



Council of the  
European Union

Brussels, 27 October 2017  
(OR. en)

13824/17  
ADD 1

COMPET 714  
MI 762  
IND 279  
DIGIT 225  
IA 163  
AGRI 588  
PECHE 419  
ENV 880  
CHIMIE 89  
REGIO 106  
RC 13  
POLGEN 136

#### COVER NOTE

---

From: Secretary-General of the European Commission,  
signed by Mr Jordi AYET PUIGARNAU, Director

date of receipt: 26 October 2017

To: Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of  
the European Union

---

No. Cion doc.: SWD(2017) 675 final

---

Subject: COMMISSION STAFF WORKING DOCUMENT Overview of the Union's  
Efforts to Simplify and to Reduce Regulatory Burdens Accompanying the  
document Communication Completing the Better Regulation Agenda:  
Better solutions for better results

---

Delegations will find attached document SWD(2017) 675 final.

---

Encl.: SWD(2017) 675 final



Strasbourg, 24.10.2017  
SWD(2017) 675 final

**COMMISSION STAFF WORKING DOCUMENT**

**Overview of the Union's Efforts to Simplify and to Reduce Regulatory Burdens**

*Accompanying the document*

**Communication**

**Completing the Better Regulation Agenda: Better solutions for better results**

{COM(2017) 651 final}

## 1. INTRODUCTION

The report responds to the commitment the Commission made in the Interinstitutional Agreement on Better Law-Making to present annually an overview, including an annual burden survey, of the results of the Union's efforts to simplify legislation and to avoid overregulation and reduce administrative burdens. It consists of:

- a set of summary fiches which present key results of activities carried out under its Regulatory Fitness and Performance Programme (REFIT). These fiches present the benefits and savings to industry, citizens and public authorities, and show what REFIT initiatives can deliver if confirmed by the legislator and fully implemented by Member States;
- the results of a Eurobarometer survey on perceptions of regulation by business, carried out as a specific and targeted exercise in March 2017;
- and finally the Commission's assessment of the feasibility of introducing objectives for burden reduction in specific sectors.

The report is complemented by the full REFIT scoreboard which includes details on all REFIT initiatives and is published online<sup>1</sup>. Feedback on the REFIT Scoreboard and on any initiative included in it can be provided at the following website: [Lighten the Load – Have your Say](#).

---

<sup>1</sup> [https://ec.europa.eu/info/law/law-making-process/overview-law-making-process/evaluating-and-improving-existing-laws/reducing-burdens-and-simplifying-law/refit-making-eu-law-simpler-and-less-costly\\_en](https://ec.europa.eu/info/law/law-making-process/overview-law-making-process/evaluating-and-improving-existing-laws/reducing-burdens-and-simplifying-law/refit-making-eu-law-simpler-and-less-costly_en)

## 2. SUMMARY OF THE REFIT SCOREBOARD

The Commission is committed to making rules that deliver clear benefits to society while minimizing the regulatory costs necessary to achieve the desired policy goal. Certain costs are necessary to achieving politically defined policy goals and are intrinsically linked to the benefits that legislation produces; other costs may turn out to be unnecessary because implementation shows that activities imposed by legislation are not needed or can be done in smarter and simpler ways. They can be removed without undermining what the legislation seeks to achieve. The Commission systematically identifies and reduces unnecessary regulatory costs through the REFIT programme. This programme looks at existing legislation to ensure that it is fit for purpose and to identify future areas where gains in efficiency and effectiveness can be reached. The Commission applies an 'evaluate first' policy and quantifies regulatory costs, benefits and savings where data is available before proposals are made.

As from 2017, all envisaged modifications of existing legislation automatically look for opportunities to simplify and reduce unnecessary regulatory costs. Reducing regulatory burdens and simplifying regulatory requirements has consequently been mainstreamed into the Commission's general legislative work and the resulting proposals are included each year in the Commission's work programme for the 10 priorities of this Commission. The work programme for 2018 adds 17 new simplification initiatives to the REFIT portfolio. This includes for example initiatives for simplification and burden reduction in areas such as on reporting requirements in the area of environment (Priority 1), EU Fisheries Control System (Priority 3), the Single Maritime Window and Trans-European Transport Networks (Priority 4), consumer law (Priority 7) and ID Cards and emergency travel documents (Priority 8).

REFIT focuses on *unnecessary* costs and burdens and therefore does not affect the possibility to have in place the EU legislation which is necessary to protect citizens, consumers or the environment and does not lead to deregulation. On the contrary, by streamlining regulatory requirements and reducing costs where this is possible, REFIT promotes greater compliance and a more effective and efficient achievement of societal objectives for the benefits of all stakeholders, including SME.

To focus the Commission's REFIT work on what matters most for business and other stakeholders, the Commission created an online portal and takes advice from a high-level expert group, the REFIT Platform. Since its creation, the REFIT Platform has adopted 58 opinions drawing on over 280 public suggestions on how to make EU law more effective and efficient. The Commission is committed to explaining how it follows up on these opinions and has provided feedback on the first set of 22 opinions in the 2017 Commission Work Programme. The present document includes the follow-up to an additional 36 opinions which have been adopted since then. Action taken or planned further to these opinions notably includes strengthening ePrivacy and the European Citizen Initiative, an action plan to improve the European Standardisation System and a

Communication on the future of the Common Agricultural Policy including the results of a comprehensive public consultation attracting over 300.000 replies<sup>2</sup>.

REFIT can show results: In the first three years of the Juncker Commission, more than 130 new initiatives to simplify and reduce regulatory burdens have been proposed to Council and Parliament. More than 80% of all REFIT initiatives include a quantification of regulatory costs and more than 60% include a quantification of regulatory benefits.<sup>3</sup> Important savings to citizens, business and public administration can be achieved once REFIT initiatives proposed by the Commission are confirmed by the legislator and fully implemented by Member States. Examples include waste where clear and more ambitious targets for waste prevention and recycling could bring savings of 1.3 billion per year, VAT where a proposal to extend a One-Stop-Shop to online sales and allow business to declare VAT in the Member State it is established is expected to reduce compliance costs for businesses €2.3 billion a year, derivative rules in the financial sector which are expected to save business €9.56 billion, the Single Digital Gateway that could help companies save more than € 11 billion per year or a revised legislation on Veterinary medicines cutting costs by an estimated €145 million.

---

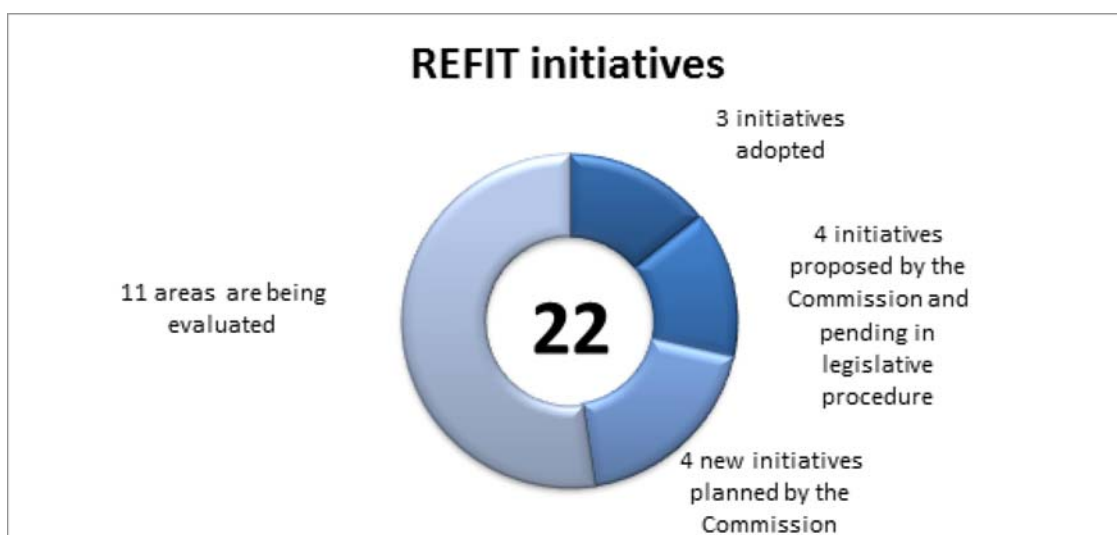
<sup>2</sup> An information brochure on REFIT Platform opinions and follow-up will be available in an updated version by December at: [https://ec.europa.eu/info/law/law-making-process/overview-law-making-process/evaluating-and-improving-existing-laws/reducing-burdens-and-simplifying-law/refit-platform/follow-platform-recommendations-opinions\\_en](https://ec.europa.eu/info/law/law-making-process/overview-law-making-process/evaluating-and-improving-existing-laws/reducing-burdens-and-simplifying-law/refit-platform/follow-platform-recommendations-opinions_en)

<sup>3</sup> Regulatory Scrutiny Board: Annual Report 2016.

## 2.1. Simplification and Burden Reduction for Jobs, Growth and Investment (Priority 1)

"..My experience as Commissioner to date has led me to conclude that we need a serious debate in relation to how to keep the Common Agricultural Policy truly fit for purpose in the 21st Century. The simplification of the Common Agricultural Policy involves an improvement in governance; a reduction of administrative burden using new technologies; and the implementation of cost-efficient tools to strengthen the focus on results."**Phil Hogan, Commissioner for Agriculture and Rural Development**

Boosting jobs, growth and investment in a sustainable manner is key to increase the welfare of Europe's citizens and the competitiveness of its business. In order to ensure that unnecessary costs are removed and rules are as effective and efficient as possible, since 2015 the Commission has made 7 proposals under REFIT, 4 of which are pending adoption by the legislator, plans 4 further initiatives for 2018 and is evaluating 11 areas.



### Results and Achievements – Examples:

- **Waste** – setting more ambitious targets for recycling and landfilling will bring net savings of €1.3 billion annually. For the period up to 2035, savings could reach € 25 billion, 160 000 jobs could be created and greenhouse gas emissions could be reduced by 550 million tonnes.<sup>4</sup>
- **Agriculture - Common Market Organisation** – rationalising regulations in this area will cut administrative burden for economic operators and national administrations by reducing more than 200 existing Commission Regulations into 40 implementing and delegated acts. 22 of these acts have already been adopted.

<sup>4</sup> Data of savings and benefits are included in the impact assessment of the respective initiative.

### Work under Way – *Examples:*

The Commission will shortly present a Communication on the modernisation and simplification of the Common Agricultural Policy (CAP), which will feed into the Commission proposal on the CAP post-2020. Based on its evaluation of the Fisheries Control Regulation the Commission will propose to simplify the fisheries control system. The legal framework on marketing standards will be evaluated to make sure it remains fit for purpose:

- The review of the *Common Agricultural Policy* for the post-2020 period will aim at simplification and increased efficiency and maximise the contribution of the CAP to the Commission's priorities and the Sustainable Development Goals. – Overall, 9 opinions<sup>5</sup> of the **REFIT Platform** were adopted during the course of 2016 and 2017 and are providing input to this process.
- A review of the *EU fisheries control system* will reduce administrative burden, for example by streamlining reporting requirements, promoting the use of harmonised IT tools and by harmonising the catalogue of serious infringements. The **REFIT Platform** recognised that certain provisions of the current legislative framework can create regulatory burden for businesses and public administration and recommended a proportional application of the Control regulation.
- An evaluation of *EU marketing standards* will help to assess the coherence of the legislative framework in this area as well as to identify simplification potential. The evaluation is supported by the **REFIT Platform**, which recommended that different options should be examined to ensure the effectiveness and efficiency of the EU regulatory framework on marketing standards for fresh fruit and vegetables.
- A proposal on the use of *hazardous substances in electrical and electronic equipment* would reduce costs and administrative burden for business and public authorities, create additional market opportunities for repair industries and secondary selling, have positive social impact, including for EU hospitals, which would save about €170 million after 2019, from maintaining the possibility to resell and buy used medical devices. The exclusion of pipe organs from the Directive's scope would also help avoid the loss of up to 90% of jobs in the sector and the annual loss of up to €65 million by 2025.

