99.84% of the total business fabric, generate 65.24% of private employment and contribute 55.25% of private value added. Within them, the weight of micro-enterprises, which constitute 95.1% of the business fabric, is only 32.8% of employment and 23.04% of value added. Large companies, which barely represent 0.16% of all companies, generate 34.76% of employment and 44.75% of added value.

² Available in

https://ine.es/dyngs/INEbase/es/operacion.htm?c=Estadistica_C&cid=1254736160707&menu=ultiDatos&idp=1254735576550

Table 2. Distribution of employment and value added by company size

	Employment		Value added	
	No. of private sector jobs	% of total private sector employment	Value (EUR million)	% del total de valor añadido
<i>Micro-enterprises (0–9 employees)</i>	5,175,761	32.80%	198,989.13	23.04%
<i>Small enterprises (10–49 employees)</i>	2,901,342	18.39%	142,128.35	16.45%
<i>Medium-sized enterprises (50–249 employees)</i>	2,217,031	14.05%	136,119.71	15.76%
SMEs	10,294,134	65.24%	477,237.19	55.25%
Large enterprises (250 or more employees)	5,484,325	34.76%	386,538.15	44.75%
Total	15,778,462	100.00%	863,775.32	100.00%

Source: Authors' own elaboration based on Eurostat data for 2023.³

Large enterprises account for a higher share of employment than of the total number of enterprises, reflecting their greater average workforce size. Conversely, the fact that the contribution of small and medium-sized enterprises (SMEs, and micro-enterprises in particular) to value added is even lower relative to their share of employment suggests that these firms exhibit lower labour productivity than large enterprises.

Regarding the age distribution of enterprises, Table 3 points to a heterogeneous pattern across firm size classes.

Table 3. Distribution of enterprises by age within each size bracket

	Total		Without employees		1–2 employees		3–9 employees		10–19 employees		20 or more employees	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
0-3 years	1,005,441	30.9%	663,644	39.2%	220,952	23.1%	92,343	20.6%	14,131	16.6%	14,371	19.3%
4-7 years	650,240	20.0%	337,045	19.9%	200,281	21.0%	86,690	19.3%	14,201	16.7%	12,023	16.1%
8-11 years	413,791	12.7%	198,213	11.7%	133,172	13.9%	61,526	13.7%	11,471	13.5%	9,409	12.6%
12-15 years	328,383	10.1%	148,248	8.8%	114,637	12.0%	50,181	11.2%	8,525	10.0%	6,792	9.1%
16-19 years	252,894	7.8%	113,908	6.7%	85,806	9.0%	38,583	8.6%	7,924	9.3%	6,673	9.0%
20 or more	604,527	18.6%	231,421	13.7%	200,231	21.0%	118,999	26.5%	28,655	33.7%	25,221	33.9%
Total	3,255,276	100%	1,692,479	100%	955,079	100%	448,322	100%	84,907	100%	74,489	100%

Source: Authors' own elaboration based on data from DIRCE (INE) as of 1 January 2024.

Of the more than 3.25 million enterprises registered, more than 30% (1,005,441 enterprises) are between 0-3 years old. The following 4-year-old blocks (4-7, 8-

³ Eurostat data are used for the distribution of employment and value added by company size, as the DIRCE does not have them. Data available at

https://ec.europa.eu/eurostat/databrowser/view/sbs_sc_oww_custom_18690320/bookmark/able?lang=en&bookmarkId=acd1eadd-e48e-40cc-8d73-9160e60b83f9&c=1761896785000

The statistical aggregate of companies used by Eurostat is: "Industry, construction and market services (except public administration and defence; compulsory social security; the activities of affiliated organizations)".

11, 12-15, 16-19) have a decreasing weight, suggesting a survival filter. Enterprises aged 20 or over account for 18.6% of the total.

Among enterprises without employees (1,692,479), companies with 0-3 years (663,644) are 39.2% of the total number of companies without employees, while companies with 20 or more years (231,421) are only 13.7%. By contrast, in companies with 20 or more employees (74,489), companies with 0-3 years (14,371) are 19.3% of the total number of companies without employees, while companies with 20 or more years (25,221) are 33.9%.

This pattern is observed across intermediate size classes, with younger firms being relatively more prevalent in smaller size brackets and long-established firms more strongly represented among larger enterprises.

Therefore, in general terms, longevity seems to be positively associated with larger firm size, which could be due to various economic factors. First, market selection pushes out less viable initiatives in the early years, so that companies that persist tend to be more robust and have more scalable models. Secondly, the accumulation of human, technological and relational capital favours that, over time, companies consolidate customers, processes and reputation, which facilitates the hiring of employees. In addition, seniority is a sign of solvency in the eyes of the financial system and suppliers, generating better credit conditions and increasing investment capacity. All of the above is without prejudice to the fact that there are small companies that achieve rapid growth or achieve great longevity.

2.1.2. Distribution by legal form

Among the most common corporate forms in Spain are limited liability companies (S.L.) and public limited companies (S.A.). Other legal forms, such as cooperative societies, are also present, although they account for a comparatively smaller share of the overall business population.

From a tax point of view, individuals are taxed on their economic activity through Personal Income Tax (IRPF), while companies, as legal entities, are subject to Corporate Income Tax (IS).⁴

⁴ In tax terms, going from paying personal income tax as an individual to doing so through Corporate Income Tax (IS), setting up a limited company, can be fiscally advantageous for small companies in expansion. In Corporate Income Tax, profits are taxed at a fixed rate of 25%, which may be more favourable than progressive personal income tax rates. In addition, new companies can benefit from a reduced rate of 15% during the first two years with a positive tax base and reduced rates if their turnover does not exceed one million euros. In addition to this, there are other advantages, such as the accelerated depreciation of certain assets and additional deductions that allow more efficient planning, especially useful for businesses in the consolidation or growth phase.

Table 4 reflects the segmentation of the legal structure of companies in Spain.

Table 4. Distribution by legal status and enterprise size

	Limited liability company (S.L.)	Sole proprietorship	Public limited company (S.A.)	Other	Total
Total	33.6%	56.5%	1.5%	8.5%	100%
Micro-enterprises (0–9 employees)	31.6%	59.2%	0.9%	8.3%	100%
<i>Without employees</i>	<i>17.4%</i>	<i>75.1%</i>	<i>0.5%</i>	<i>6.9%</i>	<i>100%</i>
<i>1-9 employees</i>	<i>48.6%</i>	<i>40.0%</i>	<i>1.4%</i>	<i>10.0%</i>	<i>100%</i>
Small enterprises (10–49 employees)	76.4%	4.7%	9.2%	9.7%	100%
Medium-sized enterprises (50–249 employees)	60.0%	0.0%	22.0%	18.0%	100%
Large enterprises (250 or more employees)	44.7%	0.0%	36.3%	19.0%	100%

Source: Authors' own elaboration based on data from DIRCE (INE) as of 1 January 2024.

Sole proprietorships constitute the largest legal category, accounting for 56.48% of the total number of active enterprises, and are particularly prevalent among micro-enterprises, especially firms without employees. **Limited liability companies (S.L.) represent approximately one third of all enterprises**; however, their relative importance increases markedly with firm size, accounting for 76.41% of small enterprises and 59.98% of medium-sized enterprises and remaining the predominant legal form among large enterprises (44.69%).

Public limited companies (S.A.), while relatively marginal overall, display a steadily increasing presence as firm size increases, representing 22.05% of medium-sized enterprises and 36.26% of large enterprises. This legal form is associated with more complex corporate structures and higher transparency and governance requirements, as well as greater capacity to access capital markets and facilitate changes in ownership.

Other legal forms, including cooperatives, associations and communities of property, account for 8.45% of the total enterprise population and are more strongly represented among large enterprises, where they constitute 19.05%. These forms are typically linked to alternative organisational models, including social, community-based or collaborative economic activities.

The observed distribution suggests that firm growth is associated with a gradual shift towards more structured legal forms, which are generally linked to improved access to external finance and greater legal certainty. At the same time, limited liability companies remain the predominant legal form even among large enterprises.

Overall, the legal structure of Spanish enterprises reflects a dual configuration. On the one hand, a majority of enterprises operate as unincorporated entities (sole proprietorships), accounting for 56% of the total and predominantly concentrated among micro-enterprises with smaller-scale and more

individualised business models. On the other hand, a substantial share of enterprises is organised under corporate legal forms, characterised by larger average size and greater organisational complexity, primarily limited liability companies (S.L.) and, among larger firms, public limited companies (S.A.).

In terms of employment, as shown in Table 5, corporate legal forms (particularly limited liability companies and public limited companies) are the most significant, jointly accounting for close to 74% of total employment.

Table 5. Distribution of employment by enterprise

	Number of jobs	% of total
Total	15,815,310	100.00%
Private limited enterprises (S.L.) and public limited enterprises (S.A.)	11,702,050	73.99%
Other legal forms	1,130,423	7.15%
Sole proprietorship	2,982,837	18.86%

Source: Authors' own elaboration based on Eurostat data for 2023.

2.1.3. Sectoral distribution

The predominance of small enterprises, and micro-enterprises in particular, displays distinct sectoral patterns, as shown by Table 6. Sectoral differences are also observed in employment and value added; however, in both cases (and especially in value added) large enterprises account for a higher relative share (see Table 7 and Table 8).

Table 6. Distribution of enterprises by size within each sector

	Total	Micro-enterprises		Small		Medium-sized		Large	
	Number	Number	% of enterprises in the sector	Number	% of enterprises in the sector	Number	% of enterprises in the sector	Number	% of enterprises in the sector
Total CNAE	3,255,276	3,095,880	95.10%	133,269	4.09%	21,061	0.65%	5,066	0.16%
Industry	175,806	144,765	82.34%	25,273	14.38%	4,642	2.64%	1,126	0.64%
Construction	383,622	362,449	94.48%	19,488	5.08%	1,537	0.40%	148	0.04%
Wholesale and retail trade	635,234	611,181	96.21%	20,256	3.19%	3,072	0.48%	725	0.11%
Transport and storage	205,574	196,601	95.64%	7,513	3.65%	1,157	0.56%	303	0.15%
Accommodation and food service activities	264,006	249,451	94.49%	12,871	4.88%	1,414	0.54%	270	0.10%
Information and communication	71,979	65,933	91.60%	4,696	6.52%	1,053	1.46%	297	0.41%
Financial and real estate activities	282,462	279,695	99.02%	2,259	0.80%	364	0.13%	144	0.05%
Professional, scientific and technical activities	410,020	397,777	97.01%	10,543	2.57%	1,326	0.32%	374	0.09%
Administrative and support service activities	198,940	187,927	94.46%	8,788	4.42%	1,620	0.81%	605	0.30%
Education, health and social work activities	284,876	268,275	94.17%	12,155	4.27%	3,574	1.25%	872	0.31%
Other services	342,757	331,826	96.81%	9,427	2.75%	1,302	0.38%	202	0.06%

Source: Authors' own elaboration based on data from DIRCE (INE) as of 1 January 2024.

The industrial sector is characterised by a relatively higher presence of larger enterprises. By contrast, most service-sector activities exhibit a high proportion of enterprises without employees and a more limited presence of medium-sized and large firms. This pattern is particularly evident in financial and real estate activities (partly reflecting the atomised structure of real estate intermediation and management), professional, scientific and technical activities (typically organised around small specialised firms and project-based models), and accommodation and food service activities.

Other activities display a comparatively higher presence of large enterprises, notably information and communication activities and administrative and support service activities. This is reflected in employment and value added indicators; for example, large enterprises in information and communication activities account for 54.16% of employment and 63.58% of value added, exceeding both the national average and the corresponding shares observed in the industrial sector. Transport and storage activities present a structure broadly in line with the national average, reflecting the coexistence of sole proprietorships and small operators with medium-sized and large enterprises specialising in logistics.

In the construction sector, large enterprises have a very limited presence, accounting for only 0.4% of all construction firms, compared with 0.16% at the national level (see Table 6). The sector is characterised by a small number of large contractors that lead and coordinate major projects, which are typically carried out by small and medium-sized enterprises within a context of temporary project-based arrangements.

Table 7. Distribution of employment by enterprise size and sector

	Total	Micro-enterprises		Small		Medium-sized		Large	
	Number of jobs	Number of jobs	% of jobs in the sector	Number of jobs	% of jobs in the sector	Number of jobs	% of jobs in the sector	Number of jobs	% of jobs in the sector
Total	13,977,862	4,427,597	31.68%	2,522,237	18.04%	2,022,683	14.47%	5,005,348	35.81%
Industry	2,390,680	328,415	13.74%	529,688	22.16%	536,105	22.42%	996,473	41.68%
Wholesale and retail trade	3,139,810	1,184,606	37.73%	546,021	17.39%	368,987	11.75%	1,040,196	33.13%
Transport and storage	973,599	299,604	30.77%	172,077	17.67%	125,000	12.84%	376,918	38.71%
Accommodation and food service activities	1,662,157	661,726	39.81%	456,288	27.45%	185,628	11.17%	358,516	21.57%
Information and communication	651,342	95,344	14.64%	91,771	14.09%	111,437	17.11%	352,789	54.16%
Real estate	264,556	218,367	82.54%	25,568	9.66%	10,197	3.85%	10,425	3.94%
Professional, scientific and technical activities	1,150,641	557,935	48.49%	190,210	16.53%	147,547	12.82%	254,949	22.16%
Administrative and support service activities	1,623,862	246,986	15.21%	169,029	10.41%	200,208	12.33%	1,007,639	62.05%
Education	528,506	170,134	32.19%	108,888	20.60%	142,842	27.03%	106,643	20.18%
Health and social work activities	886,586	256,463	28.93%	124,372	14.03%	124,071	13.99%	381,679	43.05%
Arts, entertainment and recreation activities	371,391	148,198	39.90%	75,015	20.20%	56,976	15.34%	91,202	24.56%
Other services	334,732	259,819	77.62%	33,310	9.95%	13,685	4.09%	27,919	8.34%

Source: Authors' own elaboration based on data from the Structural Business Statistics (EEA, 2023 data⁵).

⁵ Available for the industrial sector in

https://ine.es/dyngs/INEbase/operacion.htm?c=Estadistica_C&cid=1254736143952&menu=ultiDatos&idp=1254735576550

For the commercial sector in

https://ine.es/dyngs/INEbase/operacion.htm?c=Estadistica_C&cid=1254736176902&menu=

Table 8. Distribution of value added by enterprise size and sector

	Total	Micro-enterprises		Small		Medium-sized		Large	
	Value added (EUR million)	Value added (EUR million)	% of sector value added	Value added (EUR million)	% of sector value added	Value added (EUR million)	% of sector value added	Value added (EUR million)	% of sector value added
Total	703,837.16	148,964.61	21.16%	121,055.89	17.20%	119,428.33	16.97%	314,388.32	44.67%
Industry	197,990.50	18,387.33	9.29%	30,511.40	15.41%	41,168.30	20.79%	107,923.48	54.51%
Wholesale and retail trade	146,701.55	37,856.17	25.80%	30,297.80	20.65%	23,726.90	16.17%	54,820.69	37.37%
Transport and storage	55,804.66	10,092.69	18.09%	9,514.57	17.05%	8,110.56	14.53%	28,086.84	50.33%
Accommodation and food service activities	46,984.23	12,514.57	26.64%	13,683.64	29.12%	7,237.06	15.40%	13,548.95	28.84%
Information and communication	51,136.53	4,273.54	8.36%	5,629.62	11.01%	8,719.24	17.05%	32,514.13	63.58%
Real estate	20,932.85	15,527.22	74.18%	2,916.98	13.93%	1,720.16	8.22%	768.49	3.67%
Professional, scientific and technical activities	61,015.99	22,533.71	36.93%	11,956.70	19.60%	10,062.48	16.49%	16,463.10	26.98%
Administrative and support service activities	51,885.05	9,049.64	17.44%	5,941.24	11.45%	6,718.58	12.95%	30,175.59	58.16%
Education	14,832.72	3,161.25	21.31%	2,904.65	19.58%	4,733.23	31.91%	4,033.58	27.19%
Health and social work activities	30,876.94	8,267.21	26.77%	3,886.45	12.59%	3,774.24	12.22%	14,949.05	48.41%
Arts, entertainment and recreation activities	19,431.19	3,718.63	19.14%	2,805.76	14.44%	2,977.30	15.32%	9,929.50	51.10%
Other services	6,244.95	3,582.65	57.37%	1,007.09	16.13%	480.29	7.69%	1,174.92	18.81%

Source: Authors' own elaboration based on data from the Structural Business Statistics (EEA, 2023 data).

2.1.4. Territorial distribution

The distribution of small enterprises (and micro-enterprises in particular) displays certain territorial differences, as reflected in Table 9. In this regard, Madrid, Navarre, the Basque Country and Catalonia stand out as the Autonomous Communities in which the share of large enterprises exceeds the national average of 0.16%.

[ultiDatos&idp=1254735576550](#)

And for the service sector in

https://ine.es/dyngs/INEbase/operacion.htm?c=Estadistica_C&cid=1254736176865&menu=ultiDatos&idp=1254735576550

Table 9. Distribution of enterprises by size in each Autonomous Community

	Total	Micro-enterprises		Small		Medium-sized		Large	
	Number of enterprises	Number of enterprises	% of enterprises in each territory	Number of enterprises	% of enterprises in each territory	Number of enterprises	% of enterprises in each territory	Number of enterprises	% of enterprises in each territory
Total	3,255,276	3,095,880	95.10%	133,269	4.09%	21,061	0.65%	5,066	0.16%
Andalusia	529,087	506,086	95.65%	20,006	3.78%	2,489	0.47%	506	0.10%
Aragon	84,439	79,964	94.70%	3,735	4.42%	622	0.74%	118	0.14%
Principality of Asturias	64,463	61,780	95.84%	2,299	3.57%	315	0.49%	69	0.11%
Balearic Islands	100,430	95,692	95.28%	4,186	4.17%	469	0.47%	83	0.08%
Canary Islands	142,398	135,527	95.17%	5,852	4.11%	848	0.60%	171	0.12%
Cantabria	38,005	36,333	95.60%	1,417	3.73%	211	0.56%	44	0.12%
Castile and Leon	148,398	141,968	95.67%	5,543	3.74%	742	0.50%	145	0.10%
Castile-La Mancha	123,486	117,942	95.51%	4,887	3.96%	560	0.45%	97	0.08%
Catalonia	602,706	571,850	94.88%	25,257	4.19%	4,506	0.75%	1,093	0.18%
Valencian Community	361,234	343,595	95.12%	14,974	4.15%	2,217	0.61%	448	0.12%
Extremadura	63,577	60,939	95.85%	2,276	3.58%	323	0.51%	39	0.06%
Galicia	185,554	177,846	95.85%	6,583	3.55%	948	0.51%	177	0.10%
Community of Madrid	513,575	485,706	94.57%	21,901	4.26%	4,416	0.86%	1,552	0.30%
Region of Murcia	92,458	87,422	94.55%	4,307	4.66%	599	0.65%	130	0.14%
Chartered Community of Navarre	40,934	38,442	93.91%	2,017	4.93%	378	0.92%	97	0.24%
Basque Country	135,658	127,458	93.96%	6,706	4.94%	1,228	0.91%	266	0.20%
La Rioja	21,219	20,012	94.31%	1,026	4.84%	158	0.74%	23	0.11%
Ceuta	3,301	3,134	94.94%	143	4.33%	19	0.58%	5	0.15%
Melilla	4,354	4,184	96.10%	154	3.54%	13	0.30%	3	0.07%

Source: Authors' own elaboration based on data from DIRCE (INE) as of 1 January 2024

2.1.5. Comparison with the European environment

The predominance of small enterprises (and micro-enterprises in particular) is a characteristic shared by Spain and other European countries, as shown in Table 10. Nevertheless, Spain records a slightly higher share of micro-enterprises than the EU average (94.56% in Spain⁶ compared with 94.33% in the EU) and a correspondingly lower share of small, medium-sized and (in particular) large enterprises.

⁶ Eurostat data for Spain for 2023 show only minor differences compared with the 2024 DIRCE (INE) data analysed above; in any event, these differences do not affect the conclusions of the analysis.

Table 10. Distribution of enterprises by size in the EU

	Total	Micro-enterprises		Small		Medium-sized		Large	
	Number of enterprises	Number of enterprises	% of enterprises in each territory	Number of enterprises	% of enterprises in each territory	Number of enterprises	% of enterprises in each territory	Number of enterprises	% of enterprises in each territory
European Union	33,065,686	31,190,732	94.33%	1,572,015	4.75%	248,720	0.75%	54,219	0.164%
Greece	932,549	879,537	94.32%	47,320	5.07%	5,013	0.54%	679	0.073%
Portugal	1,404,910	1,350,456	96.12%	45,819	3.26%	7,407	0.53%	1,228	0.087%
Slovakia	664,228	648,135	97.58%	12,833	1.93%	2,598	0.39%	662	0.100%
Italy	4,625,476	4,387,541	94.86%	206,850	4.47%	26,357	0.57%	4,728	0.102%
Estonia	153,836	146,391	95.16%	6,202	4.03%	1,073	0.70%	170	0.111%
Hungary	901,708	863,865	95.80%	31,976	3.55%	4,852	0.54%	1,015	0.113%
France	5,173,617	4,985,084	96.36%	157,135	3.04%	25,254	0.49%	6,144	0.119%
Netherlands	2,303,028	2,235,677	97.08%	53,547	2.33%	11,031	0.48%	2,773	0.120%
Polonia	2,746,431	2,633,414	95.88%	93,756	3.41%	15,714	0.57%	3,547	0.129%
Czech Republic	1,323,079	1,276,830	96.50%	36,973	2.79%	7,517	0.57%	1,759	0.133%
Lithuania	357,723	341,995	95.60%	12,751	3.56%	2,500	0.70%	477	0.133%
Slovenia	202,047	192,468	95.26%	7,807	3.86%	1,492	0.74%	280	0.139%
Spain	3,475,276	3,286,318	94.56%	161,325	4.64%	22,744	0.65%	4,889	0.141%
Cyprus	90,964	84,908	93.34%	5,137	5.65%	790	0.87%	129	0.142%
Romania	1,022,431	966,384	94.52%	46,749	4.57%	7,632	0.75%	1,666	0.163%
Latvia	146,256	137,385	93.93%	7,118	4.87%	1,511	1.03%	242	0.165%
Belgium	905,376	869,713	96.06%	28,377	3.13%	5,778	0.64%	1,508	0.167%
Finland	453,742	431,282	95.05%	18,113	3.99%	3,586	0.79%	761	0.168%
Croatia	240,696	223,668	92.93%	14,341	5.96%	2,251	0.94%	436	0.181%
Bulgaria	404,257	373,833	92.47%	25,225	6.24%	4,439	1.10%	760	0.188%
Sweden	861,053	817,955	94.99%	34,924	4.06%	6,514	0.76%	1,660	0.193%
Malta	56,436	53,071	94.04%	2,693	4.77%	554	0.98%	118	0.209%
Ireland	401,359	371,480	92.56%	24,282	6.05%	4,662	1.16%	935	0.233%
Denmark	383,161	351,587	91.76%	25,799	6.73%	4,871	1.27%	904	0.236%
Austria	602,763	553,995	91.91%	40,790	6.77%	6,451	1.07%	1,527	0.253%
Germany	3,185,294	2,685,353	84.30%	419,780	13.18%	65,185	2.05%	14,976	0.470%
Luxemburgo	47,990	42,407	88.37%	4,393	9.15%	944	1.97%	246	0.513%

Source: Authors' own elaboration based on Eurostat data for 2023.⁷

Countries comparable to Spain in terms of geographical context (such as Greece or Portugal) and/or economic size (such as Italy or France) display a broadly similar enterprise size structure. By contrast, Germany exhibits a lower share of micro-enterprises (84.03% of the total enterprise population) and a relatively higher presence of small, medium-sized and large enterprises. This pattern is consistent with Germany's strong manufacturing orientation, which is typically associated with greater economies of scale and the presence of production networks and supply chains requiring larger organisational structures⁸.

⁷ Available in

https://ec.europa.eu/eurostat/databrowser/view/sbs_sc_oww_custom_18299617/default/table

⁸ Eurostat data shows consistently: industry weighs more heavily in German value added (21.2% of GDP) than in the EU average (17.2% of GDP) and than in Spain (14.2% of GDP), France (12.2% of GDP) and Italy (17% of GDP).

As shown in Table 11 and Table 12, which present the distribution of employment and private-sector value added by enterprise size, Spain exhibits a profile characterised by a relatively greater role of smaller enterprises compared with the European average.

In terms of employment, micro-enterprises account for 32.8% of total employment in Spain, compared with 29.81% in the EU. The employment share of small enterprises is broadly similar (18.39% in Spain and 18.49% in the EU), while medium-sized and, in particular, large enterprises record a lower relative weight than the EU average. Medium-sized enterprises account for 14.05% of employment in Spain (15.24% in the EU), and large enterprises for 34.76% (36.46% in the EU).

Table 11: Distribution of the number of jobs by enterprise size in the EU

	Total	Micro-enterprises		Small		Medium-sized		Large	
	Number of jobs	Number of jobs	% of jobs in each territory	Number of jobs	% of jobs in each territory	Number of jobs	% of jobs in each territory	Number of jobs	% of jobs in each territory
European Union	162,195,258	48,349,372	29.81%	29,988,847	18.49%	24,723,500	15.24%	59,135,309	36.46%
Greece	3,488,231	1,549,327	44.42%	875,928	25.11%	468,722	13.44%	594,254	17.04%
Portugal	4,614,470	1,948,595	42.23%	882,280	19.12%	726,779	15.75%	1,056,816	22.90%
Slovakia	1,842,304	839,367	45.56%	250,636	13.60%	266,757	14.48%	485,544	26.36%
Italy	18,638,291	7,610,717	40.83%	3,725,949	19.99%	2,570,195	13.79%	4,731,430	25.39%
Estonia	549,995	220,319	40.06%	121,371	22.07%	107,701	19.58%	100,604	18.29%
Hungary	3,330,687	1,299,418	39.01%	603,901	18.13%	475,632	14.28%	951,736	28.57%
France	20,790,797	5,611,991	26.99%	3,054,883	14.69%	2,527,341	12.16%	9,596,584	46.16%
Netherlands	8,665,531	2,463,277	28.43%	1,372,961	15.84%	1,348,065	15.56%	3,481,227	40.17%
Polonia	11,524,332	4,292,409	37.25%	1,824,203	15.83%	1,606,077	13.94%	3,801,643	32.99%
Czech Republic	4,262,808	1,441,199	33.81%	728,834	17.10%	771,530	18.10%	1,321,245	30.99%
Lithuania	1,287,465	440,688	34.23%	254,037	19.73%	248,865	19.33%	343,875	26.71%
Slovenia	792,868	288,591	36.40%	148,198	18.69%	149,634	18.87%	208,217	26.26%
Spain	15,778,462	5,175,761	32.80%	2,901,342	18.39%	2,217,031	14.05%	5,484,325	34.76%
Cyprus	401,185	156,861	39.10%	94,412	23.53%	75,299	18.77%	74,613	18.60%
Romania	4,831,918	1,573,681	32.57%	915,402	18.94%	786,274	16.27%	1,556,561	32.21%
Latvia	675,129	223,557	33.11%	144,749	21.44%	148,042	21.93%	158,781	23.52%
Belgium	3,941,660	1,246,997	31.64%	564,544	14.32%	591,099	15.00%	1,539,020	39.04%
Finland	1,772,092	410,229	23.15%	367,878	20.76%	350,131	19.76%	643,854	36.33%
Croatia	1,310,039	436,012	33.28%	272,052	20.77%	225,976	17.25%	375,999	28.70%
Bulgaria	2,200,045	697,488	31.70%	493,479	22.43%	436,524	19.84%	572,554	26.02%
Sweden	4,130,867	1,023,830	24.78%	675,267	16.35%	662,217	16.03%	1,769,553	42.84%
Malta	258,821	82,498	31.87%	53,709	20.75%	55,198	21.33%	67,416	26.05%
Ireland	2,345,457	629,956	26.86%	482,259	20.56%	455,795	19.43%	777,447	33.15%
Denmark	2,245,444	439,418	19.57%	516,614	23.01%	475,577	21.18%	813,835	36.24%
Austria	3,803,867	1,064,544	27.99%	772,687	20.31%	641,230	16.86%	1,325,406	34.84%
Germany	38,312,984	7,117,273	18.58%	7,804,007	20.37%	6,241,331	16.29%	17,150,373	44.76%
Luxemburgo	399,509	65,369	16.36%	87,265	21.84%	94,478	23.65%	152,397	38.15%

Source: Authors' own elaboration based on Eurostat data for 2023.

Data on the weight of the industrial sector in GDP available at

https://ec.europa.eu/eurostat/databrowser/view/nama_10_a10/bookmark/table?lang=en&bookmarkId=49d1a20c-90a7-4064-982e-77963b5f7580&c=1758182621000

This greater degree of enterprise atomisation is also reflected in the distribution of value added. Micro-enterprises generate 23.04% of business value added in Spain, compared with 19.45% in the EU, while small enterprises account for 16.45% (15.47% in the EU). The share of medium-sized enterprises is broadly similar (15.76% of value added in Spain and 16.01% in the EU), whereas large enterprises account for a smaller proportion of value added than at the European level as a whole (44.75% in Spain compared with 49.06% in the EU).

A broader cross-country comparison shows that this Spain–EU pattern forms part of a heterogeneous European landscape. Greece, Portugal and Italy, similarly to Spain, display a high contribution of micro-enterprises to employment (above 40% in all three cases), while Germany stands out for a substantially lower share of employment in micro-enterprises (around 18.6%) and a correspondingly higher share in large enterprises (around 44.8%). In terms of value added, the contrast between micro-enterprises and large firms is even more pronounced in Germany, where large enterprises generate approximately 54% of total business value added.

Table 12: Distribution of value added by enterprise size in the EU

	Total	Micro-enterprises		Small		Medium-sized		Large	
	Value added (EUR million)	Value added (EUR million)	% of value added in each territory	Value added (EUR million)	% of value added in each territory	Value added (EUR million)	% of value added in each territory	Value added (EUR million)	% of value added in each territory
European Union	10,462,378	2,035,091	19.45%	1,619,036	15.47%	1,675,224	16.01%	5,133,027	49.06%
Greece	102,038	21,843	21.41%	19,381	18.99%	18,218	17.85%	42,595	41.74%
Portugal	160,896	39,213	24.37%	31,449	19.55%	33,670	20.93%	56,563	35.16%
Slovakia	66,609	14,434	21.67%	9,246	13.88%	12,990	19.50%	29,939	44.95%
Italy	1,178,245	295,538	25.08%	223,639	18.98%	207,218	17.59%	451,851	38.35%
Estonia	22,801	6,570	28.82%	5,162	22.64%	5,592	24.52%	5,476	24.02%
Hungary	110,823	22,123	19.96%	18,610	16.79%	18,836	17.00%	51,255	46.25%
France	1,520,260	301,349	19.82%	189,085	12.44%	179,010	11.77%	850,817	55.97%
Netherlands	696,092	160,046	22.99%	96,559	13.87%	128,918	18.52%	310,569	44.62%
Polonia	437,182	87,571	20.03%	60,790	13.90%	65,920	15.08%	222,901	50.99%
Czech Republic	190,832	40,850	21.41%	29,121	15.26%	36,395	19.07%	84,466	44.26%
Lithuania	41,927	7,248	17.29%	8,288	19.77%	10,490	25.02%	15,901	37.93%
Slovenia	41,180	9,711	23.58%	7,643	18.56%	9,184	22.30%	14,642	35.56%
Spain	863,775	198,989	23.04%	142,128	16.45%	136,120	15.76%	386,538	44.75%
Cyprus	20,579	4,922	23.92%	5,427	26.37%	5,139	24.97%	5,091	24.74%
Romania	143,345	29,298	20.44%	24,457	17.06%	24,466	17.07%	65,124	45.43%
Latvia	21,864	4,792	21.92%	4,621	21.14%	5,300	24.24%	7,151	32.71%
Belgium	375,040	94,185	25.11%	54,748	14.60%	60,769	16.20%	165,339	44.09%
Finland	134,323	25,534	19.01%	24,730	18.41%	26,372	19.63%	57,687	42.95%
Croatia	46,248	12,979	28.06%	8,753	18.93%	7,821	16.91%	16,694	36.10%
Bulgaria	57,377	13,023	22.70%	11,202	19.52%	11,634	20.28%	21,518	37.50%
Sweden	352,264	53,544	15.20%	48,153	13.67%	65,418	18.57%	185,148	52.56%
Malta	14,966	3,857	25.77%	3,040	20.32%	2,941	19.65%	5,127	34.26%
Ireland	446,674	86,635	19.40%	29,916	6.70%	50,719	11.35%	279,404	62.55%
Denmark	205,247	28,273	13.78%	33,889	16.51%	41,287	20.12%	101,798	49.60%
Austria	297,751	52,713	17.70%	54,015	18.14%	58,349	19.60%	132,674	44.56%
Germany	2,855,868	412,207	14.43%	464,619	16.27%	437,133	15.31%	1,541,909	53.99%
Luxemburgo	58,174	7,643	13.14%	10,365	17.82%	15,316	26.33%	24,850	42.72%

Source: Authors' own elaboration based on Eurostat data for 2023.

The tables above highlight substantial cross-country variation, indicating that countries with broadly comparable characteristics (in terms of economic size, sectoral specialisation or other structural features) may nevertheless exhibit markedly different enterprise size structures. This diversity points to the influence of multiple factors shaping firm size distribution and the relative weight of small and medium-sized enterprises.

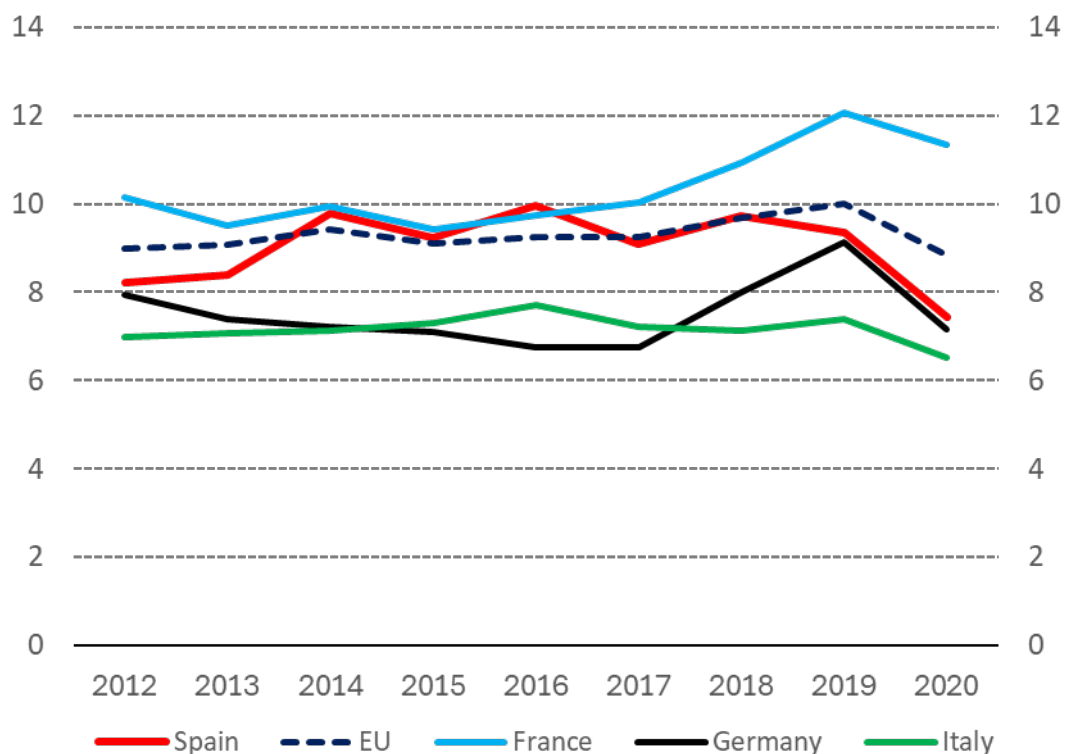
2.2. Business dynamics

2.2.1. Business creation and destruction

Business creation and destruction are influenced by both cyclical factors (related to the economic cycle) and structural factors (such as the regulatory framework). Against this background, a spatial-temporal comparison is relevant in order to identify underlying trends that help explain observed variations beyond short-term cyclical conditions.

As shown in Chart 1, lower business creation rates are observed in most countries at the beginning of the period (reflecting the lingering effects of the financial crisis) and towards the end of the series (as a result of the reduction in business creation due to the COVID crisis).

Chart 1: Rate of business creation (% of total number of enterprises)

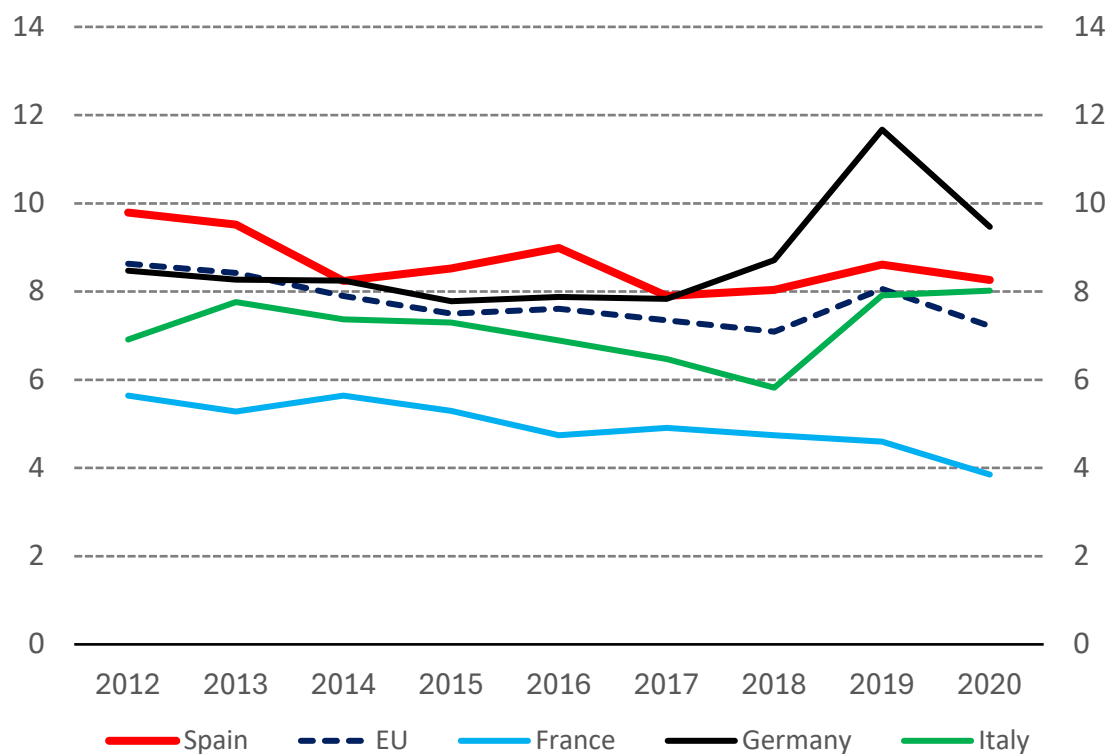


Source: Authors' own elaboration based on Eurostat data.⁹

Chart 2 shows a broadly similar pattern, with the lowest rates of business destruction coinciding with periods of stronger economic expansion. A notable difference, however, is that the impact of the COVID-19 crisis on business destruction rates appears to have been less pronounced than its effect on business creation rates.

⁹ Available in https://ec.europa.eu/eurostat/databrowser/view/bd_9bd_sz_cl_r2_custom_18299867/default/table

Chart 2: Business destruction rate (% of total enterprises)



Source: Authors' own elaboration based on Eurostat data.

Spain is positioned close to the EU average in terms of business creation rates and above the EU average with regard to business destruction rates, which implies a lower-than-average business survival rate at the European level.

