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COVER NOTE

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COMMISSION STAFF WORKING DOCUMENT

The European Union's efforts to simplify legislation - 2020 Annual Burden Survey

EU's efforts to simplify legislation in 2020

Annual burden survey

Introduction

At the beginning of the new Commission mandate, President von der Leyen underlined in her Political Guidelines¹ and mission letters to the College of Commissioners her commitment for the Commission to take evidence-based political decisions without creating unnecessary burdens for citizens and business.

*'The Commission needs to ensure that regulation is targeted, easy to comply with and does not add unnecessary regulatory burdens. The Commission must always have the leeway to act where needed. At the same time, we must send a clear signal to citizens that our policies and proposals deliver and make life easier for people and for businesses.'*²

Ursula von der Leyen, President of the European Commission

The Commission identifies and reduces unnecessary regulatory burdens and complexity of legislation through its **regulatory fitness and performance programme** (REFIT)³. Through REFIT, the Commission systematically seeks to identify possibilities to simplify, modernise and reduce the burden of existing EU legislation to ensure that its objectives are reached at the lowest cost for citizens and business, in particular for small- and medium-sized enterprises (SMEs).

In 2020, the Commission has adopted a number of measures aimed at cutting burdens and simplifying legislation. This annual burden survey presents an overview of these measures, in line with the Commission's commitment in the Interinstitutional Agreement on Better Law-Making of 13 April 2016.⁴ The document shows the solid progress in implementing the REFIT programme under the von der Leyen Commission and an overview of EU's efforts to simplify legislation in 2020.

The Commission adopted a new Communication on better regulation⁵ on 29 April 2021. The communication puts strong emphasis on the need for legislation to be efficient, bring benefits to citizens and businesses and minimise burdens for them. It outlines the main elements of 'one-in, one-out' approach, which will complement the REFIT programme. It also underlines that achieving policy objectives at minimum costs will require the European Parliament, the Council and the Member States to pursue their commitments, which will allow preserving the REFIT dimension of the Commission proposals in legislative negotiations and when

¹ [political-guidelines-next-commission_en_0.pdf\(europa.eu\)](#)

² Mission letters of Ursula von der Leyen, President of the European Commission, to the Commissioners; 1 December 2019

³ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions - EU Regulatory Fitness, COM (2012)746

⁴ Interinstitutional Agreement on Better Law-Making between the European Parliament, the Council of the European Union and the European Commission on Better Law-Making: [https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32016Q0512\(01\)](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32016Q0512(01))

⁵ [Better regulation: Joining forces to make better laws | European Commission \(europa.eu\)](#)

implementing the EU legislation on the ground and provide data. The local and regional input is also key when the Commission prepares its proposals to inform evaluations and impact assessments. Local and regional authorities will be able to benefit from all the new features presented in the communication, including from better transparency. The voice of local and regional authorities will be heard better thanks to the Fit for Future platform. The platform will also work closely with the SME envoys network⁶, represented by the EU SME envoy.

The future annual burden surveys will cover and report on the work the Commission is carrying out to implement the 'one-in, one-out' approach and the outcomes of the Fit for Future platform.

REFIT - the regulatory fitness and performance programme

Efficient legislation is a key objective of the Commission's work and of its better regulation agenda. Burden reduction and simplification efforts have been part of the Commission's work for almost two decades now⁷. Since 2012, the REFIT programme bundles these efforts. Under REFIT, the Commission seeks opportunities for burden reduction, simplification, and modernisation while safeguarding policy objectives and high standards, in the interest of both businesses and citizens.

In 2017, the Commission stepped up its efforts under the REFIT programme and introduced a systematic approach by which:

- All evaluations should consider how legislation can be simplified and made less burdensome.
- All impact assessments on revising legislation should analyse the potential for burden reduction and simplification⁸.

Moreover, simplification also means identifying potential for modernisation, in particular through digitalisation. For example, reducing the complexity of the single market legislation and increasing its resilience can be achieved by helping businesses to adopt digital solutions and creating the EU legal environment to allow this. With digital solutions, many procedures can be streamlined and made accessible anywhere, at any time. Digitalisation also allows more efficient procedures to comply with the legislation, as many of these can be automatised. This is especially relevant for SMEs.