The **REFIT Platform** adopted a total of 14 opinions under priority area 1 in 2017. Further to the follow-up indicated above, the Platform also adopted 2 opinions in the area of **Regional Policy** and 1 on its **interlinkage with competition policy**. The results of the

---

<sup>5</sup> 3 opinions adopted in 2016 and 6 adopted in 2017

Platform's work in this area are shared with the High Level Group on Simplification of the European Structural and Investment Funds. In the field of **environment**, the REFIT Platform adopted 2 opinions on hydraulic fracturing and Best Available Techniques in the chemicals industry (BREF) and the REACH authorisation process. With regard to hydraulic fracturing, an assessment of the effectiveness of the current policy approach on unconventional fossil fuels will be undertaken at the latest in 2019. Regarding BREFs, work is ongoing via the Seville process to ensure that the BREF review process is effective and efficient.

***Overview of Priority 1 REFIT Initiatives taken by the present Commission:***

***Initiatives adopted:***

- 1. Simplification of Commission-level regulations linked to the Regulation on a Common Organisation of the Markets in agricultural products (CMO Regulation) - 22 acts already adopted*
- 2. Adjustment of secondary legislation related to greening (Commission Delegated Regulation (EU) 2017/1155 of 15 February 2017 amending Delegated Regulation (EU) No 639/2014)*
- 3. Implementing Regulation on REACH adopted in 2016*

***Initiatives proposed by the Commission and pending in Legislative Procedure:***

- 1. Circular Economy Package (revised legislative proposals on waste)*
- 2. New simplified technical measures framework for the Protection of Marine Organisms*
- 3. Sustainable management of external fishing fleets (revision of the current Fishing Authorisation Regulation)*
- 4. Proposal to amend restrictions on the use of hazardous substances in electrical and electronic equipment.*

***Initiatives Planned by the Commission:***

- 1. CAP post-2020*
- 2. Revision of the Drinking Water Directive*
- 3. Review of the Fisheries Control System*
- 4. Implementing act on a standard format and frequency of reporting in the area of Waste electrical and electronic equipment*

***Areas being evaluated:***

- 1. Greening (payment for agricultural practices beneficial for the climate and the environment under the CAP)*
- 2. Marketing Standards – for food products*
- 3. CAP measures applicable to the wine sector*
- 4. State aid rules in agriculture - instruments applicable to state aid in the agricultural and forestry sectors and in rural areas*
- 5. POSEI programme (agricultural measures carried out for the outermost regions)*
- 6. REACH Regulation 1907/2006/EC*
- 7. European Pollutant Release and Transfer Register- Regulation 166/2006/EC*



8. *Strategic Environmental Assessment Directive*
9. *Keeping of wild animals in zoos - Directive 1999/22/EC*
10. *Urban Waste Water Treatment*
11. *Policy framework for bilateral Sustainable Fisheries Partnership Agreements with third countries*

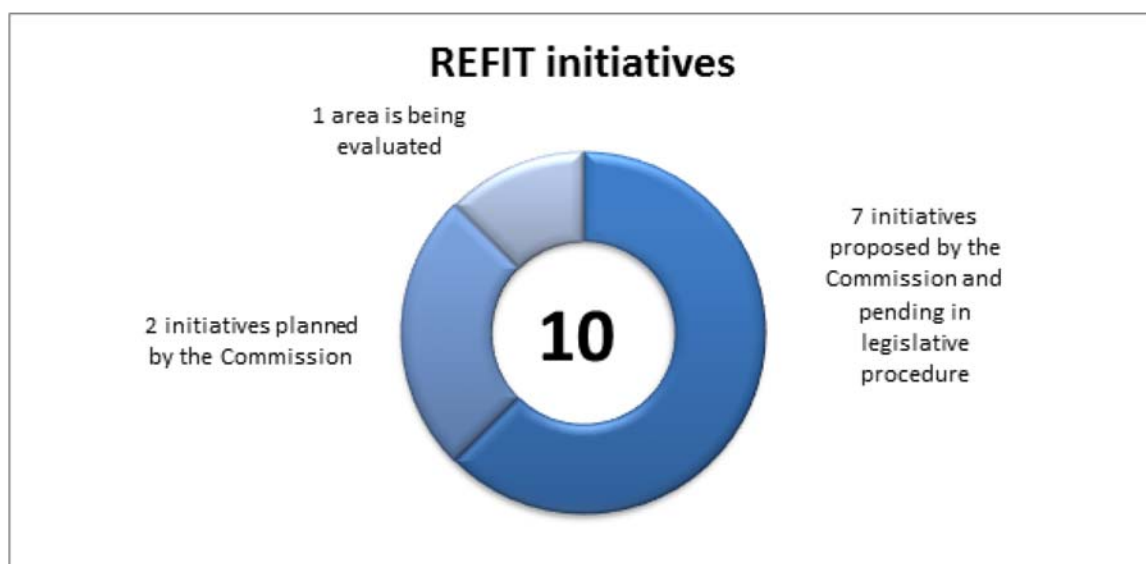
## 2.2. Simplification and Burden Reduction in the Digital Single Market (Priority 2)

*"I want online platforms and the audiovisual and creative sectors to be powerhouses in the digital economy, not weigh them down with unnecessary rules. They need the certainty of a modern and fair legal environment: that is what we are providing today."*

**Andrus Ansip, Vice-President for the Digital Single Market**

Making the EU's Single Market fit for the digital age could contribute EUR 415 billion per year to the EU economy<sup>6</sup> and create hundreds of thousands of new jobs.

In order to ensure that unnecessary costs are removed and rules are as effective and efficient as possible, since 2015 the Commission has made 7 proposals under REFIT, all of which are pending adoption by the legislator. 2 initiatives are planned for 2018 and 1 area is being evaluated.



### Results and Achievements – Examples:

- Simplification of *VAT for cross-border e-commerce* will extend a One-Stop-Shop to online sales to consumers and allows business to fulfil their EU wide VAT obligations for these sales in the Member State established. The proposal is expected to reduce VAT compliance costs for businesses and particularly SMEs by **€2.3 billion a year** and increase VAT revenues for Member States by **€ billion per year**.
- The revised *Audio-visual Media Services Directive (AVMSD)* will create a single European market for audio-visual media services and make current rules more flexible and simple. Savings will result from the simplification of the country of origin principle in the area of commercial communications and amount to **€5.3**

<sup>6</sup> Mid-Term Review of the Digital Single Market Strategy:  
[https://ec.europa.eu/commission/priorities/digital-single-market\\_en](https://ec.europa.eu/commission/priorities/digital-single-market_en)

**million per year** for EU regulators. Economic benefits resulting from the flexibility of the 12 minutes rule could reach **€ 122 million** for one TV broadcaster, economic benefits related to product placement can go up to **€1.2 million per year** for the EU and for sponsorships (promotional references to goods or services) up to **EUR 441 million for the EU per year**.

- The *Telecoms regulatory framework* has been reviewed to keep up with technological progress such as 5G. Administrative costs of market reviews could be reduced by 10-15% and more consistent spectrum assignment is estimated to generate total benefits of **€146.5 billion a year**.
- *ePrivacy*: The Commission provided follow-up to the recommendations of REFIT Platform in its proposal on a revision of *ePrivacy* of 10 January 2017. - The **REFIT Platform** recommended strengthening the protection of privacy through an alignment with the General Data Protection Regulation, to ensure that exceptions to the 'consent' rule for cookies are possible provided that they do not create any privacy risk, to address national implementation problems and facilitate the exchange of best practice.
- *Free Flow of Data*: The Commission provided follow-up to the recommendations of the **REFIT Platform** in its proposal on the free flow of non-personal data in the digital single market, adopted on 13 September 2017. The REFIT Platform noted that localisation requirements on data are often legacy requirements and no longer in line with the digital evolution. The Stakeholder group therefore recommended the Commission to issue a Regulation which ensures the free flow of data in the EU and bans data localisation measures with few clear exceptions, such as national security interests.

*"It is essential to review the rules applying to cookies and similar techniques to ensure futureproof measures to protect users, promote privacy-friendly technologies, simplify rules for SMEs and allow greater flexibility for those tools that do not pose any privacy risks whatsoever".* **The REFIT Platform Stakeholder Group on e-privacy**

### **Work under Way – Examples:**

In the coming months, the Commission will propose to simplify rules on the .eu top-level domain and on the re-use of public sector information. Rules on the legal protection of databases will be evaluated to ensure it remains fit for purpose:

- A review of legislation on the **re-use of public sector information** will create opportunities to open up government data for the benefit of society, reduce regulatory costs and simplify the existing legislation.
- A review of the **eu. top level domain** will reduce administrative burden and simplify the management of the .eu domain in order to offer better and more efficient services to citizens and businesses.

- An evaluation on the **legal protection of databases** will analyse the functioning of the Database Directive, with a special focus on the *sui generis* protection of databases. It will also examine whether the Directive is still fit-for-purpose in view of recent technological, economic and legal developments, in particular in an increasingly data-driven economy.

***Overview of Priority 2 REFIT Initiatives taken by the present Commission:***

***Initiatives adopted by the Legislator:***

*./.*

***Initiatives proposed by the Commission and pending in Legislative Procedure:***

- 1. ENISA (European Union Agency for Network and Information Security)*
- 2. Revised Audiovisual Media Services Directive*
- 3. Satellite and Cable Directive 93/83/ECC*
- 4. Regulatory framework for electronic communications networks and services (Telecoms regulatory framework)*
- 5. Directive on Privacy and Electronic Communications*
- 6. Free Flow of Data – initiative on the free flow of non-personal data in the digital single market*
- 7. VAT for cross-border e-commerce (extension of the VAT Mini One Stop shop)*

***Initiatives Planned by the Commission:***

- 1. eu" Domain Name Regulation*
- 2. Review of Public Sector Information*

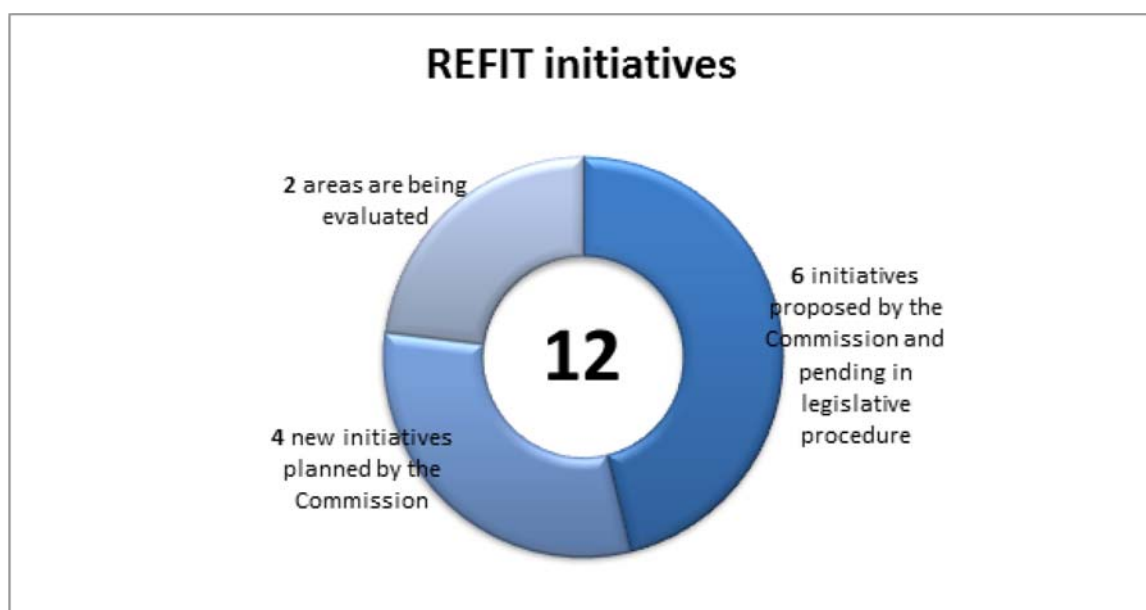
***Areas being evaluated:***

- 1. Legal protection of databases*

### 2.3. Simplification and Burden Reduction for the Energy Union and for Climate Change Policy (Priority 3)

*"The EU has a unique opportunity to not only lead the modernisation of road transport at home, but also globally. Our reforms will set the foundation for standardised, digital road solutions, fairer social conditions and enforceable market rules. They will help decrease the socio-economic costs of transport, like time lost in traffic, road fatalities and serious injuries, health risks from pollution and noise, whilst serving the needs of citizens, businesses and nature."* **Violeta Bulc, Commissioner for Transport**

A European Energy Union will ensure that Europe has secure, affordable and climate-friendly energy. Wiser use of energy reduces our ecological footprint and at the same time is a spur for new jobs and growth and an investment in Europe's future. Building an Energy Union also requires looking at existing legislation and making sure it is fit for purpose, as simple as possible and with no unnecessary costs and burdens, making sure EU energy, climate and transport legislation can fully deliver on its ambitious objectives and benefits. To that end, the Commission has made 6 proposals under REFIT since 2015, all of which are pending adoption by the legislator. 4 new initiatives are planned for 2018 and 2 areas are being evaluated.