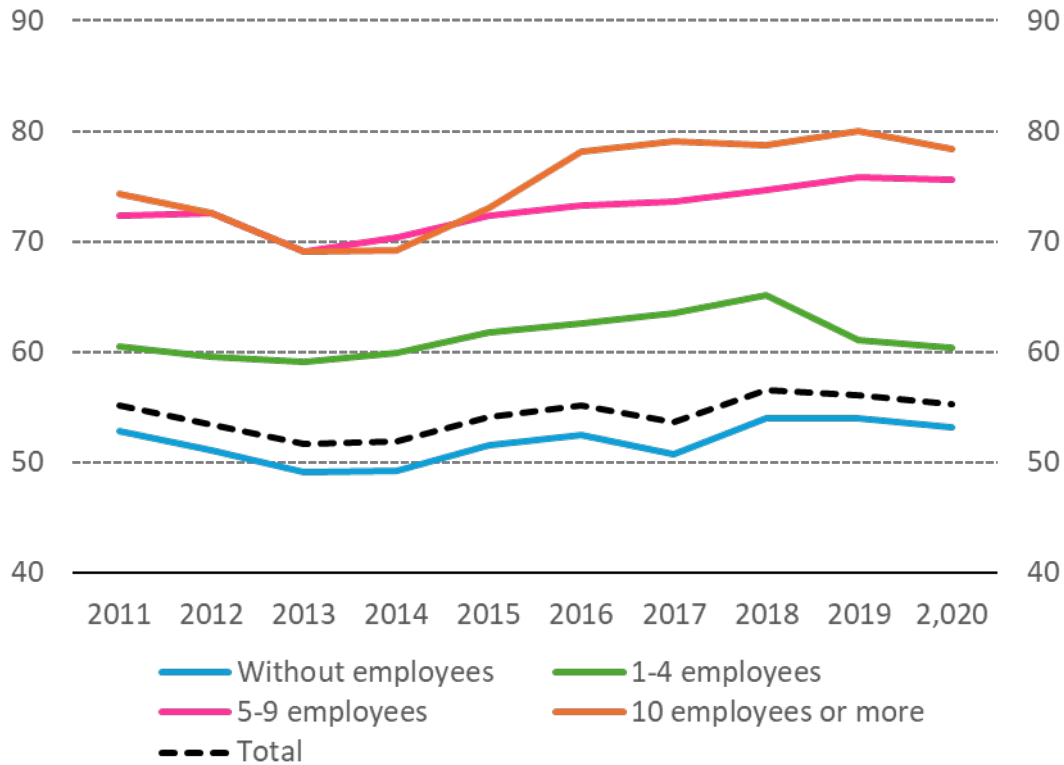
The relevance of these indicators lies in the extent to which they reflect firms' capacity to adapt to changing economic conditions. In this context, relatively high business creation rates are generally associated with periods of economic recovery or with phases of technological change that generate new market opportunities. Conversely, elevated business destruction rates may be interpreted negatively when they reflect excessive vulnerability to cyclical fluctuations or the loss of economically valuable business assets. However, higher destruction rates are not necessarily adverse in periods characterised by economic downturns or technological disruption, when adjustments in business models may be required.

2.2.2. Business Survival

Firm size is closely associated with survival prospects, as shown in Chart 3, with smaller enterprises exhibiting greater vulnerability. Enterprises without employees show a survival rate of around 50% after three years. This share

increases to approximately 60% for enterprises with 1–4 employees, to over 75% for those with 5–9 employees, and to around 80% for enterprises with more than 10 employees. Moreover, survival rates for enterprises with 5–9 employees and for those with more than 10 employees have increased over time, rising from levels of around 70% at the beginning of the previous decade.

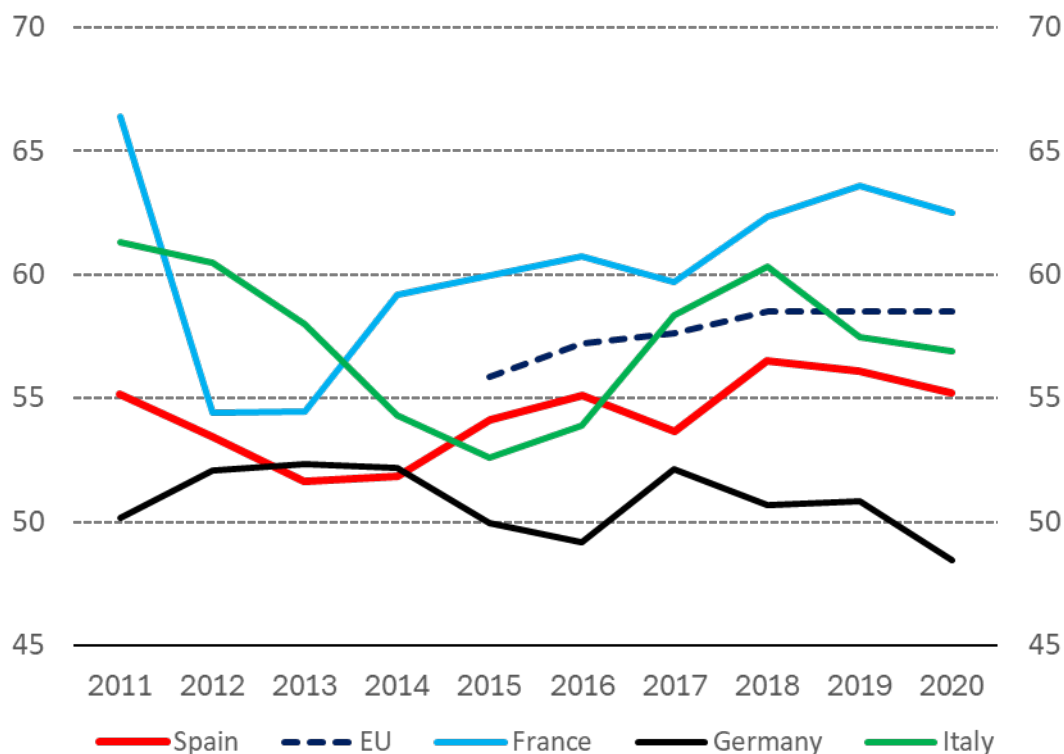
Chart 3. Business survival rate by enterprise size



Percentage of companies with more than three years of existence, in % of the total number of companies created three years ago. Source: Authors' own elaboration based on Eurostat data.

Chart 4 shows that the business survival rate in Spain is lower than the European average. Moreover, the gap appears to have widened over time: while the EU average has increased from slightly above 55% to close to 60%, the survival rate in Spain has remained broadly stable (with some fluctuations) at around 55%.

Chart 4. Business survival rate in selected European countries



Percentage of companies with more than three years of existence, in % of the total number of enterprises created three years ago. Source: Authors' own elaboration based on Eurostat data.

2.2.3. Business dynamics according to legal form

Table 13 indicates that business dynamics vary according to legal form.

Table 13: Evolution of the distribution of enterprises by legal status

	2007	2014	2019	2024
Sole proprietorship	55.53%	50.48%	54.95%	56.48%
Limited liability company (S.L.)	32.33%	36.47%	34.32%	33.59%
Public limited company (S.A.) (S.)	3.46%	2.98%	2.01%	1.48%
Other	8.67%	10.06%	8.72%	8.45%
Total	100.00%	100.00%	100.00%	100.00%

Source: Authors' own elaboration based on data from DIRCE (INE).

The relative share of sole proprietorships declined sharply between 2007 and 2014, falling from 55.53% to 50.48% of the total enterprise population. Thereafter, their share recovered gradually up to 2024. By contrast, the share of limited liability companies followed an opposite trajectory over the same period.

Public limited companies (S.A.) display a sustained downward trend throughout the period. Their share declined from 3.46% of total enterprises in 2007 to just 1.48% in 2024. This persistent reduction reflects a loss of relative prominence of this legal form within the overall enterprise structure.

2.3. Productivity

Productivity is defined as the ratio between the output of goods and services and the inputs used in their production (including labour, capital and intermediate inputs). As such, it provides a measure of the efficiency with which productive resources are transformed into economic output. Productivity constitutes a key indicator of firm performance and, more broadly, of an economy's capacity to generate value from its human and material resources.

As noted by the Bank of Spain in its [Annual Report](#) (pages 73 et seq.), measuring productivity at the national, sectoral and firm level is methodologically complex and requires detailed information on output volumes as well as on the quantity, quality and intensity of use of production factors. The most widely used productivity indicator is gross domestic product (GDP) or gross value added (GVA) per worker, although complementary indicators are also employed to better identify the underlying sources of productivity growth¹⁰.

2.3.1. Analysis by sector of activity and company size

Table 14 indicates the existence of substantial differences in productivity across economic sectors in Spain¹¹.

¹⁰ For example, productivity per hour worked takes into account the intensity of labour utilisation, while total factor productivity (TFP) measures the joint efficiency with which all production *inputs* are used.

¹¹ The INE's Structural Business Statistics (EEA) measures productivity through value added at factor cost per employed person. This variable is obtained by dividing the value added generated by enterprises by the average annual number of employed people (INE, Methodology of Structural Business Statistics, 2021).

The use of value added at factor cost provides an approximation of the income generated by productive activity, while the reference to employed persons facilitates comparisons across sectors and firm size classes. However, this indicator does not account for differences in hours worked or labour intensity and does not allow the contribution of other production factors, such as capital accumulation or technological progress, to be isolated.

Table 14: Productivity per employee (in €) by sector and enterprise size

	Total	Micro-enterprises	Small enterprises	Medium-sized enterprises	Large enterprises
TOTAL INDUSTRIAL SECTOR	82,818	55,988	57,603	76,791	108,305
TOTAL SERVICES SECTOR	42,516	31,813	41,649	48,795	51,081
<i>Transport and storage</i>	<i>57,318</i>	<i>33,687</i>	<i>55,293</i>	<i>64,884</i>	<i>74,517</i>
<i>Accommodation and food service activities</i>	<i>28,267</i>	<i>18,912</i>	<i>29,989</i>	<i>38,987</i>	<i>37,792</i>
<i>Information and communication</i>	<i>78,509</i>	<i>44,822</i>	<i>61,344</i>	<i>78,244</i>	<i>92,163</i>
<i>Professional, scientific and technical activities</i>	<i>53,028</i>	<i>40,388</i>	<i>62,861</i>	<i>68,198</i>	<i>64,574</i>
<i>Administrative and support service activities</i>	<i>31,952</i>	<i>36,640</i>	<i>35,149</i>	<i>33,558</i>	<i>29,947</i>
<i>Other services</i>	<i>18,657</i>	<i>13,789</i>	<i>30,234</i>	<i>35,096</i>	<i>42,083</i>

Source: Authors' own elaboration based on Structural Business Statistics (EEA, 2023 data¹²).

These disparities are observed not only in current data but also in the evolution of labour productivity by sector over the last decade¹³.

Table 14 further indicates that productivity tends to increase with firm size. This pattern may be associated with several factors, including the greater capacity of larger enterprises to invest in physical, technological and human capital, the exploitation of economies of scale, improved access to external finance, and more efficient allocation of resources through advanced management practices. Larger firms also tend to exhibit a higher degree of internationalisation, which is often linked to greater specialisation and higher value added. At the same time, the observed relationship may partly reflect reverse causality, whereby more productive firms are more likely to grow over time and transition into larger size categories.

¹² Available for the industrial sector in

https://ine.es/dyngs/INEbase/operacion.htm?c=Estadistica_C&cid=1254736143952&menu=ultiDatos&idp=1254735576550

and for the service sector in

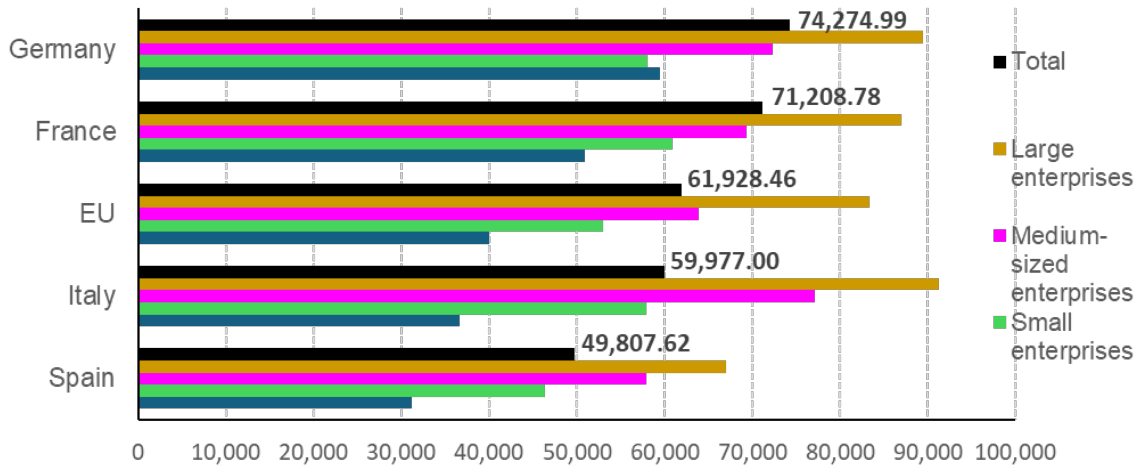
https://ine.es/dyngs/INEbase/operacion.htm?c=Estadistica_C&cid=1254736176865&menu=ultiDatos&idp=1254735576550

¹³ Data on the average annual variation in labour productivity for the period 1995-2023 available from the BBVA Foundation's Observatory of Productivity and Competitiveness in Spain (OPCE) and the Valencian Institute for Economic Research (IVIE) <https://www.fbbva.es/bd/observatorio-productividad-competitividad-espana/>

2.3.2. Comparison with the European environment

As shown in Chart 5, productivity in Spain is lower than the European average across all firm size classes. Moreover, productivity levels in Spain are also below those recorded in the main EU economies (Germany, France and Italy), both on average and within each enterprise size category.

Chart 5: Productivity per person employed (in €) by country and enterprise size



Source: Authors' own elaboration based on Eurostat data for 2022.¹⁴

In general, productivity is positively associated with firm size across countries, although with notable differences. In Germany, productivity levels are very similar between micro-enterprises and small enterprises. Italy, despite exhibiting aggregate productivity below the EU average, records relatively high productivity levels among medium-sized and large enterprises, exceeding not only the EU average but also those observed in Germany. In France, small enterprises display comparatively higher productivity than small enterprises in the other countries considered.

2.4. Internationalization

Table 15 shows that SMEs (micro, small and medium-sized enterprises), despite accounting for 96.8% of exporting companies,¹⁵ (85,612 companies¹⁶ out of a total

¹⁴ Data available at

<https://ec.europa.eu/eurostat/databrowser/bookmark/da947460-5a58-4ff0-a084-3073cc8b1bd3?lang=en&createdAt=2025-10-09T06:21:31Z>

¹⁵ 63% of microenterprises, 25.1% of small and 8.7% of medium-sized enterprises.

¹⁶ 55,712 micro-enterprises, 22,209 small and 7,691 medium-sized enterprises.

of 88,416), only represent 41.6% of the value of exports of goods¹⁷. For their part, large companies, despite accounting for only 3.2% of exporting companies, absorb 58.4% of the value exported.

Table 15: Distribution of exporting enterprises by size

	Stable exporters		Non-stable exporters		Total	
	No. of enterprises	Value (EUR million)	No. of enterprises	Value (EUR million)	No. of enterprises	Value (EUR million)
Micro-enterprises	28,125	21,928	27,587	8,003	55,712	29,931
Small enterprises	16,902	35,275	5,307	3,149	22,209	38,424
Medium-sized enterprises	6,163	63,334	1,528	9,737	7,691	73,071
Large enterprises	2,191	167,859	613	30,405	2,804	198,263
TOTAL	53,381	288,395	35,035	51,294	88,416	339,689
	% of enterprises	% of value	% of enterprises	% of value	% of enterprises	% of value
Micro-enterprises	52.7%	7.6%	78.7%	15.6%	63.0%	8.8%
Small enterprises	31.7%	12.2%	15.1%	6.1%	25.1%	11.3%
Medium-sized enterprises	11.5%	22.0%	4.4%	19.0%	8.7%	21.5%
Large enterprises	4.1%	58.2%	1.7%	59.3%	3.2%	58.4%
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Authors' own elaboration based on foreign trade data from the AEAT for 2023.¹⁸

Micro-enterprises account for 78.7% of non-stable exporters and 15.6% of the export value of non-stable exporters, but only 52.7% of stable exporters and 7.6% of the corresponding export value. Table 16 indicates that only 50.5% of micro-enterprises that export do so in a stable way, while this percentage of stable exporters rises to 75-80% for larger companies.

Table 16: Percentage of stable exporting enterprises by size

	Number of stable exporters	Number of non-stable exporters	Total	% of stable exporters
Micro-enterprises	28,125	27,587	55,712	50.5%
Small enterprises	16,902	5,307	22,209	76.1%
Medium-sized enterprises	6,163	1,528	7,691	80.1%
Large enterprises	2,191	613	2,804	78.1%
TOTAL	53,381	35,035	88,416	60.4%

Source: Authors' own elaboration based on foreign trade data from the AEAT for 2023.

¹⁷ 8.8% microenterprises, 11.3% small enterprises and 21.5% small enterprises.

¹⁸ Data available at

<https://sede.agenciatributaria.gob.es/Sede/estadisticas/estadisticas-comercio-exterior/datos-comercio-exterior-caracteristicas-empresa.html>

2.5. Innovation and adoption of new technologies

Although innovation is not necessarily always directly linked to research and development (R&D), investment in R&D is commonly used as a proxy for innovative performance. Table 17 illustrates the extent to which such investment is also associated with firm size. While 26.88% of large enterprises carry out in-house R&D activities, only 0.31% of small and medium-sized enterprises (SMEs) do so (9,977 firms out of more than 3.2 million SMEs). These figures are strongly influenced by the predominance of micro-enterprises, of which only 0.1% (fewer than 3,000 firms) engage in in-house R&D. The corresponding share increases to 3.38% among small enterprises and to 13.19% among medium-sized enterprises.

A pronounced size gradient is also observed with respect to the stability of R&D investment over time¹⁹. Among SMEs that perform R&D, 76% do so on a stable basis (72% in the case of micro-enterprises, more than 76% among small enterprises and almost 80% among medium-sized enterprises). By comparison, among large enterprises engaged in R&D activities, more than 86% report stable R&D investment.

Table 17: Number of enterprises performing internal R&D by enterprise size

	Total number of enterprises	Total number of enterprises performing internal R&D		Enterprises performing internal R&D on a regular basis		
	number	number	% of total enterprises in each group	number	% of total enterprises in each group	% of total enterprises performing R&D in each
Small and medium-sized enterprises	3,202,717	9,977	0.31%	7,589	0.24%	76.06%
Micro-enterprises	3,054,690	2,983	0.10%	2,154	0.07%	72.21%
Small enterprises	127,718	4,316	3.38%	3,304	2.59%	76.55%
Medium-sized enterprises	20,309	2,678	13.19%	2,131	10.49%	79.57%
Large enterprises	4,863	1,307	26.88%	1,131	23.26%	86.53%
Total	3,207,580	11,284	0.35%	8,720	0.27%	77.28%

Source: Authors' own elaboration based on data from the INE.²⁰

Firm size also influences the average level of investment in research and development (R&D), as shown in Table 18. While SMEs make up 88.4% of innovative companies, they only account for 41% of total R&D investment. As a result, the average R&D expenditure per SME (slightly above EUR 500,000) is substantially lower than that recorded for large enterprises (close to EUR

¹⁹ Investment in R+D in a stable way is defined by the INE as that for which the company allocates personnel on a permanent basis.

²⁰ Total number of companies obtained from the DIRCE and other data available at

<https://ine.es/jaxi/Tabla.htm?tpx=71161&L=0>

6,000,000). This difference is particularly relevant in the context of R&D activities, which are often characterised by increasing returns and indivisibilities in investment.

Table 18: Investment in R+D internally by enterprise size

	Internal R&D investment				
	EUR million		Number of enterprises		EUR per enterprise
		% of each group of enterprises relative to the total		% of each group of enterprises relative to the total	
Small and medium-sized enterprises	5,174	41.0%	9,977	88.4%	518,596
<i>Micro-enterprises</i>	539	4.3%	2,983	26.4%	180,540
<i>Small enterprises</i>	1,805	14.3%	4,316	38.2%	418,230
<i>Medium-sized enterprises</i>	2,830	22.4%	2,678	23.7%	1,056,907
Large enterprises	7,442	59.0%	1,307	11.6%	5,693,733
Total	12,616	100.0%	11,284	100.0%	1,118,020

Source: Authors' own elaboration based on data from the INE.

Finally, Table 19 shows that the composition of research and development (R&D) expenditure also differs by firm size. SMEs allocate a relatively higher share of their R&D investment to basic research (7.5% compared with 3.4% among large enterprises) and applied research (55.6% compared with 44.2%), while devoting a relatively smaller share to experimental development (36.9% compared with 52.4% among large enterprises).

Table 19: Investment by type of research (% of total investment by each group of enterprises)

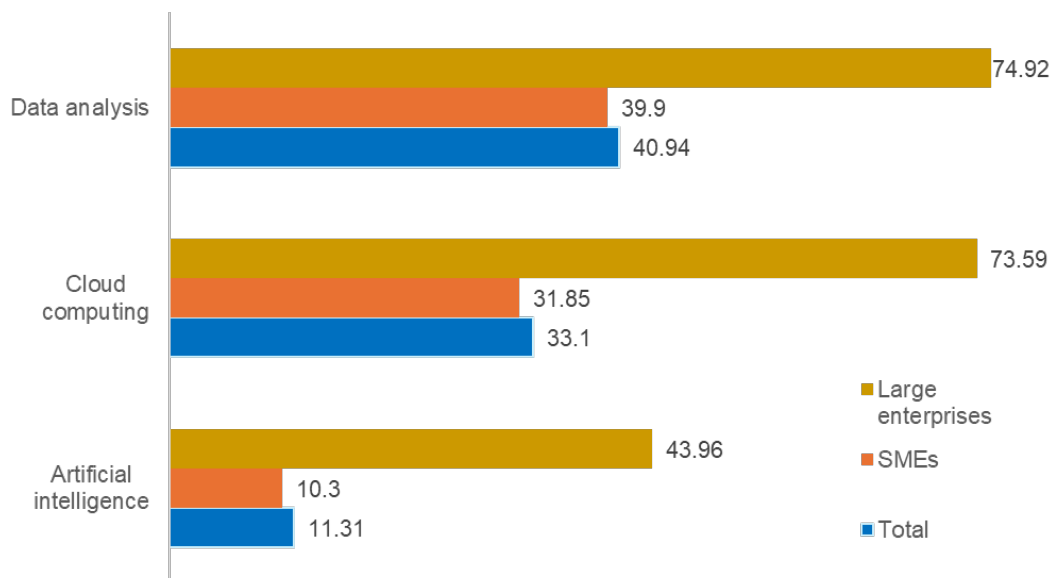
	Investment by type of research (% of investment by each group of enterprises)			
	Basic (or fundamental) research	Applied research	Experimental development	Total
Small and medium-sized enterprises	7.5%	55.6%	36.9%	100.0%
<i>Micro-enterprises</i>	9.4%	54.0%	36.6%	100.0%
<i>Small enterprises</i>	6.8%	56.3%	36.9%	100.0%
<i>Medium-sized enterprises</i>	7.5%	55.5%	37.0%	100.0%
Large enterprises	3.4%	44.2%	52.4%	100.0%
Total	5.1%	48.9%	46.1%	100.0%

Source: Authors' own elaboration based on data from the INE.

When focusing on the adoption of advanced technologies, Chart 6 shows that a clear gap also exists between small and large enterprises²¹. For instance, only 10.3% of small and medium-sized enterprises (SMEs) have adopted artificial intelligence techniques, whereas this share more than quadruples among large enterprises, exceeding 40%. Substantial differences are also observed in the adoption of cloud computing services (31.85% among SMEs compared with 73.59% among large enterprises) and data analytics techniques (31.85% among SMEs compared with 73.59% among large enterprises).

²¹ In addition to the data presented in this section, *the Digital Decade 2025 – Country Report: Spain* published by the European Commission (2025) indicates that 74.2% of small and medium-sized enterprises (SMEs) have reached at least a basic level of digital intensity (an increase compared with previous years), exceeding the EU average (72.9%). The target set by the European Union for 2030 is 90%.

Chart 6: Use of selected technologies by enterprise size (% , 2024)



Source: Digital Decade 2025 – Country Report: Spain (European Commission)²²

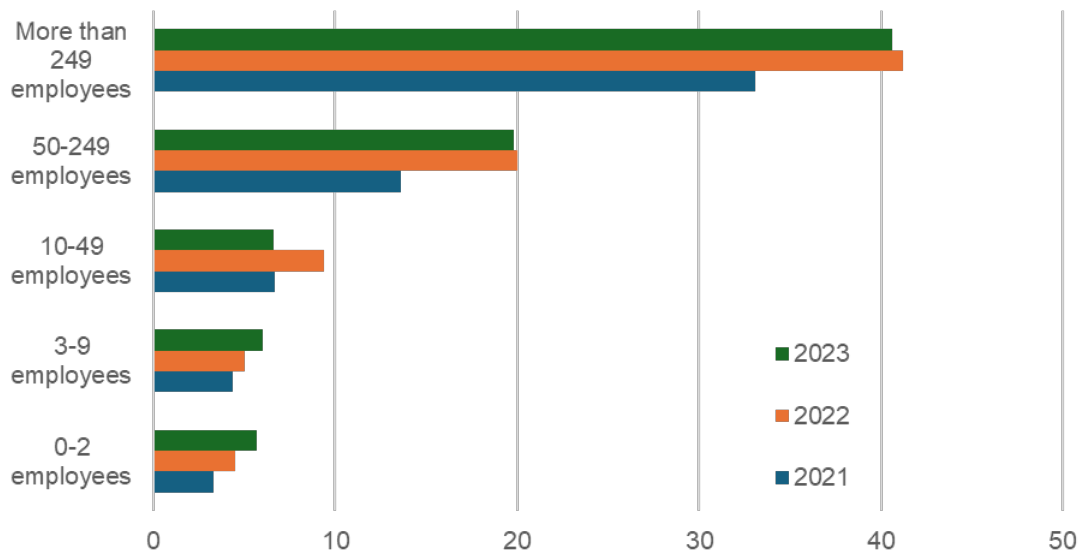
Once again, this asymmetric pattern of technology adoption is largely driven by smaller firms within the SME segment. Given the data-intensive nature of these technologies, the associated requirements in terms of data governance and data management may constitute a significant challenge, particularly for smaller enterprises.

As indicated by Chart 7, while the adoption of artificial intelligence (AI) has increased across all enterprise size classes, the pace of adoption differs markedly. Among micro-enterprises (0–9 employees), AI adoption remains at around 5%, while among small enterprises (10–49 employees) it is only slightly above this level, with no substantial increase observed in recent years. By contrast, adoption among medium-sized enterprises (50–249 employees) reached around 20% in 2023, up from levels below 15% in 2021, and among large enterprises it has exceeded 40%, compared with just over 30% at the beginning of the period.

²² Available in

<https://digital-strategy.ec.europa.eu/en/factpages/spain-2025-digital-decade-country-report>

Chart 7: Use of artificial intelligence (% within each group of enterprises)



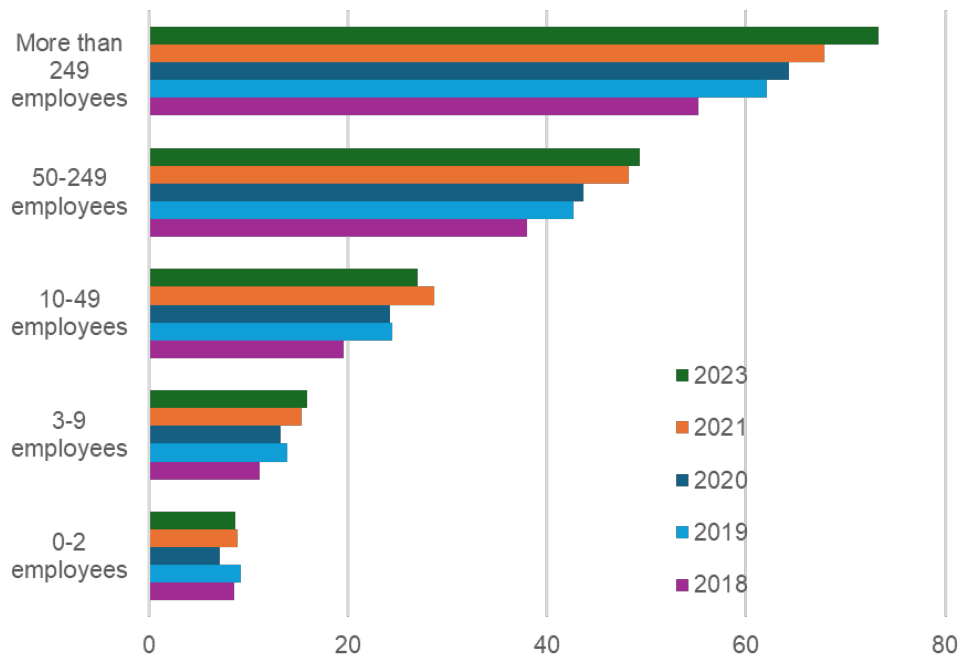
Source: ONTSI Report Digitalisation of SMEs – Comparative Analysis 2024.²³

When it comes to cloud computing, Chart 8 shows that companies with 0-2 employees lag behind, with an adoption rate below 10% and stagnant. Among the rest of micro-enterprises (3-9 employees) as well as in small enterprises (10-49 employees) and medium-sized enterprises (50-249 employees) adoption is increasing, although well below the level and pace of large companies. In micro, small and medium-sized enterprises, adoption is around 15%, 30% and 50% respectively, after increases of 5-10 percentage points in the last 5 years. Meanwhile, in large companies it stands at 70%, after an increase of 20 percentage points in the same period.

²³ Page 24 of the report available at

https://www.ontsi.es/sites/ontsi/files/2024-08/informe_digitalizacion_pymes.pdf

Chart 8. Cloud computing usage (% within each group of enterprises)



Source: ONTSI Report Digitalisation of SMEs – Comparative Analysis 2024.²⁴

This trend shows that micro-enterprises tend to concentrate on basic cloud computing uses (such as email and storage), while small enterprises are more likely to move beyond occasional use and reach regular adoption thresholds. The consolidation of digital platforms and business applications, as well as the uptake of intermediate and advanced services (including managed databases, security as a service and ERP or CRM solutions delivered via software as a service), typically occurs at larger firm scales, particularly among medium-sized and large enterprises.

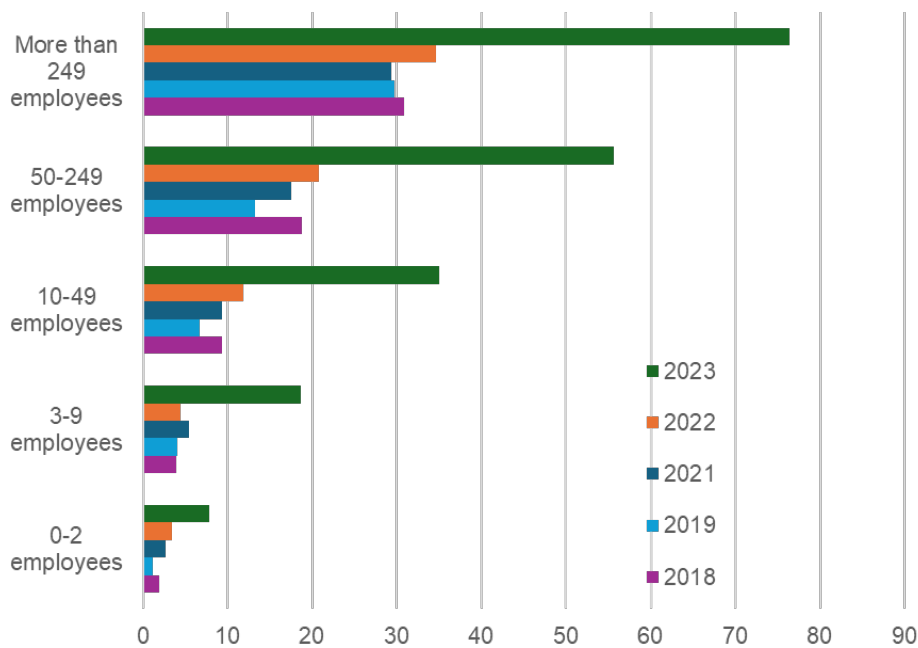
With respect to data analytics techniques, Chart 9 shows adoption has increased across all enterprise size categories, with a particularly marked acceleration in 2023. Nevertheless, growth remains uneven across size groups, with increases of around 5 percentage points among enterprises with 0–2 employees, 15 percentage points among those with 3–9 employees, 25 percentage points among small enterprises (10–49 employees), 35 percentage points among medium-sized enterprises (50–249 employees) and more than 40 percentage points among large enterprises. As a result, adoption levels remain highly asymmetric by firm size, standing at below 10% among enterprises with 0–2 employees, below 20% among those with 3–9 employees, around 30% among

²⁴ Page 20 of the report available at

https://www.ontsi.es/sites/ontsi/files/2024-08/informe_digitalizacion_pymes.pdf

small enterprises, approximately 50% among medium-sized enterprises and close to 80% among large enterprises. Beyond these quantitative differences, there are also likely to be qualitative differences in usage patterns, with smaller enterprises primarily relying on descriptive analytics, while larger firms are more likely to adopt advanced or prescriptive analytics as data use becomes more embedded with increasing firm size.

Chart 9: Use of data analytics (% of enterprises by size class)



Source: ONTSI Report Digitalisation of SMEs – Comparative Analysis 2024.²⁵

2.6. Participation in public procurement

Chart 10 shows the share of public contracts awarded to small and medium-sized enterprises (SMEs) across EU and European Economic Area (EEA) countries based on data published by the European Commission in the *Public Procurement Scoreboard*²⁶. These data could underestimate the weight of SMEs by relying on contract notices published in the [Electronic Tendering Journal](#) (TED) in which

²⁵ Page 22 of the report available at

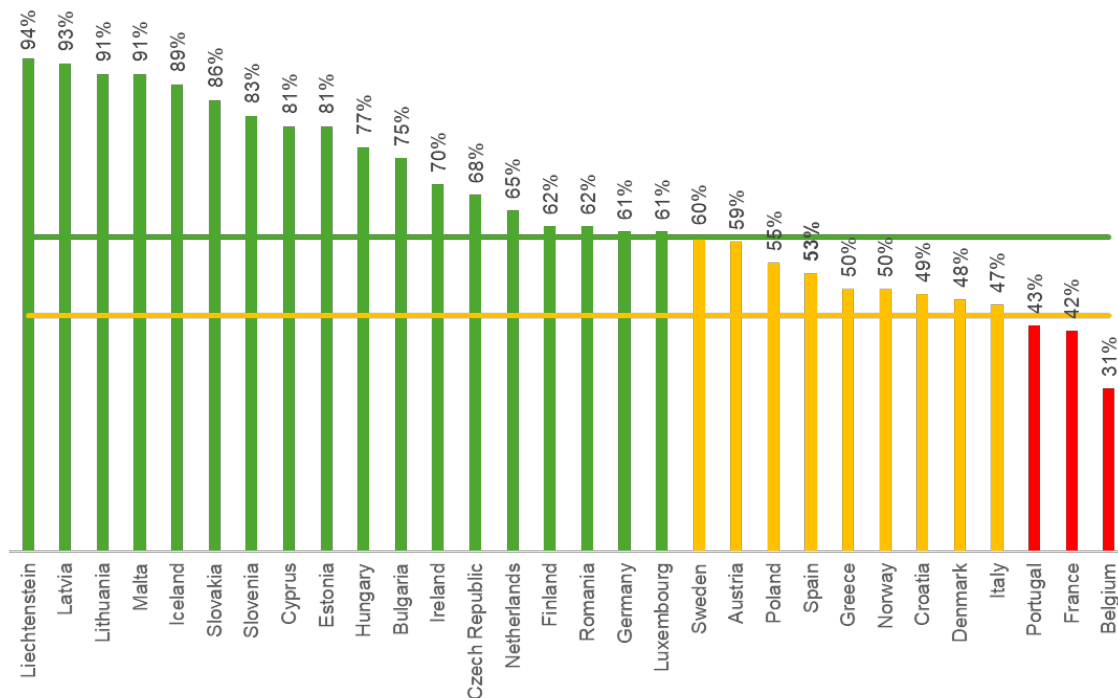
https://www.ontsi.es/sites/ontsi/files/2024-08/informe_digitalizacion_pymes.pdf

²⁶ Single Market and Competitiveness Scoreboard - Public Procurement available at

https://single-market-scoreboard.ec.europa.eu/business-framework-conditions/public-procurement_en

contracts that exceed the thresholds set by the EU (the so-called SARA contracts, subject to harmonised regulation) are mandatorily published. The publication of contracts below these thresholds is voluntary, so the presence of SMEs may be greater²⁷. Within this framework, Spain ranks 22nd out of the 30 countries considered, with SMEs accounting for 53% of public contracts awarded. This share is below that recorded in Germany (61%), but above the levels observed in France (42%) and Italy (47%).

Chart 10: Percentage of public contracts awarded to SMEs in the European Union (2023)

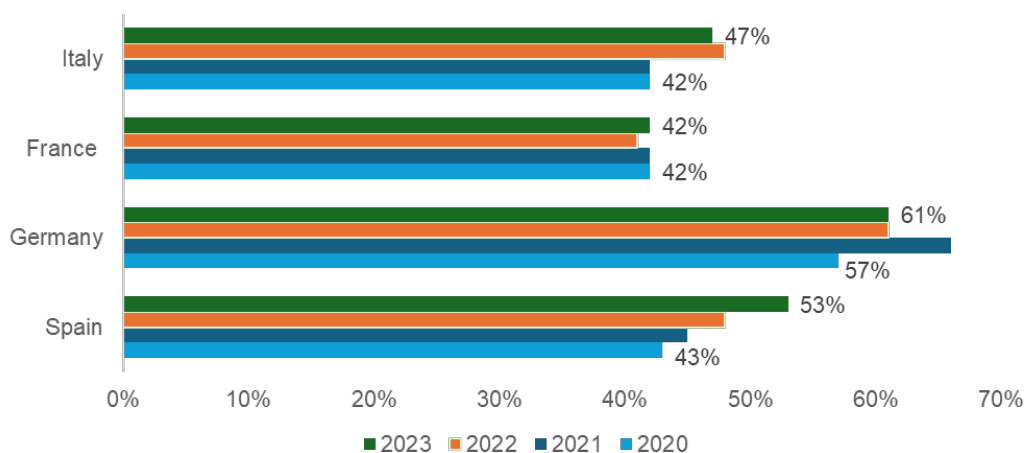


Source: European Commission. Public Procurement Scoreboard 2023, Indicator [7].

Chart 11 also shows that the share of public contracts awarded to SMEs has increased more rapidly in Spain than in the main European economies. Between 2020 and 2023, this share rose by 10 percentage points, from 43% to 53%. As a result, Spain has narrowed its gap with Germany, while the distance relative to Italy and France has widened.

²⁷ In addition, indicators are calculated by number of files/offers and not by value, and the use of batches, framework agreements and dynamic systems can alter the counts.

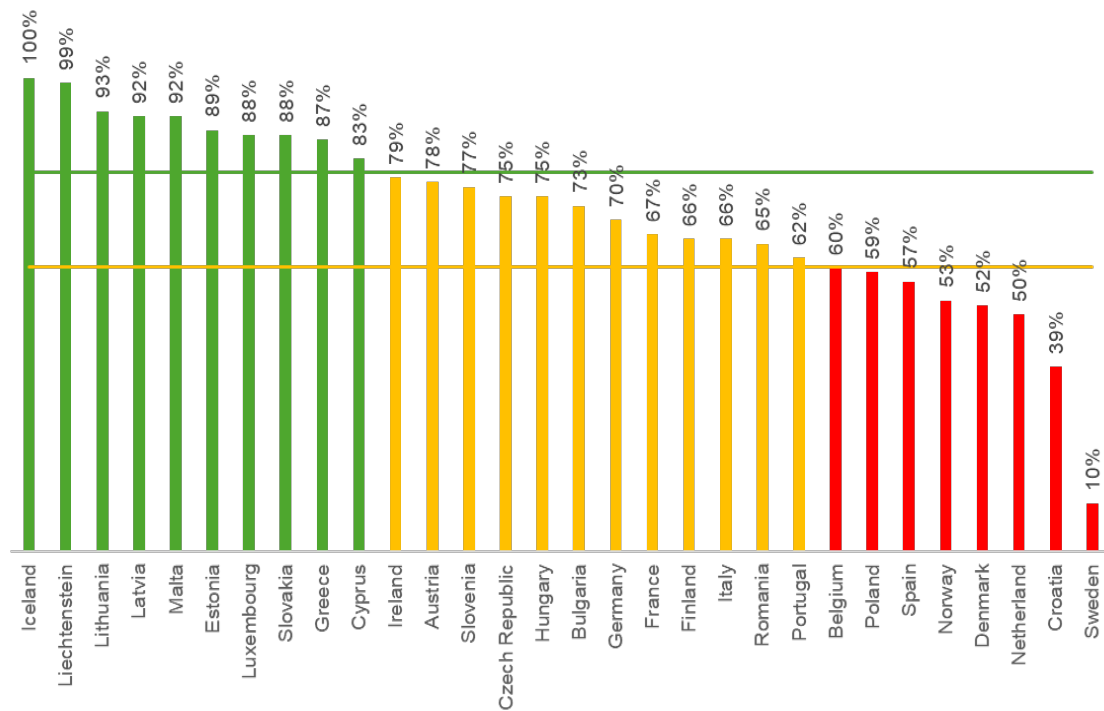
Chart 11. Trends in the percentage of public contracts awarded to SMEs in Spain, Italy, France and Germany (2020–2023)



Source: European Commission. Public Procurement Scoreboard 2023.

Chart 12 shows the share of bids that have been submitted by SMEs out of the total number of bids. In Spain, SMEs account for around 57% of bids, placing the country in 25th position among the 30 countries of the EU and the European Economic Area (EEA). This share is below the levels recorded in Germany (70%), France (67%) and Italy (66%).