REFIT scoreboard and annual burden survey

The Commission tracks the progress of the programme in an online REFIT scoreboard⁹. The scoreboard presents an overview of the Commission's REFIT efforts on simplification and burden reduction since 2015.

So far, the scoreboards' emphasis is on the evaluations' and fitness checks' findings and the Commission's proposals to revise legislation. When available, the scoreboard also includes information on the outcome of the negotiations among the European Parliament and the Council, in particular when substantial amendments affect the Commission's proposal's

⁶ [SME envoys network | Internal Market, Industry, Entrepreneurship and SMEs \(europa.eu\)](#)

⁷ COM(2007)23 of 24 January 2007.

⁸ https://ec.europa.eu/info/sites/info/files/cwp_2017_en.pdf

⁹ [REFIT Scoreboard \(europa.eu\)](#)

REFIT objectives and measures. The scoreboard also includes relevant information available to the Commission regarding the implementation on the ground.

The 2020 annual burden survey presents an overview of all EU's efforts for simplification and burden of the past year. It includes the annual overview of efforts to simplify legislation and reduce burdens under REFIT and beyond¹⁰.

Part of the better regulation agenda

The REFIT programme is part of the better regulation agenda

Evaluations and fitness checks

Under the better regulation guidelines and toolbox, all evaluations and fitness checks systematically identify the costs and benefits associated with achieving the objectives of an intervention, assess their necessity and attempt to quantify them. Where appropriate, conclusions of the evaluation report make a clear reference to lessons relating to the potential unnecessary regulatory burden, complexity, inefficiencies and unreasonable costs. Information drawn from evaluations and fitness checks is included in the **Error! Reference source not found.**

Impact assessments

The REFIT work is also visible in the impact assessments scrutinised by the Regulatory Scrutiny Board. When legislation is being revised, impact assessments spell out the potential of simplification when relevant and quantify these as far as possible. Therefore, these impact assessments consider whether there is a *problem* in terms of the legislation being unnecessarily complex or imposing unnecessary costs. *Options* reflect the identified *need* to simplify and increase efficiency without affecting the overall objectives of the legislation. Where no simplification or efficiency improvement is possible, the reasons should be explained clearly. Similarly, reasons should be provided if it has not been possible to quantify impacts. Moreover, in all impact assessments, the analysis reflects the efficiency dimension, i.e. how the objectives of the proposals are reached at minimum costs.

Commission's proposals

In the case of revisions, the explanatory memorandum explains how the proposal improves the original legislation in terms of complexity and regulatory burden. Where relevant, the proposal has a dedicated burden reduction objective¹¹, based on the related findings of the impact assessment and any earlier evaluation or fitness checks. Quantified information is presented, whenever possible. If there is no scope to simplify or reduce regulatory costs, a justification is provided.

A strong inclusion in the overall policy planning

In January 2020, President von der Leyen presented the first Commission work programme of her mandate. In this context, the Commission reiterated its commitment to evidence-based

¹⁰ For example, new initiatives, which are not revisions of legislation, but with significant cost savings potential for those who are to apply the EU legislation could be included.

¹¹ COM(2017)651 of 24 October 2017.

proposals that are targeted to the needs of citizens and business, easy to implement and do not add unnecessary burdens. Therefore, the 2020 Commission work programme included 44 initiatives with simplification and burden reduction potential in its REFIT Annex (Annex II), both revisions of existing EU legislation and evaluations that will help pave the way for further improving legislation. However, the work programme was adopted before COVID-19 hit the EU. As the pandemic shifted the focus to crisis management, the timing of some of the proposed actions needed to be reviewed. The Commission work programme was amended accordingly. As a result, the adoption of some REFIT proposals in Annex II had to be postponed to 2021.

Since the beginning of the COVID-19 pandemic in 2020, the Commission adopted a large number of measures and legal acts, which aimed at simplifying procedures and implementation. This reflects the urgency and the dramatic nature of the pandemic, as well as the speed at which the Commission had to readjust from delivering on long-term objectives to dealing with immediate crisis management.