#### Results and Achievements – *Examples:*

- **Energy performance of buildings** - the removal of the obligation to conduct studies on the feasibility of high efficiency alternative systems for new buildings is expected to lead to costs savings of app. **200 million €year**. Furthermore, additional measures proposed are expected to reduce the administrative burden of the Directive by **98.1 million €year**
- By streamlining **reporting obligations** across Energy Union policy areas, savings of **340.000 €annually** could be achieved to Member States (€3.4 million over the period 2020-2030)

- The changes proposed for the *Eurovignette* have the potential to reduce congestion costs by **€1.5 billion annually** (€9 billion by 2030), improve public health and reduce costs of air pollution and accidents by **€60 million annually** (€ 0.37 billion by 2030) and generate up to 208 000 new jobs and additional benefits of 0.19% GDP.
- *Electronic road toll systems*: the Commission proposal is expected to bring cumulated net savings in regulatory burden of **€ 31 million annually** (€ 254 million over the period 2018-2025).
- *Binding annual greenhouse gas emission reductions* – the revised Regulation is expected to reduce costs associated with compliance monitoring and reporting by approx. **€0.57 million per year** over a 10 year period

#### **Work under Way – Examples:**

In the coming months the Commission will assess rules on energy taxation to ensure they remain fit for purpose:

- *Combined Transport*: Further to an evaluation in 2016 the Commission plans to improve the effectiveness and efficiency of rules on combined transport and simplify eligibility criteria for support in order to encourage the use of non-road transport modes on long distance freight transport.
- An evaluation of the *Energy Taxation* directive will assess whether legislation remains fit for purpose and identify opportunities to reduce regulatory costs and simplify procedures.

#### ***Overview of Priority 3 REFIT Initiatives taken by the present Commission:***

##### ***Initiatives adopted by the Legislator:***

*./.*

##### ***Initiatives proposed by the Commission and pending in Legislative Procedure:***

- 1. Effort Sharing Regulation*
- 2. Renewable Energy*
- 3. Energy performance of buildings*
- 4. Energy Union Governance – Streamlining of Planning and Reporting obligations*
- 5. Revision of the Eurovignette Directive*
- 6. European Electronic Toll Service*

##### ***Initiatives Planned by the Commission:***

- 1. CO2 emissions from cars*
- 2. CO2 emissions from vans*
- 3. Combined Transport*
- 4. Promotion of Clean and Energy-efficient Road Transport Vehicles*

##### ***Areas being evaluated:***

1. Ozone regulation

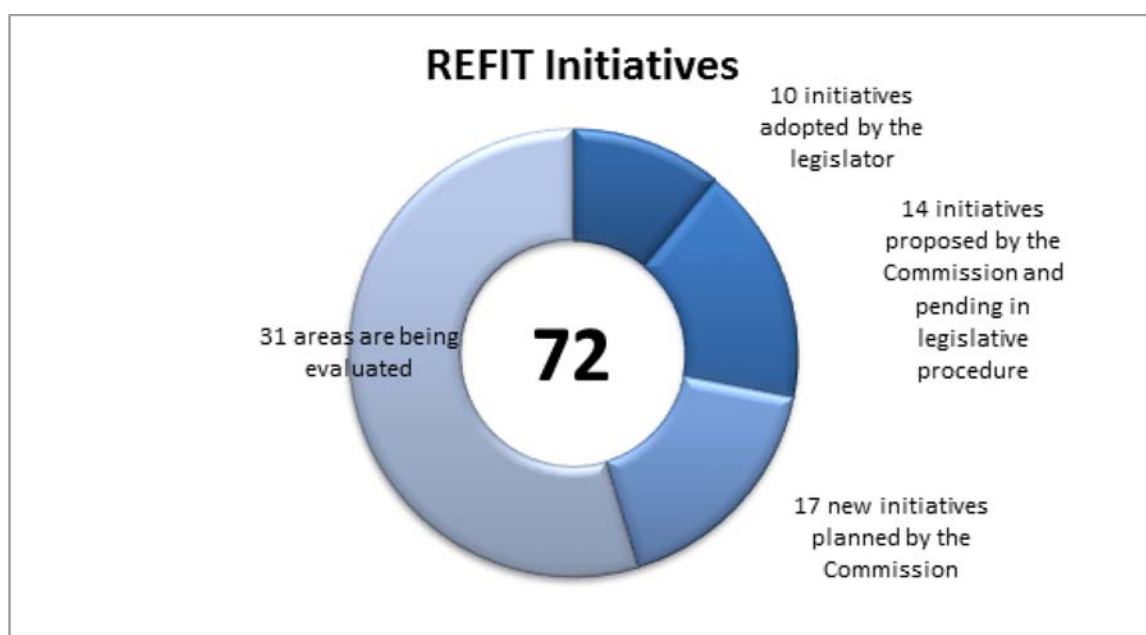
2. EU legal framework for energy taxation (Energy Taxation Directive)

#### 2.4. Simplification and Burden Reduction For a deeper and fairer Internal Market (Priority 4)

*"The new rules on official controls aim at modernising and simplifying the European control system to ensure that food in the European Union is safe along the entire agri-food chain. The regulation is part of the body of EU legislation covering the food chain package that cuts down almost 70 pieces of EU legislation to 5 and reduces the red-tape on processes and procedures for farmers, breeders and food business operators (producers, processors and distributors) to make it easier for them to carry out their profession."* **Vytėnas Andriukaitis, Commissioner in charge of health and food safety**

Net of one-off adjustment costs, Single Market legislation generates direct savings for companies to the extent that it replaces national regulatory regimes with an EU-wide one. The Single Market is one of Europe's greatest assets. It is an engine for building a stronger and fairer EU economy, creating the jobs, growth and competitiveness advantages Europe needs. More integrated and deeper capital markets will channel more funding to companies, especially SMEs, and infrastructure projects. Better worker mobility will let people move more freely where their skills are needed. And combatting tax evasion and tax fraud will ensure that all contribute their fair share. Regulatory Fitness initiatives contribute to these objectives by making sure existing legislation on the Single Market is fit for purpose and can fully deliver on its objectives and benefits in a way as simple as possible and without undue burdens.

In order to ensure that unnecessary costs are removed and rules are as effective and efficient as possible, since 2015 the Commission has made 24 proposals under REFIT, 14 of which are pending adoption by the legislator. 17 new initiatives are planned for 2018 and 31 areas are being evaluated. REFIT initiatives are being pursued in a number of policy areas including competition; financial services; health and food safety; internal market, industry, entrepreneurship and SMEs; transport and mobility and taxation and customs.



## Results and Achievements – *Examples:*

- ***Veterinary medicines and medicated feed:*** Simplification of the legislation would cut costs by at least **€ 145 million** per year and **€ 12 million** per year respectively.
- ***Derivative Rules (EMIR):*** Simpler and more proportionate rules are expected to save **up to €2.6 billion** in operational costs and **up to €6.9 billion** in one-off costs to market participants.

*"Our aim is to simplify rules on financial derivatives as well as to eliminate disproportionate costs and burdens to small companies in the financial sector, corporates and pension funds. The targeted changes to the European Market infrastructure regulation (EMIR) will deliver real benefits for the industry, without endangering financial stability. Building on consultations with stakeholders, this is a prime example of better regulation."* **Jyrki Katainen, Vice-President for Jobs, Growth, Investment and Competitiveness**

- ***European Venture Capital and European Social Entrepreneurship Fund Regulations:*** The update is expected to lead to a total cost saving for cross-border marketing business of up to **€32 million** over the next 5 years (€6.4 million annually).
- ***Prospectus Directive:*** The review proposes a new alleviated disclosure regime for secondary issuances which could translate into savings of approx. **€130 million per year**. In parallel, the development of the new EU Growth prospectus is estimated to result in SMEs saving collectively around **€45 million per year**.
- ***Common Consolidated Corporate Tax Base (CCCTB):*** The relaunch aims at reforming corporate taxation in the EU could lead to one-off savings of up to **€1 billion annually** if 5% of medium-sized enterprises companies would expand abroad. If all multinational entities would apply CCCTB, a decrease of **€0.8 billion annually** in compliance cost could be observed.
- ***Definitive VAT system (1<sup>st</sup> step):*** the new system proposed should reduce cross-border fraud by about **€40 billion (80%)** annually in the EU, enabling tax administrations to concentrate resources on other challenges. Collectively, businesses could save an average of around **€1 billion** annually.
- ***Single Digital Gateway*** - Through a single entry point, the Single Digital Gateway will make it easier for anyone interested in living, working or doing business in another EU country to find not only information about rules and procedures, but also assistance services and access to national procedures through one user-friendly interface in a language they can understand. The Single Digital Gateway could help companies save more than **€11 billion per year**, and EU citizens up to 855 000 hours of their time annually. – This initiative was taken in follow-up to two **REFIT Platform** opinions.



.. to create a true online business portal for both goods and services to focus on business needs, further administrative simplification sharing best practices between countries and incorporating and fully exploiting digital tools. – **extract from the REFIT Platform Stakeholder Group opinion on the Single Digital Gateway.**

- The *European Services Card* aims to introduce a EU-level harmonised procedure for service providers to expand operations across borders, completely electronic, multilingual, data-based (not document based), under a once-only approach and, to some extent, a one-stop-shop approach, relying on structured administrative cooperation between Member States. It is expected to reduce cross border administrative complexity for services providers by up to 50%.
- The *simplified state aid rule for public investment in ports and airports, culture and the outermost regions (General Block Exemption Regulation)* is expected to reduce administrative and regulatory burden annually by up to **€27 million** for companies and public authorities.
- Clearer, simplified and modernized *market access legislation in road freight transport* are expected to save **between €346 million and €460 million annually** (€5.2 and 6.9 billion over the period 2020-2035) for the benefit of businesses and public administrations.
- Clearer administrative procedures and rules in the area of *training, qualification and licensing in road transport* would produce cost savings for businesses and drivers accounting for respectively up to **€191.000 and €558.000 annually** (up to €2.3 million and €6.7 million respectively over the period 2018-2030).
- Removing overlaps and simplifying the existing *EU passenger ship safety regulatory framework* will save up to **€1 million a year**.
- Updated rules, lower administrative burdens and streamlined control requirements in the area of *social legislation in road transport* will decrease administrative costs for transport operators by **€785 million per year**
- The modernisation of the legislative framework for the *use of hired vehicles* is expected to save approx. **€12.8 million a year** to operators, with the vehicle fleet in 2030.

#### **Work under Way – Examples:**

- **Internal market for goods** - The Commission will propose a set of measures in the coming months related to market surveillance and mutual recognition aiming at improving the Internal market for goods.
- **Transport:** Initiatives on training and certification for seafarers, passenger ship safety, road infrastructure and tunnel safety, port reception facilities, airport

charges, air services and in the area of bus and coach transport following up on an opinion by the **REFIT Platform** will make sure that the legislative framework remains fit for purpose and that regulatory and administrative burden are kept to a minimum.