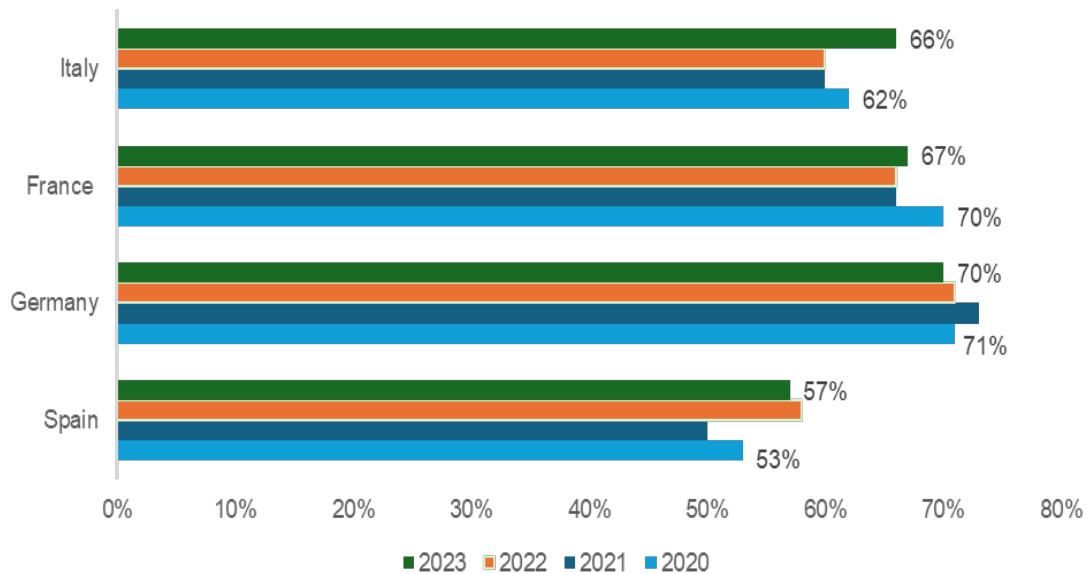
Chart 12: Percentage of bids submitted by SMEs, as a share of total bids (2023)



Source: European Commission. Public Procurement Scoreboard 2023, Indicator [8].

By contrast, Chart 13 shows that the share of bids submitted by small and medium-sized enterprises (SMEs) has increased only modestly in Spain, rising from 53% in 2020 to 57% in 2023. Among the main European economies, Italy records a similar increase, whereas the share remains broadly stable in Germany and has declined in France, although all three countries start from substantially higher levels than Spain.

Chart 13. Trends in the percentage of bids submitted by SMEs in public tenders in Spain, Italy, France and Germany (2020–2023)



Source: European Commission. *Public Procurement Scoreboard 2023*.

Overall, Spain records lower levels than most European countries both in terms of the share of contracts awarded to small and medium-sized enterprises (SMEs) and, in particular, in terms of the effective participation of SMEs through the submission of bids. The fact that Spain lags further behind neighbouring countries in bid submission by SMEs, while the gap is smaller with regard to contract awards, may indicate that SMEs are relatively competitive once they participate in procurement procedures.

At the European level, the European Court of Auditors concluded in 2023 that the level of competition in public procurement in the EU had declined between 2011 and 2021, and that the reform of the 2014 Directive²⁸ had not promoted a significant increase in access for SMEs²⁹. Following these findings, the European Commission launched a comprehensive review of the European public

²⁸ Directive 2014/24/EU on public procurement and repealing Directive 2004/18/EC, Directive 2014/25/EU on procurement by entities operating in the water, energy, transport and postal services sectors and repealing Directive 2004/12/EC, and Directive 2014/23/EU on the award of concession contracts.

²⁹ Report available in

https://www.eca.europa.eu/ECAPublications/SR-2023-28/SR-2023-28_ES.pdf

procurement framework. Its final evaluation report also refers to other studies that point to some improvement in SME access to public procurement markets³⁰.

At national level, Table 20 shows the percentage of contracts awarded to SMEs in Spain with data from the [Triennial Report on Public Procurement in Spain in 2021, 2022 and 2023](#)³¹ and the [Triennial Report on Public Procurement in Spain in 2018, 2019 and 2020](#). These data are drawn from the Public Sector Procurement Platform (PLACSP) and provide a more comprehensive picture of SME participation than the Public Procurement Scoreboard, as they cover all public sector entities (state, regional and local) and include both contracts subject to harmonised regulation (SARA) and those below the EU publication thresholds, although they do not allow for immediate international comparison³².

Using this data, Table 20 shows that the share of awards to SMEs accounted for 55.4% of contracts by thresholds subject to harmonised regulation (SARA) in 2023, and 35.9% by value of contracts. Below the harmonised thresholds, the share of contracts awarded to SMEs was higher, both in terms of number (66.3%) and value (60.8%). Nevertheless, a decline in the relative weight of SMEs is observed in 2023 compared with the levels recorded in 2022, 2021 and 2020.

³⁰ See pages 27 and 28 of the report available at

[https://ec.europa.eu/transparency/documents-register/detail?ref=SWD\(2025\)332&lang=en](https://ec.europa.eu/transparency/documents-register/detail?ref=SWD(2025)332&lang=en)
[https://ec.europa.eu/transparency/documents-register/detail?ref=SWD\(2025\)332&lang=en](https://ec.europa.eu/transparency/documents-register/detail?ref=SWD(2025)332&lang=en)

³¹ <https://www.hacienda.gob.es/DGPatrimonio/Junta%20Consultiva/Informe-Trienal-2021-2022-2023.pdf>

³² The contracting bodies dependent on the State Public Sector are obliged by law to publish their contractor profile in PLACSP. The contracting bodies of the bodies linked to the Autonomous Communities and the EE. LL. may choose to publish their Contractor Profile on PLACSP or to maintain their own Contractor Profile. In the latter case, they must publish their calls for tenders in PLACSP, as well as the results of these through information aggregation mechanisms.

Table 20: Percentage of public contracts awarded to SMEs in Spain (2018–2023)

	2018	2019	2020	2021	2022	2023
	By contracts awarded					
SARA thresholds	44.7%	48.8%	58.6%	57.0%	53.7%	55.4%
Below the thresholds	58.3%	61.4%	63.0%	68.8%	68.5%	66.3%
	2018	2019	2020	2021	2022	2023
	By contract value					
SARA thresholds	28.4%	29.4%	40.3%	32.4%	38.3%	35.9%
Below the thresholds	51.9%	56.0%	55.4%	68.0%	69.9%	60.8%

Source: Ministry of Finance (2024,2021) with data from the PLACSP and regional platforms.³³

With regard to bid submission (Table 21), SMEs accounted for 64.5% of bids in 2023, representing a decline compared with previous years (when SME participation stood at around 73–74% in 2021 and 2022). At the same time, contracts in which SMEs participated accounted for 51.7% of the total tender value in 2023, a share that has increased relative to earlier years (when this indicator was below 50%). SME participation tends to be higher in open procedures (particularly simplified open procedures) and in minor contracts, while it is generally lower in negotiated procedures.

For 2021-2023, page 69 in

<https://www.hacienda.gob.es/DGPatrimonio/Junta%20Consultiva/Informe-Trienal-2021-2022-2023.pdf>

For 2018-2020, page 65 of the report available at

<https://www.hacienda.gob.es/DGPatrimonio/junta%20consultiva/trienal2021.pdf>

Table 21. Percentage of bids submitted by SMEs and share of contract value in procedures where SMEs competed, by type of procedure (2021–2023)

	2021	2022	2023	2021-2023
Percentage of bids submitted by SMEs				
Total	73.2%	74.0%	64.5%	70.7%
Open procedure	58.5%	58.7%	58.4%	58.6%
Simplified open procedure	75.8%	75.6%	76.8%	76.0%
Restricted procedure	57.2%	59.6%	62.1%	59.7%
Negotiated procedures	43.9%	50.0%	51.4%	48.3%
Minor contracts	82.6%	82.0%	64.1%	75.5%
Other procedures	52.1%	43.1%	47.1%	48.3%
Percentage of the aggregate value of awarded procedures/lots in which at least one SME submitted a bid				
Total	46.1%	49.6%	51.7%	49.1%
Open procedure	46.1%	52.0%	55.5%	51.2%
Simplified open procedure	81.5%	83.9%	85.3%	83.6%
Restricted procedure	53.7%	30.6%	39.8%	42.6%
Negotiated procedures	24.1%	18.0%	21.3%	21.2%
Minor contracts	51.5%	50.3%	53.1%	51.6%
Other procedures	46.9%	42.9%	24.0%	38.7%

Source: Ministry of Finance (2024) with data from the PLACSP and regional platforms.³⁴

Table 22 points out that the decline in the share of bids submitted by small and medium-sized enterprises (SMEs) in 2023 is primarily associated with developments at the regional level, as procurement activity by the central government increased between 2021 and 2023.

Table 22. Percentage of bids submitted by SMEs in regional and central government procurement (2021–2023)

	2021	2022	2023
Total	73.2%	74.0%	64.5%
Central government	63.4%	64.8%	74.0%
Autonomous Communities and Autonomous Cities	74.8%	75.3%	62.9%

Source: Ministry of Finance (2024) with data from the PLACSP and regional platforms.³⁵

³⁴ Page 67 of the report available at <https://www.hacienda.gob.es/DGPatrimonio/Junta%20Consultiva/Informe-Trienal-2021-2022-2023.pdf>

³⁵ Page 65 of the report available at

3. LEGAL AND INSTITUTIONAL FRAMEWORK

3.1. Main elements of the regulatory framework with an impact on SMEs

This section aims to compile the most relevant regulatory provisions affecting SMEs, both those that have a cross-cutting impact on business activity and those that may have a particularly significant impact on SMEs³⁶.

3.1.1. Administrative procedures for the creation of companies

3.1.1.1. Business formation process

To operate in the market, it is necessary to have legal personality. A distinction must be made between the individual entrepreneur, who already has legal personality by virtue of being a natural person, and companies, which must acquire it through their formation in accordance with the law.

The individual entrepreneur or self-employed person³⁷ is not required to carry out any incorporation or formation procedure, according to article 1 of the Commercial Code, since natural persons have legal personality from the moment of their birth (as indicated in article 29 of the Civil Code)³⁸

Companies, on the other hand, must carry out an incorporation process to obtain legal personality, which begins with the registration of the company in the Mercantile Registry, as established in Article 16 of the Commercial Code³⁹, Article

<https://www.hacienda.gob.es/DGPatrimonio/Junta%20Consultiva/Informe-Trienal-2021-2022-2023.pdf>

³⁶ For the sake of specificity, initiatives in the pipeline such as the Draft Law on Industry and Strategic Autonomy (see CNMC assessment in [IPN/CNMC/019/24](#) and [IPN/CNMC/001/23](#)) or the Draft Law amending the size criteria of companies or groups of companies for corporate reporting purposes (see CNMC assessment at [IPN/CNMC/016/25](#)).

³⁷ An exception is made for those entrepreneurs who are engaged in the operation of merchant ships, which must be registered in the Provincial Mercantile Registry.

³⁸ Article 1 of the Commercial Code: "Merchants, for the purposes of this Code, are those who, having legal capacity to exercise commerce, are habitually engaged in it." In other words, it is enough to carry out the commercial activity usually, without the need for a formal act of incorporation (as is the case with companies).

³⁹ [Royal Decree of 22 August 1885 publishing the Commercial Code.](#)

81 of the Mercantile Registry Regulations (RRM)⁴⁰ and Article 33 of the Capital Companies Law (LSC).⁴¹

Along with registration, a series of procedures are required, which vary depending on the legal form to adopt.

- The Limited Liability Entrepreneur (E.R.L.) must, firstly, sign a Notarial Act⁴² with a Notary, then settle the tax on property transfers and documented legal acts (ITPAJD) at the Ministry of Finance of the Autonomous Community.⁴³ And, finally, register in the Provincial Mercantile Registry corresponding to their domicile. This figure is regulated in articles 7 to 11 of the "Law of Entrepreneurs"⁴⁴.
- The Limited Liability Company (S.L.) and the Public Limited Company (S.A.) must first obtain a negative certification of the name of the company⁴⁵ at the Central Mercantile Registry, which will be valid for three months, renewable. Subsequently, it must request, before the Tax Agency (AEAT), the provisional Tax Identification Number (NIF)⁴⁶ and then sign the public deed of incorporation of the company⁴⁷ with a Notary, within a maximum period of six months from the issuance of the negative certification of the name of the company. In addition, the stamp duty must be paid to the Ministry of Finance of the corresponding Autonomous Community within one month of the execution of the public deed, the company must be registered in the corresponding Provincial Mercantile Registry, within the month following the execution of the public deed and, finally, the definitive NIF must be requested

⁴⁰ [Royal Decree 1784/1996, of 19 July, approving the Regulations of the Commercial Registry.](#)

⁴¹ [Royal Legislative Decree 1/2010, of 2 July, approving the revised text of the Capital Companies Act \(LSC\).](#)

⁴² As established in Article 9.1 of the regulations governing this figure, the [Law 14/2013, on support for entrepreneurs and their internationalisation](#) ("Law of entrepreneurs").

⁴³ According to Article 19 of the Stamp Duty Act ([Royal Legislative Decree 1/1993, of 24 September, approving the Revised Text of the Law on Transfer Tax and Documented Legal Acts](#)). Although it is mandatory to file the settlement, the payment of the tax is exempt, according to article 45.11 of the Law.

⁴⁴ [Law 14/2013, of 27 September, on support for entrepreneurs and their internationalisation.](#)

⁴⁵ In accordance with article 409 of the Mercantile Registry Regulations (RRM). The negative certificate of company name is an official document that certifies that the name chosen for a company (company) is not being used by any other entity already registered in the Central Mercantile Registry (in Spain).

⁴⁶ In accordance with Article 7 of the [LSC](#), and Article 22 et seq. of the [Royal Decree 1065/2007, of 27 July, approving the General Regulations on tax management and inspection actions and procedures and on the development of common rules on tax application procedures.](#)

⁴⁷ According to Article 20 of the [LSC](#).

from the Tax Agency within the month following the date of incorporation of the company.

The "Law of Entrepreneurs" in 2013 included the possibility of incorporating companies electronically through the **CIRCE system** (Information Centre and Business Creation Network) and the Entrepreneur Service Points (PAE) that, in addition, compile all the information on the procedures necessary for the creation and operation of companies. Article 13.4 of this law establishes that all the necessary procedures for the incorporation of companies, the effective start of an economic activity and its exercise by entrepreneurs, may be carried out through the PAE and the CIRCE. Thus, this system **centralizes all the procedures described above**, facilitating interaction with different public administrations, and allowing all documentation and applications to be submitted electronically.

It is also possible to carry out the notarial process electronically in limited liability companies (S.L.), thanks to Law 11/2023, which transposes the so-called "company digitalisation directive" and allows notaries to offer services through the Notarial Electronic Office. Therefore, **in S.L., the entire incorporation process can be carried out online, if standard bylaws are used**⁴⁸. S.A.s., on the other hand, must be constituted by means of a public deed in person before a notary, although the remaining process can be done electronically.

3.1.1.2. Procedures for starting a company

The necessary procedures for the start-up of a company are presented below, in a non-exhaustive manner.

- Registration in the Census of entrepreneurs, professionals and withholders, before the AEAT, prior to the start of the professional activity⁴⁹. It can be done at the AEAT Delegation corresponding to the tax domicile, through the AEAT's electronic headquarters, or through the CIRCE.
- Application for an activity licence or declaration of responsibility⁵⁰, depending on the type of activity of the company, at the town hall of the municipality in which the company will carry out its activity. The requirements for an opening or environmental licence vary in each Autonomous Community and are within municipal competence, so it is necessary to consult the corresponding regional environmental or environmental quality regulations, as well as the

⁴⁸ [Art.39](#) of Law 11/2023, which amends the LSC.

⁴⁹ According to the [Royal Decree 1065/2007, of 27 July, approving the General Regulations on tax management and inspection actions and procedures and the development of common rules on tax application procedures](#).

⁵⁰ [Law 12/2012 of 26 December 2012 on urgent measures to liberalise trade and certain services](#) replaces the obligation to obtain a prior licence with a declaration of responsibility or prior communication for certain low-risk commercial and service activities.

municipal ordinance to see if a licence or self-declaration statement is required.

- Registration of partners and administrators in the corresponding Social Security schemes⁵¹. In the case of self-employed workers, registration in the special regime for self-employed workers (RETA).⁵² It can be done at the TGSS Administration of the province in which they are domiciled, or through the Social Security Electronic Office or the CIRCE.
- Declaration of economic activities before the AEAT.⁵³ In addition, depending on the activity carried out, the start of the activity must be communicated to the corresponding sectoral, state, regional and municipal administrations, authorities and/or registers. For example: Industrial Registry, Registry of security companies, Registry of Gaming Companies, Authorizations of health centres or educational centres, etc.

In addition, there are other procedures that, without being mandatory, are common and relevant. Among them, obtaining an electronic certificate from a Certification Authority is not mandatory, but necessary for signing documents electronically. Moreover, the registration of the trademark or trade name with the Spanish Patent and Trademark Office, on a voluntary basis.

As in the process of incorporating the company, **most of the procedures associated with the start of the activity can be submitted electronically through CIRCE to the competent authorities**. Specifically: processing the registration with the Social Security, the census declaration of the start of activity and, where appropriate, the communication of the opening of the workplace, the communication of the start of activity, the self-declaration statements or the application for authorisation or licence, when applicable.

3.1.1.3. Obligations of the company in the exercise of its activity

Without intending to be exhaustive, below are presented the main obligations to which companies are subject once they begin to develop an economic activity, highlighting the most transversal obligations and/or those that may have a greater impact on SMEs.

Accounting obligations

In general, companies have the following basic accounting obligations⁵⁴:

⁵¹ According to the [General Social Security Law](#) (Article 138).

⁵² According to the [General Social Security Law](#) (Title IV).

⁵³ According to the [Royal Decree 1065/2007](#) (Article 5).

⁵⁴ Regulated in Art. 25 et seq. of the [Commercial Code](#), the General Accounting Plan ([PGC](#)) and the Capital Companies Act ([LSC](#)), title VII.

- Obligation to keep orderly accounts with a series of mandatory books: Journal Book, Inventory and Annual Accounts Book, and Corporate Books (Minute Book, Register Book of Partners or Registered Shares, etc.).

In addition, there is an obligation to legalise these books, presenting them before the provincial Mercantile Registry of the place of domicile, within four months from the end of the financial year. They can be completed and submitted electronically.

- Obligation to prepare annual accounts, within three months from the end of the financial year. The annual accounts will include the balance sheet, the profit and loss account, a statement reflecting changes in equity for the year, a statement of cash flows and the annual report. In addition, there is a management report.
- Obligation to carry out an audit of accounts.

The regulations provide for certain simplifications for SMEs, some of which are⁵⁵:

- Article 257 of the LSC establishes the thresholds for the preparation of an abbreviated Balance Sheet and Statement of Changes in Equity. It applies for those companies that do not exceed two of the following three limits for two consecutive years: assets of 4 million euros, turnover of 8 million euros and average number of workers of 50⁵⁶. In such a case, in addition, the Statement of Changes in Equity and the Statement of Cash Flows become voluntary.
- Article 258 establishes different thresholds for formulating the abbreviated Profit and Loss Account: the assets must not exceed 11.4 million euros, the turnover must not exceed 22.8 million euros and the average number of workers must be less than 250. Also for two consecutive years and at least two of the three circumstances must be met.

⁵⁵ The Draft Law amending the criteria for the size of companies for financial reporting purposes is currently being processed, which modifies the thresholds of article 257.1 for drawing up an abbreviated balance sheet and statement of changes in net worth and of 263.2 to exempt from the obligation to audit.

⁵⁶ On 4 November 2025, the Council of Ministers approved a draft law that modifies the company size thresholds. The bill raises the limits of article 257 of the Capital Companies Act, allowing companies whose total assets do not exceed seven million five hundred thousand euros and whose net annual turnover does not exceed fifteen million euros to be drawn up, maintaining the threshold of fifty workers. It also modifies Article 263 to update the mandatory audit criteria, so that companies must only submit their accounts for verification when during two consecutive years they exceed at least two of the following limits: total assets of more than three million five hundred and sixty-five thousand euros, net annual turnover of more than seven million one hundred and twenty-five thousand euros or average workforce of more than fifty workers. News available in <https://portal.mineco.gob.es/es-es/comunicacion/Paginas/apl-umbrales.aspx>.

- The thresholds for exempting companies from the obligation to carry out an audit of accounts are⁵⁷: those that, for two consecutive years, meet at least two of the following circumstances: assets of less than 2.85 million euros, turnover of less than 5.7 million euros and average number of workers of less than 50.
- The thresholds of article 257 of the LSC are the same as those defined by SMEs that can benefit from the General Accounting Plan for SMEs (PGC - pyme). This Plan allows the use of an abbreviated annual accounts model with fewer reporting requirements. It also contains specific criteria for micro-enterprises.

Tax obligations

- Companies are subject to Corporate Income Tax (IS), which is levied on obtaining an income in the exercise of their economic activity. The annual IS settlement must be submitted to the AEAT within 25 calendar days after the six months following the end of the tax period.

SMEs with a turnover of less than one million euros enjoy a reduced rate, which is calculated based on a scale established in article 29.1 of the Corporate Income Tax Law⁵⁸. In addition, in the case of newly created entities, the tax rate remains at 15% for the first tax period in which they obtain a positive tax base and the following one. A series of tax incentives are also foreseen for companies with a turnover of less than 10 million euros, called "small size".

- On the other hand, there is an obligation to keep a record of the invoices and to carry out the corresponding VAT self-assessments before the AEAT, on a quarterly basis (or monthly, for companies with a turnover of more than 6 million euros⁵⁹), as well as the annual summaries. In this area, the regulations⁶⁰ provide for simplified schemes for SMEs with the aim of reducing their burdens.
- In addition, two years after the start of the business activity, companies are obliged to declare and pay the Tax on Economic Activities.⁶¹

⁵⁷ Article 263.2 LSC, Amended by Royal Decree 1/2021, of 12 January.

⁵⁸ [Corporate Income Tax Law](#).

⁵⁹ Article 71.3 of the [VAT Regulations](#).

⁶⁰ [VAT Law](#) and VAT Regulations.

⁶¹ According to the [Royal Legislative Decree 2/2004, of 5 March, approving the revised text of the Law Regulating Local Finances](#) (Articles 78 et seq.).

Employment obligations

- Companies that wish to hire staff are obliged to apply for an affiliation number and register employees with the Social Security system. It can be done electronically or at the TGSS offices.
- The legalisation or registration of employment contracts for employees with the State Public Employment Service (SEPE) must also be carried out.
- During the course of the activity, there is an obligation to make the corresponding withholdings and payments on account and to file the tax return-settlement with the AEAT.

Other Obligations

On the other hand, in recent years, various regulations have been developed imposing additional obligations on companies. Some of them are:

- Obligation to comply with occupational risk prevention regulations⁶², which seek to ensure health and safety conditions at work. In addition to the basic regulations, there are a multitude of rules, royal decrees, sectoral regulations, ministerial orders, transposed European directives, etc., which develop the different specific aspects of prevention and specific risks.
- Obligation to notify the opening of the workplace⁶³ to the Ministry of Labour of the Autonomous Community, for the purposes of monitoring occupational health and safety conditions, within 30 days of opening.
- Obligation to keep a record of the working hours of the employees and to store it for 4 years.⁶⁴
- Companies with more than 50 workers are also obliged to set up a works council as a representative body for all workers⁶⁵, in addition to having an internal complaints system⁶⁶ so that workers can report breaches of labour law in the field of safety and health at work, as well as draw up an equality plan following the requirements established in the regulations.⁶⁷

⁶² Law 31/1995, of 8 November, on the Prevention of Occupational Risks; Royal Decree 39/1997 approving the Regulation of Prevention Services.

⁶³ [Order TIN/1071/2010](#).

⁶⁴ [Royal Decree-Law 8/2019, of 8 March](#), which amends the Workers' Statute Law. There is a [draft Royal Decree](#) to establish that it must be done in a totally digital way and with the possibility of accessing the data in real time.

⁶⁵ [Workers' Statute Law](#) (Article 63).

⁶⁶ [Law 2/2023](#).

⁶⁷ [Royal Decree 901/2020](#).

- Data protection⁶⁸ obligations, including identifying the data to be protected or implementing security measures.

3.1.2. Recent regulations relevant to business activity

A series of relatively recent regulations that affect the activity of companies in a transversal way are presented below, being of special interest to SMEs, as they modify existing obligations and requirements (in general, seeking to reduce administrative burdens) and for regulating horizontal aspects of economic activity.

3.1.2.1. Entrepreneur Law

[Law 14/2013, of 27 September, on support for entrepreneurs and their internationalisation](#) ("Entrepreneurs Law") was designed with the aim of boosting the Spanish business fabric. The most relevant measures for SMEs included in the law are set out below.

Firstly, the figure of the **Limited Liability Entrepreneur (ERL)** is created, which aims to offer the self-employed and small entrepreneurs greater legal certainty, by protecting their main residence against debts arising from their economic activity.

Secondly, it seeks to simplify the **procedures associated with the start and exercise of business activity**, through the possibility of telematic incorporation through the CIRCE system (Information Centre and Business Creation Network) and the use of the Single Electronic Document (DUE)⁶⁹, as well as with the creation of the Entrepreneur Service Points (PAE). The ERL is also given the possibility of incorporation by means of a standardised public deed and standard statutes, in order to try to reduce notarial and registry deadlines and costs.

In the **tax field**, among other measures, the cash criterion is introduced in VAT, allowing the tax not to be accrued until the invoice is actually collected. In addition, tax incentives are granted for investments in new or recently created companies and for investment of profits.

An entire chapter is dedicated to the **simplification of administrative burdens**, through regulatory reform measures to improve the business climate, the reduction of statistical burdens and compliance with occupational risk prevention

⁶⁸ Following the General Data Protection Regulation (GDPR) and the Organic Law on the Protection of Personal Data and Guarantee of Digital Rights ([LOPDGDD](#)).

⁶⁹ The Single Electronic Document (DUE) is a telematic form that allows firms to carry out all the necessary procedures for the creation of a company or registration as a self-employed person in Spain in a single administrative act. Regulated in additional provision III of the Consolidated Text of the Capital Companies Act.

regulations, among others. On the other hand, the **economic-financial information requirements** that SMEs must submit are simplified, through the reform of the Capital Companies Act⁷⁰, resulting in the thresholds mentioned in the previous section.

In the field of **internationalisation**, the institutional framework for promoting internationalisation is strengthened, as well as some of the main financial instruments to support it. In addition, mechanisms are introduced to promote mobility and attract talent and foreign investment, such as the granting of specific visas for entrepreneurs, investors and qualified professionals. Finally, measures to promote entrepreneurship in the **educational field** are incorporated, seeking to promote a business culture.

3.1.2.2. "Create and Grow" Law

[Law 18/2022, of 28 September, on the creation and growth of companies](#), known as the "Create and Grow Law", which is part of the legislative package deployed with the Recovery, Transformation and Resilience Plan (PRTR), aims to improve the business climate in Spain, promoting the incorporation of companies, facilitating their growth and combating structural obstacles that particularly affect SMEs.

Firstly, the law contains a series of **measures to speed up the creation of companies**. Among the most relevant, the possibility of setting up limited liability companies with a share capital of only 1 euro stands out, replacing the previous legal minimum of 3,000 euros. In addition, it seeks to promote the telematic incorporation of companies through the CIRCE system and the PAEs.

Secondly, some measures seek to **improve the regulatory framework** of economic activities, particularly through the reform of the Market Unity Guarantee Law (LGUM). Inter-administrative cooperation and mutual trust between competent authorities are promoted, the causes that could give rise to the requirement of an authorisation for the access or exercise of an economic activity are specified, based on the principles of necessity and proportionality, requiring a reasoned motive. Protection mechanisms against disproportionate or unnecessary regulations are strengthened, expanding access to complaint mechanisms (giving the option to any citizen or company to file a complaint, even without being a directly interested party) and one-stop shops are reinforced to improve their effectiveness. Likewise, the law replaces the previous Council for Market Unity with the Sectoral Conference for Regulatory Improvement and the Business Climate, a body that concentrates the functions of regulatory improvement, with the participation of local and regional administrations, and,

⁷⁰ Articles 257 and 263 of the Consolidated Text of the Capital Companies Act, approved by Royal Legislative Decree 1/2010 of July 2, are amended.

within this framework, the Observatory of Good Regulatory Practices is created. Finally, the catalogue of activities exempt from licences is expanded⁷¹, incorporating those considered innocuous by at least one autonomous community.

Thirdly, the law introduces **measures to combat commercial late payment**, such as the reinforcement of the mandatory use of electronic invoicing between companies and the self-employed⁷², and the creation of the State Observatory on Private Sector Late Payment, as a specific instrument for monitoring payment terms between companies.

Finally, the Law seeks to **financially support** business growth by promoting alternative financing to bank credit, such as crowdfunding, collective investment and venture capital. National regulations are adapted to the European framework, increasing the investment thresholds per project and relaxing the limits for retail investors.

In summary, measures such as the possibility of approving model ordinances for the exercise of retail commercial activities and the provision of services or the expansion of the catalogue of activities exempt from licences are particularly relevant for SMEs.

3.1.2.3. Startup Law

[Law 28/2022, of 21 December, on the promotion of the start-up ecosystem](#), known as the "Start-up Law", aims to promote a favourable environment for technology-based start-ups, trying to adapt the legal, regulatory, tax and administrative framework to the reality of startups.

Among its main contributions, the law introduces a legal definition of "start-up", establishing objective criteria such as seniority (less than 5 years or 7 years in strategic sectors), innovative nature, and non-listing on regulated markets. An agile accreditation procedure is foreseen through ENISA (National Innovation Company). In the tax field, various incentives are implemented: the Corporate

⁷¹ Provided for in Law 12/2012 of December 26, on urgent measures for the liberalization of trade and certain services.

⁷² Although [IPN/CNMC/012/24](#) already highlights the relevance of late payments for SMEs, it should be borne in mind that certain obligations may have an asymmetric impact on SMEs. Thus, see [IPN/CNMC/006/23](#) regarding the draft Royal Decree approving the Regulation that sets out the requirements that IT or electronic systems supporting the invoicing processes of entrepreneurs and professionals must meet, where the CNMC notes:

“For the purpose of cost analysis, it should be noted that the obligation will mainly affect SMEs and self-employed persons, since large companies are already required to comply with the Immediate Supply of Information (SII) system established for VAT management. Therefore, the obligation is expected to have a greater effect on the most vulnerable companies, which may lead to a greater negative impact on competition in the markets.”

Income Tax and Non-Resident Income Tax rate is reduced from 25% to 15% during the first four years with a positive tax base; the stock options regime (the usual instrument for remuneration in startups) is made more flexible; and the tax deduction for investment in startups is increased from 30% to 50%, with an increase in the annual base limit.

The law also seeks to boost the attraction of international talent and digital nomads through a more favourable tax regime for impatriates and through the creation of a specific visa for foreign entrepreneurs. Likewise, procedures for the setting up of companies are reduced and costs such as the payment of notary and registry fees in digital incorporations are eliminated.

3.1.2.4. Law transposing the "Company Digitalisation Directive"

[Law 11/2023](#)⁷³, of 8 May, incorporates into the Spanish legal system the so-called "directive on the digitisation of companies" or "directive on digital tools", with the aim of simplifying, streamlining and providing greater legal certainty to corporate actions, promoting the use of digital tools and procedures for the creation, management and administration of commercial companies.

It highlights the possibility of carrying out corporate procedures in a fully electronic way, including the setting up of companies, statutory amendments, and other corporate acts that traditionally required physical presence or more complex processes. In addition, the law promotes the use of electronic platforms that guarantee the authenticity, integrity and confidentiality of communications and documents, with the intention of reinforcing legal certainty and trust in digital processes.

3.1.2.5. Regulations on administrative interoperability

Administrative interoperability is mainly regulated within the framework of the Electronic Administration. It seeks to ensure that the electronic systems of the different public administrations can communicate and share information securely, efficiently and respecting the privacy of citizens.

[Law 11/2007, on Electronic Access of Citizens to Public Services](#), recognises the right of citizens to interact electronically with administrations and obliges administrations to interoperate, applying computer, technological, organisational and security measures, which guarantee an adequate level of technical, semantic and organisational interoperability and avoid discrimination against citizens, on the basis of their choice of technology. The regulation creates the National

⁷³ Law 11/2023 of May 8, on the transposition of European Union directives concerning the accessibility of certain products and services, the migration of highly qualified persons, taxation, and the digitalisation of notarial and registry procedures; and amending Law 12/2011 of May 27 on civil liability for nuclear damage or damage caused by radioactive materials.

Interoperability Scheme (ENI) as a set of criteria and recommendations in terms of security, formats and procedures, which is regulated in [RD 4/2010 on the National Interoperability Scheme in the field of Electronic Administration](#). This RD also regulates the Technical Interoperability Standards (NTI), which detail aspects such as document management, electronic signatures or data models, as well as the reuse of information in the hands of the public sector⁷⁴.

[Law 39/2015 on the Common Administrative Procedure of Public Administrations](#) (LPACAP) contains several relevant provisions on interoperability. Article 16 establishes that the electronic registers of all Administrations must be fully interoperable so as to guarantee their computer compatibility and interconnection, as well as the telematic transmission of the registry entries documents that are presented in any of the registers. Article 27 also highlights the need to maintain records of interoperable and interconnected documents of the Public Administrations.

Article 28.2 establishes that interested parties have the right not to provide documents that are already in the possession of the acting Administration or have been prepared by any other Administration. Article 53 includes the right of interested parties to know the status of the processing of the procedures through the Administration's electronic General Access Point, which must contain copies of the documents contained in the procedures. In addition, it recognises the right not to submit data and documents not required by the rules applicable to the procedure in question, which are already in the possession of the Public Administrations or which have been prepared by them.

In addition, [Article 3 of Law 40/2015 on the Legal Regime of the Public Sector](#) enshrines the principles of cooperation, collaboration and coordination between Public Administrations. It prescribes that the Public Administrations will interact with each other through electronic means that ensure interoperability and security, guarantee the protection of personal data and preferably facilitate the joint provision of services to the interested parties.

Chapter V of the Preliminary Title specifies the requirements for the electronic operation of the public sector, including interoperability, accessibility and security. Title III develops inter-administrative relations and, specifically, the duty of collaboration, the techniques and bodies of cooperation, as well as electronic relations between the Administrations. Specifically, Article 155 establishes that each Administration must facilitate access by the other Public Administrations to the data relating to the interested parties in their possession, specifying the conditions, protocols and functional or technical criteria necessary to access said data with the maximum guarantees of security, integrity and availability. In

⁷⁴ The latter, added by [Royal Decree 1495/2011](#), which implements Law 37/2007 on the reuse of public sector information.

addition, ENI, the reuse of systems and applications between Administrations or the transfer of technology are regulated.

In summary, the Spanish legal framework for interoperability not only recommends, but obliges Public Administrations to guarantee technical, semantic and organisational interoperability between them.

3.1.2.6. Insolvency Reform Law

[Law 16/2022, of 5 September, amending the revised text of the Insolvency Law](#)⁷⁵ ("Insolvency Reform Law"), constitutes a profound reform of the Spanish insolvency framework, aimed at modernising insolvency proceedings and adapting them to European recommendations, in order to facilitate the early restructuring of companies in difficulty and promote the "second chance" for entrepreneurs and SMEs. This regulation is a transposition of Directive (EU) 2019/1023 and responds to the need to improve the efficiency and agility of insolvency processes, especially for SMEs, which have traditionally faced significant obstacles in overcoming financial crises, due to the complexity, duration and cost of the procedures.

Among the main novelties is the introduction of preventive and out-of-court restructuring mechanisms that allow companies to negotiate agreements with their creditors before reaching a formal bankruptcy, facilitating faster and less expensive solutions. In addition, the requirements to access the "second chance" are made more flexible, making it possible to exonerate entrepreneurs and self-employed workers who have suffered insolvency from debts without this entailing an excessive penalty, which seeks to encourage economic reintegration and subsequent entrepreneurship.

The law also incorporates procedures adapted to the specific characteristics of SMEs, with less formal burden and shorter deadlines, and promotes digitalisation and judicial specialisation to speed up processing. It also sets out measures to improve transparency and creditor participation, as well as international coordination in cross-border cases, in line with the European insolvency framework.

3.1.2.7. Regulations on late payment

[Law 3/2004, which establishes measures to combat late payment in commercial transactions](#), aims to set payment terms in commercial transactions, whether between companies, between companies and the Administration, or between contractors, suppliers and subcontractors. With this, it seeks to combat commercial delinquency. This was amended by [Law 15/2010](#), establishing the

⁷⁵ Consolidated Text of the Insolvency Act, approved by Royal Legislative Decree 1/2020 of 5 May.

payment terms currently in force. A maximum payment term of 60 calendar days is set for companies and 30 for the Public Administration⁷⁶. If the parties have not agreed on a period, it will be 30 days, as established by [Law 11/2013](#) when amending Law 3/2004. This rule also establishes that, when the debtor fails to comply with the deadline, he or she is automatically in arrears, without the need for a request or notice from the creditor, and the creditor will have the right to claim compensation for the collection costs he or she has suffered.

Finally, the "Create and Grow" Law contains measures to combat late payment and provides for the creation of the State Observatory on Private Sector Late Payment, as a specific instrument for monitoring payment terms between companies. This observatory was created by Royal Decree 439/2024.

3.1.3. Regulations specifically related to access and exercise

3.1.3.1. Law on Free Access to Service Activities and their Exercise

[Law 17/2009 of 23 November 2009 on free access to service activities and their exercise](#) transposes Directive 2006/123/EC of the European Parliament and of the Council on services in the internal market ("Services Directive") into Spanish law, with the aim of facilitating the freedom to provide services both nationally and within the framework of the European Economic Area, thus eliminating unjustified barriers to access and exercise of service activities.

This Law seeks to establish the principles of free access, free exercise, proportionality, and non-discrimination. The rule applies to a wide range of economic activities, except for those expressly excluded (such as financial, health or audiovisual services, among others).

It also encourages the use of self-declaration statements and prior communications for relations between individuals and the Administration and introduces the obligation for the Administration to choose the "least restrictive

⁷⁶ There is a draft of the new European Regulation against late payment in commercial transactions, which is a legislative proposal presented by the European Commission in September 2023. It seeks to replace the current Directive 2011/7/EU by establishing a single, binding payment period of 30 days for both business-to-business transactions and transactions with public authorities, eliminating contractual exceptions and requiring the automatic payment of late-payment interest and compensation for recovery costs.

The Regulation includes a system of sanctions and the creation of national supervisory authorities, with the aim of particularly protecting SMEs against abuses by large payers. In its first reading (April 2024), the European Parliament introduced greater flexibility: up to 60 days for B2B transactions if expressly agreed (while maintaining the 30-day limit when the debtor is a public authority), and it introduced a scale for calculating compensation for recovery costs based on the value of the invoice. After the European Parliament adopted its position at first reading in April 2024, as of the date of preparation of this Study the draft remains pending the Council's adoption of its first position.

measure". The simplification of procedures is also encouraged by promoting the use of electronic means to facilitate economic activity and communication between operators and public administrations.

On the other hand, the Law promotes the principle that access to a service activity should not be conditioned by prior authorisation, unless it is justified by overriding reasons of general interest and that such authorisation is proportional, non-discriminatory and appropriate to the aim pursued. The Law obliges public administrations to review their regulations and procedures to eliminate or modify those that do not comply with the principles established by the Law.

In addition, the principle of freedom of establishment and movement is reinforced, with the aim of ensuring that service providers from other EU Member States can operate in Spain without unjustified regulatory obstacles.

At the institutional level, the Committee for the Improvement of the Regulation of Service Activities was created as a multilateral cooperation body aimed at facilitating the coordination and monitoring of the activities carried out by the Public Administrations in the transposition process, a committee that maintains its activity.

The importance of this regulation lies in the introduction, in the Spanish regulatory framework, of the general principles of freedom of establishment, freedom to provide services, increase in the quality of services and reduction of administrative burdens, and, as the CNC observed⁷⁷, its true strength is measured in its purpose of avoiding the future emergence of further restrictions on access to or exercise of service activities, although its success depends on the subsequent process of sectoral regulatory review⁷⁸.

3.1.3.2. Market Unity Guarantee Act

The [main purpose of Law 20/2013, of 9 December, on the guarantee of market unity](#) (LGUM) is to ensure that companies and professionals can carry out their economic activity throughout the national territory without facing unjustified regulatory or administrative barriers imposed by different public administrations, whether at the national, regional, or local level⁷⁹. This regulation is based on several principles aimed at guaranteeing a more integrated and competitive economic environment, among which the principles of necessity and

⁷⁷ See the assessment of the CNC (predecessor of the CNMC as the Competition Authority) in <https://www.cnmc.es/expedientes/ipn-00809>.

⁷⁸ Between 2009 and 2010, the CNC (predecessor of the CNMC as the Competition Authority) analysed several laws and several "omnibus" Royal Decrees that adapted each sectoral regulation to the new framework enabled by the transposition of the Services Directive.