Since 2020, REFIT is also integrated in the Commission's strategic planning and programming cycle¹². To improve the REFIT implementation in all Commission departments, their strategic plans for 2020-2024 include an indicator showing which proportion of proposals for revisions includes burden reduction measures. This indicator demonstrates to what extent each Commission department lives up to its commitment to incorporate burden reduction measures in legislative revisions. Commission departments include their REFIT initiatives also in their annual management plans. This will increase REFIT awareness and allow better monitoring.

An inclusive approach

Citizens, businesses and Member States who have to comply and apply the legislation – know when the cost imposed by legislation is disproportional to achieving the objectives or when the legislation is no longer up-to-date. This is why it is important to involve stakeholders in the REFIT programme. When the Commission presents its plans for developing a legislative initiative on its *Have your say* portal^{13,14}, it invites stakeholders to give their views also on REFIT aspects. The Communication on better regulation introduces improvements to the overall consultation process and underlines the need to ensure that local, regional and national authorities, social partners, business, civil society, the scientific community and the general public work together on high-quality EU policymaking. With the changes introduced by the communication, it will become easier during consultations to distinguish the contributions of different categories of respondents, including those from local and regional authorities. In this way, the Commission will be able to better identify and take into account their views regarding burdens on the ground and include them in the policy preparation. In the Commission's synopsis reports, which analyse all the consultation activities carried out for an initiative, the participation and views of different stakeholder categories, including local and regional authorities will also be better reflected.

¹² [Strategic planning | European Commission \(europa.eu\)](#)

¹³ [Have your say \(europa.eu\)](#)

¹⁴ The Call for evidence will consist of a description of the initiative and, where relevant, include a link to the public consultation.

Fit for Future platform

In May 2020, the Commission established a high-level expert group, the **Fit for Future platform**¹⁵.

The platform strengthens the REFIT programme's outreach by bringing together the expertise of national administrations, regions, social partners, SMEs as well as consumer, health and environmental and other non-governmental organisations, the Committee of the Regions and the European Economic and Social Committee. Its evidence-based opinions will inform the Commission's ongoing or planned analyses for evaluations and impact assessments.

During its five-year mandate, the Fit for Future platform will play a key role in identifying opportunities for simplification and modernisation of existing EU legislation and unnecessary burdens at EU, national, regional and local level stemming from EU legislation. The platform's goal is to make a real difference to those that have to apply and comply with the legislation, ensuring that the objectives of the legislation can be met with minimal additional burdens for them.

The new platform is mandated to support the Commission's efforts to:

- Reduce unnecessary burdens linked to EU laws.
- Simplify existing EU laws.
- Ensure that EU policies are forward-looking and relevant in the light of new developments and technological progress. This includes the exploitation of the potential of digitalisation for burden reduction and simplification.

It will seek to identify solutions to minimise all unnecessary types of costs (including administrative and compliance costs) while ensuring that EU legislation is reaching its intended objectives and respecting fundamental rights.

The platform collaborates with the SME envoys network¹⁶, represented by the EU SME envoy. The envoy provides advice and input, in particular in relation to burdens and complexity of legislation affecting SMEs. Its work also benefits from the contribution of the RegHub network¹⁷, a network of regional and local authorities collecting experiences on EU policy implementation through consultations of stakeholders at local level.

Citizens and stakeholders can contribute to the platform's work on the *Have your say: Simplify!* portal^{18,19}, which is now improved to more accurately reflect the platform's mandate and easier to find on the *Have your say* portal.

¹⁵ C(2020)2977 of 11 May 2020.

¹⁶ [SME envoys network | Internal Market, Industry, Entrepreneurship and SMEs \(europa.eu\)](#)

¹⁷ [RegHub \(europa.eu\)](#)

¹⁸ [Make a suggestion: \(europa.eu\)](#). Suggestions can be submitted for each topic included in the platform's annual work programme. Relevant suggestions received by the Platform before 30 April 2021 on the topics included in the annual work programme will be considered for the platform's opinions. Additionally, citizens and stakeholders can also make suggestions for new topics, not included in the annual work programme for 2021. The platform will consider those for possible inclusion in the next annual work programme together with any other relevant suggestions received after 30 April 2021.