- **Construction Products:** The Commission is reviewing rules ensuring their effectiveness and efficiency as a follow up to two<sup>7</sup> **REFIT Platform** opinions.
- **SME Definition:** A revision will ensure that the definition is fit for purpose and adapted to current economic conditions.
- **VAT:** The remaining measures announced in the VAT Action Plan such the SME VAT simplification package and the reform of VAT rates will be proposed by end of 2017, following up also on an the opinion of the **REFIT Platform**. The Platform opinion on **composite supplies** will be followed up in the context of the work of the EU VAT Forum. The proposal on the definitive VAT system/2d step, implementing the one on adopted in October, will be adopted in 2018.
- **Excise Duties:** Updated rules will be proposed to improve legal certainty of the Alcohol Structures Directive, contributing thus to reducing administrative burden and following up on the **REFIT Platform** opinion on EU laws on wine and spirits.
- **Standardisation Policy:** An action plan will improve the efficiency of the standardisation system and reduce backlogs and improve practices in the publication of references to standards in the Official Journal of the EU. This initiative was taken in follow-up to a **REFIT Platform** opinion.

**The REFIT Platform** adopted 15 opinions under this priority in 2017 which are followed up by both legislative and non-legislative measures. In addition to the follow up referenced to above, this includes the following actions. On the **Single Market Transparency Directive** the Platform called for more clarification of the notification procedure, which the Commission will follow-up in co-operation with the Member States. On the **Internal Market Information System and the Single Market Center**, the Platforms recommendations to further expand IMI, strengthen SOLVIT and allocate sufficient human and financial resources to them so they can operate efficiently and have enough visibility as well as calls upon Member States to set up single market centres will be considered in the context of the continuous improvement of those systems; **Late Payments** - building on the results of a recent evaluation, the opinion which aims at creating better synergies with the existing public procurement framework, to ensure prompt payment of sub-contractors, feeds ongoing work to improve the implementation of the Directive; **European Single Procurement Document** – the opinion feeds the efforts in improving the implementation of this tool; on **plugs and sockets** the Commission will increase its co-ordination efforts with Member States to ensure that the Single Market is preserved and strengthened to the benefit of both consumers and responsible manufacturers. In the field of health and food safety, the Platform adopted 3 opinions: **Pesticides residues and on traditional herbal medicines** – the opinions will be followed up through the ongoing evaluations on the pesticides legislative framework and on the health claims regulation; **Labelling of Vegan and Vegetarian food** – the opinion

---

<sup>7</sup> One adopted in 2016 and one adopted in 2017

will feed into an implementing act for which preparatory work will start in 2019. The final opinion under this heading concerns *Diploma recognition* which was addressed by the recently amended Professional Qualification Directive.

***Overview of Priority 4 REFIT Initiatives taken by the present Commission:***

***Initiatives adopted by the Legislator:***

- 1. European Long Term Investment Funds (ELTIF)*
- 2. Insurance Distribution*
- 3. Review of the Prospectus Directive*
- 4. Standard Procurement Document*
- 5. Standard forms for public procurement*
- 6. Animal health law*
- 7. Official controls on the agri-food chain*
- 8. Plant health*
- 9. Zootechnical legislation*
- 10.. General Block Exemption Regulation: extension to ports and airports and culture and outermost regions*

***Initiatives proposed by the Commission and pending in Legislative Procedure:***

- 1. EMIR - European Market Infrastructure Regulation*
- 2. Review of the European Venture Capital (EuVECA) and European Social Entrepreneurship (EuSEF) Fund regulations*
- 3. Digital Single Gateway*
- 4. Services e-card*
- 5. Market access rules in road freight transport*
- 6. Passenger Ship Safety*
- 7. Training, Qualification, Licensing in Road Transport*
- 8. Enhancement of the social legislation in road transport*
- 9. Use of hired goods vehicles*
- 10. Union certification system for aviation security screening equipment*
- 11. Veterinary medicines*
- 12. Medicated feed*
- 13. Common Consolidated Corporate Tax Base (CCCTB)*
- 14 Towards a definitive VAT system for cross border trade (1<sup>st</sup> step)*

***Initiatives Planned by the Commission:***

- 1. Prudential treatment of investment firms*
- 2. Mutual Recognition for goods*
- 3. Enforcement and compliance - Single Market for goods*
- 4. Outdoor noise directive*
- 5. SME definition*
- 6. Small Passenger Ship - Council Recommendation providing a common non-binding benchmark at EU level for the safety of passenger ships below 24 meters in length*
- 7. Road Infrastructure and Tunnel Safety*
- 8. Port Reception Facilities*
- 9. Better functioning of the market for bus and coach transport*
- 10. European Maritime Single Window environment*
- 11.. Food information - Commission assistance for implementation and application of food information rules set out in Regulation (EU) No 1169/2011*
- 12. General arrangements for excise duty*

13. *Excise duties on alcohol and alcoholic beverages*
14. *Tobacco Excise - structure and rates of excise duty applied to manufactured tobacco*
15. *VAT rates*
16. *SME VAT Package*
17. *Cross-border distribution of alternative investment funds and UCITS*

**Areas being evaluated:**

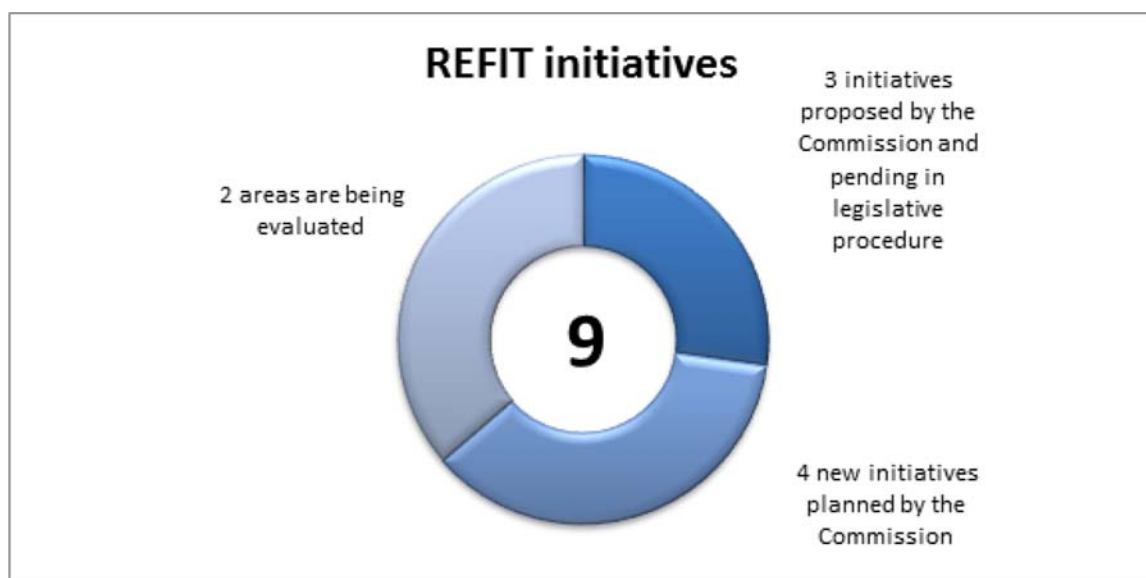
1. *Simplified procedure for Merger Control*
2. *Procedural and jurisdictional aspects of EU merger control*
3. *Simplified Procedure Notice for State Aid*
4. *Fitness Check on reporting requirements in the area of Finance*
5. *Motor insurance directive*
6. *Directive 2014/92/EU on payment accounts*
7. *Evaluation of Directive 2014/95/EU on disclosure of non financial information*
8. *Construction Products Regulation*
9. *Enforcement of Intellectual Property Rights*
10. *European Observatory on Infringements of Intellectual Property*
11. *Lifts Directive*
12. *Machinery Directive*
13. *Chemicals legislation (other than REACH)*
14. *Design System - Directive 98/71/EC on the legal protection of designs*
15. *Aerosol Dispensers - Directive 75/324/EEC on aerosol dispensers*
16. *Liability for defective products*
17. *Detergents - Detergents Regulation - (EC) No 648/2004.*
18. *Low voltage directive*
19. *EMC directive*
20. *Drug precursors Regulation*
21. *Maritime acquis*
22. *Nutrition and Health Claims made on Food*
23. *Pesticides - placing on the market of plant protection products and maximum residue limits setting*
24. *General Food Law*
25. *Feed additive legislation*
26. *Food contact materials*
27. *Fee system of the European Medicines Agency*
28. *Blood and tissues & cells - policy framework for blood and tissues & cells - Directives 2002/98/EC and 2004/23/EC*
29. *Food Irradiation - Directive 1999/2/EC concerning foods and food ingredients treated with ionising radiation.*
30. *VAT Invoicing directive*
31. *Training and certification of seafarers*

## 2.5. Simplification and Burden Reduction for a deeper and fairer Economic and Monetary Union (Priority 5)

" ..Of the six Sustainable Development Goals (SDGs) related to agriculture and nutrition, data for four of them are provided by Eurostat, based among others on European agricultural statistics. Modernising and improving these data will allow for more targeted, efficient and effective interventions to meet important goals such as mitigating climate change and providing environmental services." **Marianne Thyssen, Commissioner for Employment, Social Affairs, Skills and Labour Mobility**

The Commission is working for a deeper and fairer Economic and Monetary Union in line with the report of the Five Presidents. Initiatives under REFIT are contributing to this goal by ensuring that legislation in the areas of financial stability and financial services, social affairs and employment statistics remain fit for purpose, are as simple as possible and do not create undue burdens.

In order to ensure that unnecessary costs are removed and rules are as effective and efficient as possible, the Commission has made 3 proposals under REFIT since 2015, which are pending adoption by the legislator. Four new proposals are planned for 2018 and 2 areas are under evaluation



### Results and Achievements – *Examples:*

- The Commission provided follow-up to the recommendations of the **REFIT Platform** with its **Framework Regulation Integrating Business Statistics (FRIBS)** – FRIBS integrates 10 legislative acts on EU business statistics into one legal framework to facilitate the modernisation of statistical production at national level and reduce burdens to businesses – savings have been estimated at up to **€93 million per year**.
- **Integrated Farm Statistics** - the Regulation replaces 2 legislative acts by one, modernising and simplifying the current statistical system. Savings are estimated at up to **€56 million per survey year**.

- ***Integrated Social Statistics*** - the initiative will repeal 2 legislative acts and it is likely to deliver costs savings between **€3.1 million and 34 million per year** for businesses and public administrations depending on the implementation at national level.

#### **Work under Way – Examples:**

- ***Cross-border payments*** – the scope of the Regulation will be extended to all non-euro currencies in the EU. This is expected to improve disclosure and reduce fees in cross-border transactions in particular with respect to and from non-euro Member states.
- ***Occupational Health and Safety*** - following the results of an evaluation, the Commission has launched a two year programme aiming at removing or updating outdated provisions in several Directives, starting with 6 directives in the area of workplaces, display screen equipment, health and safety signs, biological agents, medical assistance and on personal protective equipment. This will ensure clearer, more coherent and more relevant rules, simplifying and reducing unnecessary administrative burdens where possible, while maintaining or improving workers' protection.
- ***Written Statements Directive*** – the Commission will present a proposal to improve the transparency and legal predictability of employment contracts
- ***European Social Security Number:*** In the context of social security coordination and related to a **REFIT Platform** opinion on the subject, the Commission is planning an initiative on introducing a European Social Security Number. This will aim at facilitating the identification of persons across borders, and the quick and accurate verification of their social security insurance coverage. Benefits will include simplifying the interactions with administrations and helping citizens to exercise their EU social security rights. It could lead to a reduction of administrative burden for national administrations and help in combating fraud and abuse.

#### ***Overview of Priority 5 REFIT Initiatives taken by the present Commission:***

##### ***Initiatives adopted by the Legislator:***

./.