⁷⁹ See the assessment of the CNC (predecessor of the CNMC as the Competition Authority) in <https://www.cnmc.es/expedientes/ipn-08913>.

proportionality stand out, which require that any regulation or administrative intervention be duly justified, be necessary for the achievement of purposes of general interest and not impose excessive burdens; and the principle of non-discrimination on the basis of place of residence or establishment, so that all economic operators have the same rights throughout the national territory. Also relevant are the principles of cooperation and mutual trust, which seek to promote coordination between public administrations to avoid duplication and regulatory contradictions; the principle of administrative simplification, which promotes the reduction of bureaucratic obstacles, as well as the generalization of the use of electronic means in administrative processing⁸⁰.

The Law also establishes specific instruments for its application.

- Firstly, to ensure cooperation between public administrations, the Sectoral Conference for Regulatory Improvement and the Business Climate⁸¹ was created, along with the Secretariat for Market Unity, as a technical body for continuous coordination and cooperation with the competent authorities for the application of the LGUM. In addition, the Act gives sectoral conferences a special role as a cooperation body in the preparation of draft regulations and in the periodic evaluation of regulations in the relevant sector.
- Secondly, in the field of freedom of establishment and freedom of movement, a series of protection mechanisms are established for economic operators, by which they can report or file complaints about the existence of barriers or obstacles to their economic activity. These constitute "special one-stop shops" through which complaints are channelled both via the administrative route

⁸⁰ The original version of the LGUM contained additional provisions aimed at strengthening the national market unity. However, some of these provisions were annulled by Constitutional Court rulings 79/2017 and 110/2017. Thus, the first ruling declared unconstitutional Article 6, which included the principle of effectiveness of the actions of the competent authorities throughout the national territory, and the second declared Articles 19 and 20, which developed it, unconstitutional.

Article 19 provided that any operator legally established, or any product legally produced and placed on the market, could carry out economic activity and circulate throughout the Spanish territory without requiring new authorizations or additional procedures from other territorial administrations.

On the other hand, Article 20 regulated in detail the full effectiveness of administrative actions such as authorizations, self-declaration statements, notifications, registrations, or any other enabling or intervention acts, with some exceptions.

In its rulings, the Constitutional Court considered these provisions unconstitutional because they exceeded the scope of the State's competence recognized in Article 149.1.13 of the Spanish Constitution, and because they violated the general principle of territoriality of autonomous competences by allowing differentiated regulations to be applied in the same place in the national territory to economic operators who only differ in their place of origin.

⁸¹ This sectoral conference was created in 2022 with the approval of the "Create and Grow Law," replacing the Council for Market Unity.

(with an agile procedure for resolving disputes with the administration) and via the contentious-administrative route (operators can request that the CNMC initiate judicial challenges to regulations and administrative acts contrary to the LGUM). These protecting mechanisms can be particularly useful for SMEs, as they are fast, relatively simple and do not require incurring the high legal costs associated with other traditional processes.

This Law has a close connection with the previous Law on Free Access to Service Activities and Their Exercise, but it extends its scope to all services that were excluded in the previous law, and enshrines the general prohibition of an authorization regime for access and establishment, except where necessity, proportionality, and non-discrimination are justified. It is also more ambitious in guaranteeing the freedoms in question; for example, by narrowing the reasons of imperative public interest that may justify establishing an authorization regime that limits freedom of establishment. In short, one of the most notable aspects is the intent to broaden and deepen these elements of “better regulation.”

3.1.3.3. Law on Administrative Procedure

[Law 39/2015, on the Common Administrative Procedure of Public Administrations](#) (LPACAP) establishes the bases according to which the legislative initiative and regulatory power of the Public Administrations must be developed. Its purpose is to ensure its exercise in accordance with the principles of good regulation, to guarantee the hearing and participation of citizens in the drafting of regulations and to achieve predictability and public evaluation of the legal system.

Thus, Article 129 of the Law establishes the following principles of good regulation:

- **Necessity and effectiveness:** the rule must be justified by a reason of general interest, clearly identifying the aims pursued and must be the most appropriate instrument to guarantee their achievement.
- **Proportionality:** the rule must contain only what is strictly necessary to meet the need and must be the least restrictive way of affecting rights or imposing obligations.
- **Legal certainty:** coherence with the rest of the national and European Union legal system must be guaranteed in order to generate a stable, predictable, integrated, clear and reliable regulatory framework. To this end, the focus is on improving ex ante regulatory planning. Article 132 requires administrations to publish an Annual Regulatory Plan in which they include all proposals with the status of law or regulation that will be submitted for approval the following year. At the same time, ex post evaluation is strengthened, since, together with the duty to continuously review the adaptation of the regulations to the

principles of good regulation, Article 130 imposes the obligation to periodically evaluate the application of the rules in force, in order to verify whether they have met the intended objectives and whether the costs and burdens derived from them were justified and properly assessed.

- **Transparency:** the General Government must facilitate access to the regulations in force in a simple and universal way, as well as enable potential recipients to have an active participation in the development of the rules. Specifically, Article 130 establishes the obligation to publish the rules in the corresponding official journal or bulletin, and Article 133 includes the need to gather, prior to the drafting of regulations, the opinion of citizens and companies regarding the problems to be solved, the necessity and timeliness of adopting the regulation, the objectives of the rule, and possible alternative regulatory and non-regulatory solutions.
- **Efficiency:** obligation to avoid unnecessary or ancillary administrative burdens and to rationalise the management of public resources.

On the other hand, the Law regulates the figures of “self-declaration statements” and “prior communication” as a means to initiate the common administrative procedure at the request of the interested party. Article 69 establishes that the declaration is the document in which the interested party states that they meet the requirements established in the regulations to obtain the recognition of a right or to exercise it, that they have the documentation proving this, that they will make it available to the administration when requested, and that they commit to maintaining compliance with the aforementioned obligations for the duration inherent to such recognition or exercise. On the other hand, the communication is a document through which interested parties inform the public administration of their identifying data or any other relevant information for the initiation of an activity or the exercise of a right. The law prescribes the obligation for public administrations to have permanently published and updated templates for self-declaration statements and communications, easily accessible to interested parties, and states that only one of the two (either a self-declaration statement or a communication) may be required to initiate the same activity or obtain the recognition of the same right.

3.1.3.4. Law on the Liberalization of Trade and certain Services

[Law 12/2012, of 26 December, on urgent measures for the liberalisation of trade and certain services](#), aims to promote retail commercial activity and certain services by eliminating existing administrative burdens and restrictions that affect the start and exercise of commercial activity. In particular, it abolishes municipal licences related to commercial premises, their facilities, and certain prior works. Thus, for a list of retail commercial activities and services included in the annex to the Law, carried out through permanent establishments with an area of less

than 750 m², the requirement for any prior licence that would make the exercise of the commercial activity or the opening of the establishment subject to prior authorisation is removed. Instead, self-declaration statements or prior notifications may be submitted.

In addition, the law provides that, within the framework of the Committee for the Improvement of the Regulation of Service Activities, public administrations will cooperate to promote the drafting of a model ordinance on municipal control and intervention measures. The State will also promote the implementation of electronic processing mechanisms and one-stop shops to help maximise the positive effects of the regulatory simplification envisaged.

3.1.4. Royal Decree on the Proportionality Test Prior to Adopting New Professional Regulations

[Royal Decree 472/2021](#), of 29 June, transposes Directive (EU) 2018/958, of the European Parliament and of the Council, on the application of the proportionality test prior to adopting new professional regulations, into Spanish law. This regulation establishes a mandatory framework for public authorities to assess and justify in a rigorous manner, prior to the approval of any regulation that affects the access to or exercise of regulated professions, whether the proposed measures are necessary, appropriate and proportionate to achieve the legitimate public interest objectives pursued, such as the protection of public health, safety or the environment.

The Royal Decree promotes the use of objective and non-discriminatory criteria to ensure that regulations do not introduce disproportionate barriers limiting access to or the practice of a profession, which is particularly relevant in sectors with a high presence of SMEs and self-employed professionals. In addition, it promotes a rigorous and transparent assessment of the regulatory impact to avoid unnecessary regulatory burdens that may unduly restrict competition and the free provision of professional services.

The incorporation of this proportionality test into the Spanish legal framework aims to ensure that professional regulations respond to legitimate public objectives without imposing excessive regulatory burdens. However, since it does not cover already approved professional codes of conduct, its effectiveness is limited to new regulations⁸².

⁸² See the assessment of the CNMC in <https://www.cnmc.es/expedientes/ipncnmc03723>.

3.1.5. Public Procurement Regulation

[Law 9/2017, of 8 November, on Public Sector Contracts](#) (LCSP) transposes Directives 2014/23/EU and 2014/24/EU of the European Parliament and of the Council on public procurement into Spanish law. This Law regulates public contracts for works, works concessions, supplies, services and service concessions carried out by public administrations, contracting authorities and other public sector entities and aims to ensure the principles of publicity, transparency, equality, free competition and efficiency in expenditure, in order to obtain the best value for money, incorporating social and environmental objectives and **specifically promoting the participation of SMEs in procurement procedures.**⁸³

Book I regulates the capacity, solvency and prohibitions on contracting of bidders, official registers, the classification of companies, and the way of accrediting economic, financial and technical solvency. It also establishes the regime for administrative contract specifications and technical specifications, as well as the possibility of introducing social, environmental or innovation criteria. The essential elements of the contract are defined: object, price, duration, guarantees and nullity.

Book II regulates the award procedures (open, restricted, negotiated, competitive dialogue, innovation partnerships, project competitions). It defines how bids must be submitted, how offers are to be evaluated (award criteria based on value for money), and the use of electronic means. It also addresses contract execution: modifications, compliance conditions, subcontracting, payments and price revision. Finally, it regulates the termination of contracts (performance, termination, extinction, effects of invalidity).

Book III is aimed at public sector entities that are not administrations (e.g., public companies), which have more flexible award procedures, and Book IV establishes the institutional structure responsible for supervising and coordinating public procurement⁸⁴. It also sets out transparency measures and the obligation to publish information on the Public Sector Procurement Platform.

Among the measures introduced by the law to facilitate SME participation, the general principle of mandatory contract division into lots stands out, when the nature of the contract allows it, and justification must be provided for not dividing the contract into lots. In addition, it provides for the possibility of limiting the number of lots to which the same bidder may apply or of which they may become

⁸³ Article 1 and Recitals (Preamble) of the LCSP.

⁸⁴ It regulates the Public Procurement Advisory Board, Tender Committees, Project Supervision Offices, the Independent Office for Procurement Regulation and Supervision (OIReScon), and the Administrative Courts for Contractual Appeals.

the awardee, in order to prevent a single company from monopolising all procurement.

On the other hand, the Law promotes the use of the Self-Declaration Statement (European Single Procurement Document -ESPD⁸⁵ or simplified Spanish ESPD). In this way, companies do not have to submit all supporting documentation proving compliance with the prior requirements at the initial stage, but a self-declaration statement is sufficient. In addition, the requirements for economic, financial and technical or professional solvency are relaxed, seeking to avoid disproportionate requirements that may exclude SMEs, and the requirement for company classification is limited to certain high-value works and services contracts.

Regarding award procedures, the introduction of the criterion of best value for money, and not only the lowest price, is intended to favour SMEs that can compete on quality, innovation or specialisation. In addition, the possibility of subcontracting part of the contract seeks to facilitate SME access as collaborators of large awardees. Finally, measures are included to ensure that administrations comply with payment deadlines to contractors.

The CNMC favourably assessed aspects incorporated in the Law and which aim to **encourage the participation of SMEs**: the elimination of the negotiated procedure based on contract value; the firm commitment to electronic procurement; the inclusion of new entities within the subjective scope (political parties, trade unions and business organisations); measures to promote transparency (contracting profile, Contract Registry, periodic reports); the flexibilization of the option to participate in lots; the extension of the self-declaration statement; and the configuration of the so-called contract lifecycle.⁸⁶

3.2. Other measures in the field of SMEs

3.2.1. SME support instruments

The catalogue of instruments is extensive, so only the most representative ones are included, and only those at the national level.

⁸⁵ The European Single Procurement Document (ESPD) is a standardized self-declaration form regarding the financial situation, capacities, and suitability of companies for a public procurement procedure. With this document, economic operators avoid having to provide complete forms and documentary evidence when preparing their bid. Documentary proof is required, ex post, from the proposed awardee.

⁸⁶ See the assessment of the CNMC in <https://www.cnmc.es/expedientes/ipncnmc01015>.

3.2.1.1. Advisory tools

The public administration has designed personalised support programs, training, and access to international networks, with the aim of strengthening management capacity and improving the management, innovation and internationalisation of SMEs.

The [Information Centre and Business Creation Network](#) (CIRCE), created in 2003, is a platform promoted by the Ministry of Economy whose main objective is to simplify, streamline and digitalise the procedures necessary for the incorporation of companies. Through its telematic system, it seeks to centralise, in a single electronic procedure, through the use of the Single Electronic Document (DUE), the wide variety of procedures necessary for the start-up of a company, facilitating interaction with different public administrations such as the Tax Agency, Social Security, notaries and the Commercial Registry⁸⁷. In recent years, efforts have been made to promote the CIRCE system through various regulations⁸⁸, with the aim of reinforcing its functionality and relevance.

In addition, the CIRCE is supported by a network of [Entrepreneur Service Points \(PAE\)](#) (created in the "Create and Grow" Law) distributed throughout the national territory, which constitute a face-to-face and telematic support network at the service of entrepreneurs and SMEs in Spain. These points can be located in public or private entities, such as chambers of commerce, business associations, town halls, professional associations or management agencies, and are authorised by the Directorate General for Industry and SMEs. The main function of the PAE is to offer assistance in the administrative procedures necessary for the creation of companies and the start of economic activities before the competent bodies and to provide personalized advisory services on aspects such as the most appropriate legal form, tax and labour obligations, financing, available aid or preparation of business plans.⁸⁹

The [Active Growth Program](#), developed by the Ministry of Industry and Tourism through the EOI Foundation (School of Industrial Organisation), within the framework of the PRTR, offers personalised advice to SMEs. It offers a comprehensive diagnosis and the development of a tailor-made growth plan in

⁸⁷ Examples of these procedures include: registration in the Tax Agency's Register of Business Operators; registration in the Special Regime for Self-Employed Workers (RETA) or, where applicable, in the general Social Security regime; application for provisional and definitive tax identification numbers (NIF) for companies; notification of the opening of a place of business; and registration of the company in the Commercial Registry.

⁸⁸ Law 14/2013, on support for entrepreneurs and their internationalisation; Law 18/2022 ("Create and Grow"); and Law 11/2023, of 8 May, which allows the fully electronic incorporation of limited liability companies when the contributions are monetary.

⁸⁹ Statistics on procedures carried out with CIRCE and data from the PAE network: <https://paeelectronico.es/es-es/CreaEmpresaPorTiMismo/Paginas/CIRCEestadisticas.aspx>

areas such as innovation, digitalisation, marketing, operations, finance and talent management.

Along with this program, the EOI Foundation offers other initiatives, such as the [Startup Acceleration Program](#), which offers specialized training, mentoring and connection to business networks, as well as [The Break](#), specifically for women.

Likewise, **ICEX Spain Export and Investment (ICEX)** has programs such as [ICEX Challenge](#), developed in collaboration with Red.es, which promotes the internationalisation of Spanish technology startups and scaleups. It helps them to enter leading innovation ecosystems in other countries, through face-to-face immersions in international technology hubs. The [ICEX Next](#) program also offers advice to SMEs and start-ups focused on growing in international markets, together with a subsidy.

3.2.1.2. Financial instruments

There is a wide range of public financial instruments that seek to provide financial support to companies, especially SMEs that are unable to access private resources for the development of their business activity. Some of them are presented below, reflecting the existing complex framework.

ENISA, the National Innovation Company, S.A., under the Ministry of Business, Trade and Tourism. It has a line of financing for viable and innovative startups and SMEs, both at the creation and growth stages. It co-financing of the financial needs associated with the business project through a participatory loan without requiring collateral. They also have other financing lines for digital entrepreneurs, and for the agricultural, audiovisual, and cultural sectors.

The CDTI, Centre for the Development of Industrial Technology, under the Ministry of Science, Innovation and Universities, launches its own public aid programs for entrepreneurs and for the promotion of innovation ecosystems. Its NEOTEC program supports the creation and consolidation of technology-based companies through non-refundable grants of up to €325,000 or more if there is co-investment. It also offers partially repayable loans to support innovation (projects that improve the competitiveness of the company by incorporating emerging technologies in the sector), expansion (to disadvantaged Spanish regions), or in strategic sectors such as aerospace or health.

The ICO, Instituto de Crédito Oficial, has various financing instruments, such as guarantees, direct loans, commercial credit, co-financing, co-investment, etc. It has a catalogue with more than 15 different lines, many interrelated, which finance from entrepreneurs to large companies, including internationalization processes. In addition, the ICO has a venture capital subsidiary, AXIS, which provides both direct financing to digital and innovative companies and projects and investment in funds that invest in entrepreneurs.

The **GR-CERSA guarantee instrument** is designed to support SMEs and the self-employed who face difficulties in accessing financing. CERSA, the Spanish Reguarantee Company, attached to the Secretary of State for Industry, acts as a re-guarantee for the Mutual Guarantee Societies that guarantee SMEs in their access to bank financing.

FIEM, the Fund for the Internationalisation of Companies, managed by the Secretary of State for Trade, offers direct financing (through credit) to export or investment operations by Spanish companies abroad. It is an instrument especially focused on SMEs, as it assumes the risks that commercial banks do not assume and finances small and higher risk operations, at a lower cost than the market.

COFIDES, the Spanish Development Finance Company, attached to the Ministry of Economy, Trade and Enterprise. Offers medium and long-term financing mainly to support the internationalization of companies. Through its FONPYME fund, it supports investments by Spanish SMEs abroad.

CESCE, the Spanish Export Credit Insurance Company, through its public part of the State Account offers different insurance products for internationalisation operations, from which SMEs can benefit, such as Export Credit Insurance, Supplier Credit Insurance, Working Capital Credit Insurance, or Foreign Investment Insurance. The main objective of these insurance products is to help channel bank financing to operations of Spanish companies abroad.

3.2.1.3. Specific instruments for digitalisation

In recent years, various initiatives have been launched to promote digitalisation among Spanish SMEs, addressing both awareness and prior advice, as well as the effective implementation of digital solutions and subsequent strategic consulting. The most recent ones have been financed with PRTR resources.

The [Acelera Pyme Branch Network](#) is made up of more than 150 offices spread throughout the national territory. They offer information services, technical advice and training sessions to help SMEs understand their digital needs, learn about the available solutions and plan their digitalisation processes. They prepare companies before they access public aid and financial instruments.

The [Digital Kit Program](#) provides direct aid, in the form of digital vouchers, which companies can redeem to contract technological services through digitalising agents adhered to the program. The subsidized solutions cover a wide range of needs, such as website creation, e-commerce, customer management (CRM), e-invoicing, and cybersecurity, among others. This program has been specifically

designed to facilitate the rapid adoption of basic digital tools, especially among micro-enterprises and SMEs.⁹⁰

The [Consulting Kit](#), launched in 2024 as a complement to the Digital Kit, accompanies companies in the professionalization and maturation of their digital processes. It offers digital consulting vouchers that allow firms to hire specialized services in areas such as artificial intelligence, data analysis, business processes, digital strategy, and regulatory compliance in technological matters.⁹¹

The [Digital XBorder](#) is an intensive digital immersion program aimed at CEOs of Spanish companies, promoted by ICEX, EOI and Adigital, and co-financed by the Ministry of Industry and Tourism and the European Social Fund Plus. It aims to provide business leaders with the tools needed to adapt their companies to the global digital environment, as well as to design sustainable growth strategies and to take advantage of the opportunities offered by artificial intelligence.⁹²

Finally, the [Digital Innovation Hubs Support Program](#) (PADIH), offered by the EOI, facilitates SMEs' access to advanced technologies and innovation services, through advisory services, training and support for access to innovation networks or ecosystems.

3.2.1.4. Information repositories

These are tools that seek to improve access to information, advice and available resources, and thus contribute to reducing administrative burdens for SMEs.

The "[Company Folder](#)" within "My Citizen Folder" is an access for company representatives that seeks to centralize in a single point the consultation of company data and documentation (including tax information, properties and vehicles), as well as access to notifications (via DEHú) and related files. In addition, it allows companies to verify whether the entity is up to date with

⁹⁰ Since its launch in March 2022 and up to the summer of 2025, the Program has granted more than 760,000 digital vouchers to self-employed workers, micro-enterprises and SMEs across Spain, with total disbursements exceeding €3,000 million. At the time of preparing this Study, it was in the final stage of the program. However, its implementation has experienced some problems in the processing and final payment of the grants, due to the high level of bureaucracy required to justify and receive the aid and delays in processing. This has led many SMEs to renounce the grants awarded, and as a result, repayments of European funds from the Digital Kit exceed €800 million at the time of preparing this Study, more than a quarter of the total budget of €3,067 million.

⁹¹ According to data from the Ministry for Digital Transformation, more than 860,000 grants have been awarded, with a budget of €3,067 million. The amounts range between €12,000 and €24,000, depending on the size of the company.

<https://espanadigital.gob.es/en/actualidad/el-gobierno-presenta-el-balance-del-kit-digital-con-mas-de-860000-ayudas-concedidas>

⁹² Since its launch in 2018, DigitalXBorder has provided training to more than 1,150 executives from over 1,100 companies in 26 Spanish cities, with a majority participation of SMEs (93%).

payments to the Tax Agency, the regional treasuries and Social Security. Access requires identification through CI@ve (DNIe, certificate or CI@ve systems), and the platform acts as an aggregator of information from different administrations.

The [IPYME Portal](#) is a digital platform for entrepreneurs and SMEs, created in 2003 and managed by the Directorate General of Industry and SMEs, under the Ministry of Industry and Tourism. It offers a centralized space for information, services and institutional support tools for those who develop or wish to start a business activity. The portal seeks to act as a practical guide to access the resources available in the field of creation, development, modernization and consolidation of SMEs, including updated legal texts, practical guides, sectoral studies and statistical documents related to the Spanish business fabric. It also incorporates digital tools for diagnosis and business planning, as well as information on public aid, financing and programs to support entrepreneurship, digitalisation and internationalisation, both at national and European level.

Likewise, the [National Entrepreneurship Office \(ONE\)](#), managed by Red.es, was created in 2021 as part of the Spain Entrepreneurial Nation Strategy. It works as a centralized digital platform to support entrepreneurs, startups and innovative SMEs. Its objective is to facilitate access to information on services, public programs and useful tools for the creation, development and consolidation of innovative companies in Spain. In addition, it seeks to facilitate collaboration between actors in the entrepreneurial ecosystem by bringing together startups, investors, incubators, technology centres, universities and public entities.

3.2.2. Institutional framework in the field of SMEs

3.2.2.1. Sectoral Conference for Regulatory Improvement and the Business Climate

The [Sectoral Conference for Regulatory Improvement and the Business Climate](#), established by the "Create and Grow" Law, is the administrative cooperation body in charge of monitoring the application of said law. Its precedents are the Committee for the Improvement of Regulation⁹³ and the Council for Market Unity⁹⁴.

Its functions, set out in Article 6 of Chapter III of Law 18/2022 "Create and Grow", include: the promotion of the regulatory changes necessary for the elimination of obstacles to market unity; monitoring compliance with the principle of cooperation and mutual trust in relation to possible barriers to the free movement of goods

⁹³ Created in compliance with the provisions of Additional Provision Three of Law 17/2009, of 23 November, on Free Access to Service Activities and Their Exercise.

⁹⁴ Created by Law 20/2013, of 9 December, on the Guarantee of Market Unity.

and the freedom to provide services; monitoring the protection mechanisms of economic operators; and the promotion of cooperation in the preparation of regulatory projects.

The Conference Secretariat assumes the functions of the Secretariat for Market Unity, which include:

- The management of the Observatory of Good Regulatory Practices, created by this same law. This observatory is responsible for monitoring the good regulatory practices of the different administrations and has drawn up a [catalogue of good regulatory practices](#).
- The management of the protection mechanisms of economic operators.
- The development of guidelines or guides. Within this framework, a [practical guide for the application of the Law on the Guarantee of Market Unity](#) is prepared.
- The preparation of an annual report on the market unit.

In addition, as mandated by Law 18/2022 "Create and Grow", the Conference has promoted the adaptation of the [model ordinance](#) for the exercise of retail commercial activities and provision of services.

3.2.2.2. State SME Council

The [State Council for Small and Medium-sized Enterprises](#) was created in 2013 by [Royal Decree 962/2013, of 5 December](#). It is a collegiate body of a consultative, advisory and collaborative nature in matters affecting SMEs, with the aim to promote and facilitate their creation, growth and development of competitive advantages. It is attached to the Ministry of Industry and Tourism, through the Secretary of State for Industry.

Article 2 of the RD regulates its functions, among which are: monitoring of the evolution, problems and policies that affect SMEs in order to put forward recommendations, including those for the coordination of the different SME support programs; reporting on the Multiannual SME Support Plan; monitoring and evaluation of the application in Spain of the "Small Business Act" for Europe (SBA); and to analyse European and international practices for SME support in order to guide public authorities on how to implement the EU legal framework for SME support.

The Council is made up of representatives of different ministries, other entities dependent on the General State Administration, autonomous and local communities, business and trade union organisations, chambers of commerce, sectoral associations and experts from the academic and economic fields. Finally, in application of Law 18/2022 "Create and Grow", the RD creating the State SME Council was amended to include representatives of associations

specialised in the field of late payment⁹⁵, with the aim of including the function of monitoring the evolution of the payment behaviour of companies through the analysis of the annual report prepared by the State Observatory of Private Late Payment⁹⁶.

3.2.2.3. Committee for the Improvement of the Regulation of Service Activities

The Committee for the Improvement of the Regulation of Service Activities was created by [Law 17/2009, of 23 November, on free access to service activities and their exercise](#) as a multilateral cooperation body composed of the General State Administration, the Autonomous Communities and the Local Administration, with the aim of facilitating cooperation for the improvement of the regulation of service activities and, in particular, the monitoring and coordination of actions carried out in different administrations for the correct transposition of the Directive.

Its mandate was subsequently extended by [Law 12/2012](#) to include the joint preparation, between the public administrations, of a model ordinance on acts of municipal control and intervention to help promote and invigorate retail trade.

3.2.2.4. Productivity Council

The [Spanish Productivity Council](#) was established by [Royal Decree 758/2024, of 30 July, which creates the Spanish Productivity Council](#). It responds to a recommendation of the Council of the European Union calling Member States to have national bodies analysing developments and policies in the field of productivity and competitiveness, with the aim of encouraging the implementation of reforms. Thus, as stated in Article 2 of the RD, the Council is constituted as a collegiate body dedicated to the diagnosis and analysis of the evolution of productivity and competitiveness and its distributional implications in Spain. It is attached to the Ministry of Economy, Trade and Enterprise and operates with full functional autonomy.

Its functions, regulated in Article 8 of the Royal Decree, include: the preparation of economic and statistical analyses on productivity and competitiveness in Spain and the EU (including aspects such as R&D&i, investment, training, adoption of new technologies, sectoral specialisation, strategic autonomy, among others); the issuance of opinions on economic policy aimed at improving the productivity and competitiveness of the economy; the planning and preparation of the lines of

⁹⁵ Trough [Royal Decree 439/2024](#), of 30 April, by which Royal Decree 962/2013, of 5 December, creating and regulating the State Council for Small and Medium-sized Enterprises, and regulating the State Observatory on Private Late Payment, is amended.

⁹⁶ See the assessment of the CNMC in <https://www.cnmc.es/expedientes/ipncnmc01224>.

action and the preparation of an annual report to compile the analyses and work carried out.

In order to carry out its functions, the Board may obtain relevant information from various bodies and authorities, such as the Bank of Spain, the INE, the Independent Authority for Fiscal Responsibility (AIReF), the CNMC or the National Securities Market Commission (CNMV).

3.2.2.5. State Observatory on Private Late Payment

The [State Observatory on Private Late Payment](#) was created in application of the provisions of Law 18/2022, "Create and Grow", as part of the measures included in said law to fight against commercial late payment⁹⁷. It is a body attached to the SME State Council, whose main functions, set out in [Royal Decree 439/2024, of 30 April](#), are: monitoring the evolution of average payment periods and late payment in commercial transactions between private companies; preparing an annual report on the subject; preparing and disseminating Codes of Good Commercial Practices in order to contribute to generating a culture of responsible payments; publishing a list of companies that have failed to comply with payment deadlines; promoting dispute resolution systems through mediation and arbitration and studying financial instruments that allow for better payment management, as well as formulating proposals for action and recommendations.

In addition, the Observatory prepares an annual report on the situation of payment terms and late payment in commercial transactions between private companies, which makes it possible to analyse the effectiveness of the payment term regime regulated in Law 3/2004, of 29 December, which establishes measures to combat late payment, as well as in the Public Administrations.

3.2.3. Initiatives, strategies and plans

3.2.3.1. Initiatives at the national level

[The 2030 Strategic Framework for SME Policy](#), approved in 2019, is structured around seven strategic axes: the promotion of entrepreneurship; the improvement of business and talent management; the review of the regulatory framework to eliminate bureaucratic obstacles; the strengthening of access to finance; the promotion of innovation and digitalisation; the incorporation of sustainability as a key factor of competitiveness; and supporting the internationalisation of SMEs. Each of these include several lines of action, public

⁹⁷ See the assessment of the CNMC in <https://www.cnmc.es/expedientes/ipncnmc01224>.

support programs and governance measures for their coordinated implementation between public administrations.

The Strategic Framework is coordinated and monitored by the State SME Council, which produces regular monitoring reports. The latest available report ([Annual Monitoring Report 2022-2023](#)) highlights a significant growth in the adoption of digital technologies by SMEs, especially in the use of management and e-commerce tools. In addition, it points out as important challenges the low participation of SMEs in internationalisation processes and the difficulty of accessing financing for innovative projects, especially in emerging sectors. The report underlines the need to strengthen institutional support and improve coordination between administrations to overcome these challenges.

On the other hand, the **Recovery, Transformation and Resilience Plan** (PRTR), launched in 2021 to channel European funds from the Next Generation EU program with the aim of overcoming the COVID-19 crisis, provides the financial resources and specific programs to implement the policies outlined in the Strategic Framework for SME Policy 2030. Its [component 13](#), called "SME Promotion", provides a total investment of 87,577 million euros to address measures such as:

- The Spain Entrepreneurial Nation Strategy, presented in February 2021 with a time horizon until 2030, seeks to promote entrepreneurship and focuses on disruptive innovation and technological talent. It aims to facilitate the creation and scaling of technology startups, attract international investment, promote public-private collaboration in R&D&i and modernize regulations through measures such as the "Startup Law". It also provides for the creation of instruments such as the National Entrepreneurship Office (ONE), which seek to respond to the need to better articulate the Spanish entrepreneurial ecosystem.
- Investments in areas such as entrepreneurship, growth, digitalisation and innovation, trade support and internationalization. These investments are materialised in the strengthening of financing instruments and in programs such as the Digital Kit.
- The Regime 20 Initiative, which focuses on administrative simplification through the effective reduction of bureaucratic burdens and the optimization of administrative procedures (including inter-administrative coordination to ensure regulatory coherence throughout the national territory). It recognises that the improvement of the regulatory environment is fundamental to increase the competitiveness and adaptability of the Spanish business ecosystem to the challenges of today's economy. Key areas where SMEs face administrative barriers are identified (such as opening licenses, local regulatory dispersion, commercial labelling or the management of energy certificates) and solutions such as the use of self-declaration statements, model ordinances, digital

labelling, simplification of technical authorizations and the development of digital tools for procedures are proposed.

In the digital field, the [Digital Agenda for Spain 2026](#), presented as an update of the roadmap initiated in 2020, seeks to improve digital infrastructures, promote 5G, promote digital talent, digitalise public administrations, develop artificial intelligence and strengthen cybersecurity, among others. It is supported by the Strategic Projects for Economic Recovery and Transformation (PERTE) and the RETECH program (Territorial Networks of Technological Specialisation), which promote public-private investments and technological innovation on a regional scale. One of the main focuses of the Agenda is the digitalisation of the business fabric, with SMEs at the centre. It contemplates a total public investment of more than 20,000 million euros until 2026 in the set of plans and programs aimed at companies. In this context, the SME Digitalisation Plan is endowed with 5,000 million euros and its objective is to accompany more than 1.5 million small companies in their technological transformation. In addition, the National Digital Skills Plan seeks to make it easier for SMEs to have better trained professionals to lead internal transformation processes and adaptation to new technologies.

In terms of internationalisation, [the Strategy for the Internationalisation of the Spanish Economy 2017–2027](#) is a plan to strengthen the foreign presence of Spanish companies, especially SMEs. To this end, specific actions are developed focused on access to public funding, personalised advice, training in foreign trade and institutional support. Programs such as ICEX Next and financing tools such as those provided by ICO, FIEM or CESCE are the pillars of this Strategy. The Strategy is articulated through biennial plans that allow measures to be adjusted to changes in the global environment. The latest published plan is [the Action Plan for Internationalization 2021-2022](#). It establishes specific measures for SMEs, which seek to facilitate their access to international markets through the allocation of European funds, including 200 million euros to support their export activity and the creation of non-reimbursable financing lines for feasibility studies and modernization.

3.2.3.2. European-level initiatives

At the European level, the [2025 European Single Market Strategy](#) seeks to remove persistent barriers, boost digitalisation, strengthen the integration of services and support SMEs. The European Commission identifies the "Terrible Ten", ten priority obstacles that affect free movement of goods, services, people and capital (among them, the regulatory complexity).

In addition, the [European Single Market Program](#) 2021-2027 is a financial program establishing the budget, governance and financing rules of the first integrated program of the single internal market. It brings together activities that

were previously funded in six different programs. Among its objectives is to train SMEs.

Moreover, the [Europe Strategy for SMEs \(2020\)](#) aims to create an enabling environment for growth, digitalisation and sustainability of European SMEs, and the [SME Support Package \(2023\)](#) addresses the main operational challenges faced by SMEs: administrative burden and regulatory barriers; payment delays; problems of access to finance; and shortages of qualified staff.

In this line, the "SME Test" is a tool within the [Better Regulation](#) policy of the European Commission, which proposes an impact assessment so that any new legislative proposal or European policy takes into account the effects on SMEs, avoiding disproportionate burdens.

In addition, in February 2025, the European Commission presented two proposals to simplify the Omnibus Law ("[Omnibus Packages](#)"), with a focus on reducing sustainability reporting obligations.

4. BARRIERS TO THE CREATION AND GROWTH OF SMES

This section analyses the main administrative and regulatory constraints faced by SMEs at different stages of their development.

First, it examines the obstacles that may limit market unity and their impact on SME growth. Second, the potential difficulties associated with the incorporation of new companies, especially regarding bureaucratic burden and administrative procedures. Third, the analysis focuses on how regulatory burdens can lead to a relatively higher fixed cost for SMEs. Likewise, the very modulation of obligations for SMEs carries the risk, in some cases, of hindering growth when the transition to greater obligations occurs (the “step effect” or “threshold effect”). Fourth, the barriers that SMEs may face in their interaction with support programs are examined, including those existing in the areas of digitalisation or internationalisation. Fifth and finally, the study addresses the barrier posed by the problem of late payment, one of the main sources of financial tension for SMEs.

The aim of this analysis is not to assume that only SMEs that cease to be SMEs as they grow will be successful, nor that all SMEs must grow indefinitely or remain active in the long term. The purpose is to identify those administrative, regulatory or institutional barriers that unnecessarily hinder SME activity and may lead to the stagnation or closure of viable companies for reasons unrelated to their economic performance.

4.1. Barriers related to Market Unity

4.1.1. Regulatory complexity and fragmentation

Regulatory complexity can be understood as the network of rules, procedures, bodies and obligations that shape business activity and growth. It is not only determined by the number of existing rules, but also by their degree of fragmentation, possible overlaps, technicalities, frequent changes and the scope for interpretation when applying them.

As regulatory complexity increases, so does the opportunity cost, as more resources must be devoted to interpreting, monitoring, and documenting regulatory compliance. For SMEs, the cost of assuming regulatory compliance is higher, as it translates into fixed costs, more administrative burden per euro earned, the need for external advice, process adaptation, delays in procedures and the risk of sanctions due to formal errors or lack of knowledge.

Administrative procedures to set up a company are numerous and can also vary between different municipalities and autonomous communities. Differences between administrations can reflect different preferences and increase welfare

by bringing the administration closer to citizens and encouraging the emergence of best practices through comparison of models; but they can also create significant additional costs for SME entry and expansion, generating the risk of distorting competition.

A working paper published by the Bank of Spain on the impact of regulatory complexity at the sectoral level in Spain (Mora-Sanguinetti et al., 2023) points out that **regulatory complexity has a significantly more negative impact on SMEs**, especially those with smaller size and less seniority. Specifically, it estimates that a 10% increase in the number of new regulations is associated with a fall of close to 0.5% in employment in companies with fewer than 10 workers and a very similar drop for companies with between 10 and 49 employees, while larger companies (more than 250 employees) do not show significant effects on their employment levels in the face of the same regulatory increase.

In turn, the document indicates that the impact also concentrates in young companies: those with less than five years suffer a 0.9% drop in employment compared to a 10% increase in the number of new regulations, while companies with more than 10 years do not show significant variations. These results reaffirm that regulatory complexity does not affect the business fabric in a homogeneous way, and that SMEs and start-ups are particularly vulnerable.

In addition, regulatory fragmentation poses a challenge for SME growth, generating additional costs and delays that slow down their ability to scale, to diversify markets and to compete throughout the territory. Thus, before operating in a new autonomous community or municipality, they must study, adapt and comply with specific regulations, which implies costs in terms of time, financial resources and human resources. This fragmented environment tends to penalize SMEs in particular, as they generally have fewer resources to deal with this type of regulatory complexity. As a result, their ability to grow, generate employment or compete on equal terms throughout the territory is limited.⁹⁸

⁹⁸ Another study published by the Bank of Spain (Mora-Sanguinetti and Pérez-Valls, 2020) has suggested that regulatory fragmentation in Spain could be incentivising the proliferation of small firms, better adapted to local environments, at the expense of larger and more scalable business structures. The existence of divergent regulations between autonomous communities and municipalities imposes additional costs of compliance, legal advice, and operational adaptation, which discourages firms with expansion potential from operating in multiple territories. This regulatory complexity generates what has been termed “threshold frictions,” that is, obstacles that lead firms to remain below certain sizes to avoid additional regulatory burdens, negatively affecting their productivity and ability to scale. The study finds empirical evidence that a higher volume of regulation is associated with a reduction in the number of limited liability companies, which are generally larger, and an increase in the presence of sole proprietors, which are smaller and more local. This dynamic helps explain the structure of the Spanish business sector, characterised by a predominance of micro-enterprises.

The existence of these inter-territorial barriers can also have an impact on the functioning of the market, both at the level of Spain and the EU, by hindering the development of a more efficient and dynamic internal market⁹⁹.

4.1.2. Regulatory restrictions on market unity

Despite the regulatory advances introduced by the Law on the Guarantee of Market Unity (LGUM) and its subsequent amendments (such as the principle of cooperation and mutual trust, the constant evaluation of regulations or the existence of the Sectoral Conference for Regulatory Improvement and the Business Climate (succeeding the Council for Market Unity), there are still certain obstacles that could be limiting the full and effective integration of the national market.

In practice, rules and administrative decisions may arise that, directly or indirectly, end up favouring already established operators or certain categories, without there always being a sufficiently solid justification behind it. Many of these restrictions are the result of regulatory differences that reflect the different circumstances and preferences of different areas. In such cases, they allow regulations to be better tailored to those circumstances, which could result in welfare improvements, provided that the regulation is properly designed. However, different regulations can also introduce costs, both from the regulation itself and from its effect on market unity. To maximise these potential benefits and minimize the costs, regulations must be carefully assessed from the perspective of competition and efficient regulation principles.

In this regard, the CNMC has identified several recent cases that illustrate how these barriers could raise costs, lengthen deadlines and discourage SME entry and expansion. The following are some illustrative examples, without claiming to be exhaustive:

- **Lack of mutual recognition of qualifications:** in Cantabria, the refusal to validate a tourist guide qualification issued by Aragon, despite Cantabrian regulations providing for such recognition, constitutes, in the CNMC's view, an unjustified restriction not based on an imperative reason of general interest, as

⁹⁹ According to estimates from the private research centre “Instituto de Estudios Económicos (IEE)”, compliance with administrative burdens arising from regulatory fragmentation represents costs for companies of between 1.5% and 2.5% of GDP, while the release of these resources and the improvement of the regulatory framework resulting from a reduction in regulatory fragmentation would, according to these calculations, boost long-term economic growth by between 1.5% and 3% of GDP, and even more if improvements are also made at the European level. See: Instituto de Estudios Económicos, *La unidad de mercado como reto pendiente para la libertad de empresa. Índice de Libertad Económica 2022, Revista del IEE*, no. 4/2022 (Madrid: IEE, 2022), pp. 15–16 and 27, available at:

<https://www.ieemadrid.es/sites/ceoe-iee/files/content/file/2025/02/05/31/rev4-22.pdf>.

required by the LGUM¹⁰⁰. This forces SMEs to repeat tests and procedures, increases the cost of interregional expansion and discourages professional mobility, thereby fragmenting the tourist services market.