¹⁹ The Have you say: Simplify! portal replaces the Lighten the load, the portal used by the REFIT platform, the predecessor of Fit for Future platform.

Simplify existing EU laws

Get involved in making EU laws more efficient and fit for future! The [Fit for Future Platform](#) will consider your suggestions when making its recommendations to the European Commission.

Share your suggestions at [Have your say: Simplify! >](#)

The work of the Fit for Future platform is structured around its annual work programme. The annual programme consists of legislation identified as problematic by the platform members or based on input from the wider public, stakeholders at regional and local levels or in the Commission's major evaluations and fitness checks. The Fit for Future platform has adopted its annual work programme for 2021²⁰ and will adopt its first opinions during autumn 2021.

Fit for Future platform

The platform will provide evidence-based opinions on existing legislation. It will look at the following aspects:

Digitalisation: helping businesses to take up digital solutions and accelerating public sector modernisation to reduce regulatory burdens.

Efficient labelling, authorisation and reporting obligations: identifying bottlenecks due to differences across Member States, striving to simplify procedures to facilitate investment in future infrastructure and innovation, and striking the right balance between reporting efforts and performance assessment of EU legislation to help SMEs, in particular.

Simplification of EU legislation: ensuring that EU laws are predictable, clear and avoid overlaps in different areas.

Based on the Fit for Future platform, 2021 annual work programme²¹

REFIT must continue to be a shared effort

For simplification and burden reduction efforts to be felt on the ground, close cooperation between the European Parliament, the Council and the Commission, the Member States, regions and local authorities is important. This is a shared responsibility. Interactions between the Commission, the other EU institutions and Member States need to converge to structurally reduce the burden of regulation.

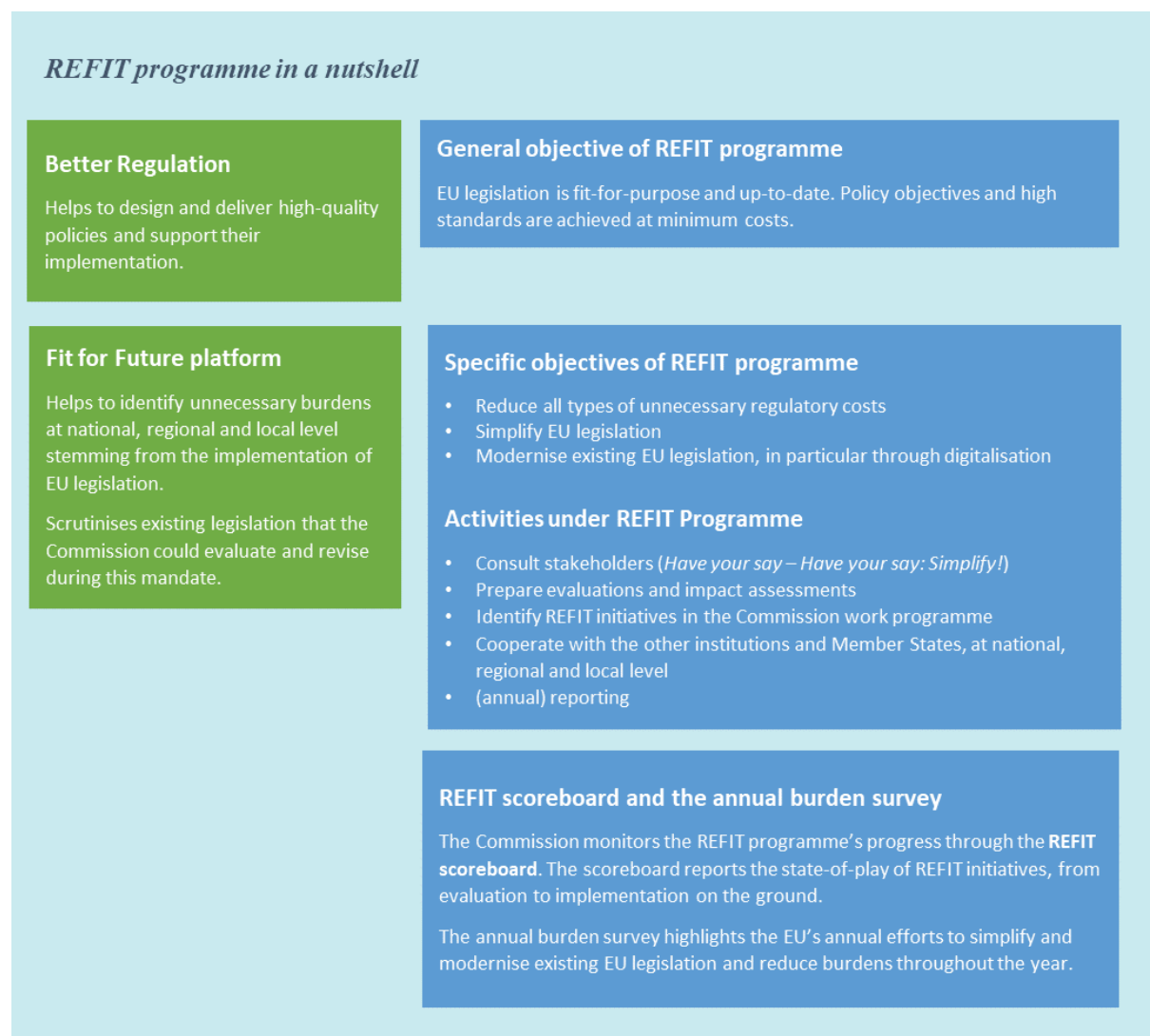
The Commission's legislative revisions present a REFIT dimension or measures for burden reduction where relevant. However, the Commission can only determine the costs and savings associated with its own legislative proposals. Changes made in the course of negotiations with the European Parliament and the Council may significantly change the imposed burden and complexity, which affect the impact on people and businesses. These changes need to be fully appreciated and documented. This is why the Commission repeated