##### ***Initiatives proposed by the Commission and pending in Legislative Procedure:***

1. *Framework Regulation Integrating Business Statistics (FRIBS)*
2. *Framework regulation for the production of European statistics on persons and households (Integrated European Social Statistics)*
3. *Framework Regulations in Agricultural Statistics*

##### ***Initiatives Planned by the Commission:***

1. *Occupational Health and Safety(technical updates)*
2. *Written Statement Directive*
3. *European Social Security Number*
4. *Regulation (EC) N°924/2009 on cross-border payments*

***Areas being evaluated:***

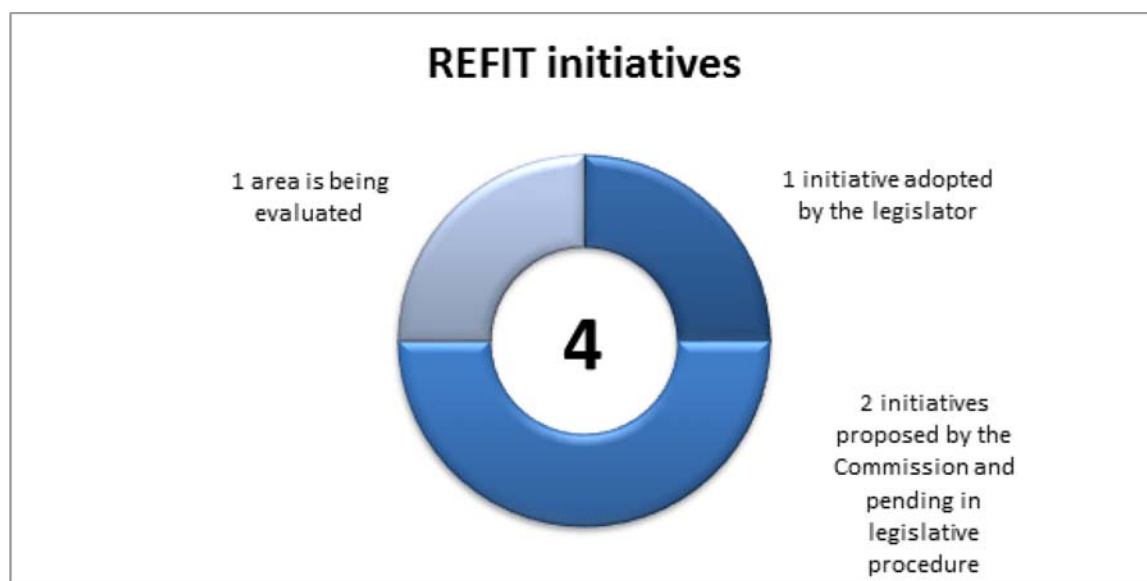
- 1. European Works Council*
- 2. Evaluation of the Part-Time and Fixed-Term Work Directives*

## 2.6. Simplification and Burden Reduction for a balanced and progressive trade policy to harness globalisation (Priority 6)

*"We are living in turbulent times. Preserving peace and protecting human rights are core objectives of the EU and our trade policy is essential to that aim. That's why we are proposing a set of modern rules to make sure that exports are not misused to threaten international security or undermine human rights". Cecilia Malmström, Commissioner for Trade on the recast of export controls for dual use items*

EU trade policy is working to create a global system for fair and open trade. By lowering barriers to market access, it reduces compliance costs for exporting firms. Trade also brings lower prices and a wider variety of goods to the consumer and helps businesses make the most of global opportunities thus boosting growth, jobs, competitiveness and investment in the EU. REFIT contributes to the achievement of trade policy goals by ensuring relevant legislation delivers on its objectives in the simplest way with the least costs for companies, citizens and public administrations.

In order to ensure that unnecessary costs are removed and rules are as effective and efficient as possible, the Commission has made 3 proposals under REFIT in this area, 2 of which are pending adoption by the legislator, one area is being evaluated.



### Results and Achievements – Examples:

- **Dual-Use Export Controls:** The Commission proposal for a modernisation of EU export controls adopted in September 2016 simplifies control processes and reduce administrative burdens for business and public administrations (approx. four times less costly for companies and up to 11 times less costly for licensing authorities). The overall cost-reduction may amount to 40% due to the reduction of the number of products subject to control on transfers within the EU. The proposal also contains amendments to certain key control provisions in order to improve legal clarity and reduce compliance costs due to complex and unclear control provisions.



- **Trade Defence - anti-dumping, anti-subsidy:** The proposals improve the effectiveness and efficiency of the anti-dumping and anti-subsidy regulations by increasing transparency, predictability and legal certainty, improving enforcement and facilitating the cooperation of all stakeholders concerned. – It is pending in legislative procedure since 2013, and is currently being discussed in trilogue meetings between the Commission, the Council and the European Parliament.
- **Work under Way – Examples:**

The Commission currently carries out an evaluation of the General Systems of Preferences which should be concluded at the end of 2017. The Commission will also finalise Free Trade Agreements with Japan, Singapore and Vietnam and pursue negotiations with Mexico and the Mercosur.

***Overview of Priority 6 REFIT Initiatives taken by the present Commission:***

***Initiatives adopted by the Legislator:***

1. *Common rules for imports of textile products*

***Initiatives proposed by the Commission and pending in Legislative Procedure:***

1. *Reform of the Trade Defence Instruments*
2. *Review of dual use export controls*

***Initiatives Planned by the Commission:***

*./.*

***Areas being evaluated:***

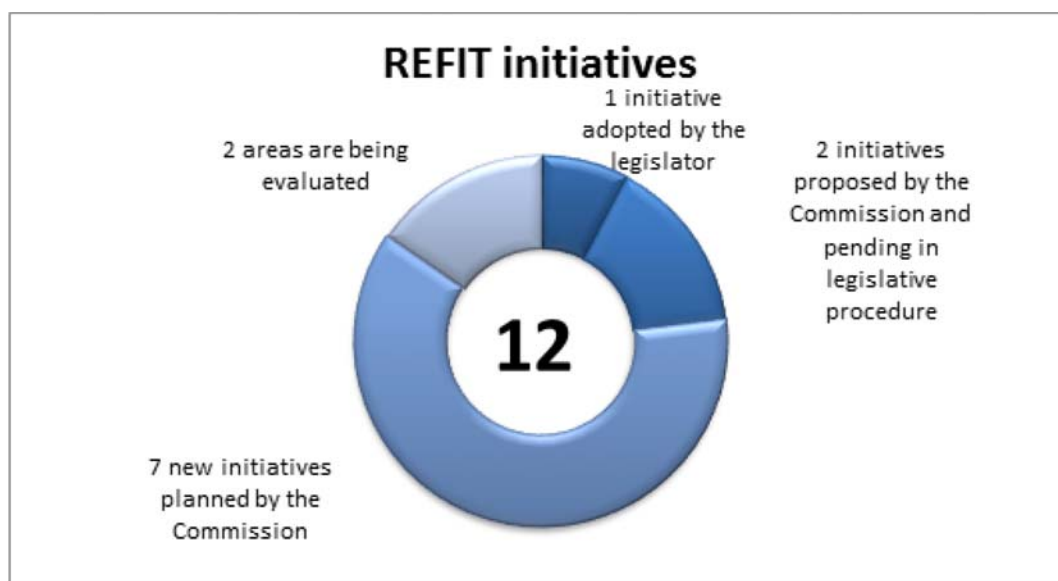
1. *General Systems of Preferences*

## 2.7. Simplification and Burden Reduction for Upholding the Rule of Law and linking Up Europe's Justice Systems (Priority 7)

*"European consumers are amongst the best protected in the world. They benefit from strong consumer rights whether they buy in their own country or cross-border. We need to make sure that these rights can also be properly enforced and are brought up-to-speed with the digital age. With the upcoming proposals we will make sure these rights become a reality online and offline."* **Věra Jourová, Commissioner for Justice and Consumers**

A borderless and seamless European justice area will ensure that citizens can rely on a set of rights all across the continent while upholding the rule of law. The EU strives to make life easier for Europeans so that citizens feel at ease and trust that their rights are protected and their security guaranteed, no matter where they are in the European Union.

In order to ensure that unnecessary costs are removed and rules are as effective and efficient as possible, since 2015 the Commission has made 3 proposals under REFIT, 2 of which are pending adoption by the legislator. Seven new initiatives are planned for 2018 and 2 areas are being evaluated.



### Results and Achievements – *Examples:*

- **Consumer Protection Cooperation:** A review of rules on the cooperation between national consumer protection authorities is expected to deliver simplification and burden reduction benefits for national authorities and businesses of up to **€299 million per year**.
- **Recognition and enforcement of judgements in matrimonial matters and parental responsibility (Brussels IIa Regulation):** Procedures for the return of abducted children, on custody and access, on the cross-border placement of children and on child protection measures in cross-border cases will be

simplified. Abolishing certain requirements could cut costs of about € **347 million per year** for specialised legal advice or for obtaining the specific authorisation for the enforcement of a judgement.

- **Work under Way – Examples:**

In the coming months, the Commission will propose to simplify rules to reduce burden on businesses, helping consumers, facilitating the free movement, increasing internal security and enhancing modernization taking into account new technologies.

- **The EU Company Law package** will simplify company law related procedures and reduce the administrative burden for companies and public authorities by use of digital procedures. With more than 2 million new companies registering in the EU each year, there could be a significant economic impact in both cross-border and domestic registrations. The cost for online registration is significantly cheaper than the paper-based registration. Further streamlining of the rules would increase cross-border mergers and other cross-border operations could also be facilitated, opening up a bottleneck in economic activity across the EU.
- **A new deal for consumers:** The 'New Deal for Consumers' announced by the Commission in September 2017 includes a review of the substantive and procedural consumer protection rules under the REFIT programme that was kicked-off with the Fitness Check evaluation published in May 2017. The review of the substantive rules includes reduction of the overlapping information requirements, enabling the use of modern means of distance communication with consumers and simplifying some of the rules on the right of withdrawal. These simplifications could generate cost reductions and alleviate administrative burdens for traders. Savings for traders could also arise thanks to further harmonising the injunctions procedure.
- **Identity and residence documents:** A possible legislative proposal would aim at enhancing the security and common features of identity and residence documents and facilitate their acceptance by public authorities and businesses. This would promote the exercise of free movement, contribute to an increased internal security and reduce the costs to private and public service providers and authorities now due to administrative delays and processing times. – This proposal follows-up on an opinion of the **REFIT Platform**.

*"The REFIT Platform encourages the Commission to analyse the feasibility of harmonising identity and residence documents, or any of their key features, with a view to facilitating free movement and tackling the challenges encountered by EU mobile citizens in their host countries."* **REFIT Platform opinion on Identity and residence documents**

- **Regulation on service of documents:** The revision envisages modernizing services taking into account new technologies, to promote the use of more direct

and cheaper methods of judicial assistance (such as the service by post) and reinforce the right of the defence for parties with residence in another Member State. It is estimated that the revision could generate savings of about **306 million per year for citizens alone**.

