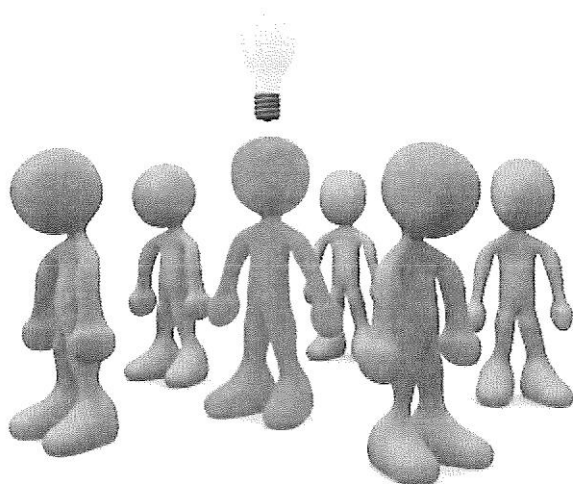


INSTRUCTIONS FOR IMPLEMENTING THE 'SME TEST'



Assessment of impacts on the economy (SME test)

Introduction

The Ministry of Economic Development and Technology (MEDT) prepared a form for the assessment of impacts of regulations on the economy called the SME test. The regulation-making authority must complete the SME test for each proposal of a regulation that impacts the establishment, operations and functioning of micro, small and medium-sized enterprises (SME) as well as large companies. By assessing a proposal for a regulation, the regulation-making authority makes a **preliminary assessment** of the impacts of the regulation on the economy, especially from the aspect of the results of the impacts on SMEs.

The SME test is one of the measures that support the development of small and medium-sized companies (SMEs) and entrepreneurship which are integrated in the framework of implementing the Act for Small Enterprises for Europe, the purpose of which is to improve the general approach of policy to entrepreneurship, the integration of the principle 'Think Small First' in policy making and encouraging the growth of SMEs by resolving problems that prevent their development and the development of the business environment. The third principle of the Act encourages Member States and the EU as a whole to prepare regulations in accordance with the principle 'Think Small First' by considering the characteristics of SMEs in the preparation of legislation and simplification of regulatory environment.

Member States were asked to ensure the realisation of policy results by simultaneously reducing the costs and burdens for companies through a complete programme for reducing administrative burdens and to specially assess the impact of future impacts of regulations on the economy (SME test). The Ministry of Economic Development and Technology has set the SME test even more ambitiously, i.e. as a test to assess the impacts of regulations on the whole economy. In this way, Slovenia has actually taken the SME test as a complete assessment of impacts on the economy. The SME test is a part of a comprehensive assessment of regulations which will include the impact on the economy in the future, as well as the impact on society and the environment.

The SME test enables the preparation of an analysis of costs and benefits which also includes an assessment of possible alternative legislative solutions for SMEs, as well as exceptions and complete or partial exemptions for SMEs. The test helps the regulation-making authority in the formation of proposals of regulations as well as policies or responses to the method that will contribute to realising the goals of regulation-making authorities without unjustifiably limiting or in any way reducing the opportunities of SMEs in the market or limiting the development of the business environment.

The assessment process starts in the phase of drafting a regulation proposal, i.e. prior to discussing the regulation with the public, and it ends when the adopted regulation is published.

It is important that the SME test **does not restrict the passage of legislation**, but guides regulation-making authorities already in the phase of preparing regulations, so that they can verify how the measures contained in the regulations affect the SMEs.

The **goals of an SME test** are not merely to complete a form and establish the potential impacts of regulations on the economy, but also presents proposals and instructions with regard to the realisation of the principle of preparing better regulations. The SME test is intended for regulation-making authorities to study alternative statutory solutions in processing companies, i.e. by emphasising the SMEs through simplified reviews, less frequent reporting, exceptions to SMEs etc. More adaptable approaches to the consideration of SMEs can help regulation-making authorities ensure better results for regulations and policies, and reduce the costs for SMEs, thus creating a more competitive business environment and reduce the burdens on the economy, especially SMEs.

Important phases of the SME test

The most important phases of the process are as follows:

- In the *Preliminary Phase* the test provides an aid to regulation-making authorities so that already in the process of preparing the regulation they are able to assess whether the contents of the regulation will have an impact on the economy and business environment in Slovenia, especially if such impacts will be felt in SMEs.
- In *Phase 1* the regulation-making authority assesses the obligations which the regulation requires for SMEs and large companies. This is followed by the next SME test phase, which enables the regulation-making authority to assess the scope and dimensions of the impacts which the regulation would have on SMEs.
- In *Phase 2* the SME test serves for a precise assessment and specific determination of the impacts that the regulation would have on SMEs, which is also the main substance of this test. The impacts can be direct, e. g. lump sum payment, which would burden SMEs more than large companies, or indirect, i.e. when companies have to adjust to new procedures, buy new equipment etc. It is required that the regulation-making authority perform the test prior to drafting the final proposal of a regulation and not as late as before its submission to the process of adjustments made between line ministries, since it is anticipated that the regulation-making authority simultaneously performs all activities for reducing administrative burdens.
- In the final *Phase 3*, after obtaining a complete image of the positive and negative impacts of a regulation on SMEs and after discussion with the public, the regulation-making authority must deliberate on, and prepare proposals for, alternative approaches (e. g. opportunities or exceptions) which are appropriate for SMEs, as well as proposals for complete or partial exemption of SMEs.

Cooperation between the MEDT and other line ministries:

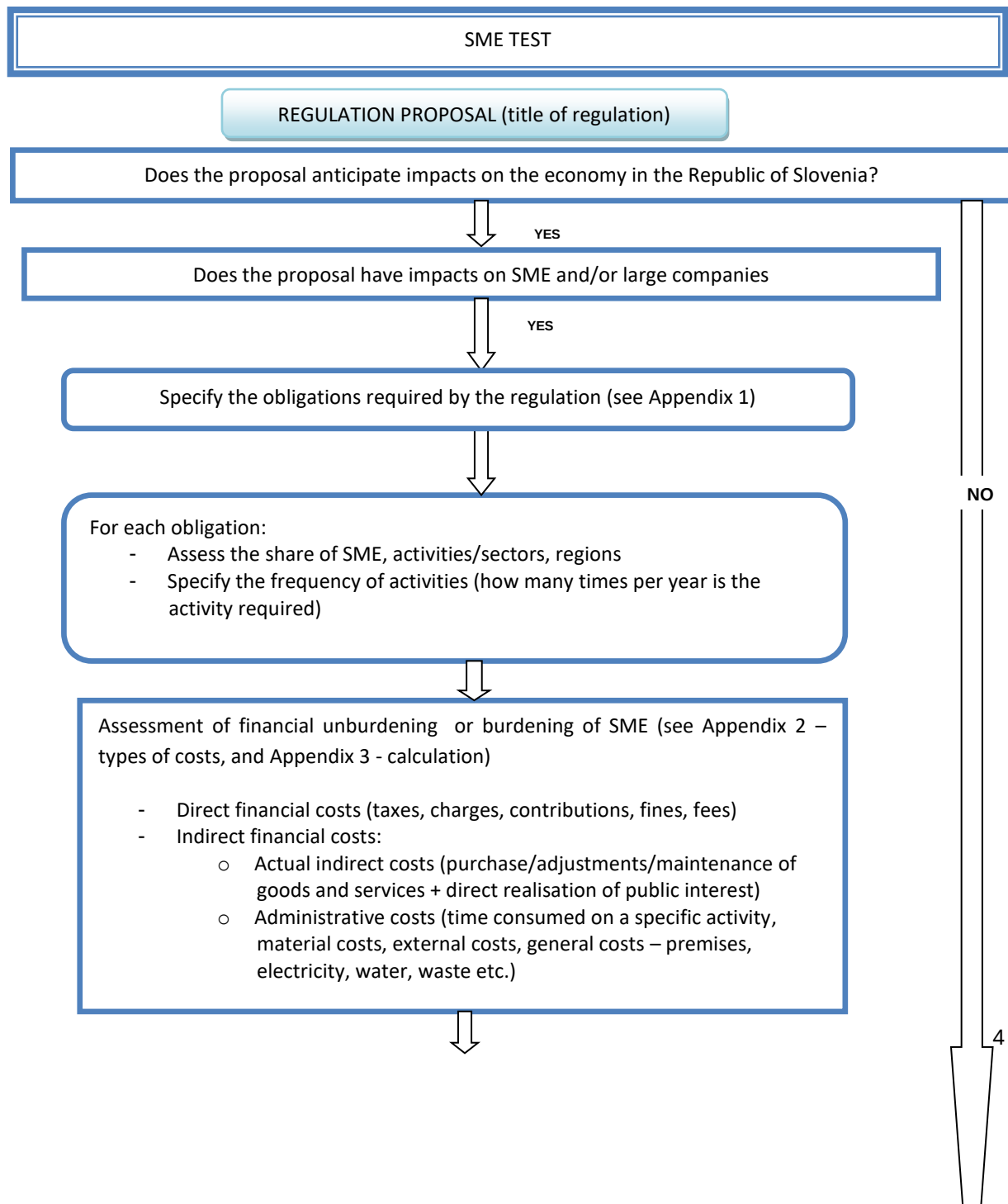
Consultations with representatives of the economy play an important part in the SME test. Consultations with SMEs and their representatives (chambers, associations) is not a simple task, since companies do not have the time to respond to calls to discuss specific regulations. Therefore, if necessary, the Ministry of Economic

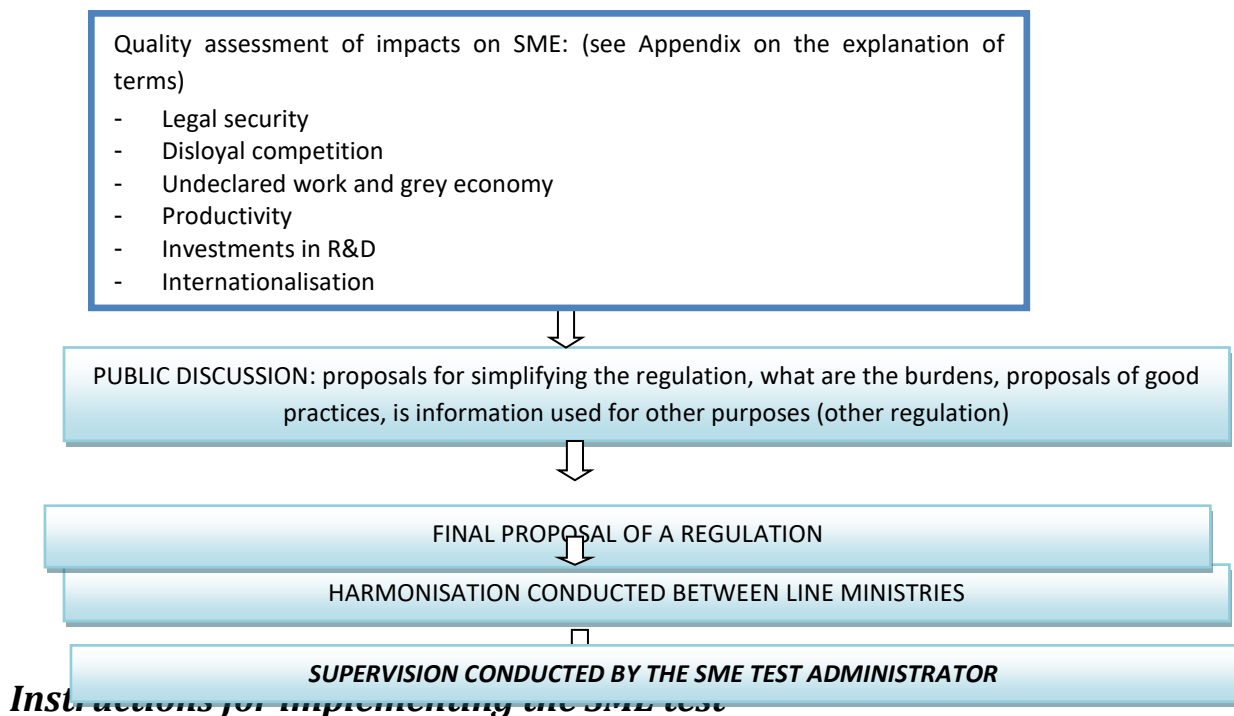
Development and Technology will assist regulation-making authorities in consultations with representatives of SMEs.

The MEDT will establish and maintain a database on representatives of the economy, especially SMEs that show an interest in cooperating with regulation-making authorities in the phases of preparation, public discussion etc. Public discussion and cooperation with interested parties can be held with representatives of the economy and companies from various sectors, regions and of different sizes. We suggest that regulation-making authorities send companies short questionnaires simultaneously with information on the preparation of a regulation.

Public discussion mostly focuses on the assessment of the correct implementation of the SME test by the regulation-making authority and not only on the content-related concept; thus the discussion shows that regulation-making authorities are aware of the impacts that regulations can have on the target group of SMEs and on the concept of regulations that consider the target group of SMEs.

The procedure for the preparation of regulations is presented in the following figure.





1. The SME test is implemented by the regulation-making authorities during the period of drafting a regulation. It is important that the SME test is prepared during the adjustments to the regulation made between line ministries.
2. The regulation-making authorities send complete SME tests to the MEDT, which is the administrator of the SME test. The SME test is sent by the regulation-making authorities to gp.mgrt@gov.si; the receiver is the MEDT – DPKT/SKIP. Competent experts review the SME test at the MEDT and assess whether the test is appropriately prepared.
3. Terms used in the SME test are defined in Appendix 1 to these instructions.
4. Completing the form:

Title of the regulation – state the full title of the regulation and its abbreviation (example: Companies Act, ZGD-1)

Regulation category – mark the basis for the preparation of a regulation. Only one answer is possible.

0.0 Determine whether the proposal for a regulation has any impacts (direct or indirect) on the economy. If it has no impacts, the SME test does not have to be fulfilled.