²⁰ [Annual work programme | European Commission \(europa.eu\)](#)

²¹ https://ec.europa.eu/info/sites/default/files/2021_annual_work_programme_fit_for_future_platform_en.pdf

in the Communication the call on the European Parliament and the Council to live up to the commitments in the Interinstitutional Agreement on Better Law-Making and document the effect of their amendments in terms of anticipated impacts, including on the REFIT dimension.

The Commission also works closely with the Member States and local and regional authorities to ensure that, when turning EU legislation into national legislation, they do not add unnecessary additional burdens. At the same time, data are necessary to evaluate the performance of legislation. Good monitoring and evaluation clauses are key to obtaining implementation data to inform the Commission analyses and support policy designs that prevent unnecessary regulatory costs. The Member States' feedback on estimates of the benefits and costs associated with specific pieces of legislation after they have implemented them is very important so that the Commission can use this feedback in evaluations and subsequent revisions of the legislation.

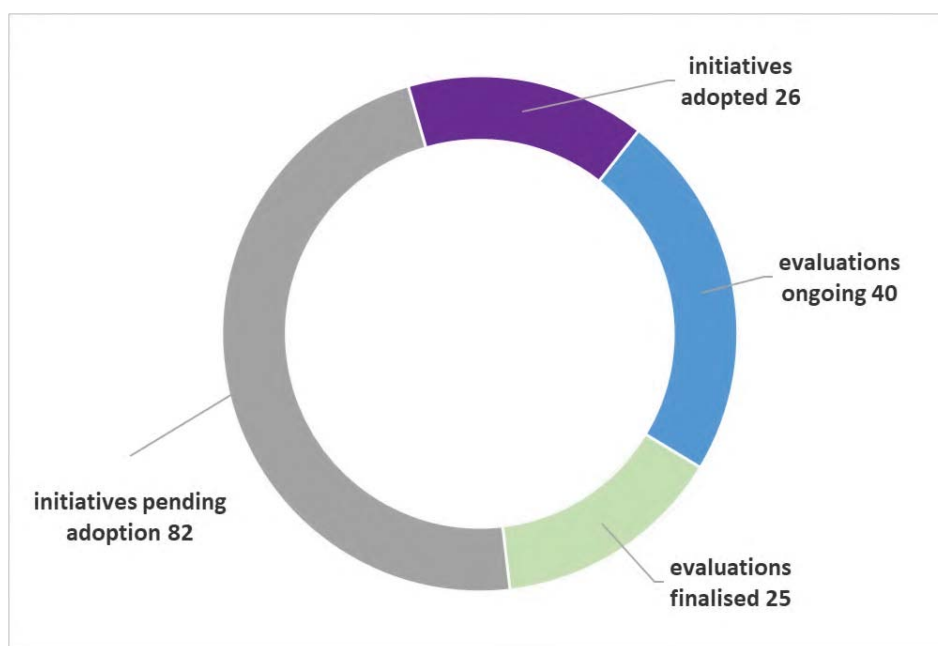


Key achievements in 2020

In 2020, the Commission focused on adopting strategies to announce its plans and ambitions for the new legislative cycle. However, the REFIT programme has produced the following²²:

- 26 legislative initiatives with a simplification and burden reduction objective were adopted;
- 25 evaluations and fitness checks were finalised;
- 82 legislative initiatives are still pending adoption; and
- 40 evaluations are ongoing.

These initiatives and evaluations cover an extensive number of areas from financial services, taxation and customs to transport and environment.



The Commission aimed to quantify the new costs and cost savings of the REFIT initiatives²³. When this was not possible, mainly because of limited data availability, qualitative assessments were used instead to explain the intended simplification and burden reduction.

Examples of initiatives to simplify, reduce burden and modernise EU legislation in 2020



Energy

²² Data based on the REFIT scoreboard.

²³ REFIT initiatives are revisions, evaluations and fitness checks with potential to reduce burden, simplify and modernise EU legislation, including through digitalisation. Since 2017, all revisions of existing EU law and all evaluations are REFIT initiatives and need to quantify new costs and savings, to the extent possible.