- **Regulation on marketing and use of explosives precursors:** A revision of the regulation will strengthen the protection against the illicit use of explosives precursors by improving the effectiveness and efficiency of the EU restrictions and controls. The Regulation will be evaluated at the same time and various policy options will be assessed. An opinion of the **REFIT Platform** recommends that the Commission should explore opportunities for facilitating a unified application of the Regulation in the Member States and clarify requirements on supply chain actors.
- **Regulation on taking of evidence:** The Regulation will be modernized to address issues of keeping up with digitalization, using of the method of "direct taking of evidence", which ensures that the courts take evidence directly in the territory of another Member State, ensuring legal certainty for courts, parties and lawyers and clarify the grounds for refusing the execution of cooperation requests.
- **Emergency travel documents:** This proposal aims at simplifying formalities for unrepresented EU citizens in third countries, whose passport or travel document have been lost, stolen or destroyed, in order to ensure that they are provided with an Emergency Travel Document (ETD) by other Member States, allowing them to travel back home. The initiative aims to contribute to allow unrepresented EU citizens to exercise their right to consular protection in an easier and more effective way.
- **Consumer Credit Directive:** Taking-up a recommendation of the REFIT Platform, the Commission will carry out a fully-fledged evaluation of the Directive in 2019 going beyond the reporting obligation set in law.
- **Equal Pay:** The Commission will evaluate Directive [2006/54/EC](#) on the implementation of the principle of equal opportunities and equal treatment of men and women in matters of employment and occupation (recast)

***Overview of Priority 7 REFIT Initiatives taken by the present Commission:***

***Initiatives adopted by the Legislator:***

*1. Company law – codification*

***Initiatives proposed by the Commission and pending in Legislative Procedure:***

*1. Consumer Protection Cooperation*

*2. Recognition and enforcement of judgements in matrimonial matters and parental responsibility (Brussels IIa Regulation)*

***Initiatives Planned by the Commission:***

- 1. EU Company Law package*
- 2. A new deal for consumers (two proposals)*
- 3. Identity and residence documents*
- 4. Service of documents*
- 5. Marketing and use of explosives precursors*
- 6. Taking of evidence*
- 7. Emergency travel documents*

***Areas being evaluated:***

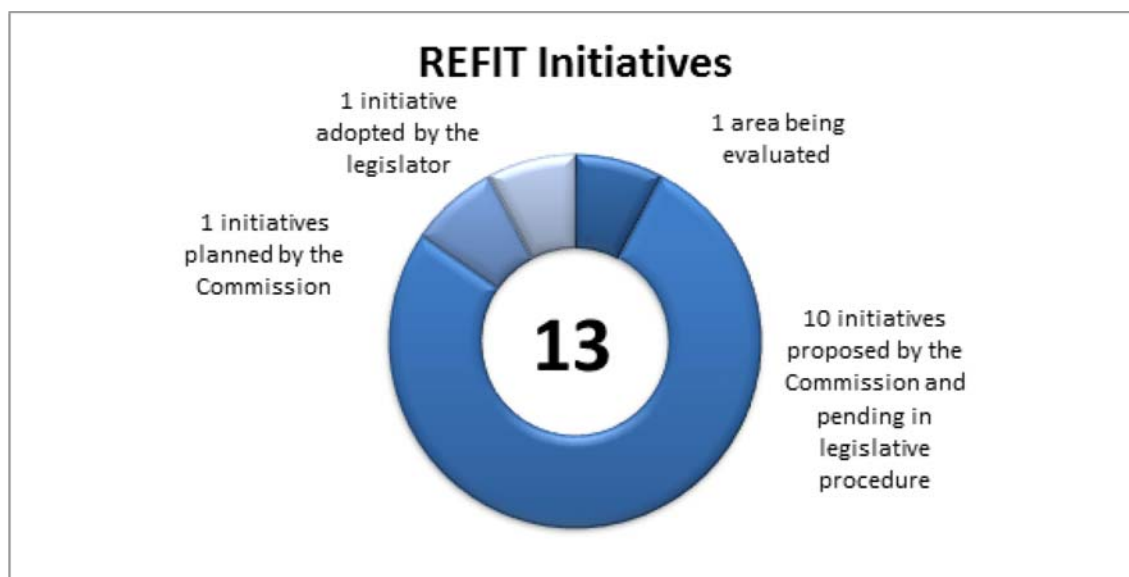
- 1. Equal treatment in social security*
- 2. Regulation 258/2012 on export of firearms*

## 2.8. Simplification and Burden Reduction for a New Policy for Migration (Priority 8)

*"The Schengen Information System is central to Europe's internal security. Today's measures will deliver important technical and operational improvements so it's easier to detect and identify those who wish us harm. It will also improve cooperation and information sharing between Member States and with relevant EU agencies. Much more remains to be done though: SIS is only as good as the data inputted into it."* **Julian King, Commissioner for the Security Union**

The European Commission's agenda on migration sets out a European response, combining internal and external policies, making best use of EU agencies and tools, and involving all actors: EU countries and institutions, international organisations, civil society, local authorities and national partners outside the EU.

In order to ensure that unnecessary costs are removed and rules are as effective and efficient as possible, since 2015, the Commission has made 12 proposals under REFIT, 10 of which are pending adoption by the legislator. One initiative is planned for 2018 and one area is being evaluated.



### Results and Achievements – Examples:

- **The Schengen Information System:** Following-up to an evaluation, the Commission proposed in 2016 to strengthen the operational effectiveness and efficiency of the system (3 individual proposals). Improved information exchange between Member States will lead to reducing administrative burdens on law enforcement officers and border guards across the participating countries.
- **Common European Asylum System:** In 2016, the Commission proposed to make the European asylum system more solid, coherent and integrated European asylum system based on common, harmonised rules, which are fully in line with the international protection standards under the Geneva Convention and

fundamental rights instruments (7 individual proposals). The package aims notably at making asylum procedures faster, simpler and more effective. It is expected to benefit the applicants and the Member States leading to savings in reception and administrative costs.

#### **Work under Way – Examples:**

- **Visa Information System (VIS):** In the coming months, the Commission will propose improvements to the Visa Information System (VIS) to respond to evolving policy, legal or factual developments in the field of visa and border crossing and enable proper implementation of the objectives of VIS.
- **Legal Migration:** The Commission is currently evaluating how the existing Directives on legal migration have contributed to the attainment of legal migration policy objectives, and is identifying possible overlaps, gaps or inconsistencies as well as possible obsolete measures. The results of this Fitness check will be presented in 2018 and will provide a basis for simplifying and streamlining the current EU framework in this area.

#### ***Overview of Priority 8 REFIT Initiatives taken by the present Commission:***

##### ***Initiatives adopted by the Legislator:***

1. *Codification of Schengen borders code*

##### ***Initiatives proposed by the Commission and pending in Legislative Procedure:***

1. *Schengen Information System - return of illegally staying third-country nationals*
2. *Schengen Information System - border checks*
3. *Schengen Information System - police cooperation and judicial cooperation in criminal matters*
4. *Proposal for a Regulation establishing the criteria and mechanisms for determining the Member State responsible for examining an application for international protection lodged in one of the Member States by a third-country national or a stateless person (recast) – Asylum package*
5. *Proposal for a Regulation on the establishment of 'Eurodac' for the comparison of fingerprints for the effective application of Regulation (EU) No 604/2013 – Asylum package*
6. *Proposal for a Regulation on the European Union Agency for Asylum – Asylum package*
7. *Proposal for a Regulation establishing a common procedure in the Union and repealing Directive 2013/32/EU – Asylum package*
8. *Proposal for a Regulation on standards for the qualification of third-country nationals or stateless persons as beneficiaries of international protection, for a*

*uniform status for refugees or for persons eligible for subsidiary protection and for the content of the protection granted – Asylum package*

*9. Proposal for a Directive laying down standards for the reception of applicants for international protection (recast) – Asylum package*

*10. Proposal for a Regulation establishing a Union Resettlement Framework – Asylum package*

***Initiatives Planned by the Commission:***

*1. Revision of the Visa Information System (VIS)*

***Areas being evaluated:***

*1. Legal migration fitness check*



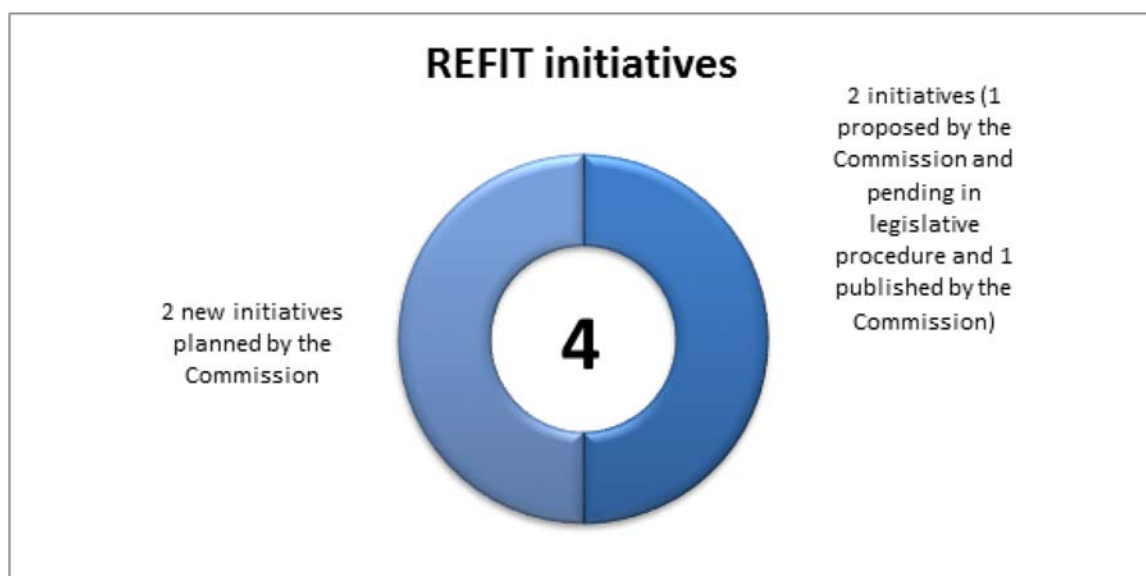
## 2.9. Simplification and Burden Reduction for a Union of Democratic Change (Priority 10)

*"This action plan is about simplifying environmental reporting and informing citizens better. It's a good example of how better regulation helps us uphold our high environmental standards and meet our evidence-based policy objectives."* **First Vice-President Frans Timmermans on the simplification of reporting requirements in the area of environment**

### Results and Achievements – Examples:

In 2017, the Commission completed a major update of the **Guidelines and the Toolbox for Better Regulation** across the entire policy cycle<sup>8</sup>. While their primary function is to support Commission better regulation work, they are available to be used by the European Parliament, the Council, Member States and stakeholders. The revision of the toolbox took into consideration 2 opinions by the **REFIT Platform** on stakeholder consultation and on standardisation.

On 13 September, the Commission adopted a proposal on the **European Citizen Initiative**, with a view to further improving its use. The proposal builds on lessons learned in the five years since the Regulation came into force, drawing on a public consultation, feedback from other institutions and the opinion of the **REFIT Platform**. In this area, the Commission took 4 initiatives, one of which is pending before the co-legislator.



### Work under Way – Examples:

In follow-up to a Fitness Check on **reporting in the area of environment**, the Commission has developed an action plan and will streamline requirements in 2018.

<sup>8</sup> [https://ec.europa.eu/info/better-regulation-guidelines-and-toolbox\\_en](https://ec.europa.eu/info/better-regulation-guidelines-and-toolbox_en)

In support to **environmental compliance assurance**, the Commission will propose an action plan by end 2017 in order to support national authorities addressing a number of compliance challenges.

### 3. RESULTS OF THE EUROBAROMETER SURVEY

#### 3.1. Introduction

In the context of its commitment in the Interinstitutional Agreement on Better Law-Making to present annually an overview, including an annual burden survey, of the results of the Union's efforts to simplify legislation and to avoid overregulation and reduce administrative burdens, the Commission carried out in 2017 a Flash Eurobarometer on business perceptions of regulation. Over 10,000 businesses across the 28 Member States were interviewed, mainly SMEs and reflecting the distribution of business in the EU. The Eurobarometer reflects business attitudes towards general aspects of legislation such as benefits, drawbacks and obstacles of legislation. Companies were also asked to provide specific perceptions on seven policy areas: VAT; health and safety in the workplace; consumer protection laws; safety laws; labour market regulations; laws on the environment; laws on energy and climate. Companies were asked to offer their views on:

- whether EU legislation is seen as a support or an obstacle
- whether the legislation that applies to their company is national or EU in origin
- legislation in terms of:
  - benefits: (i) the reduction/ removal of Member State differences benefitting companies; (ii) improving access to suppliers and customers; (iii) encouraging company investment; (iv) helping competitiveness; (v) helping to create a level playing field for all; and (vi) helping to safeguard the quality and safety of products and services
  - drawbacks: (i) being a barrier to innovation; (ii) increasing the cost of administrative processes; (iii) increasing the amount of paperwork; and (iv) hampering growth
- whether regulatory costs are perceived to have increased, decreased or stayed the same, in the last financial year, in the areas of: VAT; health & safety in the workplace; consumer protection laws; safety laws; labour market regulations; the environment; and energy and climate
- whether complying with legislation is perceived to have become easier, more complex or stayed the same in the last financial year
- how time consuming certain tasks are in relation to complying with legislation
- if there are any obstacles to voicing complaints about administrative tasks stemming from business legislation

The full results of the Eurobarometer survey and an additional analysis of the survey are available online:

<http://ec.europa.eu/commfrontoffice/publicopinion/index.cfm/Survey/getSurveyDetail/instruments/FLASH/surveyKy/2129>

The findings are wide-ranging and this current report provides only an overview of the three of them which are particularly relevant to the Commission's work on simplifying legislation.