- **Disproportionate requirements and procedures in building permits for fibre-optic deployment:** the CNMC has identified, in various municipalities, municipal requirements that go beyond what is necessary (for example, extensive demands for justification of the compatibility of the use of public domain, or the requirement to obtain a major building permit where a self-declaration statement could suffice). The CNMC recalls that access to the public domain must be neutral, objective and non-discriminatory, that any refusal of deployment must be duly justified with objective and proportionate criteria, and that the absence of an express decision (negative administrative silence) prevents the exercise of the activity, which could constitute an unjustified restriction¹⁰¹. The impact on SMEs arises from increased compliance costs and prolonged time to enter the market, which erodes margins and the ability of the new operator to compete.
- **Unjustified professional reservations on technical grounds:** the Ministry of Industry, Energy and Mines of the Regional Government of Andalusia issued an informational note on the powers of the university degrees accredited in the field of industrial safety. The CNMC concluded that the note would not respect the principle of “freedom with suitability” for the technical professionals involved, as it does not take into account the academic knowledge, competence and experience, on a case-by-case basis, of each professional responsible for drafting the technical project¹⁰². Furthermore, it concluded that this instrument lacks the legal validity to establish this type of activity reservations. Such activity reservations would exclude companies, including SMEs, from providing services for which they could be technically qualified.

4.1.3. Administrative fragmentation and insufficient interoperability

Administrative fragmentation can become a structural barrier to SME growth, as it has the risk of multiplying procedures, generating redundancies and making compliance more expensive. On this issue, the OECD's study *The Digital Transformation of SMEs* (2021) points out that digitalisation of public services contributes to reducing bureaucratic complexity and transaction costs in interaction with the administration. In this sense, the study shows that linking

¹⁰⁰ Report available at <https://www.cnmc.es/sites/default/files/5830244.pdf>.

¹⁰¹ See, for example, reports [UM/003/25](#), [UM/011/25](#), [UM/022/25](#), [UM/027/25](#) and [UM/035/25](#).

¹⁰² Report available at: <https://www.cnmc.es/sites/default/files/6238775.pdf>.

administrative portals in a way that companies do not have to provide the same information over again (“once-only” principle, OOP¹⁰³) and deploying one-stop shops reduces the redundancy of administrative requests; and that using digital tools to interact with public administrations helps to reduce bureaucracy and alleviate the administrative burden, freeing up SME’s resources to scale their activity (OECD, 2021).

In this sense, **SMEs end up repeating procedures because information systems are not fully integrated or cannot effectively share data, in breach of the “once-only principle”**. This adds bureaucratic burden and reduces the time and resources available for the productive activity of SMEs.

Despite existing consolidated infrastructures, such as the SARA network¹⁰⁴, designed to facilitate interoperability between public administrations and avoid administrative fragmentation and duplication of procedures, interoperability remains incomplete¹⁰⁵. Thus, situations persist in which companies must resubmit documentation already submitted to other administrations or public bodies¹⁰⁶.

On the other hand, the study “Bureaucracy and business competitiveness: diagnosis and proposals” prepared by the business organization PIMEC

¹⁰³ Key initiative of the European Union to reduce administrative burden on citizens and businesses in their interactions with public administrations. This principle establishes that users, whether individuals or legal entities, should not provide the same information more than once to public authorities. Instead, the administrations themselves must securely share and reuse the data in compliance with data protection regulations.

¹⁰⁴ The SARA network (System of Applications and Networks for Administrations) is a secure communications infrastructure that interconnects the different Spanish public administrations, allowing the automated exchange of data and documents. Its main objective is to facilitate administrative interoperability, preventing citizens from having to provide information that is already available in other administrations. Managed by the Ministry for Digital Transformation, it supports key services such as identity verification, checks of registration in the municipal census or academic qualifications, and communications between registries.

¹⁰⁵ See, for example, an analysis in González Bustos, M. (2024): “Interoperability as a Strategic Instrument of Electronic Administration.” *Revista Digital CEMCI* (61).

<https://revista.cemci.org/numero-61/pdf/tribuna-2-la-interoperabilidad-como-instrumento-estrategico-de-la-administracion-electronica.pdf>.

¹⁰⁶ For example, in retail trade there is often a practical duplication of procedures and submission of documentation: on the one hand, the municipal file for opening/starting activity (and, where applicable, works and signage), and on the other, various sectoral notifications or authorisations before the autonomous community or other bodies (e.g., workshop registration/notification, obligations regarding waste, consumer protection, music licences, or applications for grants). Although each procedure pursues different objectives, the company ends up repeatedly submitting identical information and attachments (company identification and powers of representation, premises data and enabling title, plans and technical reports, installation certificates, insurance policies and, where applicable, proof of being up to date with the Tax Agency and the General Social Security Treasury), duplicating efforts at separate counters and in successive stages of the business opening and consolidation cycle.

(2024¹⁰⁷), estimates that SMEs spend an average of 41.1 hours per month on administrative procedures, much of them repetitive, since about 70% of the documentation requested by the administration is already in the possession of another public body. To reverse this situation, the report proposes moving towards a complete digitalisation of the Public Administration, based on effective interoperability between systems, the automatic exchange of information and the mutual recognition of certificates and registrations. The study highlights that the real implementation of the "once-only" principle, together with the creation of one-stop shops that centralize procedures and eliminate redundancies, would significantly reduce the time and cost of regulatory compliance, facilitating the development of their economic activity.

In this regard, the administration currently lacks a comprehensive one-stop shop that allows the end-to-end processing of all business procedures before all administrations. Tools such as the "Company Folder" are being developed within "My Citizen Folder", which operates as a single point of consultation and interconnection, including access to notifications but, to date, it does not directly manage these notifications or process the files.

At the European level, the effects of applying the "once-only" principle to SMEs have also been documented. According to the study "Benefits of the Once-Only Technical System (OOTS) for SMEs" by the European Commission (2024¹⁰⁸), the full implementation of interoperable mechanisms in administrative procedures would reduce SMEs' processing costs and times by around 50% (equivalent to an average saving of €5,247 and 6.4 weeks per cross-border operation) by eliminating duplications, translations, travel, and in-person procedures. This digital integration increases business productivity, improves regulatory predictability, and supports expansion into new markets by transforming fragmented, in-person processes into secure, homogeneous, and efficient electronic interactions.

In short, administrative fragmentation and its impact on the time spent on bureaucracy lead to a high opportunity cost. They can also act as a barrier that restricts the competitiveness and growth capacity of Spanish SMEs.

¹⁰⁷ Available at https://services.pimec.org/images/news/5/doc/67403f4829268-9737-20241122_Burocr%C3%A0ciaCompetitivitat_.pdf.

¹⁰⁸ Available at https://single-market-economy.ec.europa.eu/news/new-study-shows-how-once-only-can-reduce-administrative-burden-eu-smes-and-self-employed-workers-2024-10-02_en.

4.2. Barriers related to company incorporation

4.2.1. Procedures required for the incorporation and effective start-up of a company

During the process of setting up and starting up a company, it is usually necessary to carry out a series of procedures at different administrative levels (local, regional and national). Among others:

- The Tax Agency (census registration, obtaining the NIF).
- Social Security (registration of employees and employers).
- The Mercantile Registry and the Notary.
- The town hall (for opening and activity licences).

A complex institutional framework involving multiple steps, diverse documentation, waiting times that can be extended with varying deadlines, and requirements that may not be harmonized.

Although, in recent years, significant progress has been made in digitization and administrative simplification of this process, administrative and institutional fragmentation may continue to generate bureaucratic barriers and lead to a complex process, especially for SMEs. Two specific examples are the repeated submission of documentation and the bottlenecks derived from sequential procedures:

- Regarding the repeated submission of documentation, examples can be found in the negative certificate of company name, the partners' IDs, the articles of incorporation and the notarial powers of attorney. These documents must be submitted on several occasions to different bodies: the notary's office for the incorporation of the company, the Tax Agency to obtain the provisional NIF and the census declaration, the Mercantile Registry for the registration of the company, and later to municipalities for the processing of opening or activity licenses. Although these documents have already been verified by other administrations, in many cases their submission is required again in physical format or as certified copies.
- Regarding the mandatory sequence of certain procedures, an illustrative case could be as follows: in order to register employees with Social Security, it is necessary to have previously obtained the company's provisional NIF, which is only granted once the deed of incorporation has been signed before a notary. In turn, this deed cannot be formalised without having previously obtained the negative certificate of company name and having made the deposit of the minimum share capital in a bank account. In addition, the registration in the Mercantile Registry must be completed before the Treasury

grants the definitive NIF, which is a requirement to carry out numerous subsequent procedures, such as contracting services or applying for municipal licenses. At the same time, many municipalities may require such registration or the definitive NIF in order to start the opening or activity license process, which could block the possibility of starting the business activity until all of the above is resolved.

In this way, mandatory procedures determine the time required to incorporate a company. These timeframes have direct implications for the initial operations of SMEs. For example, until the provisional NIF is obtained, the SME cannot carry out basic operations such as issuing invoices, signing contracts or opening bank accounts, which limits its ability to act legally. Once the NIF is obtained, other frequent restrictions arise in the first days (such as obtaining licenses or sectoral authorizations) that delay the effective start of the activity and prevent the generation of income, while certain expenses must be incurred, such as rent or professional services, which are essential to prepare for the start of operations. These initial mismatches between income and expenses are common during the start-up phase and require careful financial management to ensure the viability of the project in its early days.¹⁰⁹

To face this problem, the "Create and Grow Law" introduced several measures to reduce the time needed to set up a company in Spain. For example, strengthening the CIRCE system (Information Centre and Business Creation Network) and the Entrepreneur Service Points (PAE) represent important steps towards administrative simplification and the digital creation of companies. **CIRCE allows firms to centralise various procedures through the DUE**, reducing the hypothetical period of incorporation to between 1 and 10 days, depending on the use of standard statutes and notarial availability. However, its impact may be limited by deficiencies in inter-administrative interoperability, as there are still procedures, especially at the municipal level, that are outside the CIRCE system and may even require physical presence or paper processing. Thus, although CIRCE is a valuable tool, its full effectiveness depends on the consolidation of a fully integrated and interoperable digitalised environment.

In line with promoting the use of digital media in the incorporation of companies, the transposition of Directive (EU) 2019/1151 through Law 11/2023 has allowed

¹⁰⁹ Along these lines, the study by Tomasi, Pieri and Cecco (2023), using data from 22 European countries, indicates that bureaucratic burdens related to the time required to start operating (such as obtaining licences, connecting electricity, registering property and enforcing contracts) represent a significant obstacle to firm entry and business dynamism, with a cost even higher than the direct monetary costs of starting a business. They estimate that reducing their aggregate "time spent on bureaucracy" index (constructed using principal component analysis) from its maximum to its minimum would increase the rate of new firm entry by 6.4%, suggesting that improvements in administrative efficiency foster business dynamism.

the incorporation of limited liability companies (S.L.) entirely online¹¹⁰. Specifically, once the notarial deed has been granted, the notary sends the documentation electronically to the Mercantile Registry, which must register the company within 6 working hours if standard bylaws are used. This regulation has great potential to reduce the time needed to set up a company since, according to the [CIRCE 2024 Annual Report](#), 97.45% of the S.L. incorporated in 2024 took advantage of standard bylaws.

However, **there have been failures in the CIRCE system that could undermine the credibility of the system** and discourage new entrepreneurs from using it. Due to interoperability and connectivity problems with the Spanish Tax Agency (AEAT),¹¹¹ there were a series of interruptions in its operation from 31 January to 7 March 2025, affecting the processing of registrations of self-employed workers and limited companies, which was reflected in the data on the creation of companies through the system: between January and April 2025, only 15,048 procedures were carried out, compared to 23,637 the previous year¹¹².

In conclusion, the CIRCE system is a great advance that has made it possible to streamline the processes of company incorporation. However, it has not integrated the entire cycle, since there are still procedures, especially municipal, that must be carried out outside the system, which could result in duplicate procedures, resending of documentation and redundant validations. As a result of the absence of a fully effective and consolidated one-stop shop such as CIRCE, many companies carry out the incorporation procedures through traditional channels, in a fragmented itinerary with long deadlines and more complex processes. The result is an **extra cost of coordination, temporary uncertainty and delays in the effective start of business activity**.

¹¹⁰ Prior to the transposition of the aforementioned directive, CIRCE already offered the possibility of incorporating a private limited company (S.L.) electronically, although the notarial step still had to be carried out in person. However, with the incorporation of Directive (EU) 2019/1151, the entire process for the incorporation of an S.L. can now be completed fully digitally through this platform.

¹¹¹ See the official notice of service suspension as of 31 January published on the Electronic PAE website (DGEIPYME · Ministry of Industry and Tourism) at

<https://paelectronico.es/es-es/Paginas/DetalleNoticia.aspx?idnoticia=162>.

Notice of service resumption as of 7 March available at

<https://paelectronico.es/es-es/Paginas/DetalleNoticia.aspx?idnoticia=167>.

¹¹² https://paelectronico.es/Documents/InformesCirce/2025/Informe_abril_2025_CIRCE.pdf.

4.2.2. Limited knowledge of tools and platforms aimed at facilitating business creation

The use of the CIRCE system as a one-stop shop and the PAE network as an assistance tool depends on the level of awareness of these instruments among entrepreneurs and professionals.

In this sense, despite their potential to simplify the process of starting new businesses, **these tools have room for improvement in their practical implementation and in entrepreneurs and professionals' awareness.** Taking the case of the creation of limited companies as an example, according to [data from the INE](#), 117,685 limited companies were created in 2024, of which only 24,655 were created through CIRCE, which represents 21%, while only 3.67% of the Single Electronic Documents were processed through CIRCE with virtual assistance from the PAE. This shows that most entrepreneurs continue to resort to traditional, more fragmented and bureaucratic channels, despite the availability of digitized platforms designed to streamline processes.¹¹³

This low penetration can be partially explained by insufficient institutional dissemination. Information campaigns may not adequately reach target groups, especially small entrepreneurs, the self-employed and groups with less access to specialized information resources. In addition, communication about these tools has sometimes the risk of being technical and poorly adapted to profiles with no experience in administrative procedures, which could reduce their understanding and perception of usefulness.

In this sense, portals such as CIRCE, created with the aim of simplifying the incorporation of companies, face a double challenge. On the one hand, the lack of full interoperability between systems and administrations may still force users to carry out procedures outside the system or to provide the same information at different stages of the process, limiting its potential.

On the other hand, even when digitalisation advances, **it can give rise to new barriers if it is not accompanied by an intuitive, clear and accessible user experience**, which avoids the so-called "behavioural obstacles". The perceived excessive complexity of administrative processes ("sludge" or "behavioural obstacle") can generate a sense of cognitive load that can deter many entrepreneurs from completing procedures, especially when they involve lengthy forms, technical language, or unclear steps¹¹⁴. This situation is especially relevant for people and companies with less digital training or little previous experience in

¹¹³ These data are consistent with the information obtained from the public consultation carried out for the preparation of this study, in which some stakeholders highlighted the limited awareness and use of business start-up support tools.

¹¹⁴ See the Study on Behavioural Economics for Efficient Regulation and Supervision ([E/CNMC/002/23](#)).

procedures related to the creation of companies, who tend to make more mistakes, face frustrations or even abandon the process.¹¹⁵

In summary, **the lack of awareness about support tools can act as a structural barrier that limits the effective use of CIRCE as a one-stop shop in its different forms** (assistance at a physical or virtual PAE office, or self-processing). As a result, many entrepreneurs may choose to process their procedures through channels outside the CIRCE system, which, although less efficient, are more accessible or easier to understand. This can perpetuate the burden of bureaucracy and delay the actual start of economic activity, particularly affecting those with fewer financial resources and discouraging entrepreneurial initiatives.

4.2.3. Licenses and permits for the start of the activity

One of the obstacles generally identified by companies to be able to start an economic activity in Spain is obtaining **various licenses and administrative permits**, both at the municipal and regional levels.

In the first place, **the activity license (or opening license), of municipal competence**, which certifies that the physical establishment where the activity will be carried out complies with urban, environmental, technical and safety regulations. This authorization is mandatory for those activities subject to municipal ordinance, mainly those of customer service, food handling, use of machinery, sanitary services, or any activity with potential impact on the urban environment or public health¹¹⁶. The nature of the activity (innocuous or qualified) determines the level of demand for the technical file and the required reports, which, in many cases, must be prepared by a qualified professional.¹¹⁷

¹¹⁵ The [Draft Order](#) regulating the administrative procedure for acquiring and losing the status of PAE was submitted for public hearing and information. However, it has not been published in the BOE, and PAE continue to be incorporated through agreements under the application of the fifth transitional provision of Law 18/2022, which allows agreements to be maintained and extended until the Order is approved.

¹¹⁶ Without intending to be exhaustive, among the activities subject to licensing under the respective municipal ordinances, the following stand out: hospitality and leisure activities (bars, cafés, restaurants, pubs, nightclubs, and venues with music); workshops and industrial or artisanal activities (mechanics, carpentries, printing shops, metalworking, storage); health and care activities (clinics, medical and dental practices, veterinary clinics, physiotherapy centres); private educational and training centres (nurseries, academies, non-regulated educational centres); entertainment establishments and recreational activities (cinemas, theatres, concert halls, amusement arcades, betting halls); retail businesses and large stores with premises larger than 300 m²; gyms and sports centres; as well as those activities carried out in protected buildings or in urban areas with special regulations (historic districts, acoustically saturated areas, heritage protection zones), even when they involve innocuous activities.

¹¹⁷ An example of a municipal ordinance that regulates activities subject to a license is Ordinance

In addition, depending on the activity and the autonomous community, additional actions may be required (prior authorization, self-declaration statement, or registry registration). These requirements are not uniform across the autonomous communities and are added to the municipal requirements, so the applicable regional sectoral regulations for the specific case must be taken into account. Some of the main areas in which the autonomous communities usually impose specific requirements are:

- **Education and training:** the opening of non-regulated education centres (such as academies, private vocational training centres, nurseries, etc.) may require educational authorisation from the regional ministry responsible for education¹¹⁸.
- **Trade and consumption:** depending on the autonomous community, registration in regional trade registers may be required and, for retail food establishments, the corresponding regional health registration; in phytosanitary products, registration in the ROPO (Official Register of Producers and Operators of phytosanitary Defence Means), managed by the Autonomous Communities, is mandatory¹¹⁹.
- **Environment:** activities with an environmental impact (industrial workshops, petrol stations, intensive agricultural activities, etc.) may be subject to regional procedures such as environmental impact assessment, integrated environmental authorisation or regional environmental licence, depending on the level of risk and the regulatory framework of the corresponding community.¹²⁰

6/2022, of April 26, on Urban Licenses and Self-Declaration Statements of the City Council of Madrid, available at

https://sede.madrid.es/FrameWork/generacionPDF/ANM2023_149.pdf?idNormativa=e33fa9913813d810VgnVCM1000001d4a900aRCRD&nombreFichero=ANM2023_149&cacheKey=9

¹¹⁸ For example, information available on the authorization for the Community of Madrid and the Valencian Community at

<https://www.comunidad.madrid/servicios/educacion/autorizacion-modificacion-centros-privados> https://www.gva.es/es/inicio/procedimientos?id_proc=02484.

¹¹⁹ For example, information available on the authorization for Aragón and the Balearic Islands at

<https://www.aragon.es/tramitador/-/tramite/inscripcion-registro-oficial-productores-operadores-defensa-fitosanitarios>.

<https://www.caib.es/seucaib/es/200/personas/tramites/tramite/4265056/>.

¹²⁰ For example, information available on the authorization for Galicia and Castile and León at

<https://sede.xunta.gal/es/detalle-procedemento?codtram=MT201Y&utm>.

<https://www.tramitacastillayleon.jcyl.es/web/jcyl/AdministracionElectronica/es/Plantilla100Detalle/1251181050732/Tramite/1284403236739/Tramite>.

- **Tourism and hospitality:** tourist accommodation, restaurants, travel agencies and other activities in the sector must obtain a classification or registration in the regional register of tourism companies, in addition to complying with technical and regulatory requirements, which may differ between regions.
- **Health and public health:** health-related activities (clinics, private practices, opticians, advanced beauty centres, laboratories, etc.) require prior health authorisations issued by the health departments of the Autonomous Communities.
- **Social services:** companies that provide care services to the elderly, minors, people with disabilities or in a dependency situation may be obliged to obtain regional authorisation as an accredited entity in the social services system.

This additional layer of regulation introduces new requirements, deadlines and procedures, which can make it difficult for companies to understand the regulatory framework and result in greater administrative complexity¹²¹. As a result, the start-up of a company can be delayed not only by the times of municipal procedures, but also by regional procedures, which vary significantly depending on the territory and sector.

In this regard, the simplification of procedures has been reinforced in recent years, in line with the Services Directive 2006/123/EC and its transposition into Spanish law through Law 17/2009, of 23 November, on free access to and exercise of service activities. In addition to Law 39/2015 on the common administrative procedure and Law 20/2013 on the guarantee of market unity, Law 12/2012, on urgent measures for the liberalisation of trade and certain services, sought to promote the self-declaration statement and prior communication by replacing the mandatory licence in a wide range of commercial and service activities included in its Annex, and prohibiting the requirement of a license except for imperative reasons of general interest. Thus, the self-declaration statement allows the activity to begin from the moment it is submitted, eliminating the waiting period to start the activity, based on a statement of compliance with legal requirements and ex post control, and it has replaced the prior license in low-risk activities (for example, offices without public attendance, small retail businesses without food handling, or professional services without environmental impact).

However, in many cases **the use of the self-declaration statement as an alternative to the licence is limited, and the waiting times for obtaining the licence to start the activity may be too long.** This situation could be aggravated

¹²¹ Errors in the interpretation of the regulatory framework sometimes occur. For example, the case analysed by the CNMC in the report under Article 28 of the Law on Guaranteeing the Unity of the Market [UM/018/25](#) REGISTRO SEGURIDAD INDUSTRIAL CATALUNYA illustrates this well: by maintaining registrations in more than one regional registry, the affected company incurred in a duplication that the CNMC deemed unnecessary.

by various factors: the work overload in the municipal and regional departments in charge, the lack of technical and digitalisation means in some administrations, the complexity of technical requirements (especially in premises that require works or renovations), and the requirement of prior inspections or sectoral requirements (such as urban planning reports). As a result, resolution times can exceed three or even six months, generating a significant bottleneck in the initial phase of some entrepreneurial projects.¹²²

In conclusion, obtaining prior licenses and permits to start an economic activity can increase uncertainty regarding timelines, raise compliance costs, and create liquidity tensions (rent, utilities, insurance, and wages without the possibility of invoicing) during the start-up phase of a business, which may be exacerbated by the absence of an effective one-stop shop.

4.3. Barriers related to the cost of regulatory compliance for SMEs

4.3.1. Disproportionate regulatory burden on SMEs

Regulation often introduces compliance costs, in terms of time, information reporting, records or technological adaptation, **that increase the bureaucratic burden for SMEs**. These fixed compliance costs tend to weigh more per employee or per euro earned in SMEs than in large companies. This effect can be intensified when obligations are activated with short notice and without specific support/relief for companies with less administrative or technological capacity. Given that a large part of these requirements are managed in digital format, SMEs also assume a "technological burden" (choice of solutions, integration and maintenance), together with the direct economic cost, administrative time and greater exposure to sanctions if they fail to comply. Together, these factors can act as an additional conditioning factor for the competitiveness of SMEs.

In this regard, **the CNMC has pointed out on several occasions the disproportionate impact that regulation could have on SMEs**. Without

¹²² Law 39/2015 establishes that the maximum time limit to decide and notify shall be that set by the regulation governing the procedure, and may not exceed six months; if that regulation does not set a time limit, a supplementary period of three months applies. These time limits may be suspended (e.g., due to mandatory reports or requests for rectification) and, on an exceptional and duly reasoned basis, extended by up to half of the initial period. This explains why the "calendar" duration may exceed those limits without breaching the statutory deadline, which is nevertheless sometimes breached, giving rise to the effects of administrative silence (which is generally negative).

intending to be exhaustive, the following examples may illustrate the barrier that non-modulated regulatory burdens can pose for SMEs:

- With regard to the implementation of electronic invoicing in transactions between business and professionals ([IPN/CNMC/002/24](#)), while the CNMC acknowledges its advantages, the Regulatory Impact Assessment Report (MAIN) of the draft regulation itself identifies two new administrative burdens (sending a copy of each invoice to the public platform and the public electronic invoicing platform of the full payment of the invoice or, where applicable, its rejection) and quantifies them at an average of €37.82 per SME. In this context, the CNMC notes that SMEs and self-employed workers will be the most affected by the measure, as they are not already included in the Immediate Supply of Information System, and recommends robust interoperability and interconnection safeguards (accepting all EN 16931 syntaxes through certification). It also states that, if a free AEAT application for small issuers is introduced, neutrality safeguards should be established to avoid distorting competition between public and private solutions.¹²³
- Within the framework of the new corporate sustainability reporting regime (CSRD), the CNMC ([IPN/CNMC/010/24](#)) has warned that it is not advisable to mechanically replicate the financial audit requirements in sustainability verification, due to the risk of unnecessary costs. It recommends reviewing who is responsible for drafting the verification standards, adjusting engagement periods, differentiating fees, and aligning the supervisor's charges to reflect real differences in activity. In addition, the measures facilitating SMEs' adaptation are viewed positively (only those that have issued securities on regulated EU secondary markets are obliged): more limited disclosure requirements, specific presentation rules, and longer deadlines to comply with the new obligations.¹²⁴
- In its report on the Draft Law on Industry and Strategic Autonomy ([IPN/CNMC/019/24](#)), the CNMC highlights the quantification, in the MAIN, of new charges linked to declarations, communications and monitoring, and recalls the duty to periodically review the regulations to verify that these costs are justified, proportional and well measured. In addition, it calls for designing industrial governance with sensitivity towards SMEs by simplifying procedures, avoiding unnecessary competitive barriers, preserving neutrality and calibrating thresholds and certification requirements so that the measures do not result in excessive burdens for smaller operators.¹²⁵

¹²³ Report available at <https://www.cnmc.es/sites/default/files/5206501.pdf>.

¹²⁴ Report available at <https://www.cnmc.es/sites/default/files/5259478.pdf>.

¹²⁵ Report available at <https://www.cnmc.es/sites/default/files/5440173.pdf>.

- In its report on the amendment of size criteria for corporate reporting purposes ([IPN/CNMC/016/25](#)), the CNMC notes that it "positively values the possibility of having a market in which operators of different sizes can compete through the implementation of measures involving special treatment in favour of those that present distinguishing characteristics, such as SMEs, which are so relevant in our country." This adjustment avoids subjecting SMEs to reporting requirements designed for larger-scale companies.¹²⁶

Overall, the CNMC reports contain a consistent pattern: SMEs suffer relatively more from each new obligation due to their cost structure and smaller scale. And the design details (scope thresholds, transitional periods, complexity of reporting models, differentiation of fees, coordination between administrations) can make the difference between a regulation that does not distort SME's ability to compete, and one that introduces frictions and reduces productivity.

4.3.2. Regulatory leaps as they grow: the "threshold effect"

Sometimes the regulation itself, which aims to establish lighter rules for smaller companies, can create a disincentive to grow. This happens when, upon exceeding certain thresholds (for example, in assets, turnover or employment), the regulatory burden increases abruptly. This is known as the "step effect", or "**threshold effect**", which describes the regulatory discontinuity that many SMEs face when they exceed certain thresholds in assets, turnover or workforce, as a consequence of the regulatory simplification designed to reduce the burden on smaller companies. While the adjustment of obligations for smaller companies may be justified and beneficial, exceeding the thresholds means moving to more demanding accounting, tax and labour regimes, generating compliance and organizational adaptation costs in an abrupt manner.

Some examples:

- In the **accounting** field, a company loses certain advantages when, for two consecutive financial years, it meets at least two of the following conditions: assets of more than four million euros, turnover exceeding eight million euros or an average workforce of more than fifty employees. In this case, it can no longer present simplified financial statements— pursuant to article 257 of the Revised Text of the Capital Companies Act (TRLSC) – and it loses the possibility of applying the General Accounting Plan for Small and Medium-sized Enterprises, having to adopt the general accounting framework (art. 2 of Royal Decree 1515/2007). As for the obligation to submit its accounts to a mandatory audit, this is triggered if it exceeds the thresholds of 2.85 million

¹²⁶ Report available at <https://www.cnmc.es/sites/default/files/6077743.pdf>.

euros in assets, 5.7 million euros in turnover and an average of 50 workers for two consecutive financial years (art. 263 TRLSC).

- From a **tax** perspective, new obligations are also triggered as turnover increases. For example, when the previous year's turnover exceeds €1 million, the entity can no longer benefit from the reduced rate provided for in Article 29.1 of the Corporate Income Tax Law. From €6 million onwards, the company is considered a large company for tax purposes and must submit Value Added Tax returns on a monthly basis, instead of quarterly, under Article 71.3 of the VAT Regulation, and the same applies to the filing and payment of withholding taxes and advance payments for Personal Income Tax purposes (Article 3 of Order EHA/586/2011). If turnover exceeds €10 million, access to the tax incentives provided for small and medium-sized entities in Corporate Income Tax (Articles 101 et seq. of the Corporate Income Tax Law) is lost, although their continuation is allowed for an additional three tax years if the threshold has been exceeded only temporarily.
- On the **labour** front, when a workplace reaches fifty employees, the obligation to establish a works council is triggered, with a minimum composition of five members in establishments with between 50 and 100 employees, under Article 63 of the Workers' Statute. In addition, each representative is granted a monthly paid hours credit to carry out their union duties. This credit starts at 15 hours per month for companies with up to 100 employees and increases progressively according to workforce size, as established in Article 68(e) of the same legal text.

In this way, this can create incentives not to grow in order to avoid facing that abrupt jump, thereby acting as a brake on growth. In other words, companies have an incentive to stay “below the step” to avoid taking on greater burdens. According to estimates by the business organization CEPYME (2025), approximately 30% of SMEs state that they do not grow because of the step effect, something that would generate a significant drag on productivity and the competitiveness of the business fabric.

Various studies agree that the existence of administrative or fiscal thresholds can indeed induce companies to modify their economic behaviour and limit their growth in order to avoid additional burdens. For example, in Spain, the €6 million turnover threshold leads some companies to adjust their revenues to avoid regimes of greater tax control, evidencing border effects that distort the natural distribution of firm size. Thus, Almunia & López Rodríguez (2014) estimate a concentration of firms just below the €6 million turnover threshold.

On the accounting front, quantitative thresholds, especially the average number of employees, can also act as growth barriers. In this regard, Maza (2024) detects a concentration of firms at the limits linked to thresholds that trigger audit obligations and large-company status for tax purposes. Specifically, they observe

clustering just below €5.7 million in turnover (audit criterion) and, above all, around €6 million (large company for tax purposes), in the volume of assets that implies audit obligations (€2.85 million), and at the 50-employee threshold. Thus, the data suggest that some companies strategically adjust their size to remain below certain thresholds, thereby avoiding higher informational, audit or tax-control burdens (Maza, 2024).

Some estimates suggest that the impact is heterogeneous across sectors. In manufacturing, trade, and transportation and storage, a concentration of firms is observed around 50 employees; in agriculture, education and artistic and recreational services, the size distribution is more continuous, with a lower intensity of the step effect (Maza, 2024).

In conclusion, regulatory thresholds, while reflecting the simplifications provided to smaller firms, can also generate harmful incentives that run counter to business growth and development.

4.4. Barriers related to SME support schemes

Public support schemes for SMEs include numerous instruments, initiatives, strategies, plans and programs that form a complex network of SME support mechanisms, which can lead to administrative complexity and costs for companies. Their design does not always adopt a pro-competitive approach, which can generate inefficiencies and unnecessary competitive distortions. All of this makes it difficult for SMEs to take advantage of support schemes, and may even exclude them from the system.

Below are some features of the public support framework that can create barriers for SMEs¹²⁷:

- Firstly, **programs that prioritise applications on a first-come, first-served basis**, which is especially common in non-competitive calls. This could disadvantage SMEs with lower administrative capacity if they receive support later.
- Secondly, **complex and poorly accessible eligibility requirements and procedures for SMEs** that, in practice, can limit their participation, favouring larger companies and distorting competition in the market. Thus, the existence of:

¹²⁷ This analysis is consistent with the information obtained in the public consultation carried out for the preparation of this study, where some stakeholders highlighted these difficulties in accessing public support programs.

- Access requirements that do not necessarily fit the capabilities of smaller companies, as well as exhaustive information requirements that can become disproportionate.
- Long and complex bureaucratic procedures, which may lead SMEs to hire companies dedicated exclusively to handling the paperwork, with the consequent cost for SMEs, for example in exchange for a fee or a percentage.
- Access criteria and conditions that are not sufficiently predictable or transparent.
- Use of technical and specialized language that makes interpretation difficult for SMEs that do not have staff specialized in the subject.
- Application deadlines that are too short for SMEs.
- Likewise, lengthy disbursement periods for aid or resources that prolong the processes excessively and discourage companies with immediate needs.

This is compounded by institutional **fragmentation**, meaning that public programs are managed by different bodies and levels of public administration (national, regional and local), each with its own criteria, platforms and timelines, which creates a considerable information barrier.

- Thirdly, the broad and complex regulatory environment, where the **sheer multiplicity of strategies and instruments**, combined with the **scattered information** about them, can in itself constitute a barrier and a major challenge for companies to become aware of them. Although there are some initiatives, such as the IPYME Portal and the National Entrepreneurship Office, there is no unified portal that comprehensively gathers information on all existing public programs and aid for SMEs. **Nor is there a one-stop shop** that allows the different calls to be consulted and managed centrally.

Below, due to the specific relevance of digitalisation and internationalization, the potential barriers that may exist in accessing these two types of programs are developed.

4.4.1. Barriers that may affect digitalisation support programs

The uptake of programs designed to accelerate digitalisation could be constrained by administrative barriers.

First, if application schemes are not properly calibrated, they could translate into significant management burdens (processing times, complex documentary requirements, stringent *ex-post* justification) that can operate as additional

transaction costs for SMEs, especially for micro-enterprises and for those with less administrative or digital capacity.

Likewise, the combination of allocation criteria that prioritize speed of application over competitive selection, the need to coordinate with multiple actors in a context of asymmetric information (technology providers, advisors, collaborating entities) and the reliance on closed catalogues or typologies of solutions can shift resources away from strategic digitalisation planning toward formal compliance with program requirements. This can result, in some cases, in projects that are less aligned with the real needs of the SME or in greater exposure to incidents during the execution and justification phases of the aid.

From an economic perspective, these frictions could have effects on three fronts: (i) opportunity cost, by dedicating time to administrative tasks; (ii) execution and payment risk, which forces firms to anticipate delays and even the repayment of allocated funds; and (iii) allocation inefficiencies, when the SME adapts its demand to what can be subsidized (closed catalogue or typologies) rather than to its optimal need. In the case of microenterprises, the owner-manager absorbs the bulk of the burden, increasing the cost of participating in the programs.

The presence of access barriers to these programs could partially reduce their potential positive effects, at a time when SME digitalisation has become a critical factor in ensuring their competitiveness and productivity. According to the *Digital Decade 2025 – Country Report: Spain* (European Commission, 2025), the digitalisation of SMEs continues to be one of the great challenges to move towards an inclusive and balanced digital transformation in the Spanish business fabric. In turn, the report of the National Observatory of Technology and Society (2024) points out that lack of knowledge, perceived costs, and limited availability of digital talent are recurring barriers to the adoption of advanced solutions.

In this context, digitalisation shortcomings practically limit SME´s ability to access new markets and scale their activity. Thus, for example, **more digitalised SMEs have a higher probability of initiating export activities and, moreover, a greater ability to sustain their presence in international markets over time.** This competitive advantage derives from several factors directly related to the digitalisation process (Añón Higón & Bonvin, 2024).

Another crucial aspect is that unnecessary obstacles to accessing aid, if they cause a portion of the target companies not to receive it, can affect the relative competitive position of some firms compared to others, distorting competitive dynamics in the market. This can particularly harm SMEs, since they generally have less capacity to handle administrative procedures.

4.4.2. Barriers that may affect internationalisation support programs

Support instruments for internationalization may be justified by market failures that SMEs particularly face, such as information problems. However, for these instruments to be truly effective, a pro-competitive, transparent system with easy access and reduced bureaucratic burdens is necessary.

The official support system for business internationalization in Spain is characterized by the coexistence of multiple agents and programs (for example, ICO, FIEM, CESCE and COFIDES, as well as regional bodies). A complex institutional architecture, based on a “multiple window” model with numerous public agents, offers advantages in terms of specialization, but also carries risks of coordination, visibility and evaluation deficits.¹²⁸

On the other hand, the multiplicity of instruments and the **lack of a common information repository and a “one-stop shop” system** can create obstacles to SMEs’ awareness, preventing optimal allocation to beneficiaries as well as the evaluation of policy impact. Likewise, the lack of experience and specialized personnel in internationalization within SMEs can hinder the exploitation of opportunities

All this can lead to SMEs with fewer administrative and financial resources for internationalization being disadvantaged. In this way, it can perpetuate the difficulties that smaller firms face in internationalizing.

4.5. Barriers related to the regulatory and institutional framework on late payments

Despite the existence of binding regulations on payment periods to suppliers (60 days maximum for companies and 30 days maximum for public administrations), **the actual payment terms tend to exceed the permitted limits.**

For example, the Late Payment Observatory of the business organization CEPYME estimates an average payment period of 80.1 days for the first quarter of 2025¹²⁹. This aligns with the most recent data from the Bank of Spain’s Central Balance Sheet Data Office for 2023, where the third quartile of companies in

¹²⁸ This situation has been analysed in the evaluation report of the Independent Authority for Fiscal Responsibility (AIReF) (2023). It noted that institutional fragmentation and the lack of joint strategic planning can limit the effectiveness and efficiency of the system, especially regarding SMEs’ access to support instruments. It also points to bureaucratic hurdles and excessive requirements in project approval procedures, which complicate the process and lengthen timelines.

¹²⁹ Report available at

https://cepyme.es/storage/2025/08/Observatorio-morosidad-1t_2025_v02-DEF.pdf.

terms of payment period to suppliers stood at 77.1 days, meaning that more than 25% of companies take longer than that to collect their invoices. Moreover, this figure is 118.4 days for large companies and 75.8 days for SMEs, indicating that large companies concentrate on the longest payment delays¹³⁰. Regarding the average payment period to suppliers in public administrations, data from the Ministry of Finance indicate that the legal limit is exceeded, particularly by local corporations¹³¹. This situation has a particularly significant economic impact on SMEs¹³².

Repeated non-compliance with the regulation on payment terms may contribute to late payment continuing to be a significant risk factor for the viability and growth of many SMEs in Spain. In this regard, some analyses—such as Lefebvre (2023)—suggest that the problem may lie more in the uncertainty caused by non-compliance than in the payment term duration itself.

Payment delays usually have a greater impact on SMEs due to their lower bargaining power and financial strength. SMEs may be forced to adopt alternative mechanisms (such as the use of staggered payment through non-bank financial intermediaries to offer payment facilities to their customers) to compensate for lack of liquidity and to ease the administrative burden of managing late payments, although these solutions come at a cost.

If SMEs are unable to mitigate the impact of late payments at a reasonable cost, payment delays can limit their operational capacity, forcing them to cover cash flow gaps by resorting to external financing to meet their own obligations (to suppliers, employees and administrations), when they are the most rationed in the credit market. Consistent with the report by FUNCAS “Late Payments and Business Financing: the role of trade credit” (Herce & Hernández, 2014), overdue trade credit acts as a form of involuntary financing that shifts liquidity tensions along the supply chain, affecting smaller companies in particular. This dynamic can translate into higher financial costs, additional difficulties in accessing credit and a reduced investment capacity. In some cases, it can lead to a vicious cycle that limits the competitiveness and sustainability of part of the business fabric.

¹³⁰ See page 137 of the report, available at

<https://www.bde.es/f/webbe/SES/Secciones/Publicaciones/PublicacionesAnuales/CentralBalances/23/Fich/ceba23.pdf>.

¹³¹ Data available at

<https://www.hacienda.gob.es/es-ES/CDI/Paginas/PeriodoMedioPago/InformacionAAPPs/PMPdelasAAPP.aspx>

¹³² As an example of an estimate of these costs, according to CEPYME’s calculations collected in the Observatory for the first quarter of 2025, late payments represent a financial burden of €1.210 billion for SMEs.

Late payment has implications for the degree of competition in markets.

When payment terms extend beyond what is established, some operators may effectively finance themselves partially at the expense of their suppliers. This generates a resource allocation that does not respond to relative efficiency, but may depend on other factors (such as bargaining power or position of strength in the value chain) that can particularly harm SMEs. Furthermore, due to their lower availability of financing sources, SMEs usually depend more heavily on prompt payments to maintain their operations normally. Therefore, widespread payment delays can limit their room for manoeuvre and condition their ability to compete on equal terms.

The incidence and persistence of late payments suggest that the regulatory and institutional framework still has room for improvement, especially regarding the mechanisms available to incentivize and facilitate more effective compliance with payment deadlines.¹³³

¹³³ This analysis is consistent with the information obtained in the public consultation carried out for the preparation of this study, where some stakeholders emphasized that the current regulatory framework is insufficient to address the issue of late payments.