1.0 Phase I. Determination of obligations

Determine the obligations that are introduced/modified/abolished with the regulations.

Each obligation has to be briefly described. (Examples: obligation 1 is the duty to make a monthly calculation of VAT, obligation 2 is to obtain permits, licences, registrations, certificates, send reports, information to third parties, statistical reports).

2.0 Phase II: Value assessment of impacts on business entities per each obligation

Items 2.1 to 2.5 must be completed for each obligation as described under 1.1.

2.1 State the same determination of obligations as under 1.1.

2.2 State activities/sectors (see item 4 of Appendix 5 of these instructions).

- If the proposal for a regulation or the obligation arising from such proposal impacts all sectors, then the text 'All sectors' must be inserted in each field.
- If the proposal impacts only individual sectors, these have to be stated separately.
- If individual sectors cannot be excluded, the text 'Individual sectors cannot be excluded' must be inserted in each field.

Calculate the share of all business entities by dividing the number of business entities in a certain activity by all business entities (stated in the table of the SME test under 2.1).

2.3 State whether the obligation contains exceptions for certain business entities. Exceptions can be determined for business entities with regard to valid legal form, size etc.

2.4 In this section, present the assessment of direct financial costs.

- Describe the impact on direct financial costs (example: the regulation abolishes/enforces new taxes, duties, the regulation simplifies/aggravates accessibility to financing sources etc.).
- Mark the appropriate answer according to anticipated impacts (positive, neutral or negative).
- Enter the calculation for each type/size of business entity:

- (1) Population – the number of business entities (see Appendix 5, item).
- (2) Frequency – the frequency of fulfilling the obligations on an annual level (example: the frequency of fulfilling obligations annually (every month (e.g. calculation of contributions for salaries) - since there are 12 months in a year, the frequency is 12); if the frequency of fulfilling the obligations is once per year, the frequency is 1; if per two years, the frequency is 0.5). In the case of a unique event, upon changes or when a particular activity, event or administrative activity comes into being, the frequency is always 1.
- (3) The amount of duty that is directly evident from the regulation – the duty can be stated in the SME test as an absolute value (e.g. the amount of duty or tax on paid salaries). If the regulation states a duty in a relative sense, an absolute amount has to be used for the calculation of direct financial costs (example: tax on profit increases by 5%, the basis for tax assessment is the profit of business entities where the amount of increasing the duty is calculated).
- (4) On this basis, you can calculate the total direct financial costs (DFC) (calculation example in Appendix 3):

$$\text{DFC} = \text{quantity} \times \text{duty}$$

$$\text{Quantity} = \text{population} \times \text{frequency}$$

- Explanation: state the type and assess the amount of positive/negative direct financial costs. Make a declaration of their impacts.

2.5 In this section, present the assessment of indirect financial costs.

- Describe the impact on indirect financial costs.
- Mark the appropriate answer with regard to anticipated impacts (positive, neutral or negative).
- Calculate the actual indirect costs (AIC):
 - (1) Population – state the number of business entities (as under 2.2 - column: number of business entities),

- (2) Assess the AIC per business entity – sum up the costs of goods (material and investment costs), costs of services and costs of maintenance (example: purchase of certified cash register and costs of maintaining certified cash register),
- Calculate the assessed AIC --- (3) = (1) * (2)
- Actual indirect costs are always calculated on an annual level.

AIC = quantity x price
 Quantity = population x frequency
 Price = costs of goods (material + investment costs) + costs of services + costs of maintenance

If you do not have specific information, leave the field blank.

- Calculate the assessment of administrative indirect costs (ADIC):
 - (1) Price – is calculated as the product of hourly rate and estimated time consumed, plus the assessment of expenses and assessment of possible external costs
 - (2) State the assessment of time consumed for fulfilling the obligation in hours (see Appendix 6 regarding the assessed values for each type of administrative activity)
 - (3) Quantity – is calculated as the product of population and frequency.
 - (4) Hourly rate – uniform tariffs per hour are determined for measuring administrative costs; the average gross salary per employee in the RS/number of hours – EUR 10.18 for the year 2011
 - (5) State the assessment of expenses – material costs related to a particular activity (e.g. copying, postage, forms, envelopes, software etc.)
 - (6) State the assessment of any external costs (e.g. costs of consultants, costs of obtaining certificate through an external contractor, etc.)
 - (7) Population – state the number of business entities (as under 2.2 - column: number of business entities)
 - (8) Frequency – the frequency of fulfilling the obligations annually
 - (9) Calculate the assessed ADIC --- (9) = (1) * (3)

ADIC = frequency x population x ((assessment of time consumed in hours x hourly rate) + expenses + external costs)
 Hourly rate = average gross salary per employee in the Republic of Slovenia

- State indirect financial costs which are the sum of actual indirect and administrative indirect costs.
- Explanation: state which positive and/or negative indirect financial costs are emphasised. Assess the amount of positive and negative indirect costs. Make a statement about their impacts.

It is important to consider that the calculation of direct and indirect costs must be performed for each obligation separately and presented under item 4.0 of the SME test as cumulative results.

3.0 The assessment of general positive and negative impacts on business entities and cumulative assessment of all obligations

- Items 3.1 to 3.9 must be fulfilled for all obligations together. Mark the appropriate planned impact: positive, negative or no planned impacts; explain your statement.
- Terms used under individual questions are explained in Appendix 1 (e.g. legal safety, disloyal competition etc.).

4.0 Cumulative assessment of financial impacts of all obligations of business entities

- State how the proposal for a regulation would impact the entire financial costs: positively (existing financial costs are reduced and no new ones arise), neutrally (existing financial costs do not increase and no new ones arise), or negatively (existing financial costs increase or new ones arise). Mark one option.

- For each obligation as stated under item 1.1., state (1) total direct financial costs as stated under 2.4 (final column), (2) total indirect financial costs as stated under 2.5 (second to last line) and (3) total financial costs which are the sum of direct and indirect financial costs.
- Explanation: state which positive and/or negative total financial costs are emphasised. Assess the amount of positive and negative indirect costs. Make a statement about their impacts. Details of the methods for reducing legislative costs are presented in the Common Methodology for Measuring Costs Imposed on Entities by Legislation (CMMC), section 4.

