

Regulation (EU) No 1296/2013 of the European Parliament and of the Council of 11 December 2013 on a European Union Programme for Employment and Social Innovation ("EaSI") and amending Decision No 283/2010/EU establishing a European Progress Microfinance Facility for employment and social inclusion (Text with EEA relevance)

TITLE I

**COMMON PROVISIONS**

*Article 2*

**Definitions**

For the purposes of this Regulation:

- (1) 'social enterprise' means an undertaking, regardless of its legal form, which:
  - (a) in accordance with its Articles of Association, Statutes or with any other legal document by which it is established, has as its primary objective the achievement of measurable, positive social impacts rather than generating profit for its owners, members and shareholders, and which:
    - (i) provides services or goods which generate a social return and/or
    - (ii) employs a method of production of goods or services that embodies its social objective;
  - (b) uses its profits first and foremost to achieve its primary objective and has predefined procedures and rules covering any distribution of profits to shareholders and owners that ensure that such distribution does not undermine the primary objective; and
  - (c) is managed in an entrepreneurial, accountable and transparent way, in particular by involving workers, customers and stakeholders affected by its business activities;
- (2) 'microcredit' means a loan of up to EUR 25 000;
- (3) 'micro-enterprise' means an enterprise, including a self-employed person, that employs fewer than 10 people and whose annual turnover or annual balance sheet total does not exceed EUR 2 million, in accordance with Commission Recommendation 2003/361/EC<sup>(1)</sup>,
- (4) 'microfinance' includes guarantees, microcredit, equity and quasi-equity extended to persons and micro-enterprises that experience difficulties accessing credit;
- (5) 'social innovations' are innovations that are social both as to their ends and their means and in particular those which relate to the development and implementation of new ideas (concerning products, services and models), that simultaneously meet social needs and create new social relationships or collaborations, thereby benefiting society and boosting its capacity to act;

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*Status: This is the original version (as it was originally adopted).*

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- (6) 'social policy experimentation' means policy interventions that offer an innovative response to social needs, implemented on a small scale and in conditions that enable their impact to be measured, prior to being repeated on a larger scale, if the results prove convincing.

- (1) Commission Recommendation 2003/361/EC of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises ([OJ L 124, 20.5.2003, p. 36](#)).