5. ANALYSIS OF BARRIERS FACED BY SMES TO ACCESS PUBLIC PROCUREMENT

This section analyses the main legal, administrative or procedural barriers that may hinder the effective participation of SMEs in public procurement procedures.

First, it examines the informational asymmetries that may affect SMEs' ability to identify opportunities and prepare bids. Second, it analyses how regulatory complexity may pose certain risks related to its breadth, fragmentation, and the diversity of criteria across different levels of the Administration. Third, it examines possible limitations in the planning, preparation, and design phases of tenders, which may affect the predictability of public demand and the adequacy of procedures to the capacities of the business fabric. Fourth, it examines the possible barriers linked to the bid submission phase, both those arising from electronic processing and documentary requirements, as well as those associated with tight deadlines. Fifth, it studies the high burdens and costs that SMEs may face during contract execution, which may affect their sustainability and continuity in the market.

5.1. Information asymmetries

There are various factors that may hinder access to information about public procurement procedures, an issue that can particularly affect SMEs¹³⁴.

In this regard, the **Public Sector Procurement Platform (PLACSP)** — the official electronic system that centralises access to tender notices and their outcomes — is a key tool for improving the efficiency of access to information. It would also be desirable for companies to have a high level of awareness of the SME Portal — a tool of the Ministry of Industry and Tourism aimed at serving as a search engine for tenders directed at SMEs and self-employed workers.

Many SMEs never become aware of the options offered by these tools – such as the subscription and alert mechanisms of the PLACSP or filtered searches – or, even when they are aware, they do not use them due to limitations in their capacity to access information or because they do not find it clear or relevant.

¹³⁴ This analysis is consistent with the findings of the public consultation carried out in the context of this study, in which certain economic operators identified information technology-related constraints affecting participation in public procurement. The consultation and the responses received are available at:

<https://www.cnmc.es/consulta-publica-sobre-la-participacion-de-las-pymes-en-la-contratacion-publica-y-las%20barreras-a-su-actividad-empresarial-0>

This could be due, on the one hand, to the **dispersion of information** derived from the **incomplete interoperability of the ecosystem**. For example, part of the contracting authorities' profiles are hosted on regional or sectoral platforms that link to the PLACSP, meaning that SMEs may have to navigate through multiple layers to access tender documents, clarifications, or submission procedures. This potential **navigation cost** is proportionally higher for companies with limited administrative resources, which do not have dedicated teams monitoring tenders. On the other hand, the SME Portal plays a complementary role, since legal validity and effective processing remain within the PLACSP, which contributes to increasing the **effort required for consultation and verification**.

Furthermore, other technical limitations, such as the absence of advanced search filters in the PLACSP — for example, by sub-sectors of activity, company profiles, or contracting history — or the lack of customizable settings that can be saved, do not make it easier for SMEs to quickly identify tenders that match their capacity and specialisation. **The available filtering is not always intuitive or exhaustive, and searches sometimes return procedures that may be of little relevance** while excluding others that could be potentially pertinent.

Another source of asymmetry may be the **quality, simplicity, and usability of the information**. Although the PLACSP concentrates a large volume of data, its presentation is not always user-friendly. Dense legal language, lengthy tender documents without executive summaries, or solvency criteria drafted with low standardisation can make it difficult for SMEs to translate information into decision-making.

This can **delay SMEs' detection of opportunities and affect their ability to prepare competitive bids**.

5.2. Extensive and fragmented legislation

The complexity of public procurement legislation can be a significant barrier to access. This regulatory framework, led by Law 9/2017, of 8 November, on Public Sector Contracts (LCSP) and complemented by abundant implementing regulations and sector-specific rules, presents notable dispersion, fragmentation, and complexity that acts as a particularly significant barrier for SMEs, which have fewer resources to meet the technical and legal requirements of procurement procedures.

The LCSP pursues commendable objectives —such as transparency, efficiency in public spending, and free competition— but it is a lengthy, complex, and constantly evolving law. This requires specialised knowledge to interpret legal concepts, distinguish between award procedures, identify exceptions, and

correctly apply provisions on the accreditation of solvency, subcontracting, or the preparation of bids and award criteria, among other relevant issues. For many SMEs, all of this translates into learning, advisory, and management costs that can raise entry barriers and, in practice, discourage their participation in procurement procedures.

Guides, instructions, and interpretative doctrine issued by supervisory bodies, advisory authorities, and administrative courts for procurement appeals can be difficult for SMEs to follow and apply, which in turn may create legal uncertainty and concerns about the risk of error.

On the other hand, the **coexistence of state-level legislation with regional laws and local provisions** introduces an additional degree of difficulty. An SME operating in different territories must adapt to heterogeneous criteria and practices, which increases the administrative burden and may reduce economies of scale in its participation in tenders.

In short, the time and resources required to correctly understand the regulations and adapt documentation to each procedure can create a fixed cost that disproportionately affects SMEs. The combination of learning costs, legal risk, and uncertainty about the return can discourage many SMEs from participating repeatedly. Additionally, the diversity of criteria among administrations may hinder SMEs from expanding beyond their local area, which can affect their growth and their ability to compete in broader markets.

5.3. Barriers related to the planning, preparation and design of tenders

5.3.1. Insufficient planning and dissemination of contractual programming

Article 28.4 of the LCSP incorporates the obligation to schedule the contractual activity, as well as to make such programming known at least in contracts subject to harmonized regulation. The [CNMC's Guide on Public Procurement Planning \(G-2019-02\)](#) underlines that effective procurement planning improves tender design, enhances transparency and competition, and facilitates access to procedures for economic operators, especially SMEs. On the other hand, as highlighted in the [2024 Annual Public Procurement Supervision Report of the Independent Office for Procurement Regulation and Supervision \(OIReScon\)](#), the advisory bodies have insistently called for adequate prior programming¹³⁵.

¹³⁵ See page 13 of the report, available at:

However, this report points out that, although more contractual activity schedules were published in 2023 than in the previous year, all the years supervised by OIReScon have yielded results that could be improved in this regard.

Insufficient planning and limited dissemination of procurement programming generate uncertainty and additional costs for economic operators, with a disproportionate impact on SMEs. In the absence of timely information on forthcoming procurements (including their timing, scope and indicative budget), SMEs face tighter constraints in analysing tender requirements, preparing documentation and adjusting their bids. This lack of predictability may reduce their ability to identify opportunities at an early stage and to make informed decisions regarding participation in procurement procedures.

At the operational level, the lack of clear timetables can hinder internal organisation (allocation of equipment, procurement, financing or guarantees) and constrain the feasibility of alternative participation strategies (such as joint bidding or subcontracting), which require advance preparation and must in all cases comply with competition rules¹³⁶.

In addition, **unpredictability can incentivise emergency procurement solutions**. For instance, recourse to minor contract to address needs that could have been anticipated. Such practices reduce transparency and may adversely affect effective competition in public procurement markets.

5.3.2. Insufficient implementation of preparatory actions

Access for SMEs as potential bidders may be adversely affected when tenders are designed without the prior completion of appropriate preparatory actions, including **internal market studies** or **preliminary market consultations** in public procurement with a certain technical complexity (art. 115 LCSP).

These preparatory actions are essential for the contracting authority to know the solutions that the market can offer to its needs. As the [CNMC Guide on the preparation and design of public tenders](#)¹³⁷ points out, the absence of this market knowledge increases the risk that key elements of the tender (such as the estimated contract value, technical specifications, or the solvency and award criteria) may not be aligned with the actual capacities of economic operators.

<https://www.hacienda.gob.es/RSC/OIReScon/informe-anual-supervision-2024/ias2024-modulo7.pdf>

¹³⁶ See the Guide of the CNMC on the identification of indicators of collusive conduct in public procurement (2024)

<https://www.cnmc.es/guia/competencia-contratacion-publica>.

¹³⁷ Available at: <https://www.cnmc.es/sites/default/files/6144918.pdf>.

This, in turn, may hinder the proper assessment of the adequacy and economic reasonableness of submitted bids and negatively affect effective competition.

5.3.3. Inclusion of unnecessary or disproportionate requirements in the specifications

Although the principles underpinning the LCSP promote free competition and the participation of SMEs, the manner in which tender specifications are drafted may, in practice, give rise to both direct and indirect barriers to access. In this regard, particularly relevant aspects include the absence of division into lots (where not duly justified), a lack of proportionality in solvency requirements, difficulties in demonstrating prior experience, and the use of complex or excessively lengthy tender documentation¹³⁸. Several of these issues were also addressed in the [CNMC Guide on the preparation and design of public tenders \(G-2023-01\)](#).

Firstly, the **tendency to bundle contracts into large batches**, or to refrain from dividing them into lots, may disadvantage SMEs. Although article 99.3 of the LCSP encourages the division into lots to favour the participation of smaller companies, contracting authorities continue in some cases to opt for single-lot tenders with contract values or technical requirements that exceed the operational capacity of SMEs, thereby limiting effective competition. Moreover, the justifications provided by the contracting authorities for not dividing into lots are sometimes generic or standardised, lacking a specific and reasoned assessment based on market conditions and the characteristics of the contracting need.

Secondly, **the technical and economic solvency criteria set out in the specifications may be disproportionate** to the subject matter of the contract. Requirements relating to high turnover thresholds, specific certifications or prior experience in large-scale contracts may exclude SMEs that would otherwise be capable of performing the contract satisfactorily.

In addition, **overly technical, ambiguous or unclear drafting of tender specifications may hinder the correct interpretation of requirements**, increasing uncertainty for bidders and the risk of exclusion on purely formal grounds. The lack of standardisation in tender documentation across contracting authorities further adds to this complexity and may require SMEs to devote additional resources to understanding and adapting to each individual procedure.

These conditions could have a significant deterrent effect on SMEs, including among firms that possess sufficient technical capacity and resources to perform the contract under competitive conditions. The perception that solvency or

¹³⁸ These findings are consistent with the evidence gathered through the public consultation carried out in the context of the preparation of this study.

experience requirements do not fit the subject matter of the contract or the capacities or specialisation of smaller operators, together with the potential risk of exclusion due to formal defects, may discourage participation. At the same time, **difficulties in competing individually may lead to the formation of temporary joint ventures or UTEs**, conceived more as access mechanisms than as arrangements based on genuine technical complementarity or specialisation. Such arrangements (apart from sometimes leading to internal management problems between the participating companies that can affect the correct execution of the contract) can raise issues related to compliance with competition law.

5.4. Barriers related to bid submission

5.4.1. Difficulties in the electronic submission of tenders

The introduction of electronic tendering has represented a significant undeniable step forward in terms of transparency and efficiency. At the same time, it poses a series of specific barriers for SMEs, derived from the technical and formal requirements of this procedure.

In electronic procurement procedures, tenders are structured into digital envelopes (e.g. administrative, technical and economic) to separate the documentation and preserve confidentiality until they are opened at the proposal evaluation stage. In the PLACSP, the specific structure of envelopes (which envelopes exist and what must be included in each one) is configured by each contracting authority at the time of launching the procedure, in accordance with minimum legal requirements.

First, the **validation of electronic envelopes** verifies that the documentation submitted meets the requirements of integrity, digital signature, format and maximum size allowed. Errors detected at this stage (such as incorrectly formatted files or unrecognised electronic signatures) may result in the exclusion of the tender.

Second, the **documentary burden associated with electronic tendering** may constitute a significant barrier¹³⁹. The specifications usually require numerous certificates and accreditations (economic and technical solvency, tax and labour

¹³⁹ The *Study on Competition in the European Union's Public Procurement Markets (2018-2023)* published by the World Bank also highlights this issue (p. 36). The study refers to recent evidence from Greece, which finds that the most significant financial and time-related burdens for bidders stem from documentation requirements, rather than from the preparation of the technical proposal itself.

compliance, quality, environmental, among others). Although many of these documents can be obtained electronically, their preparation, organisation and submission could entail a proportionately more onerous administrative burden for SMEs. These obstacles can be burdensome or generate a sense of burden, to the point of discouraging many SMEs from participating in public tenders.

A further obstacle relates to **reliance on specific technological tools**, such as digital certificates, electronic signature applications and compatible software environments. While the use of such tools is an integral part of the digital transformation of public administrations, interoperability issues or configuration problems may hinder the successful submission of tenders within the established deadlines.

Finally, the **heterogeneity in the presentation models and platforms used by different administrations** means that SMEs have to become familiar with different procedures and formats depending on the contracting authority, which increases learning and management costs.

In short, **the perception of "operational risk" and the fear of failures can lead many SMEs to discard themselves**, even in cases where they would be capable of submitting competitive bids.

5.4.2. Tight deadlines for the submission of bids

Public procurement regulations establish minimum time limits for the submission of bids. In practice, contracting authorities frequently make use of these legal minimum deadlines. This may place companies with more limited administrative capacity, such as SMEs, as they may face greater difficulties in preparing and submitting bids within the time available.¹⁴⁰

Short submission deadlines may therefore discourage the participation of SMEs that possess the technical capacity to compete but encounter constraints in assembling a complete and compliant bid within a restricted timeframe. They may also affect the technical or economic quality of bids submitted by SMEs that do participate, potentially reducing their competitiveness. In addition, limited timeframes may hinder the identification and coordination of suitable partners or subcontractors, thereby restricting opportunities for complementarity of capabilities or innovation in contract execution.

Taken together, **tight deadlines may increase operational risk, reduce bid quality and discourage effective competition**, by turning formal compliance with submission deadlines into a barrier to entry. The impact could be particularly

¹⁴⁰ These findings are consistent with the information obtained through the public consultation conducted for the preparation of this study, in which some economic operators highlighted that bid submission deadlines are insufficient, particularly for SMEs.

disproportionate for SMEs, given their more limited access to specialised resources and their reduced capacity to absorb workload peaks or to process documentation and technical requirements at short notice.

5.5. Charges and costs during contract execution

The contractual execution phase also includes a range of factors that may affect the sustained participation of SMEs in public procurement. These factors relate both to the **administrative and financial requirements** set out in the tender specifications and to the **day-to-day practice** of the contractual relationship with the contracting authority.

5.5.1. Financial and administrative requirements

First, **payment terms are one of the most prominent problems for many SMEs**. Despite the existence of regulatory limits (Law 3/2004, amended by Law 15/2010, which establishes a maximum period of 30 days), delays in practice continue to be observed, placing strain on the liquidity position of smaller firms¹⁴¹. The gap between contract performance and effective payment may require recourse to short-term liquidity or external financing, thereby increasing financial costs and potentially discouraging SME participation in future procurement procedures.

Second, **requirements relating to guarantees** aimed at ensuring proper contract performance represent a further constraint on SME participation. Although the LCSP provides for alternative forms of guarantees beyond bank guarantees, the application of relatively high definitive guarantee requirements in practice may limit access for firms with more restricted financial resources or limited access to credit.

Finally, it should be noted that indirect **implementation costs** (such as insurance, prevention plans, environmental or quality certifications), while aligned with broader public policy objectives, may in certain cases prove disproportionate, particularly where they are applied uniformly without sufficient consideration of the specific subject matter and risk profile of the contract.

These conditions may **transfer a level of financial and administrative risk to SMEs that exceeds their operational capacity**, potentially affecting their ability to participate in public procurement on a sustained basis.

¹⁴¹ Data available at

<https://www.hacienda.gob.es/es-ES/CDI/Paginas/PeriodoMedioPago/InformacionAAPPs/PMPdelasAAPP.aspx>.

5.5.2. Contractual rigidities

The rigidity in the modification of contracts represents an additional challenge. The need to request formal authorisations for minor adjustments (deadlines, quantities, technical specifications) can generate uncertainty and reduce the flexibility of SMEs, which, in competitive environments, tend to base their strength on the ability to adapt. Moreover, **forced extensions** require contractors to continue providing services under conditions identical to those initially agreed, which may be detrimental where economic or market conditions have evolved unfavourably for the contractor.

Similarly, **limited flexibility in price review** can be a significant barrier. Although the LCSP provides price revision arrangements, their application is often restrictive and subject to temporal constraints or official indices that may not adequately reflect actual increases in production costs. In periods of high inflation or heightened volatility in input prices, this situation may erode SME margins and, in some cases, render contract execution economically unviable.

Overall, these elements can affect the contractual balance and discourage the entry and sustained participation of SMEs in public procurement, as they **do not facilitate medium-term economic predictability and transfer a potential risk that may exceed their absorption capacity.**

6. CONCLUSIONS

SMEs play a fundamental role in our economies, both because of their substantial weight on economic activity and employment and because of their essential role as drivers of competition and innovation. From a competition perspective, new firms and SMEs expand the variety of goods and services available to consumers, can introduce innovative ideas, and exert competitive pressure on established companies, incentivizing efficiency and continuous improvement. Therefore, preventing them from facing unjustified barriers to accessing and operating in the market is essential to fostering a more open, competitive, efficient economic environment that promotes overall welfare. In this regard, **the main conclusion of this Study is that, in light of the challenges faced by SMEs, a stronger, more dynamic and more competitive economy requires proactive, coordinated and continuous commitment from administrations to eliminate barriers that hinder SMEs from competing, innovating, growing, and scaling.**

It is equally essential that they do not encounter unnecessary obstacles that limit their participation in public procurement. In Spain, this issue is particularly relevant in the light of the data presented in this Study. These data indicate that SMEs are around the EU average in terms of winning bids in public tenders - behind Germany but ahead of France or Italy-. However, the proportion of bids submitted by SMEs is among the lowest in the EU, notably behind the main European economies, indicating that there is significant room for improvement in this area.

Promoting greater participation could be highly beneficial for the economy, first because the public procurement market is large, meaning that restricting SMEs' access represents a significant constraint on their growth potential. Additionally, their participation is essential for the economy as a whole, as it promotes higher levels of competition in public procurement. This results in better prices and quality and, consequently, savings for public finances and improvements in public services.

SMEs face disadvantages that can hinder their growth: lower productivity levels, reduced ability to capture economies of scale, greater credit rationing, higher vulnerability to cyclical changes, and fewer resources for innovation, digitalisation, and internationalization.

In **Spain**, certain particular characteristics are evident, especially when compared to the European context: smaller firm size, lower rate of business creation, lower business survival rates, lower participation in public procurement—not only in contract awards but also in the very possibility of bidding—and, especially, lower productivity. These characteristics are likely to materialize more significantly in sectors and territories with a higher relative presence of SMEs. Relative

shortcomings in innovation, digitalisation, and internationalization are also evident.

Likewise, the analysis carried out in this Study points to the possible **existence in Spain of a set of barriers that could limit both the creation and development of SMEs.**

Thus, one of the main challenges during the **business creation phase** is the possible need for interaction with multiple public bodies, which can be a barrier, especially if full interoperability between administrations does not exist. Institutional fragmentation and coordination limitations lead to risks of excessive procedural burden, bureaucracy, and delays that slow down the rapid start of economic activity. Tools such as the Entrepreneur Support Points (PAE), the Electronic Single Document (DUE), and the CIRCE system, designed to simplify company formation, are very useful, although there is still room to fully exploit their potential utility.

During the **growth phase**, SMEs may also be hindered by regulatory disparities among different territorial administrations, which generate additional adaptation and compliance costs, especially in geographical expansion processes. This is compounded by **requirements that may be relatively more burdensome for SMEs**, as well as a possible “**step effect**” that can discourage growth by introducing additional burdens when certain thresholds of assets, turnover, or employment are exceeded.

On the other hand, potential **difficulties have been identified in accessing support instruments** (such as digitalisation or internationalization programs) due to administrative complexity, lack of internal resources to manage them, or significant informational asymmetry. This could hinder SMEs from fully taking advantage of public policies that are, in principle, designed to improve their competitiveness.

Persistent late payment in commercial relations, despite the existing legal framework, continues to negatively affect SMEs' liquidity and financial stability, limiting their ability to invest, innovate, or grow.

Regarding access to **public procurement**, SMEs also face a set of barriers that may discourage their participation:

- In the initial phases, information asymmetries and the risk of regulatory complexity stand out. The design of tools such as the PLACSP or the SME Portal has room for improvement in terms of agile and homogeneous access to relevant information. This is compounded by the technical density and the extension and dispersion of the regulatory framework, which may require specialized resources to adequately interpret the LCSP and its case law.
- In the planning and design phases, insufficient development of the contractual programming and preparatory actions, as well as the possible inclusion of

unnecessary or disproportionate requirements in the tender specifications, can restrict effective competition, particularly affecting SMEs.

- During the award and execution phases, SMEs may face high administrative and financial burdens. Payment delays, high guarantee requirements and indirect costs (insurance, certifications, etc.) tend to disproportionately affect SMEs. Finally, contractual rigidities – mandatory extensions, rigidity in price review – could worsen uncertainty and erode SME´s margins, creating the risk of discouraging their sustained participation in public procurement.

Based on this diagnosis, the following section proposes a series of recommendations aimed at reducing or eliminating these barriers, with the objective of facilitating a more favourable environment for the creation, consolidation and competitive development of SMEs and, thereby, promoting a more efficient and competitive economy. These proposals are not intended to condition the size or future trajectory of companies, but to ensure that their strategic decisions are made within a competitive framework governed by the principles of good regulation.

7. RECOMMENDATIONS

1^a. PROMOTING A MORE INTEGRATED AND PRO-COMPETITIVE MARKET

I. Regulatory coordination to promote market unity

Regulatory and administrative fragmentation can sometimes be necessary and bring benefits, in particular by bringing the administration closer to the citizens. However, it also creates the risk of constituting a barrier that hinders SME growth, obstructs competition, and penalizes the proper functioning of markets by complicating regulatory compliance, hindering geographical expansion and reducing efficient scale.

To address this barrier, **it is recommended to deepen regulatory coordination to promote the unity of the market.** This would help reduce barriers that have often arisen due to a lack of coordination - and not due to differences in citizen preferences - thus minimizing fragmentation to what is strictly necessary. Coordination would be desirable at the national level in Spain and at the level of the European Union.

In particular, it may be beneficial to make advance along the following lines:

I.A. Promoting coordinated regulatory governance that fosters market unity and facilitates SME growth

It is proposed to consolidate a multilevel governance model based on regulatory coordination, inter-administrative cooperation and mutual trust, enabling progress toward market unity. It would be appropriate that the Sectoral Conference for Regulatory Improvement, as provided for in the “Create and Grow” Law, to be configured as a stable forum for dialogue and decision-making, facilitating the design of coherent regulatory frameworks that reduce administrative burdens, eliminate duplications and promote a more competitive and predictable environment for businesses.

Complementing the above, it is recommended to share good practices and, where possible, expand the principle of mutual recognition¹⁴². This practice would

¹⁴² [The Sentence 79/2017, of 22 June, of the Constitutional Court](#), With respect to the principle of national effectiveness contained in the Law on the Guarantee of Market Unity, it includes considerations of particular interest for the design of mechanisms for cooperation and mutual recognition between autonomous communities. In its Legal Basis 13.a, the Court establishes that: *the recognition by the State of supra-regional effects for autonomous actions has, in principle, a clear limit: the impossibility of recognizing such effects when there is no equivalence*

not undermine national, regional or municipal competences, but would rely on strengthening cooperation and mutual trust between administrations. Finally, coordination, in addition to reducing administrative obstacles, could free up public resources.

I.B. Promoting initiatives to simplify administrative burdens across the national territory

It is proposed to advance initiatives to simplify administrative burdens and promote greater regulatory harmonization throughout the national territory, in line with the framework proposed by "Regime 20". In this way, business activity, especially for SMEs, would be facilitated by reducing regulatory fragmentation between autonomous communities and municipalities.

Some lines of work that could facilitate this progress include:

- Encouraging the review and, where appropriate, elimination of administrative barriers that may be disproportionately impacting small and medium-sized enterprises. In this sense, and in line with the recommendations of international organisations¹⁴³, administrations could carry out an exhaustive analysis of the existing regulatory framework, with new technologies—particularly artificial intelligence—being potentially very useful for this task.
- Promoting the harmonisation of regional and local regulations in strategic areas for the economy, particularly in sectors with a strong SME presence such as retail trade, hospitality, transport or personal services.
- Driving the adoption of common principles in administrative action, as well as the use of self-declaration statements or the reinforcement of full digitalisation of procedures.
- Developing a regulatory publication environment that facilitates awareness among affected stakeholders, particularly SMEs. For example, through greater use of sectoral or activity-specific compendiums or guides, as well as the joint

in the applicable regulations. To the extent that there is common state legislation, or a plurality of autonomous legislations that, despite their technical or methodological differences, establish a standard that can be considered equivalent, the State may recognize extraterritorial effects for autonomous executive decisions by imposing the recognition of the decision adopted in a given Autonomous Community in the rest. This has been recognized in our case law in relation to autonomous executive actions (SSTC 243/1994, 175/1999, 126/2002, 14/2004 and 33/2005). In this way, the door is opened to a conditional mutual recognition, provided that an equivalent standard is respected. This line of case law provides a solid argumentative basis to guide proposals for regulatory harmonization without undermining the distribution of competences.

¹⁴³ See, as an example, the OCDE's recommendations:

https://www.oecd.org/en/publications/reviewing-the-stock-of-regulation_1a8f33bc-en.html

publication of official gazettes on a single page to reduce the costs of searching for and tracking information.

I.C. Promoting awareness of mechanisms to protect economic operators

SMEs generally have fewer resources to initiate legal action against regulations or actions by public administrations that create unjustified obstacles to their activity. In addition, the duration of judicial proceedings can sometimes extend beyond the period than an SME could withstand without risking its economic viability.

To mitigate these problems, the Market Unity Guarantee Law (LGUM) offers all companies specific mechanisms to challenge regulatory or administrative barriers to market unity in a more agile and straightforward manner. However, these tools are sometimes not widely known, meaning there is room to increase awareness of these mechanisms among SMEs.

Therefore, **it is recommended to promote the dissemination of the mechanisms for protecting economic operators**, including those provided by the LGUM. Some actions that could contribute to this objective include:

- Establishing a strategy to strengthen collaboration between the Secretariat for Market Unity and representative business associations, such as the Official Chambers of Commerce, to raise awareness among SMEs of the mechanisms provided for in the LGUM and the possibility of using them.
- In administrative procedures related to economic activities, the administrations could inform companies, in the "appeal footers" of their notifications or decisions, about the possibility of using the protection mechanisms for operators provided for in the aforementioned law.

II. Promoting the municipal adoption of "model ordinances"

For cases where regulation of an activity is justified, it is proposed to promote the voluntary adoption of "model ordinances" at the municipal level, such as the one developed within the framework of the Sectoral Conference for Regulatory Improvement and the Business Climate for the "exercise of retail commercial activities and the provision of certain services". In addition to being useful for reducing administrative barriers to business creation (in particular, by strengthening certainty in the processes for obtaining prior permits), it can help advance market unity by promoting regulatory coordination. In this way, it fosters a clear, accessible and replicable regulatory framework that can be adopted by municipalities, reducing the regulatory disparity between territories and speeding up processing times.

Its application by local entities would contribute significantly to simplifying the current regulations and promoting a more coherent and predictable environment for the development of business initiatives. It could help streamline administrative procedures (such as licenses, openings or self-declaration statements), especially in sectors such as retail trade, hospitality, transport or personal services.

2^a. FACILITATING BUSINESS CREATION

III. Advancing the CIRCE system as a "one-stop shop" for company creation

Despite significant advances in digitalisation, business creation continues to face barriers due to limitations in interoperability between administrations and the absence of a fully operational one-stop shop. CIRCE already acts as a gateway, but its potential could be increased if it easily integrated all the procedures necessary for the set up of the company, including local and regional procedures.

To strengthen CIRCE as a one-stop shop and bring it closer to SMEs, **it is advisable to incorporate all the necessary procedures for setting up a business.** In this way, the creation of companies, especially self-employed and limited companies, can be carried out more easily and entirely online through a one-stop shop, in line with the recommendations of international organisations, such as the OECD¹⁴⁴ and the World Bank¹⁴⁵, following the lead of the most advanced countries in this area.

Along these lines, the following measures are proposed:

¹⁴⁴ The OECD highlights the case of the United Kingdom, which has a genuine digital one-stop shop that integrates company registration, tax and labour processes into a single portal.

<https://www.gov.uk/limited-company-formation>

https://www.oecd.org/en/publications/one-stop-shops-for-citizens-and-business_b0b0924e-en/full-report/component-6.html#chapter-d1e785

¹⁴⁵ The last Doing Business report from the World Bank (2020, since it has been discontinued) featured the models of Denmark, Norway, and New Zealand

<https://subnational.doingbusiness.org/en/data/exploretopics/starting-a-business/good-practices#Creating>

The Business Ready initiative has been the successor to the Doing Business report. It has a broader scope, which makes it not directly comparable to Doing Business, although certain aspects of its information are relevant to issues of business creation and growth.

<https://www.worldbank.org/en/businessready>

III.A. Complete integration of municipal and regional procedures into the CIRCE system

To move towards a more effective one-stop shop, **it would be advisable to achieve the complete and systematic incorporation of local procedures** (such as activity licenses, opening or minor works) **as well as the regional ones** (such as energy efficiency certificates, waste, industrial safety, food safety, commercial authorizations, etc.).¹⁴⁶

This could be driven through:

- Collaboration agreements with municipalities and autonomous communities.
- A standard platform for local and regional interoperability.
- More allocation of technical and financial resources by local entities to digitalise and integrate their procedures.

III.B. Exploring improvements to CIRCE and DUE's digital interfaces

In order to facilitate the culmination of the DUE and a greater use of the CIRCE system by SMEs, **it is recommended to explore ways to enhance easy and intuitive navigation in CIRCE and the DUE.**

For example, by promoting clear and direct language, contextual help, promoting tools such as virtual assistants or chatbots that accompany the user during the process, resolving frequent doubts, predicting possible errors or suggesting changes in real time, as well as offering the possibility of connecting with the virtual PAE assistance services for more personalized support. In this regard, it may be advisable to apply insights from behavioural economics (e.g., designing short steps with visible progress, offering recommended options, triggering reminders at key milestones, or setting near-term goals), thus making it easier for users to complete the process without dropping out.¹⁴⁷

¹⁴⁶ International institutions such as the World Bank consider it important that these “one-stop shops” include the procedures of all relevant authorities, including sub-central ones

<https://subnational.doingbusiness.org/en/data/exploretopics/starting-a-business/good-practices#Creating>

¹⁴⁷ See Recommendation IX of the Study: behavioural economics for efficient regulation and supervision ([E/CNMC/002/23](https://www.cnmc.es/E/CNMC/002/23)).

III.C. Ensuring transparency and strengthen the continuous monitoring of the system

In order to facilitate the monitoring of the performance of the CIRCE system and identify opportunities for improvement, **it is advisable to increase transparency and strengthen its continuous evaluation.**

In particular, monthly and annual reports could be further enhanced by adding indicators of use of the CIRCE system. For example, the list of companies created through this system with respect to the total number of companies created, distinguishing by legal form; breakdowns of use by territory and channel (face-to-face/virtual PAE); periodic evaluation of users (satisfaction, reasons for abandonment, if applicable, and processing times); analysis of the points at which users get stuck based on collected information and, finally, specific monitoring of the six-hour legal deadline under Law 11/2023 for registrations with standard statutes, publishing the percentage of cases processed within the deadline, the actual average time, and, where possible, breakdowns by Commercial Registry and Autonomous Community. Additionally, in line with recommendations from the European Commission and the OECD, there could be increased use of public consultations, a tool of great value for both accountability and the continuous improvement of the system.¹⁴⁸

IV. Strengthening the PAE network as a tool for assistance

CIRCE and the PAE network have represented significant advances in business creation, although there is still room to increase their adoption among SMEs. To consolidate the PAE network as an assistance tool for SMEs during their incorporation and to promote the use of CIRCE as a one-stop shop, a combination of adjustments could be implemented to provide security and simplification, continuous training for teams, strengthening of the virtual PAE, and results-oriented evaluation with comparable indicators and improvement plans.

Thus, **it is recommended to strengthen the PAE network as an assistance tool**¹⁴⁹. This is in line with reforms implemented by advanced countries in this

¹⁴⁸ See Chapter 7 of the European Commission's Better Regulation Guidelines

https://commission.europa.eu/law/law-making-process/better-regulation/better-regulation-guidelines-and-toolbox/better-regulation-toolbox_en

See additional monitoring and evaluation measures on page 52 and following of this OECD report

https://www.oecd.org/en/publications/one-stop-shops-for-citizens-and-business_b0b0924e-en.html

¹⁴⁹ In several countries that the OECD analyses as benchmarks in entrepreneurship and SME support policies, it is common to have entry points or one-stop shops that simplify access to

area, reinforcing its role as a one-stop assistance centre when they have identified low uptake of these tools¹⁵⁰. To this end, some lines of action that could be considered are proposed:

- 1) **Facilitate and complete the implementation of the administrative procedure established in the "Create and Grow" Law through a Ministerial Order** (in accordance with Articles 13.7 and 13.8 of Law 14/2013 in the wording given by Law 18/2022) **in order to expedite the appointment of new PAEs and replace, for new registrations, the system of agreements.** This Ministerial Order could include aspects such as an electronic procedure based on a sworn statement submitted to the Directorate-General for Industrial Strategy and Small and Medium Enterprises of the Ministry of Industry and Tourism, the mandatory use of CIRCE for company formation and the initiation of the DUE at the PAE itself, as well as requirements regarding resources and training, obligations related to branding and data protection, the management of the PAE network, and the regime for loss of status (at the request of the interested party or ex officio due to non-compliance). All of this would provide transparency, simplicity, and operational efficiency to the PAE network.
- 2) **Ensure that the PAEs have sufficient resources and capacities**, so that they can offer advice that is as proactive and useful as possible, tailored to the real needs of entrepreneurs, with a stronger focus on SME satisfaction, including training PAE staff in this regard¹⁵¹.
- 3) **Strengthen the personalized and multi-channel service of the virtual PAE**, reinforcing the current support (telephone and online form) through options such as chat or video call with specialized technicians, and considering

information, procedures, and advice. At the same time, countries such as Canada, Ireland, Denmark, Norway, Finland, and Sweden provide free or subsidized services that offer initial information and guidance on issues such as business start-up, management, taxation, or digitalisation.

https://www.oecd.org/en/publications/business-advice-for-entrepreneurship-and-small-firms_299705ad-en.html

In the United Kingdom, this approach is implemented through the new Business Growth Service, integrated with Growth Hubs and the portal business.gov.uk.

¹⁵⁰ For example, the United Kingdom introduced a reform of its assistance gateway after finding that only 26% of SMEs were using it.

<https://www.gov.uk/government/news/government-growth-service-to-save-small-business-time-and-money>

¹⁵¹ Regarding training, see the example of Canada's training of its single-window staff in Box 2.31 of the OECD report.

https://www.oecd.org/en/publications/one-stop-shops-for-citizens-and-business_b0b0924e-en/full-report/component-6.html#chapter-d1e785

more innovative actions for more personalized guidance, for example by enabling specialized advisors to act as tutors or mentors for particularly relevant or costly procedures. These mentoring programs should be structured based on an initial need diagnosis, which would allow assigning each company an advisor or mentor with specific experience, either in more general matters or in specific procedures to be addressed. Thus, mentors would provide practical and personalized advice to SMEs, adapted to their specific needs at each point in time. The support should be personalized, time-limited, and results-oriented, coordinating with other existing business support instruments and with sub-central administrations¹⁵².

- 4) **Enhance the usefulness of support tools through repositories of regulations and procedures** structured by sector of activity and territorial scope. These repositories could be developed as a shared service of the PAE network, integrated into its support tools and interconnected with the CIRCE system, so that, based on the company's profile, updated and operational information is offered for the effective fulfilment of the procedures.
- 5) **Strengthen the evaluation of the PAE network**, considering a comprehensive assessment of service and impact based on a common framework of indicators (e.g., first response time, time to appointment, percentage of first-contact resolution, abandonment rates in calls/chat, user satisfaction, etc.), measured and comparable by PAE, linking results to improvement plans.

V. Strengthen information campaigns aimed at SMEs about CIRCE and PAE

Many SMEs may be unaware of tools such as CIRCE and PAE and how they can assist them, which means they risk continuing to process their procedures through fragmented channels, involving more steps, more time, and more errors.

Therefore, **it is proposed to strengthen information campaigns aimed at SMEs about CIRCE and PAE**, in order to raise awareness and facilitate their use. It would be appropriate for the content to explain the advantages of using CIRCE as a one-stop shop for company formation compared to a fragmented environment, and how it works, using short videos, step-by-step guides, online seminars, and social media publications, also referring to the support that the PAE network can provide in company creation. It would also be advisable for the

¹⁵² See the various “mentoring” initiatives mentioned by the OECD in this document (and the specific example of Ireland on page 15)

https://www.oecd.org/en/publications/business-advice-for-entrepreneurship-and-small-firms_299705ad-en.html

information to be easily understandable, for example by using the clearest possible language or including real-life examples. It is also suggested that the campaigns be personalized and combine different channels, and that a systematic evaluation of these campaigns and channels be adopted in order to adjust them in subsequent rounds of dissemination.

VI. Expanding the use of Self-Declaration Statements

The need to obtain a license to begin operations, where applicable, and the uncertainty involved in the licensing process have been identified as significant barriers to the creation of new businesses. In response, and in line with the recommendations of international organizations¹⁵³, it would be beneficial to continue advancing the use of self-declaration statements in place of mandatory activity licenses, always based on the principles of proportionality and necessity, and in line with the most advanced countries in this area (such as the Nordic countries).¹⁵⁴

A self-declaration statement allows the entrepreneur to begin operations immediately, without having to wait for the administration to grant prior authorisation. By signing it, the applicant commits to complying with all applicable current regulations and is subsequently subject to ex officio inspections by the administration to verify actual compliance.

This approach does not eliminate controls, but it does reorder their temporal sequence: priority is given to speed in starting the activity, while maintaining the public sector's inspection and sanctioning capacity to ensure regulatory compliance.

¹⁵³ The OECD recommends limiting the use of ex ante licensing systems to what is strictly necessary, namely for high-risk activities that may generate irreversible harm, while adopting lighter and more flexible approaches (such as self-declarations) for lower-risk activities (OECD, Best Practice Principles for Licensing and Permitting).

https://www.oecd.org/en/publications/best-practice-principles-for-licensing-and-permitting_5f63586d-en.html

¹⁵⁴ In countries such as Australia and the Nordic countries, among others, there is no general opening license for many economic activities: it is usually sufficient to register the company and comply with tax obligations, and depending on the sector a permit, a registration, or a simple notification to the authority may be required (a mechanism functionally similar to a self-declaration), with prior authorisations reserved for higher-risk activities. This approach—limiting licenses/permits to cases where the risk cannot be effectively managed through ex-post controls and, where possible, shifting from ex-ante to ex-post regulation—is presented as good practice by the OECD in this document:

https://www.oecd.org/en/publications/best-practice-principles-for-licensing-and-permitting_5f63586d-en.html

In this regard, **it is recommended to consider reviewing and expanding the catalogue of activities exempt from licenses**, currently included in Law 12/2012, of 26 December, on urgent measures for the liberalisation of trade and certain services. Expanding this catalogue would allow lower technical, environmental or health risk activities to be included under the self-declaration regime, removing unnecessary obstacles and improving competition in the business environment.

This is without prejudice to the fact that certain activities present particular risks or characteristics that make it necessary to subject them to a prior authorisation regime and an inspection before opening. In such cases, it would be necessary for administrations to act under the principles of good regulation, such as necessity, proportionality, efficiency and transparency.

VII. Strengthening efficiency in the processing of licenses

In cases where licenses and permits remain necessary, **it is desirable to consider organizational, administrative, and technological measures aimed at improving the predictability of the process and facilitating the experience of those who wish to start a business.**

Among the possible actions that could be considered are:

- 1) **Ensuring strict proportionality of the requirements and procedures necessary** to begin the activity, depending on its level of risk¹⁵⁵.
- 2) **Measures that increase predictability and reduce the duration of maximum resolution times:** it would be desirable to simplify procedures as much as possible, reduce fragmentation¹⁵⁶ and ensure that resolution times are generally established in the regulations, setting deadlines as short as possible and minimizing the use of negative administrative silence. To this end, processing units should have the necessary resources so that the Administration not only does not exceed the deadlines, but is proactive and, in general, can resolve before the maximum deadline.
- 3) **Promoting optimal performance in the full digitalisation of procedures** regarding the electronic application for licences, the submission of technical

¹⁵⁵ See the OECD recommendations in the document “*Licensing and Permitting: How to Manage Risks While Supporting Growth*”.

https://www.oecd.org/content/dam/oecd/en/publications/reports/2025/10/licensing-and-permitting_f2b74324/68fc3301-en.pdf

¹⁵⁶ See the OECD recommendations:

https://www.oecd.org/content/dam/oecd/en/publications/reports/2025/10/licensing-and-permitting_f2b74324/68fc3301-en.pdf

documentation and the online tracking of the status of the files, ensuring a comprehensive digitalisation of procedures that meet the needs of SMEs¹⁵⁷.

- 4) **Promoting repositories of standardised regulations and technical guides by type of activity**, which clarify requirements (for example, urban planning, safety or environmental requirements), especially in sectors such as hospitality, retail trade or personal services.
- 5) **Simultaneous processing of files**, allowing the different bodies involved to act in parallel, rather than sequentially.
- 6) **Public monitoring and evaluation of processing times**, promoting the periodic publication of aggregated data that contributes to accountability and continuous improvement of the service.