Appendix 1: Explanation of terms

Term	Explanation
Regulation	The term regulation means laws and executive acts (regulations, rules, decrees).
Business entity	AJPES categorises business entities into six groups with regards to valid legal form: 1. Corporate entities and cooperative societies 2. Sole traders 3. Legal entities governed by public law 4. Non-profit organisations – legal entities governed by private law 5. Associations 6. Other natural entities performing registered or regulated activities The SME test states six categories of business entities by size: micro companies (with or without employees), small companies, medium-sized companies, SMEs and large companies. The statistics of the Statistical Office of the Republic of Slovenia along with SMEs and large companies also include cooperative societies, associations and institutes.
Obligation	Obligations must be fulfilled by the company to meet the requirements determined by legislation.
Population	Population is the number of companies which must perform a particular obligation or administrative activity (e.g. VAT account = the population is the number of VAT taxpayers).
Frequency	Frequency means how many times per year the activity is required (frequency 1 = once per year (e.g. annual report), frequency 4 = quarterly (e.g. quarterly report), frequency 12 = monthly, frequency 0.5 = once every two years). In the case of a one-time event, the frequency is always 1.
Financial costs	Direct and indirect financial costs result from the fulfilment of requirements imposed on particular entities by legislation and are called obligations.
Direct financial costs	Direct financial costs are directly evident from the regulation. They result from a specific and direct obligation to transfer of money to the government or a competent authority (summarised from CMMC, http://www.minus25.gov.si/enotna-metodologija/ , 2012). The calculation is presented in Appendix 3. Example: taxes, contributions, duties, levies and penalties.
Indirect financial costs	Indirect financial costs (compliance costs) are the result of an indirect obligation stipulated by the legislation; they are divided into actual indirect and administrative costs. Actual indirect costs result from obligations concerning the purchase/adaptation/maintenance of goods and services, and serve the direct realisation of the public interest. Actual indirect costs arise when the regulation prescribes the mandatory purchase of certain goods in order to meet the conditions of the prescribed standards specified by regulations (e.g. particular equipment, particular room, instrument etc.). They can be single (when the purchase is performed), or along with this single expense, the costs of maintaining such goods arise and remain permanent. Administrative costs are the costs of administrative activities which a company, individual or other organisation has to carry out in order to ensure the

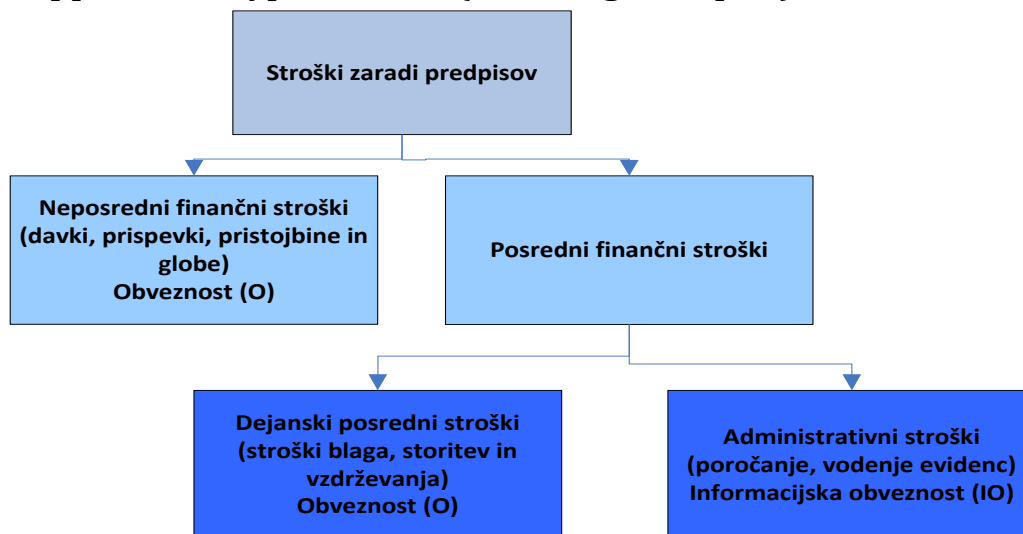
	necessary information (IO) required by legislation or other regulations (summarised from the CMMC, 2009). Administrative costs result from information obligations (IO) (keeping records, reporting, sending, copying, distributing, fulfilling forms) concerning the submission of information to state authorities or third parties. Information obligations may not be appealed (this is a non-mandatory obligation); questionnaires (if the regulation does not stipulate that a company must complete a questionnaire).
Legal security	Legal security is the right of anyone to request security from state authorities if they believe that their rights have been violated. Security is requested by filing a complaint, extraordinary legal security or a legal action at the competent state authority. At that moment, the legal security procedure is initiated (e.g. appeal procedure at the administrative authority or trial in a criminal or civil matter). The legal security procedure is concluded with a final decision (e.g. judgement), with which the state acknowledges or does not acknowledge legal security to the applicant. If the security is acknowledged, the state also executes legal security.
Disloyal competition	Disloyal competition is an act of a company in the market which is contrary to good business practise and which causes or could cause damage to other market players (Article 13 of the Competition Protection Act). Competition therefore exists in the case of disloyal competition; however, competitors act contrary to good business practise.
Undeclared work and grey economy	The grey economy includes all economic activities which contribute to the joint economic creation of value in the Republic of Slovenia, but which are not included in social accounting and or in the assessment of GDP. Undeclared work is a segment of the grey economy and one of the forms of informal labour. According to the definition of the EC, undeclared work is any paid activity which is legal by nature, but is not registered with the state authorities and is therefore untaxed. In accordance with the Prevention of Undeclared Work and Employment Act in Slovenia, undeclared work is explained as work that is not entered in the court register or as the performance of an activity that is not determined in a basic act.
Productivity	Productivity is determined as the relation between a product and manufacturing factor (work/employees and capital). Work productivity in a business entity is the indicator of a relation between the manufactured product and the quantity of work invested in its production. It is influenced by the technological equipment involved in the work, the know-how of active workers and the organisation, as well as the relations in specific production plants and the economy. (IMAD). A specific calculation: business revenue/number of employees. The productivity of capital (business revenue/capital) means the relation between the manufactured product and the quantity of capital required to produce a product.
Investments in HR	HR is a special area of activity which aims at optimising human resources capacities by achieving specific goals. HR comprises employees, their abilities, knowledge, motivation, values etc., as well as their relation to the team, organisation, their motivation for cooperation etc. Investments in HR are financial means which a business entity intends for increasing the abilities, knowledge etc. of employees.
Investments in R&D	Scientific research and experimental development comprise creative and

	systematic work performed in order to increase knowledge about humans, culture and society and to enable the use of this knowledge for developing new applications. (OECD, Frascati Manual). Scientific research and experimental development cover three types of activity: – fundamental research, – applied research, – experimental development. Investments in research and development are expenses that are intended for the above-mentioned areas.
Internationalisation	Internationalisation means all forms of international economic cooperation. This is the expansion of economic activity in several countries. Economic activity includes international exchange and international production. In accordance with the Internationalisation Programme 2010-2014, internationalisation is the process of inclusion in international activities.