The **TEN-E Regulation**²⁴ established a new approach to infrastructure planning that facilitated stakeholders' cooperation at regional level to implement projects of common interest for the internal energy market, security of supply and sustainability. At the end of 2020, the Commission adopted a proposal²⁵ to revise the TEN-E Regulation. The proposal aims to reduce burdens by integrating different reports, replacing yearly reports by reporting taking place every other year, simplifying the launch of permitting procedure and providing for automatic inclusion of existing projects in the Ten-Year Network Development plans, under certain conditions.



Environment

Urban waste water treatment – The evaluation of the Urban Waste Water Treatment Directive²⁶ showed that its benefits clearly outweigh the implementation costs. The evaluation estimated the EU-wide benefits at EUR 27.6 billion annually at current implementation levels and at about EUR 30.6 billion annually under full implementation. The estimated administrative burden is overall moderate: EUR 126 000 yearly across the EU. The evaluation found that the reporting and information requirements are outdated and that data could be produced more efficiently. It also showed that there is potential to reduce burden by aligning the directive's provisions with other acts, such as the Sewage Sludge Directive and the Water Framework Directive. There might also however be a need to increase reporting for some aspects. Building on this the Commission is carrying out preparatory work to revise the legislation²⁷.

Shipments of waste – In 2020, the Commission finalised its evaluation of the Waste Shipments Regulation²⁸. The evaluation identified the several obstacles causing administrative burdens and ineffective implementation of the regulation linked to (i) paper-based procedures, (ii) non-harmonised approaches and interpretations of provisions and procedures in different Member States, (iii) insufficient use of procedures to ease the implementation of the Regulation for operators, in particular pre-consent facilities, (iv) lack of standardised enforcement throughout the EU. Building on these findings the Commission is carrying out preparatory work to revise the legislation.

Ambient Air – The Commission finalised a fitness check of the framework for ambient air quality²⁹. The fitness check concluded that the ambient air quality directives have contributed to improving air quality, but acknowledged that they have not been fully effective and that there is potential to improve the efficiency of air quality assessment. The directives are designed in a way to decrease the burden associated to fixed monitoring stations depending on the observed levels of air pollutant concentrations while the reporting requirements are extensive and do not decrease as a function of air pollutant levels. The fitness check found

²⁴ Regulation (EU) No 347/2013 of 17 April 2013, [EUR-Lex - 32013R0347 - EN - EUR-Lex \(europa.eu\)](#)

²⁵ COM(2020)824 of 15 December 2020.