VIII. Considering increasing use of regulatory sandboxes

It is recommended to extend the use of regulatory sandboxes horizontally as a standard regulatory policy tool in innovation contexts, in line with the recommendations of international organizations such as the OECD¹⁵⁸. These testing environments can be of particular importance for the creation and development of new companies and projects that require a new regulatory approach to assess the viability of their proposals. Regulatory experimentation can be essential to fostering innovation, including among SMEs.¹⁵⁹

Following the logic already highlighted by the CNMC in various areas (such as finance, in the [FINTECH E /CNMC/001/18](#) study or IPN [/CNMC/011/25](#), artificial intelligence in IPN [/CNMC/020/23](#) or in industry in [IPN/CNMC/001/23](#)), these controlled environments enable more dynamic and flexible regulation. They provide a space where innovative projects can operate under lighter or partially adapted entry requirements, under the supervision of the competent authority.

¹⁵⁷ Both the OECD and the World Bank emphasize the importance of effectively digitizing administrative procedures.

https://www.oecd.org/en/publications/one-stop-shops-for-citizens-and-business_b0b0924e-en/full-report/component-6.html#chapter-d1e785

<https://subnational.doingbusiness.org/en/data/exploretopics/starting-a-business/good-practices#Creating>

¹⁵⁸ https://www.oecd.org/en/publications/regulatory-sandbox-toolkit_de36fa62-en.html

¹⁵⁹ <https://www.oecd.org/en/topics/better-regulation-and-innovation.html>

The OECD also considers “regulatory sandbox” models to be highly useful for regulations in environmental areas, among other domains. See, for example, Box 1.2 of the following document.

https://www.oecd.org/content/dam/oecd/en/publications/reports/2023/11/better-regulation-for-the-green-transition_e9625ced/c91a04bc-en.pdf

This makes it possible to observe the practical impact of new business models before requiring full compliance with all traditional regulatory burdens, which is especially relevant for SMEs and startups, for whom entry costs are typically more burdensome.

The design of these sandboxes should be based on objective and non-discriminatory eligibility criteria, open to initiatives of all sizes, with clear time and scope limitations on the flexibilities granted, and with full application of horizontal regulation (data protection, security, competition law, etc.). The information generated in these environments regarding risks, benefits, and competitive effects would serve to subsequently adjust regulation in accordance with the principles of necessity and proportionality, avoiding excessively restrictive responses that discourage innovation. Thus, sandboxes would be consolidated as a cross-cutting tool to reduce entry barriers, facilitate responsible experimentation, and strengthen the ability of SMEs to grow and compete in increasingly dynamic and innovative markets. Additionally, they can serve as a tool for mutual learning between companies and administrations, enabling the former to more easily assimilate regulatory compliance and the latter to better understand the effects of regulation on business models and, in particular, on SMEs.¹⁶⁰

3^a. PROMOTING A REGULATORY FRAMEWORK THAT FACILITATES AND SUPPORTS BUSINESS GROWTH AND COMPETITION

IX. Modulating regulatory obligations and compliance costs for SMEs without discouraging growth

It is recommended to adjust SME's obligations using criteria of proportionality and cost-effectiveness, seeking, as far as possible, to avoid disincentives to growth. Efficient regulation must achieve its public objectives at the lowest possible cost and avoid disproportionate fixed burdens, especially for those with a smaller scale. Therefore, it is essential to take into account the impact of regulation on SMEs, as recommended by the European Commission¹⁶¹.

¹⁶⁰ The United Kingdom considers sandboxes to be a fundamental element for its Regulatory Innovation Office.

<https://www.gov.uk/government/organisations/regulatory-innovation-office/about>

¹⁶¹ See, for example, Tool 23 in Chapter 3.

<https://commission.europa.eu/law/law-making-process/better-regulation/better-regulation->

Sometimes, the objective of public policy may not be significantly affected by relaxing obligations for SMEs; for example, because their impact is smaller due to their limited size¹⁶², something that other countries take into account more systematically¹⁶³. Thus, in the case of the United Kingdom, it is recommended that the default regulatory option is not to include micro or small enterprises, unless the assessment of the regulation advises otherwise, and always considering how to modulate the regulatory burden so that it does not exceed what is strictly necessary.

This principle of alleviating the regulatory burden on SMEs as far as possible can also be applied, where appropriate and without materially affecting the objectives of public policy, to instrumental reporting obligations. For example, it might be appropriate to set less frequent reporting schedules for SMEs (e.g., annual instead of quarterly) and/or longer transition or adaptation periods. Likewise reporting requirements for SMEs could be reduced or limited by providing standardized formats or simplified templates with minimum fields and reduced annexes, so that the documentary burden is proportional to their size.

This provision to modulate the burden for SMEs must be based on objective criteria, ensuring proportionality without emptying the regulation's purpose or introducing undue distortions. Thus, the inclusion of a regulatory "de minimis" clause could be considered, activating a simplified regime or partial exemption when the estimated fixed cost is disproportionate relative to the size of the company. In this regard, it is generally advisable for regulations to provide simplified templates with minimum fields and reduced annexes for micro and small enterprises, so that the documentary burden is proportional to their size.

[guidelines-and-toolbox/better-regulation-toolbox_en](#)

¹⁶² The CNMC has analysed specific examples where a reduction in regulatory burden for SMEs could be justified:

In IPN/CNMC/010/24 on "corporate reporting on environmental, social and governance issues", the CNMC positively valued the introduction of facilitative measures to support SME adaptation (such as reduced reporting content, specific rules for presenting such information, and extended deadlines to assume the new obligations).

In IPN/CNMC/016/25, aside from issues that are recalled in the next recommendation, the CNMC welcomed the expansion of the number of SMEs that could benefit from a reduction in obligations to submit certain accounting information.

¹⁶³ See, for example, the systematic evaluation of regulations for small businesses carried out in the United Kingdom (Small and Micro Business Assessment, SaMBA),

<https://www.gov.uk/government/publications/small-and-micro-business-assessment-samba-guidance>

X. Designing transitions to replace the "step effect" with a "ramp"

The "step effect" or "threshold effect" arises because many specific advantages for small or medium-sized companies are withdrawn, sometimes abruptly, as the company grows. Although it may be appropriate for certain obligations to become effective as the company increases in size in order to reduce bureaucratic burdens for SMEs, it must be borne in mind that cost and compliance "steps" can discourage growth, and this can have high long-term costs by hindering SMEs from fully realizing their potential.

Mitigating the problem may require more gradual transitions, which could include different phases and adaptation windows, and seek progressive and proportionate increases in regulatory burden. The objective would be to maintain control and transparency goals without creating abrupt jumps in compliance requirements. In this way, the aim would be to replace the "step effect," which requires a jump to overcome, with a smoother "ramp," which can be climbed more gradually during a transition period.

Therefore, **it is recommended to design and implement gradual transitions where thresholds exist in order to mitigate the step effect.** In this regard, the following approach could be considered.

As **general principles, it is proposed to avoid, as far as possible, that new or existing regulation generates step effects, replacing them where appropriate with "ramp effects" through the application of smoother and more gradual thresholds and/or transition phases.** Thus, if a threshold is included in the regulations, it is also suggested to establish a gradual mechanism, with transition deadlines and phases, which minimises disincentives to grow, enabling costs and changes to be absorbed gradually. Similarly, it is recommended to review existing thresholds to introduce, as far as possible, corresponding transition processes and mechanisms.

In particular, as examples **in the accounting field**, the following measures could be considered:

- 1. To review and update the thresholds currently in force regarding turnover and total assets that determine the possibility of preparing abbreviated annual accounts and the exemption from the audit obligation**

This proposal is directly aligned with the provisions of report IPN/[CNMC/016/25](#) report. The Bill proposes to amend article 257.1 of the consolidated text of the Capital Companies Act (TRLSC) to allow companies to prepare abbreviated accounts if, for two consecutive financial years, they do not exceed two of the

following thresholds simultaneously: €7,500,000 of total assets, €15,000,000 of annual turnover and 50 average employees.

Likewise, it proposes amending article 263.2 TRLSC to exempt from the audit obligation those entities that do not exceed two of the following thresholds: €3,565,000 of assets, €7,125,000 of turnover and 50 as the average number of employees.

2. A more agile mechanism for updating thresholds for corporate reporting purposes

In line with the observations in report [IPN/CNMC/016/25 report](#), it is recommended to propose to the EU authorities the possibility of considering a regulatory instrument that would allow for the automatic (or at least more agile, not requiring legal rank) updating of the accounting thresholds applicable to the classification of companies (micro, small, medium and large), based on objective economic circumstances, such as the evolution of cumulative inflation in the euro area.

Likewise, to avoid future updates depending exclusively on ad hoc legislative reforms after periods of high cumulative inflation, it is proposed to suggest to the EU authorities the possibility of considering the establishment of a technical and predictable mechanism that would allow thresholds to be reviewed periodically.

3. Extend the reference period for the application of certain accounting and audit obligations

It is proposed to suggest to EU authorities a reform of Directive 2013/34/EU so that the loss of the possibility to present abridged balance sheets and statements of changes in equity, or the obligation to undergo mandatory audit, occurs after three consecutive financial years exceeding the thresholds, instead of two (as currently provided in Directive 2013/34/EU¹⁶⁴). This measure could help provide companies with a greater time margin to adapt to new requirements, helping to prevent a temporary crossing of a threshold from becoming a barrier to growth and thus facilitating a more gradual, sustainable transition aligned with the natural cycles of business development.

¹⁶⁴ In the Spanish legal system, the reform would be carried out by amending Articles 257 and 263 of the Revised Text of the Capital Companies Act (TRLSC).

4. Extension of the reference period for losing the ability to apply the General Accounting Plan for Small and Medium-sized Enterprises

It is recommended that the loss of the ability to apply the General Accounting Plan for Small and Medium-sized Enterprises should only occur after exceeding the established thresholds for three consecutive financial years, instead of two. This modification (which would require the prior amendment of Directive 2013/34/EU and then the adaptation of Article 2 of RD 1515/2007 into Spanish law) could help mitigate the organisational impact associated with the change in accounting regime, providing companies with greater regulatory stability and facilitating a more gradual transition towards more complex accounting structures.

In the tax field, the following measures could be considered:

5. Extension of the reference period for the loss of the reduced Corporate Income Tax Rate

It is proposed to amend article 29.1 of the Corporate Income Tax Law so that the loss of the reduced rate applies only when the company exceeds the threshold of €1 million in turnover for two consecutive years. This measure seeks to correct the threshold effect that currently discourages business growth, since many SMEs voluntarily limit their expansion in order not to immediately lose this tax benefit. By introducing a consolidation criterion, greater tax predictability would be provided and regulatory volatility derived from annual fluctuations in turnover would be reduced, promoting a more stable and rational environment for growth, avoiding automatic tax penalties and facilitating a gradual transition to larger business structures, without compromising the competitiveness of SMEs in their early stages.

6. Extension of the reference period for the consolidation of the "large company" category

It is recommended to introduce a consolidation clause so that the category of "large company" is only acquired after exceeding the threshold of €6,010,121.04 in annual volume of transactions for two consecutive years. This initiative aims to mitigate the threshold effect that acts as a disincentive to growth, as many companies avoid permanently exceeding this limit to avoid assuming additional fiscal and administrative obligations, given that entry into the Large Company registry currently implies more demanding requirements such as monthly filing of VAT returns (form 303), withholding tax and income tax payments (form 111), as

well as mandatory electronic submission of accounting books through the Immediate Supply of Information system (SII).

The application of this clause would provide greater regulatory stability and predictability, fostering an environment that allows companies to grow without fearing immediate requirements and thus facilitating a natural transition to a larger business size.

7. Reviewing the "large company" threshold in tax legislation

It would be advisable to consider adapting the threshold of €6,010,121.04 in annual volume of transactions to accumulated inflation, following Delegated Regulation (EU) 2023/2775, which increases these thresholds by 25%. This would allow for a classification that better reflects the economic reality of the Spanish business fabric and would reduce unnecessary burdens on companies that have grown due to inflation but remain economically moderate in size.

XI. Applying the principles of efficient regulation

The creation of companies and the growth of SMEs depend on an efficient regulatory framework. To ensure an integrated market that allows each company to reach its optimal production scale, **it is recommended to apply the principles of efficient regulation** in laws and public policies, principles that are enshrined in the regulatory framework and are commonly advocated by the CNMC¹⁶⁵. Among them, the following stand out:

- **Proportionality and necessity:** public intervention should only take place in cases of market failure or reasons of compelling necessity, prioritising the least distortive option. In this regard, the Regulatory Impact Assessment (MAIN) accompanying each proposal could further reinforce the analysis of the necessity and proportionality of each proposed measure, compare alternatives—including non-intervention—and explain why the least burdensome option is chosen, anticipating the specific effects on SMEs where appropriate.
- **Efficiency:** it is proposed to evaluate the regulations not only *ex ante*, but also *ex post*, in order to eliminate unnecessary or inefficient rules.
- **Competitive neutrality:** to foster SME growth, it is recommended to promote a level playing field by reviewing regulations using competitive neutrality criteria

¹⁶⁵ See the recommendations to public authorities to promote competition as a driver of economic recovery.

https://www.cnmc.es/sites/default/files/editor_contenidos/Promocion/3735021_0.pdf

to avoid unjustified advantages (to incumbents, public operators over private ones, larger operators over SMEs, etc.).

- **Comprehensibility and transparency:** regulation is more efficient when it is understandable and enforceable: clarity, guidance, and early consultations help reduce uncertainty and regulatory risk, which is especially relevant for SMEs. In this vein, the CNMC maintains that regulations should be planned and transparent to promote predictability, legal certainty, and the ability of SMEs and self-employed individuals to compete in markets.

4^a. GUIDING ADMINISTRATION AND PUBLIC POLICIES TOWARDS BUSINESS GROWTH AND COMPETITION

XII. Promoting compliance with the "once-only" principle

In the current context of digital transformation, it is appropriate to consider that public administrations continue working to reduce the need for submitting the same documentation in different and separate procedures. This generates costs that can disproportionately affect those with fewer resources to bear them, such as SMEs. Avoiding this requires promoting connectivity between administrations and structurally reorganising data management and reuse so that the “once-only” principle is effectively complied with.

In this context, **it is recommended to apply "once-only" principle in public administration.** In particular, it is proposed to consolidate and extend what is already available (such as the SARA network, the Data Intermediation Platform or the Registry Interconnection System) to strengthen a state-level data exchange infrastructure based on source consultation. Thus, data remain in the bodies that generate them and all administrations (national, regional and local) consult them when needed through secure and standardised APIs, instead of requesting them again from the company.

The design could align with the National Interoperability Framework, incorporate informed consent and thereby promote automatic reuse among administrations. This would also facilitate the standardisation of criteria and formats, especially among local administrations, encouraging their full integration into systems such as CIRCE. Additionally, it would strengthen transparency and traceability, since all interactions would be recorded. Finally, from the perspective of public administration itself, applying the “once-only” principle also allows for avoiding duplication, reducing unnecessary bureaucracy and freeing up resources that can be redirected to other functions.

XIII. Implementing proactive, user-centric administrative support

Initiatives that facilitate interaction with public administrations and, in particular, reduce bureaucratic burdens as much as possible are highly beneficial for all businesses, especially those with fewer resources. In this regard, digitalisation opens up new opportunities to implement support measures from public authorities, with significant potential to reduce administrative procedures and costs.

Therefore, **it is recommended to continue proactively promoting administrative support measures.** In this context, consideration should be given to establishing a joint strategy among public administrations for administrative support. Using data already available, measures could include intelligent compliance reminders or a “silent assistance” model to automatically manage, and even, where possible, grant ex officio (with knowledge and consent, and a revocation period) simple procedures such as certificate renewals or updates of registration data. This would provide clear benefits: reduced bureaucratic burden, fewer errors and waiting times, and faster processing of key procedures, thereby facilitating SMEs’ interaction with public authorities. Moreover, this technological improvement would not only simplify procedures but also expand SMEs’ opportunities by facilitating their identification for access to financial support programmes, training, innovation, or internationalisation.

A concrete example would be the company profile in My Citizen Folder, which aims to consolidate data and documents in a single interface. Regarding potential improvements, this tool could be enhanced by including, for example: (i) a “business life events” engine that transforms milestones (first employee, change of registered office, opening of a new branch) into guided task lists with pre-filled forms and deadlines incorporated into a calendar; (ii) a “one-click company dossier” containing basic data, powers of attorney, certificates, received grants, signed and verifiable for tenders and applications; or (iii) integration with the company’s operational tools (automatic notifications and synchronized calendar) so that it becomes embedded in the SME’s daily workflow.

XIV. Ensuring efficiency and pro-competitive focus of SME support schemes

Given that SMEs face various market failures, including constraints in access to finance, public support, including State aid, may sometimes be justified as a complement to market mechanisms. However, the risk that public support introduces distortions or unnecessary barriers to competition that undermine competitive dynamics and the proper functioning of markets must also be considered.

Therefore, **it is recommended to design SME support schemes with a pro-competitive approach**. This aims to enhance the efficiency and effectiveness of achieving public interest objectives, strengthen their pro-competitive potential, and minimise any unnecessary or disproportionate distortions to competition.

In this regard, a series of proposals are presented below.

XIV.A. Allocating grants according to competitive criteria

Any potential public aid schemes should be allocated primarily through competitive mechanisms¹⁶⁶. Open procedures should be used in which, among all applications, those that best meet previously defined objective evaluation criteria (quantifiable and ideally assessable through formulas) connected to the public policy objective are selected, without unjustified discrimination based on variables such as technology, business model, or geographical aspects, thereby avoiding exceptions to these principles of neutrality.¹⁶⁷

Where it is not possible to use this system and non-competitive grants are chosen, the impossibility of carrying out an evaluative comparison with alternative proposals must be explicitly justified. Non-competitive allocation (for example, simply on a first-come, first-served basis) should be considered an exceptional mechanism, suitable only when the homogeneity of applications or the urgency of the objective justifies not conducting a comparative evaluation. Direct or nominative awards should also be used only exceptionally and must be rigorously justified, with such explicit justification published in the supporting documents or regulatory bases. In any case, the design of demand-side support (consumer subsidies) should be considered when it is not possible to allocate funds directly

¹⁶⁶ The general framework for subsidies recognises competitive bidding as a fundamental principle, due to its contribution to transparency, equal opportunities, and the objective selection of projects that best meet the public interest (Article 22 of the General Subsidies Act).

¹⁶⁷ It should be noted that, although the LGUM expressly prohibits requirements that create geographical discrimination in access to an economic activity or its exercise, or in the award of public contracts, in the case of access to subsidies, tax deductions and other types of economic advantages, it expressly includes certain exceptions in Article 18.2(b) of the LGUM, as amended by Law 18/2022 (“Create and Grow Law”).

This provision establishes a general exception under which discriminatory requirements for obtaining economic advantages may be justified by an overriding reason of public interest, provided that they are also proportionate. In addition, it provides a more specific exception in the case of “promotion policies”, stating that the competent authority is allowed to condition the granting of economic advantages on the company operating in its territory or generating activity therein, without prejudice to EU law. The practical scope of these new exceptions is not yet clear, particularly the exception for “promotion policies”, but if interpreted flexibly, it could potentially give rise to significant issues of territorial discrimination in access to subsidies or public aid for companies, with particular impact on SMEs.

to companies, so that the market itself allocates resources to the most efficient suppliers.

Furthermore, it is recommended to prioritise support aimed at increasing competition (for example, facilitating the entry of new operators or promoting balanced competitive conditions), and that the objectives pursued be formulated explicitly and verifiably. Likewise, special attention should be paid to ensuring that aid is necessary and proportionate in its intensity and duration, so that it contributes to public policy objectives without generating unjustified distortions in market functioning. In this same vein, it is desirable to avoid concentrating resources on firms with a very strong market position.

XIV.B. Ensuring practicable requirements and procedures for SMEs

SMEs have limited resources and information asymmetries that hinder their ability to take full advantage of the opportunities offered by support programs.

In order to take this into account, **it is recommended to ensure that the requirements and procedures are practicable for SMEs** whenever possible. Thus, the different instruments deployed could take into account the following aspects:

- Strive to ensure maximum transparency and dissemination.
- Establish access requirements only when necessary and proportionate, aiming for the minimum necessary to meet the objective criteria related to the public policy pursued.
- Simplify procedures and processes as much as possible, minimizing the administrative burdens associated with applying for aid. For example, the application and processing stages could be streamlined through a scheme based on ex officio checks and self-declarations. Documentary requirements should be limited to exceptional cases of particularly relevant documentation, detected incidents, or corrections.
- Maximise the use of standardized or harmonized forms, definitions, criteria, deadlines, and procedures (or potentially standards).
- Use language that is accessible to SMEs.
- Set bounded deadlines (providing certainty and predictability) but sufficient for submitting applications, to ensure that SMEs can process and prepare the necessary information.
- Ensure adequate human and technical resources in the responsible departments. This could include offering specialized and personalized advisory services in application preparation, similar to what a tutor or mentor would provide, whether for more general matters or for specific aid schemes

and their particular procedures, so that mentors can offer practical and tailored advice. It is also advisable to ensure sufficient resources for the evaluation of applications and the processing of aid.

- Consider mechanisms that allow greater agility in the disbursement of aid (possible ex officio grants when the criteria are objective and easily verifiable, one-time upfront payments, etc.), which can be key to alleviating financial constraints and ensuring greater effective participation of SMEs in calls for proposals.

XIV.C. Strengthening ex-ante and ex-post planning and evaluation

It is proposed to improve the planning of the schedules for public calls for aid and support programs, in order to ensure maximum rationality and predictability. At the same time, it is recommended to publish them with sufficient advance notice to facilitate business planning and allow SMEs to prepare in time to participate in projects related to innovation or digitalisation.

This greater predictability does not imply, in any case, the automatic continuation of calls, but should be accompanied by an ex ante evaluation (to ensure the necessity and proportionality of public intervention). It should also be accompanied by monitoring and ex post evaluation of results, with the aim of strengthening, in the future, those programs that have demonstrated a genuine incentivizing effect and provide added value. Support for SMEs is one of the areas of public policy where there is scope to increase evaluation studies, especially in order to guide policymakers on which schemes may be more efficient¹⁶⁸, which is why evaluation is considered particularly necessary.

All this should be done without losing sight of the need to avoid the risk of structural dependence on public resources: public programs should act as temporary facilitators of productivity growth, not as a permanent resource. One-off and time-limited aid causes fewer distortions, particularly those that support the financing of an initial investment or the start-up costs of a project, provided they do not create barriers to entry or confer a substantial advantage on the beneficiary, and are especially suitable when they correct market failures (initial financing, access to new technologies or entry barriers¹⁶⁹). In contrast, recurring

¹⁶⁸ See the conclusions of this report by the United Kingdom Government, available at

<https://assets.publishing.service.gov.uk/media/65cf7b2a0f4eb1001aa9819c/business-basics-programme-final-report.pdf>

¹⁶⁹ The same form of support may be more effective when it is concentrated in the most immediate periods. This effect, known in the behavioural sciences literature as “present bias”, also implies that more moderate incentives delivered sooner may be more effective than larger amounts provided at a later stage. Accordingly, concentrating support in the initial periods may help

aid, such as that covering the regular costs of a beneficiary, is more likely to affect competition because (i) it increases the risk that projects or activities continue even if they are obsolete or no longer profitable; and (ii) it may deter the entry of new operators.

XIV.D. Designing an optimal and rational institutional architecture for SME support

The analysis of SME support schemes reveals a multiplicity of instruments, initiatives, strategies, plans and programs launched by the public sector. This can be counterproductive for the competition and efficiency of SMEs if instruments with a truly incentivizing effect are not appropriately prioritised. Furthermore, SMEs have limited resources, so the existence of too many instruments can create an information barrier that discourages them from making the effort to learn about the opportunities available.

In this regard, it is recommended:

- A **reflection on the efficiency and complementarity of existing instruments, initiatives, strategies, plans and programs**, considering, where appropriate, the possible unification or even elimination of some of them in order to avoid duplication and allow resources to be concentrated on the instruments most useful to SMEs¹⁷⁰. All this should ideally be based on the results of evaluation exercises.
- Progress towards a **single management window** that allows the processing of files for the different support instruments to be centralized. A first step could be taken through the automation of data loading via interconnection with the Tax Agency and Social Security, which can help minimise the documentation required and avoid duplication in the submission of information, together with strengthening the role of existing networks such as the PAE and the AceleraPyme Offices, which act as technical support and guidance centres. It may be useful to coordinate or integrate this with the [National Subsidy Database](#), which centralises information on calls and awards of subsidies and public aid at the state, regional, and local levels. In addition, it is recommended that these networks strengthen **personalised support** in the interpretation of requirements, form management, and application processing, which is especially useful for SMEs with limited resources or without specialised staff.

increase effectiveness while maintaining or even reducing costs for public finances (see the Comisión Nacional de los Mercados y la Competencia report on the Evaluation of the impact of public aid for photovoltaic self-consumption ([EI/02/2023](#))).

¹⁷⁰ In this regard, strategic subsidy plans can be an appropriate element in which to analyse the coherence and complementarity of the various measures.

- Ensure the maximum efficiency of communication campaigns to make the available instruments known in a clear and accessible manner, combining, where appropriate, digital and face-to-face channels to ensure broader reach. At the same time, it would be desirable for the campaigns to aim for adaptation and personalisation and to combine different channels.¹⁷¹

XIV.E. Ensuring the appropriate integration of SMEs in internationalization and digitalisation programs

Within the framework of institutional support for SMEs, internationalization and the adoption of new technologies and tools, such as digitalisation, are two ambitious and crucial objectives for the growth and competitiveness of Spanish businesses and the economy. SMEs may face particularly significant barriers and challenges in these areas, which are typically mitigated through public programs providing information, training, or financing. These programs, if designed in a pro-competitive manner, can effectively help address SMEs' competitive constraints and thus strengthen their ability to compete in national and international markets.

Therefore, **it is recommended that internationalisation and digitalisation programs specifically take SMEs into account**, given that these constraints disproportionately affect them. For each of these groups of support schemes, the previous recommendations regarding efficiency, complementarity, agility of management, and visibility should be reiterated.

In the specific area of **support for internationalisation**, it is proposed to:

- Ensure adequate SME representation in the various support programs, whether financial or non-financial, striving to keep access requirements proportionate and ensuring effective dissemination.
- Ensure the best possible coordination among the different bodies, both within the state level and across the various levels of public administration. Greater cooperation among the entities promoting internationalization generates positive synergies, facilitates joint planning, and improves the efficiency of public support by leveraging complementarities between instruments and enabling SMEs to plan more effectively. It can also help reduce bureaucratic burdens, which disproportionately affect SMEs. Possible lines of action include:

¹⁷¹ See the experience of the United Kingdom on page 52 of this document

<https://assets.publishing.service.gov.uk/media/65cf7b2a0f4eb1001aa9819c/business-basics-programme-final-report.pdf>

- Shared governance frameworks to facilitate the coordination of external promotion agendas and leverage synergies among the various instruments.
- Joint internationalisation plans by sector or territory, with shared objectives and a clear distribution of responsibilities among public actors.
- Development of a common evaluation and monitoring system to measure the impact of international promotion actions more effectively.

In the field of **support for digitalisation**, in addition to the above, it is proposed to ensure that support genuinely addresses a market failure and achieves an incentivizing effect that boosts competition. The increasing digitalisation of the economy already provides an incentive for SMEs to allocate resources and efforts to adopt these new tools and technologies.

5^a. COMBATING LATE PAYMENTS

Late payment in business-to-business transactions limits SMEs' ability to invest in productivity improvements and to grow and even constitutes a risk factor for their survival. Therefore, it affects firms' competitive position, as it may result in the failure to timely remunerate productive efforts in accordance with relative efficiency, affecting SMEs relatively more due to their generally lower financial capacity. In this regard, it is desirable to strengthen control and sanctioning mechanisms against non-compliance.

To structurally reduce late payment, **a comprehensive strategy is proposed that combines transparency, data analysis, effective monitoring and incentives for compliance.**

Specifically, the following is proposed:

XV. Promoting the State Observatory on Private Sector Late Payment

The lack of official and systematic data on this subject has made it difficult to diagnose and formulate effective policies. In this regard, **it is proposed to make decisive progress in the operational implementation of the State Observatory on Private Sector Late Payment**, provided for in Law 18/2022, on the creation and growth of companies, as an instrument for monitoring and transparency on payment terms in the private sector.

To maximise its impact, it would be advisable for this body to consider the following:

- **Prepare and disseminate periodic reports with data disaggregated by sector and company size**, facilitating a better understanding of compliance patterns in different areas of activity.
- In line with what has been stated on the creation and regulation of the State Observatory on Private Late Payment in report [IPN/CNMC/012/24](#), **it is recommended to identify potential exceptional circumstances that could have led to anomalous behaviour by the debtor entity in a given period of time**. Such circumstances, for example, may arise from a structural or cyclical crisis and could justify not including the entity in the list. This is without prejudice to verifying alleged fraudulent behaviour that is not duly substantiated.
- Along the same lines as report [IPN/CNMC/012/24](#), **it would be advisable to ensure that no unjustified discriminatory situation occurs in the annual preparation and publication of the list of late-paying companies** that could, for example, exclude the inclusion of certain companies, or of public companies or others. In addition, it is recommended to narrow the broad discretion that appears to be granted to the Administration to assess operators' claims regarding their inclusion in the list.
- **Explore avenues of collaboration with entities such as the Tax Agency or other public bodies**, allowing the enrichment of analyses through the cross-checking of relevant information.
- **Move towards integration with electronic invoicing platforms**, with the aim of facilitating the automated collection of data on payment terms, reducing administrative burdens and improving traceability.¹⁷²

¹⁷² The widespread adoption of electronic invoicing could facilitate the automatic and standardized recording of key dates such as invoice issuance, receipt, acceptance, and payment, making it possible to accurately calculate the actual payment period to suppliers. This improves traceability and reduces imprecision in accounting information. Furthermore, it allows public administrations and supervisory bodies to access consolidated and comparable data, which facilitates monitoring compliance with legal payment deadlines and the development of reliable real-time indicators on late payment, without increasing the administrative burden on companies.

XVI. Reforming Law 3/2004 on combating late payment in commercial transactions

XVI.A. Applying automatic interest on late payments and compensation for collection costs in commercial transactions

Currently, although the law recognises the right to collect interest for late payment and compensation for collection costs once the legal deadlines have been exceeded (articles 5 and 8 of Law 3/2004), in practice this interest and compensation for collection costs are not paid unless expressly claimed. This forces the creditor, usually an SME, to initiate additional procedures, usually costly and lengthy, with the consequent risk of damaging the commercial relationship with its customers. This situation tends to discourage the exercise of this right, negatively affects liquidity and SME's ability to compete, and could favour a culture of impunity regarding late payments.

In order to strengthen effective compliance with legal payment deadlines, **it is recommended to adopt automatic payment of default interest and compensation for collection costs in commercial transactions together with the payment of the invoice**, if the invoice is paid after the deadline, so that the debtor self-assesses and pays the default interest and the fixed amount of the compensation for collection costs. In this way, the cost of non-compliance falls on those who pay late and not on those who suffer the delay. This measure is also fully in line with the proposal for a European Commission Regulation on combating late payment in commercial transactions (specifically, in Articles 5 and 8), which provides precisely for the automatic accrual and payment of interest for late payment and the fixed amount of compensation for collection costs, thereby strengthening legal certainty and the competitive capacity of SMEs.¹⁷³

XVI.B. Introducing sanctioning mechanisms for non-compliance with payment deadlines

It is proposed to assess the advisability of revising Law 3/2004 on combating late payment in commercial transactions, with the aim of strengthening its effectiveness through the incorporation of effective and proportionate sanctioning mechanisms, in line with the approach proposed at European level in the draft European Regulation on late payment in commercial transactions (specifically, articles 14 and 15).

¹⁷³ Draft European Commission Regulation on combating late payment in commercial transactions, available at:

<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:52023PC0533>.

Possible measures to be considered are:

- The introduction of sanctions for non-compliance with the legal payment deadlines, except in cases of force majeure.
- The design of a system of fines proportionate to the unpaid amount, with progressively increasing aggravating factors in the event of repeat offences or depending on the size of the company.
- Allowing SMEs affected by non-payments to file complaints confidentially, without exposing themselves to potential commercial retaliation.

6^a. DEEP REFORM OF THE PUBLIC PROCUREMENT FRAMEWORK

Barriers that unnecessarily hinder SME participation in public procurement not only affect the firms concerned but also undermine the efficiency of the public sector and the performance of the economy as a whole. Conversely, facilitating SME participation supports business development and growth, strengthens competition in tendering procedures and contributes to cost savings and improvements in the quality of public services. In this context, measures aimed at increasing the currently limited participation of SMEs in public procurement are warranted.

To this end, **it is recommended to put forward a comprehensive reform of the public procurement framework**. The main objective of this reform should be to maximise efficiency by improving accessibility to tenders, through the effective promotion of participation by economic operators, and SMEs in particular, thereby ensuring a high level of competition. Reducing unnecessary administrative burdens and limiting requirements to those that are strictly essential may, in addition to fostering competition, help eliminate avoidable costs for firms.

On this basis, the following measures are proposed as key elements of a comprehensive reform of the public procurement framework.

XVII. Reforming the public procurement framework to effectively promote SME participation

In the context of the ongoing review of the Public Procurement Directives, **it is recommended to prioritise reforms aimed at facilitating access to public tenders, particularly for SMEs**. The objective is to promote higher levels of competition and efficiency in public procurement, both at national level and in

cross-border markets. To this end, the regulatory framework applicable to both contracts subject to harmonised regulation (SARA) and those below European thresholds should maintain as a strategic objective the promotion of the participation of SMEs, incorporating effective measures that eliminate the main obstacles that currently limit their access.

Likewise, to guide the contracting framework for SMEs, the following measures are recommended:

XVII.A. Enhancing digitalisation and the use of tools to simplify and streamline procedures

On the one hand, the future legal framework should place strong emphasis on promoting the **safe and effective digitalisation of public procurement**, based on the automation and interoperability of processes. This requires the development of a digital infrastructure capable of integrating the different procurement platforms, as well as enhanced interoperability with public databases, in order to verify compliance with eligibility and suitability requirements and to avoid requesting information that is already available to the public sector. Such an approach reduces administrative costs and simplifies procedures, with a particularly positive impact on SMEs. In addition, the availability of structured, reliable and real-time data, together with the use of analytical tools, supports improved market knowledge, more effective procurement planning and evidence-based decision-making by contracting authorities, thereby fostering greater SME participation. Access to this information also facilitates the early identification of procurement opportunities by economic operators and improves the monitoring and evaluation of SME participation, enabling corrective measures to be introduced in subsequent procedures where appropriate.

On the other hand, it is appropriate **to strengthen the use of instruments that simplify and speed up procurement procedures**, such as the self-declaration statement as a means of accrediting aptitude requirements and the use of open repositories of pre-qualified bidders¹⁷⁴. These tools contribute to a significant reduction in administrative burdens and are particularly conducive to increasing SME participation in public procurement. In this regard, the positive experience gained from the application of simplified open procedures and dynamic purchasing systems should serve as a reference for the further development and

¹⁷⁴ Such registers should be open, and the identity of participating economic operators should be disclosed to other registered operators, in order to mitigate the risk of collusion.

consolidation of such mechanisms within the future public procurement framework.

XVII.B. Legally strengthening the principle of proportionality and planning

Furthermore, the legal framework should reinforce the **effective application of the principle of proportionality** in the design of procurement procedures. To this end, an adequate knowledge of the available supply and the characteristics of the relevant market is essential. In particular, any decision which, by departing from those references, has the effect of significantly reducing the number of potentially interested economic operators, in particular SMEs, should be rigorously justified in view of the subject-matter, nature and scope of the contract. In the absence of such justification, such requirements should be regarded as disproportionate. Such an approach would help guide the margin of discretion of contracting authorities towards the establishment of requirements that are strictly necessary and proportionate for the proper execution of public contracts, thereby avoiding unjustified restrictions on competition.

In line with this approach, it is advisable to require the **planning of procurement activity**, particularly for strategic contracts and for those markets in which SMEs represent a significant share of potential suppliers. In this regard, advance scheduling of tenders and thorough prior market analysis are essential in order to design contractual conditions that are better aligned with the structure, capacity and degree of specialisation of SMEs.

XVII.C. Further promoting lotting and strengthening controls on the use of mixed contracts

Likewise, the **general rule of division into lots** should be upheld, reinforcing attention to ensure their appropriate design according to the productive capacity and specialization of SMEs. In this area, it is necessary to adopt clear guidelines that establish the cases in which the non-division of the contract is duly justified.

It is also recommended to **strengthen control over the use of mixed contracts**¹⁷⁵, taking into account the composition of the relevant market and the potential impact that the aggregation of services may have on effective access to the contract by a sufficient number of economic operators, particularly SMEs.

¹⁷⁵ A mixed contract is one that includes performances corresponding to different types of public contracts (works, services and supplies).

XVII.D. Promoting guarantee mechanisms that minimise financial burdens and enhance economic and financial rebalancing in long-term contracts

In order to alleviate the financial constraints faced by SMEs, the regulatory framework should **provide for guarantee schemes that do not involve significant financial burdens**, such as withholding part of the price, as well as encourage, especially in long-term contracts, the use of instalment payments. Likewise, to avoid delays in payment that limit the investment and growth capacity of SMEs, it is advisable to adopt an effective sanctioning regime against late payment in public procurement.

Along the same lines, particularly in long-term contracts, **the regulatory framework should allow for economic and financial rebalancing in the face of the concurrence of supervening circumstances** (such as significant changes in general inflation, operating or material costs, or regulatory developments, for example in labour costs) which, when duly substantiated, substantially alter the economic conditions for contract performance and generate a high level of financial risk for SMEs. In such cases, the possibility of contract termination without penalty should also be provided for where the proven imbalance becomes unsustainable.

XVII.E. Strengthening transparency, oversight and payment safeguards in subcontracting

Moreover, **the regulatory framework should strengthen transparency and oversight in subcontracting arrangements** in order to prevent abusive practices or the imposition of unfavourable contractual conditions. In particular, **payment safeguards for SMEs** acting as subcontractors should be reinforced, with contracting authorities responsible for monitoring compliance with payment obligations and, where appropriate, adopting effective measures to ensure their enforcement.

XVIII. Reviewing and simplifying the national public procurement framework to strengthen its pro-competitive approach, coherence and accessibility

The ongoing review of the EU public procurement framework provides an opportunity to explore reforms in the national framework.

The current regulations on public procurement, led by Law 9/2017 on Public Sector Contracts (LCSP), make up an extensive, fragmented and technically complex legal framework. Their interpretation and application require specialized knowledge that is not easily accessible to SMEs, which can generate costs, legal

risks and insecurity when participating in tenders, especially for SMEs, given their greater difficulties in knowing the profuse regulations and their changes¹⁷⁶. This difficulty is compounded by the coexistence of regional regulations and local provisions, which may introduce heterogeneity in applicable procedures and criteria, thereby hindering the operation of firms seeking to compete across different territories.

From the perspective of competition and good regulation, **a review of the regulatory framework aimed at simplification, greater coherence and a stronger orientation towards efficiency and effective competition appears appropriate**. In particular, it is recommended to:

- 1) Promote a systematic and coherent codification of the regulatory framework.** This should involve the unification, harmonisation and rationalisation of existing rules, eliminating duplications, overlaps and potential inconsistencies. Such codification should integrate substantive and procedural provisions within a single reference framework, facilitating understanding and application by economic operators. In addition, the preparation and regular updating of guidance documents or annotated versions of the LCSP and its implementing regulations could be considered, addressed both to contracting authorities and to SMEs participating in tenders.
- 2) Orient the LCSP towards the pursuit of pro-competitive efficiency, beyond a focus on formal compliance¹⁷⁷.** It is recommended to explore the incorporation of verifiable outcome-based objectives related to economic efficiency, quality of expenditure and the promotion of competition, as well as strengthening ex ante and ex post evaluation mechanisms to assess the economic and competitive impact of public procurement.
- 3) Standardise criteria across public administrations** by encouraging the adoption of common principles and procedures throughout the public sector, with a view to reducing regulatory fragmentation and ensuring fair competitive conditions across the territory.

¹⁷⁶ See page 24 of this OECD document

https://www.oecd.org/en/publications/implementing-the-oecd-recommendation-on-public-procurement-in-oecd-and-partner-countries_02a46a58-en.html

¹⁷⁷ See, in this regard, pages 9–10 of IPN/CNMC/010/15, available at:

https://www.cnmc.es/sites/default/files/709299_0.pdf

7^a. IMPROVING THE ACCESSIBILITY AND PRACTICALITY OF INFORMATION ON PUBLIC TENDERS

XIX. Optimising the Public Sector Procurement Platform (PLACSP)

The PLACSP is the central gateway for accessing information on public tenders in Spain. To boost competition through greater participation in public procurement, particularly by SMEs, measures to facilitate the use of the tools available in the PLACSP, as well as to centralise and promote the consistency of published information, can be highly beneficial.