Appendix 2: Examples of obligations

	Obligations	Information obligations for administrative costs
Direct financial costs (are directly evident from the regulation)	Tax payment (e.g. VAT) Payment of a fee (e.g. environmental tax on waste water disposal etc.) Payment of a charge (e.g. court fee etc.) Payment of a fine	
Actual indirect costs (refer to the purchase/adjustment/maintenance of goods and services and serve the direct realisation of a public interest)	Adaptation of business operation, introduction/adaptation of new products, standards and technologies Costs of purchasing new products, services (e.g. purchasing a treatment plant etc.) Maintenance costs (continuous, one-off, periodical) Additional tasks/activities resulting in new jobs or outsourcing Education, training (e.g. training in occupational safety etc.) Research, preparation of studies, elaborates (e.g. feasibility study for the acquisition of the construction permit etc.) Copyrights or industrial property rights (e.g. patents, models, trademarks etc.) Mandatory permits to enter the market (e.g. licences, craft business permit etc.) Membership fees (e.g. chambers, associations etc.)	
Administrative indirect costs (result from information obligations (IO) concerning the submission of information to state authorities or third parties)		Keeping records (e.g. databases, account books etc.) Application, announcement of activities (announcement of transport of hazardous waste) Submission of reports (tax assessments) Labelling of information for third persons (e.g. ingredients of a product etc.) Submission of information for third persons (e.g. documentation to obtain a certificate etc.) Request for a particular activity, exemption, reimbursement (e.g. request for construction permit or request for reduction of environmental tax payment due to a relevant investment, requests for the recognition of education etc.) General requests for particular activities or exemptions (e.g. request for environmental permit, applications for obtaining scholarships, social transfers) Registration (e.g. entry into the tax register, register of companies) Certification of products, processes Control (e.g. monitoring of operating conditions) Inspection (e.g. the regulation provides for inspection such as tax, labour etc. archiving records for the needs of control and inspection in tax procedures) Application for subsidies, guarantees Education, training (e.g. training of workers in the working process, working equipment) An administrative activity has to be specified for each information obligation: - Maintenance costs (permanent, single, periodical); preparation of necessary information from existing data or recalculation or transformation of data) - Obtaining new data - Creation of appropriate data (e.g. tables, pictures, preparation of brochures, leaflets) - Completion of forms, forecasts, accounts - Consulting (convening meetings (internal, external due to information obligations) - Control and cooperation in performing external inspection (also information, data that need to be available in case of inspection) - Copying, distribution (e.g. reports, leaflets, labels) - Reporting/providing information (when a report has to be sent to the competent authority)

Appendix 3: Types of costs (including examples)



Direct financial costs are directly evident from the regulation.

Example: taxes, contributions, duties, charges and fines.

Indirect financial costs are divided into:

- **Actual indirect costs** that result from obligations concerning **the purchase/adaptation/maintenance of goods and services**, and serve the direct realisation of the public interest.

Costs of goods:

- (1) *Material costs (e.g. copyrights or industrial property rights - patents, models trademarks; mandatory permits for entry to market, mandatory membership fees)*
- (2) *Investment costs (costs of adapting operations, introduction of new products, new standards and technologies)*

Costs of services: costs arising from additional tasks/activities resulting in new jobs or outsourcing, costs of education, costs of training, costs of research, studies, preparation of elaborates.

Maintenance costs (continuous, one-off, periodical).

- **Administrative indirect costs** result from information obligations (IO) (**keeping records, reporting, sending, copying, distributing, completing forms**) concerning the submission of information to state authorities or third parties.

Information obligations cannot be appealed (this is a non-mandatory obligation); questionnaires (if the regulation does not stipulate that a company must complete a questionnaire).

- *Time spent on a particular activity (evaluated according to payment for the time used)*
- *Material costs related to a particular activity (e.g. copying, postage, forms, envelopes, software etc.)*
- *External costs (costs of consultants, costs of obtaining a certificate provided through an external contractor etc.)*
- *General costs (rental/amortisation of business premises, telephone, heating, electricity, water, waste disposal, IT equipment etc.) These costs arise irrespective of whether an employee performs basic work or administration or is even absent.*

Appendix 4: Examples of calculations by individual types of costs

Examples of calculations of direct and indirect financial costs

Direct financial costs

Direct financial costs = quantity x duty

Quantity = population x frequency

Obligation	Duty (1 = 2 x 3)	% of duty increase (2)	The average basis for duty (3)	Population (4)	Frequency (5)	Direct financial cost (6 = 1 x 4 x 5)
Increase added value tax	5,000	5%	100,000	120,000 companies	1	EUR 600,000,000

Duty = percentage of duty increase x average basis for duty (for individual target population)

Example: 5% increase of VAT: the basis is annual sales revenues, which are multiplied by the percentage of tax increase

(100,000 x 5% = 5,000 EUR)

Indirect financial costs

Actual indirect costs

Actual indirect costs = price x quantity

Quantity = population x frequency

Obligation	Price (1)	Population (2)	Frequency (3)	Actual indirect cost (4 = 1 x 2 x 3C)
Purchase of cash register	EUR 500	100,000 companies	1	EUR 5,000,000

Administrative indirect costs (ADIC)

Administrative indirect cost = price x quantity

Price = time spent in hours x (gross salary/hour) + expenses + external costs

Quantity = population x frequency

Time consumed = time in hours x quantity

Obligation	Price (1 = 2 x 4 + 5 + 6)	ADIC in hours (2)	Quantity (3 = 7 x 8)	Gross salary/hour (4)	Expenses (material costs) (5)	External costs (6)	Population (7)	Frequency (8)	Administrative cost (9 = 1 x 3)
Annual report	177,88	16 hrs	50.000	10.18 EUR/h	EUR 5	EUR 10	50,000 companies	1	EUR 8,894,000
Preparation of tax assessment	7	0,5	120.000	10.18 EUR/h	EUR 2	0	60,000 companies	2	EUR 840,000
Total					EUR 7	EUR 10			EUR 9,734,000

Appendix 5: Code table for the SME test

	Category	Distribution of companies	Defined in	Source	Data
1	Size of company	Companies - together	Regulation 800/2008 or ZGD-1	SURS Y 2010	165,959
		Micro companies ¹			156,305
		Micro companies without employees			
		Small companies ²			7,181
		Medium- ³ sized companies			2,129
		Large companies			344
2	Business entities according to groups	Corporate entities and cooperative societies	ZGD-1, Cooperative Societies Act etc.	AJPES 30 June 012	64,973
		Sole traders			77,297
		Legal entities governed by public law			2,835
		Non-profit organisations – legal entities governed by private law			7,862
		Associations			22,518
		Other natural entities performing registered or regulated activities			11,975
3	Companies according to legal form	Companies – total	ZGD-1, Act on Associations, Cooperative Societies Act, Local Administration Act etc.	SURS Y 2010	165,959
		11 Legal entities, total			77,450
		111 Corporate entities			53,009
		11101 Limited liability companies			50,058
		11102 Unlimited liability companies			1,445
		11103 Public limited companies			825
		11104 Limited partnerships			681
		112 Other legal entities			24,441
		11201 State authorities and local communities			640
		11203 Institutes			2,916
		11204 Associations and unions of associations			17,324

¹ ZGD-1, Article 55: A micro company shall be a company meeting two of the following criteria:

- the average number of employees in a business year does not exceed 10,
- net annual sales income does not exceed EUR 2,000,000, and
- the value of assets does not exceed EUR 2,000,000.

² ZGD-1, Article 55: A small company shall be a company not a micro company under the preceding paragraph and meeting two of the following criteria:

- the average number of employees in a business year does not exceed 50,
- net annual sales income does not exceed EUR 8,800,000, and
- the value of assets does not exceed EUR 4,400,000.