### **3.2. Main findings:**

- **Businesses have divergent views as regards obstacles and benefits of legislation in the EU.**

Companies perceive both the costs and the benefits of legislation in the EU to varying degrees. In particular companies have divergent views on whether legislation is reducing or removing the differences in legal requirements in different Member States (46% agree; 39% disagree), is creating a level playing field for all companies (45% agree, 48% disagree), is helping them to be competitive (44% agree, 47% disagree) and is encouraging them to invest (43% agree, 44% disagree). Businesses consider more positively the benefits of ensuring the quality and safety of products and services (65%) and improving access to suppliers and customers (55%). A majority of companies (51% and 58% respectively) disagrees with the ideas that legislation would be an obstacle to innovation or hamper business growth, while 36% and 34% respectively consider legislation as an obstacle in these respects. In general, EU legislation is considered by 44% of companies neither a support nor an obstacle.

Companies do not have uniform views on burden created by legislation and also see the benefits of it when operating their daily business. This suggests that their views are important when identifying on a case by case basis the concrete actions to reduce burden.

- **The views of businesses vary significantly from one Member State to another**

While there is no consensus on whether legislation in EU is a support or an obstacle to business, the Eurobarometer shows significant and consistent differences across Member States. An overview of the results illustrates considerable variation across business perceptions on six benefits and four drawbacks<sup>9</sup>, although variations are more marked for benefits. The difference in agreeing to benefits can vary from 81% in one country to 19% in another one- that is 60 per cent points. For drawbacks, the difference in agreeing with drawbacks is up to 37 per cent points.

As a consequence, the EU average value differs significantly from the average perceptions of a number of Member States. While, on balance most of the countries in the EU have a positive opinion of legislation, there are significant variations among Member States. The percentage ratio between positive and negative answers across Member States varies from +36 (most positive perceptions) to -22 (most negative perception).

Moreover, there are some consistent patterns on perceptions on benefits and obstacles among Member States. Business in certain Member States tend to particularly agree that legislation brings benefits in the areas covered, while companies in other countries are

---

<sup>9</sup> On benefits questions, Member States variation is between 43 – 62 percentage points, concerning drawbacks 28 – 37 percentage points.

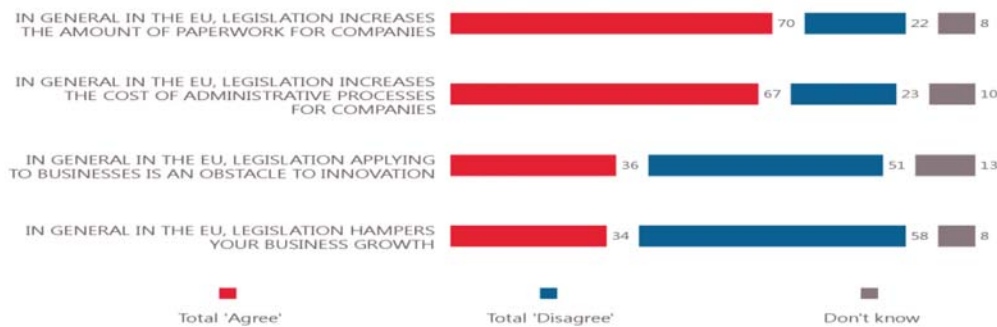
usually at the other end of the scale<sup>10</sup>. Companies in the four Member States that are least likely to perceive benefits of legislation are also particularly likely to agree that legislation brings drawbacks.

The fact that legislation is perceived very differently across Member States suggests that local factors which are unrelated to the legislation as such are the main determinants of perceptions, for example implementation, enforcement and business environment. These differences suggest that the national context is highly relevant in influencing the way business perceives regulatory burden stemming from legislation.

- **Companies also find that legislation in the EU increases paperwork.**

Above all perceptions on the drawbacks of legislation, most companies think<sup>11</sup> that legislation, in the EU, increases the cost of administrative processes and the amount of paperwork for companies. The results also show that companies do find tasks related to complying with legislation, such as completing paperwork, keeping up with regulatory changes and understanding what is required, time consuming<sup>12</sup>.

Q2 To what extent do you agree or disagree with each of the following statements? (% - EU)



### 3.3. Overall conclusions

The Eurobarometer survey provided useful input to the reflection on how to simplify and reduce administrative burden. In general, the findings of the survey show that there is a complex interplay of different factors that influences the perceptions of businesses.

The fact that business has divergent views on whether legislation is an obstacle or a benefit would suggest that it is only by seeking their views on specific pieces of legislation that concrete areas for simplification can be identified. The Commission's approach of a case by case evaluation of existing pieces of legislation, or various pieces of legislation that apply to a particular sector, to identify concretely, in full consultation with stakeholders, what can be simplified, streamlined or eliminated.

<sup>10</sup> FR, IT are consistently among the least positive/most negative, followed by CZ and AT (the latter only on drawbacks). EL, IE, CY and RO are repeatedly among the most positive Member States regarding the benefits, while DK, EE, and EL are the least negative about drawbacks.

Moreover, the fact that perceptions vary significantly from Member State to Member State suggests that concerns of business are not only influenced by actions at EU level but also by variations in implementation and by the national administrative and legal set up. Therefore efforts to reduce burden will have to be carried out at different levels to ensure that results are felt on the ground. In particular engagement of other Institutions is necessary to establish a more systematic approach to monitoring and evaluating existing legislation and to assess the impact of any amendments to proposed legislation.

Finally, companies are concerned about paperwork and administrative costs, confirming that the focus on cutting unnecessary costs while preserving the benefits of legislation remains appropriate.

#### 4. FEASIBILITY OF ESTABLISHING OBJECTIVES FOR BURDEN REDUCTION IN SPECIFIC SECTORS

##### • INTRODUCTION

The Commission is strongly committed to reducing unnecessary burden for business, citizens and public administrations.

Within the Inter-Institutional Agreement for Better Law-making (IIA-BL), the Commission committed "...to update and simplify legislation and to avoid overregulation and administrative burdens for citizens, administrations and businesses, including SMEs, while ensuring that the objectives of the legislation are met...", present within its REFIT programme an "annual overview, including an annual burden survey, of the results of the Union's efforts to simplify legislation and to avoid overregulation and reduce administrative burdens and ...assess the feasibility of establishing objectives for the reduction of burdens in specific sectors""<sup>13</sup>.

This document presents the results of the feasibility assessment, taking into consideration:

- the Commission's experience with the Administrative Burden Reduction Programme (ABR and ABRPlus) between 2007 and 2013;
- the implementation of the REFIT programme since 2012;
- the results of a targeted survey of members of the REFIT Platform carried out in July 2017 on their experience and views regarding the implementation of burden reduction objectives, the quantification of regulatory burdens at EU level and the ways to ensure and monitor impact of burden reduction on the ground;
- the experiences of Member States, the OECD<sup>14</sup> and analysis by research institutes<sup>15</sup>.

The feasibility assessment considered all types of burden reduction objectives (sectoral and global) and it is applicable to all types of regulatory costs.

While carrying out the feasibility assessment, the Commission examined in particular whether the REFIT programme could be usefully complemented by quantitative burden reduction objectives, in the light of acceptance (legitimacy), results and resources used (effectiveness and efficiency) and the capacity to drive further regulatory burden reduction among EU institutions (cultural change).

---

<sup>13</sup> [http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L\\_.2016.123.01.0001.01.ENG](http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2016.123.01.0001.01.ENG) - Chapter VIII, point 48.

<sup>14</sup> <http://www.oecd.org/gov/regulatory-policy/>

<sup>15</sup> See for instance the CEPS study on the feasibility of introducing EU reduction targets on regulatory costs commissioned by RegWatchEurope: <https://www.ceps.eu/publications/introducing-eu-reduction-targets-regulatory-costs-feasibility-study> as well as previous CEPS study on Assessing the costs and Benefits of Regulation: <https://www.ceps.eu/publication/assessing-costs-and-benefits-regulation>.

- **BURDEN REDUCTION OBJECTIVES FOR THE EU REGULATORY FRAMEWORK**

Regulation, as well as providing us with necessary protection and safeguarding our rights, represents a cost for the economy. This cost is borne by government, regulators and those being regulated, including businesses, public sector organisations, the voluntary sector and ultimately citizens.

There is a clear rationale for reducing burden that regulations impose on business, citizens and public administrations. However, as set out in the Interinstitutional Agreement on Better Law-Making, “...*the goals of simplifying Union legislation and reducing the regulatory burden should be pursued without prejudice to the achievement of the policy objectives of the Union.*”<sup>16</sup>. While some regulatory costs are directly attributable to the policy goals, others are not necessary to achieve them and can be removed without affecting the ability of regulation to deliver intended benefits.

One approach to reducing regulatory costs is by fixing ex ante burden reduction targets either for the economy as a whole<sup>17</sup> or for specific sectors. To fix burden reduction objectives in specific sectors entails setting-up sectoral quantified targets for the EU regulatory framework. These can be absolute amounts or percentage targets set-up at the level of an economic sector or policy area.

### **I. Sectoral burden reduction objectives on the basis of a Baseline measurement**

One option for setting sectoral burden reduction objectives is to base it on a comprehensive baseline measurement of the stock of regulatory cost. A baseline calculation means a minimum initial assessment of the overall costs and benefits. Such an approach provides for a credible and effective starting point for verifiable cost reductions as it allows the regulator to set the target at the appropriate level. If the implementation of the burden reduction objectives is then followed-up on the ground, its net impact would be measured and related to the implementation of the legislation through the EU multi-tier levels (EU, national and regional levels).

The Commission carried out such a baseline measurement in 2007, as part of its Administrative Burden Reduction programmes (ABR). The goal of the programme was to reduce administrative burdens by 25 per cent by 2012 in 12 selected priority areas.

The work was based on an extensive screening of the acquis, the identification of most burdensome legislation, and on calculations and extrapolations resulting in an estimation of the baseline. Implementation was carried-out at considerable administrative cost and it encountered major obstacles linked to data availability. At the same time it was difficult to achieve a consensus between Member States and stakeholders on the methodology used. This triggered difficulties, notably regarding the quantification of costs, benefits and savings. Within the ABRPlus programme, the Commission examined how the 12

---

<sup>16</sup> [http://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32016Q0512\(01\)&from=EN](http://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32016Q0512(01)&from=EN)

<sup>17</sup> This feasibility assessment, in line with the commitment taken in the IIA-BL, will only consider sectoral burden reduction objectives. It is clear, however, that the assessment is valid *a fortiori* for burden reduction objectives set for the economy as a whole.



measures from the ABR Programme have been implemented on the ground in 5 Member States and assessed whether the promised reductions in administrative burdens had been realised.

The ABRPlus programme demonstrated that reliable and comparable data to establish a more robust baseline than the initially estimated one in the ABR was not available. Despite the fact that the burden reduction objective was based on evidence and extensive data gathering, it could not clearly demonstrate its benefits with businesses on the ground.