²⁶ SWD(2019)700 of 13 December 2019, [UWWTD Evaluation SWD 448-701 web.pdf \(europa.eu\)](#)

²⁷ [Water pollution – EU rules on urban wastewater treatment \(update\) \(europa.eu\)](#)

²⁸ [SWD\(2020\)26/F1 - EN \(europa.eu\)](#)

²⁹ [Ambient air quality directives fitness check.pdf \(europa.eu\)](#)

that criteria on monitoring could be further harmonised to increase the comparability of air quality data. Also, air quality models are not yet used to their full potential due to the lack of common modelling standards. Building on these findings, the Commission has started in 2020 preparatory work to revise the legislation³⁰.



Financial services

Supervisory reporting requirements in EU financial services legislation – The fitness check on the EU supervisory reporting requirements³¹ found that these requirements are largely effective but there are obstacles in their development and implementation and inconsistencies between reporting frameworks, which significantly reduces their efficiency and increase the administrative burden for financial institutions. The fitness check estimated that on top of the one-off implementation costs, the incremental costs of complying with EU supervisory reporting requirements represent around EUR 4-12 billion per year for the EU financial sector as a whole. To address the shortcomings identified in the fitness check, the Commission is working together with the relevant stakeholders at EU and national level to develop a strategy on supervisory data in EU financial services. The objective is to ensure that EU and national supervisory authorities have access to accurate, comparable, and timely data while minimising the aggregate reporting costs and burdens for all parties.

Capital markets recovery package – In 2020, the Commission tabled a package of proposals aiming to make it easier for capital markets to support European businesses to recover from the COVID-19 crisis. The suggested changes to the capital market rules aim at alleviating regulatory burden and complexity for investment firms and issuers³²:

- Targeted amendments of the **Prospectus Regulation**³³ will help investors to save costs when raising new capital due to the new and simplified ‘EU Recovery prospectus.’ Issuers could save approximately EUR 400 000 per prospectus. Based on a preliminary assessment, this could imply cost savings of approximately EUR 200 million per year.
- **MiFID II**³⁴: The proposed amendment of the directive³⁵ streamlines requirements for investment firms. Notably, introducing carve-outs from the information requirements and moving away from paper-based information to electronic format would reduce costs substantially. This gained simplification will come at low cost while maintaining a high level of investor protection.
- On **securitisation**, the amendments will lower the costs of compliance and provide additional flexibility for banks to use the simple, transparent and standardised label.

³⁰ [Air quality - revision of EU rules \(europa.eu\)](https://european-council.europa.eu/media/en/press-room/pages/press-room.aspx?pid=14777)

³¹ [Results of the fitness check of supervisory reporting requirements in EU financial services legislation | European Commission \(europa.eu\)](https://ec.europa.eu/finance/fitness-check/supervisory-reporting-requirements_en)

³² An assessment of cost savings and benefits was made in a [staff working document](#) accompanying the proposals.

³³ Regulation (EU)2017/1129 of 14 June 2017.

³⁴ COM(2020)280 of 27 July 2020.

³⁵ Directive 2014/65/EU (MiFID II) of 15 May 2014.

Overall, the reduced cost of capital resulting from the use of the label is expected to outweigh the operational cost for complying with the label's conditions.



Single market

European Design Protection System - The evaluation of EU legislation on design protection³⁶ found shortcomings that need to be addressed to make the legal framework fit to support the digital and green transition of EU industry and become substantially more accessible and efficient for industries, SMEs and individual designers. These shortcomings include (i) lack of clarity and robustness of key elements of design protection, (ii) outdated or overly complicated procedures and (iii) an incomplete single market for spare parts. For example, the complex regime for the filing of multiple design applications makes it difficult for applicants to seek protection in an efficient and effective manner.