³ ZGD-1, Article 55: A medium-sized company shall be a company not a micro company under the second paragraph of this Article or small company under the preceding paragraph, and meeting two of the following criteria:

- the average number of employees in a business year does not exceed 250,
- net annual sales income does not exceed EUR 35,000,000, and
- the value of assets does not exceed EUR 17,500,000.

		11207 Cooperative societies			213
		11208 Other forms of companies			3,348
		12 Natural entities, total			88,509
		121 Natural entities			88,509
		12101 Sole traders			80,723
		12102 Other natural entities			7,786
4	Companies by activities (1)	SCA classification	Categorisation in accordance with the SCA (in Appendix 5)	SURS Y 2010	
		SCA 2008 - Total			165,959
		A AGRICULTURE AND HUNTING, FORESTRY, FISHING			2094
		A01 Agricultural production and hunting, related services			1,434
		A02 Forestry			462
		A03 Fishing and growing aquatic organisms			198
		B MINING			116
		C MANUFACTURING			17,605
		C10 Food production			1,148
		C20 Production of chemicals, chemical products			167
		C30 Production of other vehicles and vessels			86
		F CONSTRUCTION			22,245
		F41 Construction of buildings			4,332
		F42 Construction of engineering facilities			621
		F43 Other specialised construction activities			17,292
		G TRADE, MAINTENANCE AND REPAIR OF MOTOR VEHICLES			25,318
		G45 Trade with motor vehicles and repairs of motor vehicles			4,242
		G46 Wholesale trade, excluding motor vehicles			13,638
		G47 Retail sale, excluding vehicles			7,438
		H TRANSPORTATION AND STORAGE			9,147
		H49 Land traffic, pipeline transport			7,567
		H50 Marine traffic			80
		H51 Air traffic			44
		H52 Storage and accompanying traffic activities			893
		H53 Postal and courier activity			563
		I ACCOMMODATION AND FOOD SERVICE ACTIVITIES			8,697
		I55 Accommodation activities			1,027
		I56 Food and beverage catering			7,670
		J INFORMATION AND COMMUNICATION			6,243
		J58 Publishing			584
		J59 Activities in filming, video and audio recording			698
		J60 Radio and television activity			289
		J61 Telecommunications activities			330
		J62 Computer programming, consulting and other related activities			3,647
		J63 Other IT activities			695

	K FINANCIAL AND INSURANCE ACTIVITIES			2,225
	K64 Financial services, excluding insurance activities and pension funds activities			442
	K65 Insurance, reinsurance and pension funds activities, excluding obligatory social security			43
	K66 Supplementary activities for financial and insurance services			1,740
	L REAL ESTATE ACTIVITIES			2,201
	L68 Real estate operations			2,201
	M PROFESSIONAL, SCIENTIFIC AND TECHNICAL ACTIVITIES			24,033
	M69 Legal and accounting activities			6,053
	M70 Company management, entrepreneurial and business consulting			6,417
	M71 Architectural and technical design, technical testing and analysis			5,928
	M72 Scientific research and development activity			988
	M73 Advertising and market research			1,697
	M74 Other expert and technical activities			2,831
	M75 Veterinary medicine			119
	N ADMINISTRATIVE AND SUPPORT ACTIVITIES			4,888
	N77 Rental and lease			513
	N78 Employment activities			136
	N79 Travelling agencies, travel organisers and travel activities			678
	N80 Security and investigation			194
	N81 Building and environment supply activity			2,158
	N82 Office and other business services			1,209
	O PUBLIC ADMINISTRATION AND DEFENCE, COMPULSORY SOCIAL SECURITY			2,199
	O84 Public administration and defence, compulsory social security			2,199
	P EDUCATION			3,817
	P85 Education			3,817
	Q HUMAN HEALTH AND SOCIAL WORK ACTIVITIES			4,218
	Q86 Health care			3,379
	Q87 Social security and accommodation			120
	Q88 Social security without accommodation			719
	R CULTURAL, ENTERTAINMENT AND RECREATIONAL ACTIVITIES			11,326
	R90 Cultural and entertainment activities			4,146
	R91 Libraries, archives, museums and other cultural activities			210
	R92 Gaming			57
	R93 Sports and other leisure activities			6,913

		S OTHER ACTIVITIES			18,566
		S94 Member organisations activities			12,279
		S95 Repairs of computers and wide consumption products			1,157
		S96 Other services			5,130
		T ACTIVITIES OF HOUSEHOLDS AS EMPLOYERS, PRODUCTIVE ACTIVITIES OF HOUSEHOLDS FOR OWN USE			0
		T97 Households with employees			0
		T98 Various types of production of households for own use			0
		U ACTIVITIES OF EXTRATERRITORIAL ORGANISATIONS AND BODIES			0
		U99 Activity of extraterritorial organisations and bodies			0
5	Companies by activities (2)	Total	Categorisation in accordance with the SCA (in Appendix 5)	AJPES 30 June 2012	187,460
		A Agriculture and hunting, forestry, fishing			3,569
		B Mining			120
		C Manufacturing			18,848
		D Electric power, gas and steam supply			1,555
		E Water supply; waste waters and waste management; environment rehabilitation			508
		F Construction			21,046
		G Trade, maintenance and repair of motor vehicles			27,344
		H Transportation and storage			9,020
		I Accommodation and food service activities			10,292
		J Information and communication			7,064
		K Financial and insurance activities			2,449
		L Real estate operations			2,924
		M Professional, scientific and technical activities			27,075
		N Administrative and support activities			5,967
		O Public administration and defence, compulsory social security			2,893
		P Education			4,659
		Q Human health and social work activities			5,067
		R Cultural, entertainment and recreational activities			13,233
		S Other activities			23,821
		T Activities of households as employers, productive activities of households for own use			-
		U Activities of extraterritorial organisations and bodies			6
6	Regions	Companies - TOTAL	Distribution in accordance with SURS	AJPES 30 June 2012	187,460
		Pomurje			8,259

		Podravje			25,592
		Koroška			5,516
		Savinja region			20,860
		Zasavje			2,709
		Spodnje Posavska region			5,302
		SE Slovenia			10,071
		Central Slovenia			62,223
		Gorenjska			17,996
		Notranjsko-kraška region			4,313
		Goriška			11,655
		Coastal-Karst region			12,964
7	Type of company	Production		AJPES	
		Services			
		Trade			
		...			
8	Companies by activity, size and legal form	In continuation			



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70

Date: 13 December 2011

**Business entities in the Companies Register of Slovenia without employees,
according to the Standard Classification of Activities, as at 12 December 2011**

Activity according to SCA	Number of business entities
A Agriculture and hunting, forestry, fishing	1,163
B Mining	29
C Manufacturing	7,140
D Electric power, gas and steam supply	501
E Water supply; waste waters and waste management; environment rehabilitation	148
F Construction	9,115
G Trade, maintenance and repair of motor vehicles	11,725
H Transportation and storage	4,289
I Accommodation and food service activities	2,911
J Information and communication	3,653
K Financial and insurance activities	1,474
L Real estate operations	2,027
M Professional, scientific and technical activities	13,027
N Administrative and support activities	2,572
O Public administration and defence, compulsory social security	2,240
P Education	1,949
Q Human health and social work activities	1,720
R Cultural, entertainment and recreational activities	8,122
S Other activities	17,726
T Activities of households as employers, productive activities of households for own use	-
U Activity of extraterritorial organisations and bodies	-
TOTAL	91,531

Sources of data: Business Register of Slovenia

Note:

1) The sources of data on the number of employees are the annual reports for 2010.