A Final Report on ABRPlus underlined that:

- Very few Member States provided data on current administrative burdens and/or savings as a result of the ABRPlus measures; the data provided was limited and no methodological basis on which the data was founded could be identified.
- The focus and emphasis of the ABR was on the adoption of the measures at the EU level, with limited consideration given to implementation by Member States or to an agreed approach for the ongoing monitoring and evaluation of the impacts of the ABR measures once implemented.
- In the absence of an agreed approach at a European level for monitoring the impacts of the ABR measures on an on-going basis, individual Member States did not apply any processes and systems of their own for measuring the impacts on the ground.
- There was limited knowledge among Member States on how the estimates of administrative burden were calculated and on the choices made by different Member States to implement the adopted EU initiatives; therefore, the Member States had and provided little evidence on how the target affected the final administrative burden reduction achieved.
- During the programme, there was very limited commitment of businesses to participate in the exercise.

This experience demonstrates that gathering the evidence necessary to fix an ex ante target is expensive, takes significant time to complete, and does not necessarily produce an accurate representation because data is often limited. This conclusion is also supported by many members of the REFIT Platform Government group, who have experimented with baseline measurement and declared that it is costly and often lacks accuracy given the required extrapolation.

**Calculating a baseline is a costly and complex exercise due to the data availability, transparency and reliability. Quality of data relies on the capacity of the Member States and other stakeholders to provide data to the EU level, which is often very low and on a commonly accepted methodology. On the part of Member States, evidence shows that the national approaches are very diverse as well as the national implementation processes and governance established for burden reduction objectives. Businesses and citizens often lack the capacity (resources) and willingness (due to commercial secrecy) to provide data to the administrations.**

## II. Sectoral burden reduction objectives set without baseline measurement

An alternative to setting a burden reduction objectives based on extensive data collections and baseline measurement, is to set burden reduction objectives 'politically', rather than on the basis of an extensive data collections and/or baseline measurement.

This approach would result in a sort of political declaration, whereby ex-ante burden reduction objectives are set with no clear justification on how they are calculated or why they should apply to a specific sector. This can be done in different ways, for instance by introducing the so-called "one-in one-out" and its variations<sup>18</sup> type of targets; an absolute amount or a percentage set at sectoral level.

The majority of members of the REFIT Platform Government group have suggested to introduce this approach, supported by data collected through ex post evaluations, Cumulative Cost Assessments, Fitness Checks, surveys etc. These members also reiterated the May 2016 Competitiveness Council<sup>19</sup> Conclusions urging the Commission to introduce reduction targets in 2017, while taking into account a high level of protection of consumers, health, the environment and employees and the importance of a fully functioning Single Market.

Introducing sectoral burden reduction objectives without a baseline measurement is a relatively easy exercise and can be done fairly quickly. However, there are a number of concerns related to the introduction of this approach at EU level.

First, there is a methodological challenge to ensure that all Commission proposals are accompanied with reliable quantitative estimates of new costs and/or savings. This is particularly complex at EU level for reasons that include data availability and the nature itself of EU legislative proposals (the cost of which often depend on national implementation choices- as when exemptions possibilities are provided for- or follow-up acts- as when delegated and implementing measures fix the parameters determining expected compliance costs)<sup>20</sup>. The risk of building a target-based mechanism upon potentially costly, incomplete and/or weak quantitative estimates clearly needs to be taken into account.

Secondly, and independently from any progress in improving quantifications of costs and benefits, the additional absence of a sound methodology to identify what costs should be

---

<sup>18</sup> This means that new costs equal to reduction of costs in countervailing proposals.

<sup>19</sup> The May 2016 Competitiveness Council " ... *URGES the Commission to rapidly proceed on this to enable the introduction of reduction targets in 2017, whilst always taking into account a high level of protection of consumers, health, the environment and employees and the importance of a fully functioning Single Market. UNDERLINES that such targets should be well-defined, pragmatic and sound, and should focus on sectors or sets of regulation that are particularly burdensome, areas relevant for SMEs and with strong potential for innovation, and fitting within the current REFIT priorities*"

<sup>20</sup> For an authoritative review of these issues see chapter 4 in <https://ceps.eu/publications/assessing-costs-and-benefits-regulation> .

reduced on what sectors and why, makes it very difficult to *calibrate* the ambition of any ex-ante objective with the risk that objectives are set at a non-optimal level:

- if set too low, the action would result in failure to reach the reduction objective by obtaining negligible results;
- if the level is set too high burden reduction objectives are set without a clear identification of ‘unnecessary costs’, shifting the focus of the regulatory reform agenda away from ‘better regulation’ and putting wider policy objectives at risk, resulting in undesirable deregulation.

A UK National Audit Office report highlights that national governments do not know exactly how much cost businesses incur due to existing Union legislation. The report concludes that such uncertainty makes it very difficult to calibrate the ambition of any ex-ante objective not least because the actual costs experienced at national or local level can differ due to how the Member States choose to transpose and apply the legislation.<sup>21</sup>

Lacking a detailed methodology and assessment of a baseline (costs and benefits), a politically set burden reduction objective would have to focus exclusively on cost reduction without considering the benefits of legislation. This approach does not differentiate between necessary costs that are those intrinsically linked to the achievement of a policy goal and un-necessary costs that can be reduced without preventing the accomplishment of the objectives of legislation. In this circumstance, this would result in regulatory trade-off whereby necessary and beneficial Regulation will be set aside simply to meet the burden reduction objective, without consideration of its merits. Some national experiences show that if quantitative reduction targets apply, administrations tend to focus on meeting the target rather than seeking to maximise policy benefits.

A consequence of such an approach which focusses only on cost reduction is that it would impair the ability of the Commission to assume its political responsibility to put forward legislation where and when it is necessary and risks having a negative impact on its policy initiatives.

The legitimacy of this approach which does not actively involve stakeholders when identifying burdens and policy actions that matters to them is also questionable. The diversity of views on this issue is illustrated by the result of the REFIT Platform survey. While the large majority of members of the Government group are in favour of setting ex ante burden reduction objectives at EU levels, the majority of members of the Stakeholder Group expressed the view that burden reduction objectives chosen politically or only approximatively would be likely to lead to undue deregulation as they would not focus only on unnecessary costs without prejudice to the pursuit of policy objectives. This approach would also risk limiting the scope of political initiatives, in particular in the area of social policy. Some members of the Stakeholder group further stressed that a sectoral approach would not guarantee a focus on areas of most concern to businesses given that data on most burdensome sectors can be misleading or not reflect reality on the ground. Instead of setting arbitrary targets, members of the REFIT Stakeholders group suggested that the Commission "*better prioritises the use of existing evaluation and*

---

<sup>21</sup> *The Business Impact Target: cutting the cost of regulation*, National Audit Office, 29 June 2016, and §6 and §14 of the executive summary in particular. <https://www.nao.org.uk/report/the-business-impact-target-cutting-the-cost-of-regulation/>

*assessment tools and consultation processes designed to identify opportunities for reducing unnecessary regulatory costs, including via the REFIT Platform. “*

Given this, an ex-ante burden reduction objective at EU level would not achieve sufficient buy-in from stakeholders and this would reduce the opportunity to achieve a “change in administrative culture”.

The same considerations apply to in the case of "one-in-one out" where the need to find cost savings to finance any increase in costs due to a new regulatory initiative can represent a real impediment for the timely presentation of a new proposal irrespective of how useful or necessary it may be. At the EU level, finding consensus with co-legislators over which legislation should be withdrawn or modified, would add to that impediment and delay even further the process. More generally, at the EU level, there would be no guarantees that proposed costs savings would actually finance any proposed new costs as proposals would be independently modified during the legislative process. Finally, it should be noted that the withdrawal of an existing EU piece of legislation would not mean that the associated burden is removed. To the contrary, this often implies that 28 un-harmonised laws will replace the legislation which is withdrawn, with the consequence that companies, particularly those operating cross-border, would face higher costs.

Finally, several respondents to the REFIT Platform survey highlighted that unnecessary regulatory costs often do not stem from EU regulation but from inadequate implementation at Member State level. Delivering concrete benefits for business in terms of real burden reduction is therefore a challenge particularly in the EU policy set-up, which is multi-tier and characterised by the existence and interaction of several EU decision making and national implementation levels. Much EU legislation is minimum harmonisation in the form of directives. About 70% to 80% of the EU legislation is implemented and applied at regional level by almost 10.000 different authorities. The same applies for regulations and implementing and delegated acts, albeit to a lower extent. Hence, EU legislation is complemented with national implementation and application measures that can add to the EU regulatory requirements. This requires that all levels of governance need to be equally committed to and invest in pursuing a burden reduction objective that delivers on the ground.

**A burden reduction objective which is fixed politically focuses on cost reduction without an evidenced-based baseline. Although it is less complex and less costly than ex-ante targets based on baseline calculation, this approach creates a significant risk of deregulatory pressure and complicates the ability to adopt new legislation that is objectively needed. This leads to a lack of legitimacy and acceptance by the stakeholders.**

### **III. A case by case analysis of burdens in all regulatory areas through the REFIT programme.**

Business and stakeholders have a critical role to play in helping governments to identify proposals for simplification. It is for this reason that the Commission established the Regulatory Fitness and Performance Programme ('REFIT') programme and Platform, which identify the most problematic areas where efficiency gains can be achieved.

This approach is evidence-based and it is built on evaluating existing legislation first before making changes ("evaluate first" principle) and assessing at the outset the impact of the changes on the ground (impact assessments). This approach creates legitimacy because it actively involves stakeholders, in an iterative consultation process that helps to identify what needs to be changed.

Contrary to burden reduction objectives set politically or at considerable cost through a baseline measurement, REFIT identifies reduction potential at the level of each initiative, or at the level of sectors through 'Fitness Checks', in full consultation with stakeholders and taking into account the balance between benefits and costs.

Under REFIT, policy benefits are guaranteed through consistent quantification of costs and benefits for each initiative, which builds on proven methodology and processes, embedded in the decision making. REFIT focuses on balancing costs with quantified benefits (or qualified, when quantification is not possible) rather than exclusively on reducing costs. The policy objectives are preserved, because benefits of legislation are a key element of the assessment.

Ex-ante objectives for reducing regulatory costs risk creating deregulatory pressures in the policymaking process. The Commission's approach under REFIT offers greater assurance of legitimacy and avoidance of undue deregulation... The analysis at the level of each initiative makes it clear which costs, how and why should be reduced and this increases acceptance by stakeholders. This is in line with the Interinstitutional Agreement on Better Law-Making which links the objective of simplifying legislation to the necessity of safeguarding regulatory objectives.<sup>22</sup> Through its extensive scope, REFIT has the potential to gradually better align the administrative culture across all tiers of the EU set-up as its consideration to benefits ensures credibility and buy-in from stakeholders.

This approach allows the merits of legislation to be assessed in a comprehensive, evidence-based and systematic manner. It is flexible and allows the Commission, supported by the REFIT Platform, to focus on specific acts which stakeholders highlight as being particularly problematic.

- **CONCLUSIONS**

In line with its commitment in the Interinstitutional Agreement on Better Law-Making, the Commission has examined the feasibility of setting burden reduction objectives at sectoral level under REFIT. The assessment revealed that setting-up quantified burden reduction objectives without a detailed bottom-up assessment of the sectors concerned and baseline measurement, risks having an impact on policy objectives and is unlikely to have the buy-in of stakeholders who are not involved in the process. At the same time, a detailed baseline assessment is costly and in the past has not demonstrated a clear impact on the ground given limited data availability, the complexity of calculation and lack of common methodology in the EU multi-tier system. In addition, burden reduction objectives focus only on cost reduction without consideration of regulatory benefits. This

---

<sup>22</sup> "...to update and simplify legislation and to avoid overregulation and administrative burdens for citizens, administrations and businesses, including SMEs, while ensuring that the objectives of the legislation are met..."

may lead to undue deregulation because 'necessary costs' to achieve regulatory benefits are not distinguished from 'unnecessary costs'. A burden-reduction policy of this sort will not have the necessary legitimacy among stakeholders.

The REFIT programme establishes burden reduction objectives through a solid evaluation of individual pieces of legislation or of legislation applied more generally to specific sectors, and it does so on the basis of intense consultation of and engagement with stakeholders who are the best placed to identify what needs to be done, and hence to help to ensure that results are delivered on the ground.