Therefore, **it is recommended to continue improving the PLACSPs**, since a strategy to optimise the platform would significantly reduce information asymmetries and improve competitive conditions¹⁷⁸. On this basis, the following lines of action are recommended:

XIX.A. Advancing interoperability, unification and standardisation of information

The coexistence of regional platforms linked to the PLACSP may require companies to navigate fragmented systems in order to access tender specifications, clarifications and related documentation. This raises administrative costs for companies, and in particular for SMEs, which often lack dedicated resources to monitor multiple information sources on an ongoing basis.

Accordingly, **it is recommended to advance in effective interoperability between systems, unifying and standardizing information**, so that all contractual information can be published simultaneously and standardised at access points. This would entail, on the one hand, the integration of databases and, on the other, the establishment of common standards for formats, metadata and related technical elements.

¹⁷⁸ See, in this regard, the Communication of the European Commission “A data space to improve public spending, foster data-driven policymaking and improve SMEs’ access to public procurement” (2023/C 98 I/01):

According to this Communication, companies, particularly SMEs, will have access to a user-friendly portal enabling them to consult a much larger number of open tenders with improved data quality. This will allow them to identify, easily and in a timely manner, procurement opportunities of potential interest and to use analytical tools to plan ahead and focus their resources on the most promising procedures.

[https://eur-lex.europa.eu/legal-content/ES/TXT/HTML/?uri=CELEX:52023XC0316\(02\)](https://eur-lex.europa.eu/legal-content/ES/TXT/HTML/?uri=CELEX:52023XC0316(02))

In this regard, investment in a centralised platform appears to have been one of the key factors behind the higher participation of SMEs in public procurement in Italy (Mutangili, 2024).

XIX.B. Facilitating the usability and user experience of the platform

It is recommended to further improve the user experience for SMEs, integrating the information from the Guides¹⁷⁹ offered by the PLACSP into the platform's own step-by-step user journey. This would allow support materials to make a more effective contribution to reducing the learning curve and enhancing operational certainty, particularly for first-time users.

In this context, the following measures could be assessed: (i) incorporating interactive assistants guided by user objectives (such as identifying tenders, preparing and submitting bids, or monitoring procedures); (ii) enabling more customisable alert systems, including combined filters, configurable real-time or frequent notifications and a “My PLACSP” dashboard; and (iii) complementing written guidance with short, visual training materials (such as interactive tutorials or short explanatory videos).

XIX.C. Improving bid search and filtering systems

The current search and filtering mechanisms of the PLACSP could be further improved to facilitate access to information, especially for SMEs, by delivering more comprehensive and relevant results and helping SMEs identify opportunities commensurate with their size. Similar tools appear to have been key in countries such as the United Kingdom.¹⁸⁰

Therefore, **it is recommended to optimize the bidding search and filtering systems,** valuing measures such as: i) the review and improvement of the coding of contracts (CPV and additional categories), ii) the development of more granular filters, iii) the possibility of saving custom configurations and exporting results with friendly formats, and iv) the creation of an intelligent search engine with semantic recognition that allows queries in natural language.

¹⁷⁹ The PLACSP provides a Navigation Guide offering a simple and visual introduction to the platform, as well as an Economic Operator Guide and an Electronic Tendering Services Guide, which adopt a practical approach and include extensive visual content to support key tasks related to the search for opportunities and the submission of bids.

¹⁸⁰ See, for example, the search tools used in United Kingdom, presented in Box 2.11 of this OECD document

https://www.oecd.org/en/publications/implementing-the-oecd-recommendation-on-public-procurement-in-oecd-and-partner-countries_02a46a58-en.html

These tools also appear to have been a key factor in facilitating SME participation in public procurement in the United Kingdom (Mutangili, 2024).

XIX.D. Incorporating executive summaries of tender specifications

One of the main obstacles for SMEs is the difficulty in translating information into quick and well-informed decisions. The specifications are usually extensive, technically or legally drafted and with requirements drafted in a heterogeneous way, which forces time and resources to be allocated to an exhaustive analysis that many SMEs cannot afford. These obstacles generate a sense of burden that discourages many SMEs from participating in public tenders.

Therefore, **it is recommended to include standardized executive summaries**, concise in length, clear language and homogeneous structure, which facilitate the understanding of the critical aspects and main characteristics of the award procedure. These summaries could cover, inter alia, the description of the need to be met, the subject matter of the contract and applicable CPV codes, the contracting authority and contact details (including a link to the contractor profile and procurement file), the budget and estimated contract value, the existence of lots and any related limitations, solvency and eligibility requirements, award criteria and submission deadlines, contract duration and any other relevant information. Such summaries would not replace the official procurement documentation (such as tender notices or technical specifications) but would serve as a practical reference tool to help SMEs assess, at an early stage, whether to participate in a given tender.

XX. Maximising awareness of public tenders and calls

To reduce search costs and encourage SMEs to compete, a series of measures are proposed below:

XX.A. Actively and systematically disseminating the calls for proposals

Awareness of calls for tenders is a necessary precondition for considering participation in public procurement. For SMEs, which typically have more limited resources, the continuous monitoring of procurement opportunities can constitute a significant barrier, effectively excluding them from a substantial number of potential tenders. Facilitating and systematising access to procurement information can therefore play an important role in encouraging SME participation.

It is recommended that each contracting authority expand and systematise the dissemination of calls for tenders, using its own channels (such as websites, newsletters, social networks, etc.) while ensuring direct linkage to the corresponding procurement file on the PLACSP.

XX.B. Carrying out accompaniment, training and mentoring initiatives

This calls for the promotion of active support and training initiatives to help SMEs understand and become familiar with public procurement.

These initiatives can take the form of workshops, training sessions or transparent systems for the rapid resolution of queries and should be open to all interested operators.

For example, it is recommended to complement existing resources (such as PLACSP technical support and information guides) with a one-stop shop to accompany SME bidders aimed not only at technical incidents, but also to accompany the complete cycle of participation in a practical way.

A particularly useful feature for SMEs would be access to **personalised guidance**, for example, **through an assistant or "mentor"**, to support preparation **for participation in tenders** (registration and documentation, solvency, ESPD/ROLECE, etc.). Such an assistant or mentor could be available through different means of communication (telephone, chat or similar tools) to assist companies in specific procedures or in gaining a broader understanding of the public procurement framework (opportunities, planning and regulations). Along these lines, countries such as Sweden have implemented assistance tools (telephone, chat consultations and forums) that have proved particularly useful for SMEs.¹⁸¹

Other initiatives could include recurrent workshops and modular training, consultation service with short response times and public repository of frequently asked questions.

Beyond improving the effective dissemination of procurement opportunities, they would increase the confidence of SMEs to participate.¹⁸²

XX.C. Adjusting dissemination channels based on an assessment of their reach

To ensure effective dissemination, it is essential to monitor and analyse outreach activities, allowing for an accurate diagnosis on which the most appropriate measures can be based.

In this line, **it is proposed to additionally define monitoring indicators** (such as the reach of publications, effective referrals to the PLACSP, and participation

¹⁸¹ See footnote 143 of this European Commission Staff Working Document for an example of the initiative undertaken by Sweden in this context:

[https://ec.europa.eu/transparency/documents-register/api/files/SWD\(2025\)332_0/090166e5238b9bf1?rendition=false](https://ec.europa.eu/transparency/documents-register/api/files/SWD(2025)332_0/090166e5238b9bf1?rendition=false)

¹⁸² See the CNMC Guide on the preparation and design of public tenders ([G-2023-01](#)).

in workshops and training sessions) **and conduct regular reviews to adjust the most effective channels and formats.**

8ª. STRENGTHENING BEST PRACTICES IN THE PLANNING, PREPARATION AND DESIGN PHASES OF TENDERS

XXI. Strengthening planning and publication of procurement schedules

The supervision reports of the OIReScon indicate that the publication of procurement schedules still has scope for improvement. Insufficient planning and limited publicity reduce transparency, transferring uncertainty to economic operators and affecting the efficient preparation of tenders, with a particularly adverse impact on SMEs. Accordingly, the following lines of action are recommended:

XXI.A. Integrating planning into the regular management cycle

It is proposed that each contracting authority integrate procurement planning into its annual strategic planning processes, aligning spending needs with public service objectives and available budgetary resources.

This should be undertaken from a strategic perspective, avoiding the mere extrapolation of historical demand. Such integration requires the designation of responsible managers, the establishment of internal timelines, coordination with budgetary and control units and, ultimately, the adoption and effective implementation of a genuine culture of procurement planning.

XXI.B. Publishing comprehensive, understandable, and reusable annual plans

It is recommended that an annual procurement plan be published in the PLACSP and on the institutional website with structured information on the planned contracts (purpose, indicative value, type of procedure, guidance on the deadlines of the call for tenders, processing status and responsible authority). This information could be made available in open and downloadable formats, enabling reuse by third parties for dissemination purposes or value-added services.

In addition, it is recommended to establish proactive communication mechanisms such as alerts, email subscription services or electronic calendars, newsletters or open and transparent information sessions. It is also recommended that the publication of this information should avoid excessive precision on key elements

(such as exact quantities or dates), in order to prevent undue predictability that could increase the risk of collusive behaviour among economic operators.

XXI.C. Linking programming to accountability and evaluation

It is proposed that contracting authorities report annually on the level of compliance with procurement plans (including the percentage of contracts executed as scheduled, identified deviations and their underlying causes), with a view to fostering a culture of evaluation and strengthening accountability.

In this regard, the CNMC has published guidance documents setting out detailed recommendations to promote competition through improved planning. In particular, reference is made to the [CNMC Guide on public procurement planning](#), which provides practical guidance for structuring the planning process and includes recommendations specifically addressed to public contracting authorities.

XXII. Strengthening preparatory actions for tenders

It is advisable for purchasing managers carry out preparatory actions such as preliminary market studies and consultations. These tools are essential for identifying the solutions available on the market and for designing a procedure that effectively fosters competition. In particular, gaining an in-depth understanding of market conditions with special attention to the weight of SMEs and the main competition variables (e.g. price, quality, specialisation, etc.) would allow contracting authorities to opt for a design that promotes their participation.

Equally relevant is awareness of any supervisory activity that oversight bodies may have conducted in the market concerned, especially, though not exclusively, by competition authorities. A review of the analyses carried out by the CNMC (of anti-competitive conduct, business concentrations, sectoral studies, etc.) can provide a lot of very relevant information on the functioning of a given market.

For this reason, **it is recommended to reinforce the preparatory actions for the tenders**. In particular, these instruments should be integrated as a standard practice in tender management. Moreover, in line with recognised best practices, it is advisable to consult the [CNMC Guide on the preparation and design of tenders](#) where detailed recommendations on the matter are made. Specifically, the Guide devotes a dedicated section to preparatory actions, identifying the minimum variables to be analysed, providing practical guidance and highlighting risks to be avoided.

XXIII. Refining procedures and tender design with a pro-competitive orientation

Contracting authorities enjoy discretion to design the procedure and draft the specifications in the most appropriate way to meet their needs, but they must avoid in any case provisions that unjustifiably limit effective competition in the process (article 132 LCSP).

In addition, encouraging the participation of SMEs is an integrating principle of public procurement (Article 1.3 of the LCSP), so it is vital to reduce the barriers that SMEs may face in accessing tenders.

Therefore, **it is recommended to encourage the design of the procedure and the specifications to have a pro-competitive orientation.** To this end, the following is proposed:

1) Divide into lots whenever feasible and sufficiently motivate non-division.

This measure encourages the participation of as many bidders as possible and, in particular, facilitates the entry of SMEs by allowing their technical and economic capacity to be adjusted to the size and specialisation of each lot¹⁸³. Lot division is particularly important in streamlining techniques (such as framework agreements or centralised contracts) to prevent the large volume of these contracts from excluding SMEs. Decisions not to divide into lots must be adequately substantiated in the procurement file and based on a thorough analysis of market conditions, the needs to be met and the general principles governing public procurement.

2) Replace, as far as possible, the minor contract with dynamic procurement systems (DPS).

Properly designed DPS streamline procedures through fully electronic processes, reduce administrative burdens and ensure competition and transparency, as they are open systems that facilitate the entry of new bidders and SMEs. They may be supported by electronic catalogues for commonly used purchases, simplifying contracting processes, reducing non-competitive procurement, encouraging operator participation and enhancing control and monitoring of public expenditure.

¹⁸³ The division of contracts into lots appears to have been one of the main factors contributing to increased SME participation across the European Union as a whole (Hoekman & Taş, Procurement policy and SME participation in public purchasing, 2020), as well as in specific Member States such as France and Italy (Mutangili, 2024; Nemeč, 2024). Similar effects have also been observed in United Kingdom, despite its status outside the EU

Germany has likewise been among the most ambitious EU Member States with regard to the systematic use of lotting strategies. See page 181 of this relevant report published by the OECD

https://www.oecd.org/en/publications/public-procurement-in-germany_1db30826-en/full-report.html

- 3) Give preference to the open procedure.** If well designed, this procedure offers greater guarantees of competition and facilitates the participation of SMEs. In addition, its simplified variant allows for the lightening of administrative burdens and an agile and simple procedure, without compromising publicity, transparency and competition. In the event that this is not possible, the use of alternative and restrictive procedures for competition must be sufficiently justified, seeking not only to prove the legally assessed causes but also their suitability to obtain the expected result in the most efficient way possible.
- 4) Adjust solvency, classification and resource allocation requirements with proportionality,** ensuring requirements that are affordable for SMEs. It is recommended that the access requirements be linked to the subject matter of the contract (or lot, if applicable), proportionate to its value and scope, and conducive to effective competition. In this regard, solvency thresholds should be calibrated to the average annual value of the contract when its duration exceeds one year. Consideration should also be given to alternative and flexible means of demonstrating solvency (e.g. reliance on external capacities or participation through consortia, where compatible with competition law). The need to require prior experience should be carefully assessed, as it may constitute a significant barrier to entry, particularly for SMEs.
- 5) Verifying the absence of non-permitted requirements,** such as obligations relating to a specific legal form, reservations of professional activity lacking legal basis, territorial establishment requirements, or references to specific brands or certifications, unless exceptionally justified.
- 6) Draft technical specifications with a functional and technology neutral approach,** describing the required performance rather than the means of achieving it, using CPV codes consistently and accepting equivalent solutions.
- 7) Design objective and transparent award criteria,** with appropriate weighting and a clear description of their content and evaluation methods. Economic and qualitative criteria should be combined in light of the main competitive variables in the sector, while giving preference to criteria that are quantifiable and assessable through formulas, due to their greater objectivity. Less objective criteria should not unduly displace price or other elements relevant to the subject matter of the contract, nor unjustifiably discriminate against new entrants or SMEs.¹⁸⁴
- 8) Appropriately determine contract duration and avoid prolonged market closures,** justifying the duration according to objective parameters (e.g.

¹⁸⁴ There is empirical evidence demonstrating that greater discretion on the part of the contracting authority is associated with a lower likelihood of contracts being awarded to SMEs (Hoekman & Taş, 2024).

nature, amortization of investments), while ensuring that competition for the market occurs on a regular and recurring basis. Excessively long contracts or aggregation techniques that reduce competitive pressure and limit SME entry (such as overly lengthy framework agreements) should be avoided. Extensions should be expressly limited in duration and used only on an exceptional basis.

- 9) Facilitate subcontracting**, subject to robust transparency and monitoring safeguards, and recognising subcontractor experience for the purposes of demonstrating technical capacity in future tenders, thereby supporting SMEs' progression towards acting as main contractors.

These measures, aligned with [the CNMC Guide on the preparation and design of tenders](#), guide technical discretion towards a design that maximises competition and reduces barriers to access for SMEs. Readers are invited to consult the Guide for further detail and practical recommendations.

9^a. FACILITATING THE SUBMISSION OF BIDS

XXIV. Facilitating bid submission and reducing operational risk in electronic submission

E-tendering has enhanced transparency and efficiency in public procurement; however, there remains scope to further reduce compliance costs and operational risks for SMEs.

Accordingly, **it is recommended to reduce the operational risk and cost of compliance in electronic filing** and, to this end, the following measures are proposed:

- 1) It is recommended to explicitly reinforce the "only once" principle**, so that firms do not have to provide the same information (e.g. identification, capacity, solvency, tax and Social Security status, registrations) for each procedure or to different contracting authorities. This approach is key because it reduces the fixed cost of participating (time, management, collection of certificates), minimising errors and corrections, and removing one of the main barriers discouraging regular SME participation. To ensure its effective implementation, progress is required in interoperability between procurement platforms and administrative registers and databases, enabling contracting authorities to directly verify information already held by public administrations and thereby avoiding repeated documentary requests.
- 2) Enhance the existing "pre-check" mechanisms and introduce a test environment**, enabling a pre-check (certificate, signature, supported versions,

file formats and sizes) and a "sandbox" test environment where the bidder can simulate a complete tender submission without legal effects, and identify errors in advance.

- 3) Reduce documentary burden and reduce bureaucratic complexity so as not to discourage the participation of SMEs¹⁸⁵**, generalizing the use of the DEUC as a self-declaration statement in the presentation phase, with ex post verification of the successful bidder.
- 4) Introduce standardised forms and structured data**, with built-in field validation should be adopted for statements and criteria that can be assessed automatically and, where possible, for other elements, in order to facilitate evaluation, save time and reduce formatting-related errors.
- 5) Move towards common signature standards and formats**. To reduce rejections for formal reasons, unify and publish in the PLACSP a single, consolidated and clear repository ("compatibility matrix") with the technical requirements of the platform, including: signature and certificates supported, accepted document format, size limits per file and for the entire offer, and other operational rules. Progress towards full interoperability between platforms, ensuring that all contractual information is published through the PLACSP, would allow this matrix to function as a single, easily accessible reference, providing ex ante legal certainty for bidders and technical uniformity across procedures.
- 6) Facilitate incident management and service continuity**, making available to the contracting authorities a tool in the PLACSP that includes the automatic registration of technical incidents and the possibility of automatically extending deadlines according to the time of unavailability and notifying bidders.
- 7) Move towards common standards for the 'envelope model'** when the tender requires the submission of the information in different envelopes. A standardised model should be designed and published to serve as a reference for dossier configuration, offering bidders a more homogeneous and predictable submission environment.
- 8) Enable the configuration of alerts and reminders** related to tenders of interest or offers in the process of submission, including a direct link to them.
- 9) Reinforced support** and help service with different levels of attention (chat, telephone, specific FAQs due to validation error, etc.).

¹⁸⁵ This OECD study (pages 26-27) mentions empirical evidence on how lower complexity fosters SMEs' participation

https://www.oecd.org/en/publications/implementing-the-oecd-recommendation-on-public-procurement-in-oecd-and-partner-countries_02a46a58-en.html

10) Facilitate simple, traceable and uniform management of rectifications by contracting authorities (uploading additional or corrected documents within the deadline), including automatic notification and acknowledgement of receipt, to minimise risk and uncertainty about exclusions due to minor formal errors.

Some of these recommendations already partially exist in the PLACSP, such as envelope simulation and validation. Nevertheless, it is advisable to develop them fully and consistently by anticipating validations through enhanced pre-checks, standardising envelope models, clarifying signature and format compatibilities, formalising protocols for incident and correction management, reinforcing alerts and just-in-time support, and advancing interoperability under the “only once” principle. Taken together, these actions would significantly reduce compliance costs and operational risks, while promoting more effective competition and more intensive SME participation on equal terms.

XXV. Adjusting bid submission deadlines to contract complexity

Minimum statutory deadlines do not always guarantee sufficient effective time to prepare quality offers, especially in procedures with greater technical or documentary complexity. This situation disproportionately affects SMEs, which typically have fewer resources to cope with workload peaks, obtain certifications and supporting documentation, coordinate joint ventures or subcontracting arrangements, prepare technically robust proposals and resolve incidents of electronic tendering in short deadlines.

In order to facilitate effective competition, especially for SMEs, **it is recommended that the deadline for submission be adequate and proportionate to the complexity of the procurement procedure**, ensuring that bidders have sufficient time to prepare their bids under competitive conditions.

To this end, it is proposed to design and link to each tender a complexity matrix (low/medium/high) according to objective variables (such as volume and technicality of the documentation, solvency requirements, need for technical visits, prototypes or tests, coordination with third parties) and to set submission deadlines exceeding the legal minimum where complexity is assessed as medium or high.

Along these lines, it is recommended that standard matrices and guidance documents aimed at promoting harmonised criteria and good practices, so that contracting authorities can apply consistent criteria in the determination of deadlines and avoid substantial differences between contracting bodies.

10^a. REDUCING FINANCIAL AND ADMINISTRATIVE BURDENS DURING CONTRACT EXECUTION

XXVI. Ensuring effective compliance with public sector payment deadlines

Although the regulations already set maximum payment periods for the public sector and consequences for non-compliance, in practice delays persist that can generate cash flow tensions and financial costs that disproportionately affect SMEs.

In order to transfer the legal deadlines to daily operations through improvements in management, traceability and contractual design, the following measures are recommended:

XXVI.A. Including a certification and payment schedule in the specifications

The possibility of including a certification and payment schedule in the specifications is recommended. This tool could provide greater predictability of payment, facilitate treasury planning and would allow requesting compliance with payment deadlines based on the specifications themselves. In each contract, the transition from a single legal term to internal deadlines per milestone fulfilled could be additionally assessed.

XXVI.B. Publishing payment indicators

It is recommended that the contracting authorities publish the average payment period and the percentage of payments on time on time, which would promote accountability.

Such transparency could strengthen reputational and management incentives to pay on time, while allowing SMEs to make more informed decisions on competition and financing conditions.

XXVI.C. Facilitating direct payment to subcontractors

It is proposed to include in the specifications the option of paying directly to subcontracted companies when possible, with the aim of avoiding potential bottlenecks in the payment chain. This could improve the liquidity of subcontractor SMEs, in turn stabilising execution and reducing the risk of supply disruption in more complex contracts.

XXVI.D. Expediting the assignment of credit

It is proposed to assess the design of a model and an abbreviated procedure for verifying and recording credit assignments (such as *factoring/confirming*), so that SMEs that wish to do so can access working capital financing and convert the receivables into liquidity, without interfering in public management.

XXVI.E. Implementing automatic and ex officio settlement of late payment interest

Although the regulations recognise the contractor's right to receive late payment interest for late payments (art. 198.4 of the LCSP), in practice, the contractor must make an express claim for the interest to be computed and settled. This can discourage their exercise, especially by SMEs.

It is recommended to assess the automatic and ex officio settlement of the interest accrued by the administration, which could reinforce real compliance with payment deadlines while eliminating unnecessary administrative burdens.

XXVII. Adapting guarantee and other contractual cost requirements to the contract's scope

Requirements relating to guarantees and bonds, as well as other indirect execution costs (e.g. insurance, quality certifications, environmental certifications), may limit SMEs' access to and continued participation in public procurement if they are applied without due regard to business size and proportionality in relation to the subject matter of the contract.

Therefore, it is recommended to adapt the requirements for guarantees and other contractual costs with respect to the object of the contract:

- 1) Facilitate alternative forms of guarantees** by promoting the use of guarantee mechanisms other than bank guarantees, such as surety bonds or price retention, and strengthening their acceptance through standard templates and streamlined verification procedures.
- 2) Promote partial and early release of guarantees**, allowing, when partial performance of the contract is verified, the proportional return of the guarantee, thus reducing the immobilized financial burden.
- 3) Review the proportionality of additional requirements**, encouraging that the requirements of insurance, certifications or specific plans (environmental, safety, etc.) are adjusted to the subject matter of the contract and the size of the undertaking, avoiding disproportionate costs that unduly penalise SMEs.

- 4) **Include more agile and predictable price review clauses**, which allow, when justified by the nature of the contract, price review mechanisms should allow for the reasonable reflection of relevant variations in production costs.
- 5) **Evaluate the financial impact of the tender specifications**, analysing and documenting, before the tender, the overall financial impact of the execution requirements (guarantees, insurance, certifications) to ensure their proportionality in relation to the object and value of the contract.

11^a. PROVIDING SUFFICIENT RESOURCES AND CAPACITIES TO CONTRACTING AUTHORITIES

XXVIII. Strengthening capacities and professionalization of contracting authorities

A significant share of the limitations detected in terms of planning, standardisation of specifications, definition of requirements that may be disproportionate or criteria that are difficult to assess, irregular payment terms or limited use of pro-competitive tools may be closely linked to organisational factors, such as high workloads, non-uniform procedures and scope for improvement in terms of specialisation in public procurement and procedural efficiency. This situation generates transaction costs for bidders, operational risks in tender management and indirect barriers that disproportionately affect SMEs.

In this regard, **it is recommended to strengthen the capacities and professionalisation of contracting bodies**. Specifically, the following measures are proposed:

XXVIII.A. *Enhancing the professionalization of contracting authorities*

The quality of public procurement design and implementation largely depends on procurement teams having sufficient and up-to-date technical, legal and managerial capacities. Enhancing the level of specialisation within contracting authorities improves the technical quality and predictability of procedures and contributes to strengthening effective competition.

Therefore, **it is recommended to strengthen the professionalization of contracting authorities**. In particular, it is proposed to plan the workload and size the teams according to the volume and complexity of procurement files, adapting not only staffing levels but also skills and training. In this sense, it would be desirable to promote the development of periodic cycles of practical training, including guided review of real cases, simulations and practical design and evaluation exercises. These training activities should also incorporate a

competition-focused perspective, with the aim of steering contracting authorities towards more competitive and pro-competitive solutions. Reference may be made to examples from countries such as Austria and Netherlands, where training programs for public officials place particular emphasis on competition issues and on fostering SME participation in public procurement¹⁸⁶. Overall, such measures contribute to greater procurement efficiency and to the prevention and detection of anti-competitive practices, for which the advisory and training activities of the CNMC can also be used.

XXVIII.B. Exploring other organisational and functional improvements in contracting authorities

It is proposed to explore ways to provide contracting authorities with tools that increase efficiency, transparency and competition in public tenders, such as electronic procurement solutions and new technologies (e.g. through digital tools, or artificial intelligence¹⁸⁷).

In addition, **it is recommended to encourage the creation of communities of practice**, for example through the design and publication of templates (e.g. model clauses or complexity matrices) and guides. It would be desirable to facilitate the exchange of experiences and knowledge between different public procurement bodies, in particular at the local level, not only to share good practices, but also to explain possible forms of joint procurement, create economies of scale and share resources.

It is further proposed to consider mechanisms through which public employees can more fully internalise the objectives of efficiency, competition and quality of public spending, without prejudice to compliance with procedural requirements. This could be achieved by providing enhanced professional or financial

¹⁸⁶ The OECD refers to the training program of the Austrian Public Procurement Agency, which includes a module on promoting SME participation in public procurement. See Box 7.2 of this OECD document:

https://www.oecd.org/en/publications/professionalising-the-public-procurement-workforce_e2eda150-en.html

See footnote 143 of this European Commission report on the evaluation of the Public Procurement Directives for information on the initiative of the Netherlands in this regard:

[https://ec.europa.eu/transparency/documents-register/api/files/SWD\(2025\)332_0/090166e5238b9bf1?rendition=false](https://ec.europa.eu/transparency/documents-register/api/files/SWD(2025)332_0/090166e5238b9bf1?rendition=false)

¹⁸⁷ By way of example, Germany has developed digital and automated tools to assist contracting authorities in the division of contracts into lots. Reference is made, in this regard, to Box 5.9 of this relevant report published by the OECD:

https://www.oecd.org/en/publications/public-procurement-in-germany_1db30826-en/full-report.html

recognition to those staff members or units that perform particularly well against objectively measurable indicators of efficiency, competition and expenditure quality, thereby creating appropriate incentives aligned with procurement policy objectives.

12^a. SEEKING ADVICE FROM THE CNMC

XXIX. Leveraging CNMC's resources and advice on regulation, public procurement and public aid

Within the scope of its mandate to promote competition, the CNMC may act, either at the request of the General Government or ex officio, to foster effective competition in markets through studies, reports and guidance documents.

In this sense, the CNMC performs advisory functions in the exercise of its consultative role (Article 5.2 of Law 3/2013 of 4 June, establishing the CNMC). In this capacity, it may be consulted by the Legislative Chambers, the Government, ministerial departments, Autonomous Communities, local authorities, professional associations, chambers of commerce, business organisations, as well as consumer and user organisations. In addition, the CNMC may initiate, on its own initiative, studies and analytical documents aimed at safeguarding, preserving and promoting the proper functioning, transparency and existence of effective competition across all markets and productive sectors, for the benefit of consumers and users.

Accordingly, it is appropriate for the CNMC to be consulted in relation to any measure liable to affect competition in the markets, whether in the form of regulatory initiatives, State aid schemes, public procurement procedures or other types of public intervention.¹⁸⁸

Without prejudice to consulting the CNMC for specific actions, reference may also be made to the CNMC's guides aimed at promoting competition and efficient economic regulation. In particular, the "Recommendations to public authorities to promote competition as a driver of economic recovery", three decalogues to ensure efficient intervention in the areas of regulation, public aid and public

¹⁸⁸ See the website of the CNMC for illustrative examples of its advisory and consultative activities in this area

<https://www.cnmc.es/impulsamos-la-competencia/mejoramos-la-regulacion>.

<https://www.cnmc.es/impulsamos-la-competencia/ayudas-publicas/otros-informes-sobre-ayudas-publicas>.

<https://www.cnmc.es/impulsamos-la-competencia/contratacion-publica>.

procurement¹⁸⁹, stand out. In the field of public procurement, the CNMC has been particularly active through the publication of guidance documents¹⁹⁰ and the provision of training for public officials¹⁹¹.

Therefore, it is recommended to:

- Request CNMC advice on regulatory initiatives, public procurement procedures, State aid measures or any other actions likely to have an impact on competition.
- Consult the material published by the CNMC, in particular its guidance documents aimed at ensuring efficient public intervention (it is also possible to request training from the CNMC, for example, in public procurement and competition).

¹⁸⁹ <https://www.cnmc.es/guia-recomendaciones-poderes-publicos>.

¹⁹⁰ <https://www.cnmc.es/impulsamos-la-competencia/contratacion-publica/guias-sobre-contratacion-publica>.

¹⁹¹ See

<https://www.cnmc.es/impulsamos-la-competencia/contratacion-publica/programa-de-capacitacion-de-empleados-publicos>.

ANNEX I. RECOMMENDATIONS ADDRESSED TO CONTRACTING AUTHORITIES TO PROMOTE THE PARTICIPATION OF SMES IN PUBLIC PROCUREMENT

Set out below is a series of recommendations addressed to contracting authorities, to create a more accessible and competitive environment for SMEs in the field of public procurement. These recommendations are developed in the [CNMC Guide on the preparation and design of public tenders](#).

Measures to be implemented by contracting authorities to encourage the participation of SMEs

- ✓ Study the market, paying special attention to the presence and weight of SMEs in the sector and the main competition variables (price, quality, specialisation, innovation, etc.). This study must determine, in the event of low participation of SMEs in public tenders, the reasons for it and the possibility of taking measures to correct it.
- ✓ Maximise the dissemination of calls for tenders beyond mandatory channels and facilitate access to information on public procurement processes (e.g. complementary publication on social networks, sectoral magazines).
- ✓ Publish annual procurement plans (including those not subject to harmonised regulation) and centralise all information on procurement in specific sections of the contracting entity's website (e.g. portals with information on calls, requirements, deadlines, resolution of queries, etc.). All this without prejudice to the information obligations provided for in the public procurement platforms.
- ✓ Encourage and assist SMEs to understand and become familiar with public procurement processes and increase their confidence to participate (e.g. workshops, courses, open systems for the rapid resolution of queries and information). These initiatives must be open to all interested operators, ensuring that situations do not arise that could favour the risk of collusion.
- ✓ Simplify the requirements, procedures and documentation required in the specifications to reduce administrative and bureaucratic barriers. Eliminate unnecessary or disproportionate requirements, ensuring that processes are simple and accessible. Avoid unnecessary complexity without losing technical or quality rigor. To offer certainty about the need demanded and what is required. Accept quality certificates or other means of proof with an effect equivalent to the required standard.
- ✓ Opt for open and accessible award procedures over non-competitive procurement processes, such as minor procurement. Assess the possibility of preferentially resorting to the simplified variants of the open procedure. If it is a question of centralized purchasing procedures, prioritize dynamic procurement systems.

BIBLIOGRAPHY

- Almunia, M., & López-Rodríguez, D. (2014). *Heterogeneous responses to effective tax enforcement: Evidence from Spanish firms*. Documento de Trabajo N° 1419., Banco de España.
- Álvarez Suárez, M. (2019). El impacto económico de la better regulation. Un análisis para España. *Gestión y Análisis de Políticas Públicas*(22), 72–85.
- Añón Higón, M., & Bonvin, D. (2024). Digitalization and trade participation of SMEs. *Small Business Economics*, 62(3), 857–877.
- Autoridad Independiente de Responsabilidad Fiscal (AIReF). (2023). *Evaluación del gasto público: Instrumentos financieros del sector público para el apoyo a sectores productivos de la economía española*. AIReF.
- Banco Europeo de Inversiones (BEI). (2022). *Digitalización de las pymes españolas*. BEI.
- Banco Mundial. (2025). *Study on Competition in the European Union’s Public Procurement Markets (2018-2023)*. Recuperado de: <http://documents.worldbank.org/curated/en/099111425044525338>.
- Comisión Europea. (2025). *Digital Decade 2025 Country Report – Spain*. Comisión Europea.
- Comisión Europea, Dirección General de Mercado Interior, Industria, Emprendimiento y Pymes . (2024). *Study on Benefits of the Once-Only Technical System (OOTS) for SMEs*. Bruselas: Comisión Europea.
- Confederación Española de la Pequeña y Mediana Empresa (CEPYME). (2025). *Crecimiento empresarial: Situación de las pymes en España comparada con la de otros países europeos. Alternativas para facilitar el crecimiento de las pymes españolas*. CEPYME.
- Confederación Española de la Pequeña y Mediana Empresa (CEPYME). (2025). *Observatorio de morosidad. Cuarto trimestre 2024*. CEPYME.
- Consejo General de Economistas de España & FAEDPYME. (2024). *Informe Pyme 2024: Gestión del talento*. Consejo General de Economistas de España.
- European Commission. (2025). *Evaluation of Directive 2014/23/EU on Concessions, Directive 2014/24/EU on Public Procurement and Directive 2014/25/EU on Utilities*. (SWD (2025) 333 final). Recuperado de [https://ec.europa.eu/transparency/documents-register/detail?ref=SWD\(2025\)332&lang=en](https://ec.europa.eu/transparency/documents-register/detail?ref=SWD(2025)332&lang=en).

- Fernández de Guevara Radoselovics, J., & Mínguez Bosque, C. (2025). *La productividad de la economía española desde una perspectiva microeconómica*. Fundación BBVA.
- González Bustos, M. (2024). La interoperabilidad como instrumento estratégico de la administración electrónica. *Revista Digital CEMCI*(61). Retrieved from <https://revista.cemci.org/numero-61/pdf/tribuna-2-la-interoperabilidad-como-instrumento-estrategico-de-la-administracion-electronica.pdf>
- González-Varona, J., López Paredes, A., Poza, D., & Acebes, F. (2021). Building and development of an organizational competence for digital transformation in SMEs. *Journal of Industrial Engineering and Management*, 14(1), 15-24.
- Gottschalk, P., & Solli-Sæther, H. (2009). Interoperability in E-Government: Stages of Growth. In *Integrating E-Business Models for Government Solutions: Citizen-Centric Service Oriented Methodologies and Processes* (pp. 50–66). IGI Global Scientific Publishing.
- Herce, J., & Hernández, P. (2014). *Morosidad y financiación empresarial: el papel de la deuda comercial*. Cuadernos de Información Económica. FUNCAS.
- Hoekman, B., & Taş, B. K. (2020). Procurement policy and SME participation in public purchasing. *Small Business Economics*, 383-402. doi:<https://doi.org/10.1007/s11187-020-00414-z>
- Hoekman, B., & Taş, B. K. (2024). Discretion and public procurement outcomes in Europe. *European Journal of Political Economy*, 82, 102525. doi:<https://doi.org/10.1016/j.ejpoleco.2024.102525>
- Katsinis, A., Lagüera-González, J., Di Bella, L., Odenthal, L., Hell, M., & Lozar, B. (2024). *Annual report on European SMEs 2023/2024*. Publications Office of the European Union. Retrieved from <https://doi.org/10.2826/355464>
- Klimsa, D., & Ullmann, R. (2023). Threshold-dependent tax enforcement and the size distribution of firms: Evidence from Germany. *International Tax and Public Finance*, 30, 1002–1035.
- Lefebvre, V. (2023). Trade credit, payment duration, and SMEs' growth in the European Union. *International Entrepreneurship and Management Journal*.
- Maza, L. (2024). *Una reflexión sobre los umbrales cuantitativos en los modelos de depósito de las cuentas anuales y su posible impacto en el tamaño empresarial en España*. Documento Ocasional N.º 2419, Banco de España.

- Mínguez, R. (2024, 10 23). *Hacia la mejora en el marco regulatorio de las pymes: la oportunidad del Laboratorio Europeo de Competitividad y del Régimen 20*. Retrieved from Asociación Española de Ciencia Regional (AEER): <https://aegr.org/es/hacia-la-mejora-en-el-marco-regulatorio-de-las-pymes-la-oportunidad-del-laboratorio-europeo-de-competitividad-y-del-regimen-20/>
- Ministerio de Industria, Comercio y Turismo. (2024). *Informe anual CIRCE 2024*. Centro de Información y Red de Creación de Empresas (CIRCE).
- Mora-Sanguinetti, J., & Pérez-Valls, R. (2020). *¿Cómo afecta la complejidad de la regulación a la demografía empresarial? Evidencia para España*. Documento de Trabajo N.º 2002, Banco de España.
- Mora-Sanguinetti, J., Quintana, J., Soler, I., & Spruk, R. (2023). *Sector-level economic effects of regulatory complexity: Evidence from Spain*. Documento de Trabajo N.º 2312, Banco de España.
- Muñoz-Cañavate, A., & Hípola, P. (2011). Electronic administration in Spain: From its beginnings to the present. *Government Information Quarterly*, 28(1), 74–90.
- Mutangili, S. K. (2024). SME Participation Barriers in European Union Public Procurement Markets. *Journal of Procurement & Supply Chain*, 8(3), 70-78. doi:<https://doi.org/10.53819/81018102t2449>
- Nemec, P. (2024). Contesting the public works domain: examining the factors affecting presence and success of SMES in public procurement. *Empirical Economics*, 67, 2135-2173. doi:<https://doi.org/10.1007/s00181-024-02615-x>
- Observatorio Nacional de Tecnología y Sociedad (ONTSI). (2024). *Informe de digitalización de las pymes: Análisis comparado 2024*. Red.es – Ministerio para la Transformación Digital. Retrieved from <https://www.ontsi.es/es/publicaciones/Informe-de-digitalizacion-de-las-pymes-Un-analisis-comparado>
- OCDE. (2021). *SMEs going digital: Policy challenges and recommendations*. OECD Publishing. Retrieved from <https://doi.org/10.1787/c91088a4-en>
- OECD. (2017). *Entrepreneurship at a Glance 2017*. OECD Publishing. Retrieved from https://www.oecd.org/en/publications/entrepreneurship-at-a-glance-2017_entrepreneur_aag-2017-en.html
- Oficina Independiente de Regulación y Supervisión de la Contratación (OIReScon). (2024). *Informe anual de supervisión de la contratación pública 2024*.
- Pedraza Córdoba, J. (2023). Interoperabilidad e intercambio de datos entre administraciones públicas. *Revista General de Derecho*

- Administrativo*(62). Retrieved from <https://laadministracionaldia.inap.es/noticia.asp?id=1513620>
- Petrin, T., & Radicic, D. (2023). Instrument policy mix and firm size: Is there complementarity between R&D subsidies and R&D tax credits? *The Journal of Technology Transfer*, 48(1), 181–215. Retrieved from <https://doi.org/10.1007/s10961-021-09908-8>
- PIMEC – Observatori de la Pime de Catalunya. (2024). *Burocràcia i competitivitat empresarial: diagnòstic i propostes*. Barcelona: PIMEC.
- Romero, I., & Mammadov, H. (2024). Digital Transformation of Small and Medium-Sized Enterprises as an Innovation Process: A Holistic Study of its Determinants. *Journal of the Knowledge Economy*, 16(2), 8496–8523.
- Tewari, P., Skilling, D., Kumar, P., & Wu, Z. (2013). *Competitive small and medium enterprises: A diagnostic to help design smart SME policy*. World Bank Group. Retrieved from <https://documents1.worldbank.org/curated/en/534521468331785470/pdf/825160WP0P148100Box379861B00PUBLIC0.pdf>
- Tomasi, C., Pieri, F., & De Cecco, V. (2023). Red tape and industry dynamics: A cross-country analysis. *Journal of Industrial and Business Economics*, 50(2), 283–320. Retrieved from <https://doi.org/10.1007/s40812-023-00266-0>
- Tribunal de Cuentas Europeo. (2023). *Informe especial 28/2023: Contratación pública en la UE - La competencia en los contratos de obras, bienes o servicios ha disminuido en los diez años anteriores a 2021*. Recuperado de https://www.eca.europa.eu/ECAPublications/SR-2023-28/SR-2023-28_ES.pdf.