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Date: 13 December 2011

**Business entities in the Companies Register of Slovenia with 1 to 9 employees,
according to the Standard Classification of Activities, as at 12 December 2011**

Activity according to SCA	Number of business entities
A Agriculture and hunting, forestry, fishing	375
B Mining	49
C Manufacturing	6,345
D Electric power, gas and steam supply	109
E Water supply; waste waters and waste management; environment rehabilitation	120
F Construction	7,281
G Trade, maintenance and repair of motor vehicles	10,202
H Transportation and storage	3,086
I Accommodation and food service activities	3,774
J Information and communication	1,804
K Financial and insurance activities	590
L Real estate operations	748
M Professional, scientific and technical activities	7,311
N Administrative and support activities	1,227
O Public administration and defence, compulsory social security	217
P Education	569
Q Human health and social work activities	823
R Cultural, entertainment and recreational activities	797
S Other activities	2,314
T Activities of households as employers, productive activities of households for own use	-
U Activity of extraterritorial organisations and bodies	-
TOTAL	47,741

Sources of data: Business Register of Slovenia

Note:

1) The sources of data on the number of employees are the annual reports for 2010.



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Date: 13 December 2011

**Business entities in the Companies Register of Slovenia with 10 to 49 employees,
according to the Standard Classification of Activities, as at 12 December 2011**

Activity according to SCA	Number of business entities
A Agriculture and hunting, forestry, fishing	58
B Mining	23
C Manufacturing	1,380
D Electric power, gas and steam supply	16
E Water supply; waste waters and waste management; environment rehabilitation	53
F Construction	947
G Trade, maintenance and repair of motor vehicles	1,171
H Transportation and storage	417
I Accommodation and food service activities	331
J Information and communication	239
K Financial and insurance activities	71
L Real estate operations	69
M Professional, scientific and technical activities	513
N Administrative and support activities	180
O Public administration and defence, compulsory social security	170
P Education	365
Q Human health and social work activities	141
R Cultural, entertainment and recreational activities	160
S Other activities	89
T Activities of households as employers, productive activities of households for own use	-
U Activity of extraterritorial organisations and bodies	-
TOTAL	6,393

Sources of data: Business Register of Slovenia

Note:

1) The sources of data on the number of employees are the annual reports for 2010.



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Date: 13 December 2011

**Business entities in the Companies Register of Slovenia with 50 to 249 employees,
according to the Standard Classification of Activities, as at 12 December 2011**

Activity according to SCA	Number of business entities
A Agriculture and hunting, forestry, fishing	21
B Mining	5
C Manufacturing	499
D Electric power, gas and steam supply	10
E Water supply; waste waters and waste management; environment rehabilitation	49
F Construction	135
G Trade, maintenance and repair of motor vehicles	197
H Transportation and storage	55
I Accommodation and food service activities	42
J Information and communication	38
K Financial and insurance activities	16
L Real estate operations	9
M Professional, scientific and technical activities	67
N Administrative and support activities	61
O Public administration and defence, compulsory social security	80
P Education	499
Q Human health and social work activities	158
R Cultural, entertainment and recreational activities	30
S Other activities	12
T Activities of households as employers, productive activities of households for own use	-
U Activity of extraterritorial organisations and bodies	-
TOTAL	1,983

Sources of data: Business Register of Slovenia

Note:

1) The sources of data on the number of employees are the annual reports for 2010.



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Date: 13. 12. 2011

**Business entities in the Companies Register of Slovenia with 250 and more employees,
according to the Standard Classification of Activities, as at 12 December 2011**

Activity according to SCA	Number of business entities
A Agriculture and hunting, forestry, fishing	-
B Mining	2
C Manufacturing	111
D Electric power, gas and steam supply	11
E Water supply; waste waters and waste management; environment rehabilitation	6
F Construction	19
G Trade, maintenance and repair of motor vehicles	30
H Transportation and storage	13
I Accommodation and food service activities	11
J Information and communication	8
K Financial and insurance activities	1
L Real estate operations	-
M Professional, scientific and technical activities	7
N Administrative and support activities	10
O Public administration and defence, compulsory social security	29
P Education	14
Q Human health and social work activities	33
R Cultural, entertainment and recreational activities	5
S Other activities	-
T Activities of households as employers, productive activities of households for own use	-
U Activity of extraterritorial organisations and bodies	-
TOTAL	310

Sources of data: Business Register of Slovenia

Note:

1) The sources of data on the number of employees are the annual reports for 2010.

**Business entities in the Companies Register of Slovenia without employees,
according to legal form as at 12 December 2011**

Form	Name	Number of business entities
101	Unlimited liability company (d.n.o.)	754
102	Limited partnership (k.d.)	365
103	Limited liability company (LLC or d.o.o.)	17,574
104	Joint stock company - d.d.	129
105	Limited partnership with share capital (k.d.d.)	2
108	Economic Interest Grouping (GIZ)	110
112	Cooperative society (z.o.o.)	112
113	Cooperative society (z.b.o.)	34
120	Foreign legal entity according to ZZK-1	397
141	Subsidy of a foreign company	90
142	Sole trader (s.p.).	47,288
163	Supplementary farm activity	1
210	Fund	14
213	Public fund	1
300	Public agency	1
301	The Republic of Slovenia	1
316	Authority, wider local community organisation	1
318	Local communities	1
319	Town local community, other town communities	770
354	Institute	1,171
355	Public institute	21
357	Community of institutes	11
358	Chamber	7
360	Chamber of commerce	5
362	Residential apartments owners' community	108
401	Institution	172
404	Youth council	31
405	Nationality community	1
406	Student organisation	1
407	Non-governmental organisation	1
451	Political party	58
452	Union	2,888
453	Association, union of associations	19,338
456	Subsidy of a foreign association	6
458	Religious community and similar religious organisations	33
702	Building society	2
706	Voluntary organisation	3
708	Agricultural cooperative	2
713	Privately owned institute	24
714	Research organisation	1
719	Cooperative	2
TOTAL		91,531

Sources of data: Business Register of Slovenia

Note:

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Date: 13 December 2011

**Business entities in the Companies Register of Slovenia with 1 to 9 employees,
according to legal form as at 12 December 2011**

Form	Name	Number of business entities
101	Unlimited liability company (d.n.o.)	723
102	Limited partnership (k.d.)	311
103	Limited liability company (LLC or d.o.o.)	27,871
104	Joint stock company - d.d.	140
108	Economic Interest Grouping (GIZ)	25
112	Cooperative society (z.o.o.)	68
113	Cooperative society (z.b.o.)	10
118	European Economic Interest Grouping (EGIZ)	1
141	Subsidiary of a foreign company	103
142	Sole trader (s.p.)	16,427
210	Fund	1
213	Public fund	4
300	Public agency	4
307	Government, governmental office	6
309	Court (supreme, higher, district, local)	1
313	Administrative body	6
316	Authority, wider local community organisation	2
318	Local communities	82
319	Town local community, other town communities	56
322	Independent state authority	1
351	Public company	1
352	Public economic institute	1
354	Institute	525
355	Public institute	174
357	Community of institutes	4
358	Chamber	74
360	Chamber of commerce	7
362	Residential apartments owners community	2
401	Institution	38
403	Other communities	1
404	Youth council	4
405	Nationality community	9
406	Student organisation	2
451	Political party	9
452	Union	60

453	Association, union of associations	965
458	Religious community and similar religious organisations	4
702	Building society	1
703	Cooperative of craft and small business	1
706	Voluntary organisation	3
708	Agricultural cooperative	2
713	Privately owned institute	6
718	Privately owned cooperative	1
719	Cooperative	1
799	Other forms of business entities	4
TOTAL		47,741

Sources of data: Business Register of Slovenia

Note:

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**Business entities in the Companies Register of Slovenia with 10 to 49 employees,
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Form	Name	Number of business entities
101	Unlimited liability company (d.n.o.)	23
102	Limited partnership (k.d.)	5
103	Limited liability company (LLC or d.o.o.)	4,603
104	Joint stock company - d.d.	141
108	Economic Interest Grouping (GIZ)	3
112	Cooperative society (z.o.o.)	29
141	Subsidiy of a foreign company	17
142	Sole trader (s.p.).	706
213	Public fund	8
300	Public agency	6
302	President of the republic	1
303	Representative body (National Assembly, National Council)	1
304	Human Rights Ombudsman	1
307	Government, governmental office	7
309	Court (supreme, higher, district, local)	4
310	State Prosecution Office	10
313	Administrative body	11

318	Local communities	108
321	Information Commissioner	1
354	Institute	77
355	Public institute	560
357	Community of institutes	1
358	Chamber	1
359	University member	2
401	Institution	2
406	Student organisation	2
451	Political party	2
452	Union	4
453	Association, union of associations	49
458	Religious community and similar religious organisations	1
706	Voluntary organisation	1
708	Agricultural cooperative	3
713	Privately owned institute	2
719	Cooperative	1
TOTAL		6,393

Sources of data: Business Register of Slovenia

Note:

1) The sources of data on the number of employees are the annual reports for 2010.



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Date: 13. 12. 2011

**Business entities in the Companies Register of Slovenia with 50 to 249 employees,
according to legal form as at 12 December 2011**

Form	Name	Number of business entities
102	Limited partnership (k.d.)	2
103	Limited liability company (LLC or d.o.o.)	932
104	Joint stock company - d.d.	239
112	Cooperative society (z.o.o.)	17
113	Cooperative society (z.b.o.)	1
141	Subsidiy of a foreign company	2
142	Sole trader (s.p.).	17
213	Public fund	2
300	Public agency	5
305	Constitutional court	1
306	Court of audit	1
307	Government, governmental office	4
308	Ministry	8
309	Court (supreme, higher, district, local)	14
310	State Prosecution Office	2
311	State Attorney's Office	1
313	Administrative body	10
318	Local communities	17
354	Institute	14
355	Public institute	670
358	Chamber	2
359	University member	17
360	Chamber of commerce	1
453	Association, union of associations	4
TOTAL		1,983

Sources of data: Business Register of Slovenia

Note:

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Date: 13. 12. 2011

**Business entities in the Companies Register of Slovenia with 250 and more employees,
according to legal form as at 12 December 2011**

Form	Name	Number of business entities
102	Limited partnership (k.d.)	2
103	Limited liability company (LLC or d.o.o.)	119
104	Joint stock company - d.d.	104
112	Cooperative society (z.o.o.)	1
141	Subsidiy of a foreign company	1
303	Representative body (National Assembly, National Council)	1
307	Government, governmental office	2
308	Ministry	7
309	Court (supreme, higher, district, local)	4
313	Administrative body	8
315	Administrative Unit	1
318	Local communities	2
355	Public institute	50
359	University member	8
TOTAL		310

Sources of data: Business Register of Slovenia

Note:

1) The sources of data on the number of employees are the annual reports for 2010.

Appendix 6: Assessed values for each type of administrative obligation (in hours per annum)⁴

	Standard IO	Simple	Complex
I.	Keeping of records	No uniform standardised value	No uniform standardised value
II.	Registration, announcement of an activity	1	8 – 40
III.	Reporting/submission of information (when the report must be actually submitted to the relevant body; i.e. not information that must be available in the case of a request by the body, which is included under cooperation in inspection)	12	40 – 500
IV.	Labelling of information for third parties	6	48 – 96
V.	Providing information for third parties	4	24 – 48
VI.	Request for an activity, exemption, reimbursement	4	24 – 48
VII.	General requests for certain activities or exemptions	4	24 – 48
VIII.	Registration	No uniform standardised value	No uniform standardised value
IX.	Certification of products, processes	No uniform standardised value	No uniform standardised value
X.	Supervision	8	40 – 80
XI.	Application for subsidies, guarantees	4	16 – 32
XII.	Training, education	4	16 – 40
XIII.	Other: (describe the administrative activity)	No uniform standardised value	No uniform standardised value

⁴ Assessed values are determined for an averagely efficient company or individual. Time consumption for each type of administrative obligation is assessed on an annual level, i.e. the number of hours in an individual year, spent by an individual entity for fulfilling each obligation.

Appendix 7: Cost parameters:

Hourly rate;	
COMPANY – gross salary in the Republic of Slovenia/employee	€10.18
CITIZENS – net salary in the Republic of Slovenia/individual	€5.69
A4 paper/sheet	€0.02
Black and white photocopy A4 format/unit	€0.05
Colour photocopy A4 format/unit	€0.60
Plastification A4 format/unit	€1.00
Bonding 100 pages A4 format	€2.00
Standard letter	€0.32
Ordinary letter	
Up to 20 g	€0.37
From 500 g to 1,000 g	€2.70
Registered letter	
Up to 20 g	€0.92
From 500 g to 1,000 g	€4.10
Letter in legal, administrative and criminal procedure	
Personally	€2.01
From 500 g to 1,000 g	€5.76
A5 envelope	€0.04
Extract from court register⁵	€3.28
Envelope according to Administrative Procedure Act	€0.31

Sources:Post of Slovenia – www.posta.siPost and Electronic Communications Agency of the Republic of Slovenia – www.apek.si

DZS – Državna založba Slovenije (Commercial Dept.: 01 / 306 98 50)

State portal of the Republic of Slovenia - <http://e-uprava.gov.si/e-uprava/>⁵ Extract from the court register can be in specific cases acquired free in electronic form