Health and food safety

Official controls on the agri-food chain – In 2017, the European Parliament and the Council adopted the Commission proposal for a regulation to create a single framework for all official controls along the entire agri-food chain. The proposal aimed to modernise, harmonise, simplify and clarify the system. On the basis of the regulation³⁷, the Commission has adopted a number of delegated and implementing acts that are particularly relevant for simplification and burden reduction. For example, the act on the Information Management System for Official Controls. This is an IT tool that allows more efficient recording and follow-up to official controls.

Veterinary medicines – The Regulation on veterinary medicinal products³⁸ was adopted by co-legislators at the end of 2019. It aims to (i) reduce administrative burdens for business for placing and maintaining veterinary medicines on the market, (ii) provide better rewards for innovative products, (iii) improve the functioning of the single market and (iv) increase the availability of veterinary medicines for animals. Based on this regulation, the Commission has adopted 25 delegated and implementing acts. Several are expected to contribute to simplifying and reducing the administrative burden, notably:

- Implementing act on the EU product database, which aims to improve the single market by providing the widest possible access to information on veterinary medicinal products available in Member States.
- Implementing act on the list of abbreviations and pictograms, which supports the simplification of rules on packaging and labelling of veterinary medicinal products by

³⁶ SWD(2020)264, [DocsRoom - European Commission \(europa.eu\)](https://docsroom.europa.eu)

³⁷ Regulation 2017/625 of 15 March 2017.

³⁸ Regulation 2019/6 of 11 December 2018.

ensuring common pictograms and abbreviations as an alternative to textual information.

Endocrine disruptors – In 2020, the Commission finalised a fitness check focusing on endocrine disruptors³⁹. The assessment covered over 30 pieces of primary chemicals-related legislation in view of the different risk assessment approaches and risk management measures evident across sectorial legislation. The fitness check concluded that options for consolidation of the legislation and for improved communication to the public and stakeholders of the principles guiding risk management of endocrine disruptors should be explored. Its findings support the Commission’s ambition to develop a simplified process of ‘one substance-one assessment’ as part of the Chemicals strategy for sustainability⁴⁰.



Justice, consumers and gender equality

Consumers Credit Directive – In 2020, the Commission finalised the evaluation of the Consumer credit Directive⁴¹. The evaluation found significant regulatory fragmentation across the EU-28 and identified that obstacles are due both to the application, implementation and enforcement of the directive as well as to the wider market developments that took place since the adoption of the directive in 2008. The evaluation showed that the estimated savings from lower consumer detriment due to the introduction of the directive are in total EUR 2 593 million for the EU-28 for 2011-2018. Based on these findings, the Commission started preparatory work to revise the directive⁴².

Distance marketing of financial services – In 2020, the Commission finalised its evaluation of the Distance Marketing of Consumer Financial Services Directive⁴³. Data gathered from stakeholders and studies indicates that there is scope for streamlining the EU legal framework for financial services and improving the process and format through which information is provided and presented to consumers. The estimated net benefits of the directive were estimated at about EUR 69-427 million, while the cost-benefit ratio is 1.1-1.5. Based on the evaluation’s findings, the Commission announced the revision of the directive⁴⁴ in the 2020 Commission work programme.



Migration and home affairs

³⁹ SWD(2020)225, [Fitness Check on endocrine disruptors: some room for improvement | EU Science Hub \(europa.eu\)](#)

⁴⁰ [Chemicals strategy \(europa.eu\)](#)

⁴¹ SWD(2020)254 of 5 November 2020. SWD(2020)254 of 5 November 2020, [Evaluation of the Consumer Credit Directive \(europa.eu\)](#)

⁴² [Consumer credit agreements – review of EU rules \(europa.eu\)](#)

⁴³ SWD(2020)22 of 10 February 2020.

⁴⁴ Distance marketing of consumer financial services – review of EU rules (europa.eu)

Obligation of carriers to communicate passenger data (Advance Passenger Information Directive) – The evaluation⁴⁵ of the Advance Passenger Information Directive⁴⁶ identified shortcomings in the functioning of the directive, which include (i) a lack of standardisation and harmonisation of data protection safeguards and (ii) lack of alignment with the latest policy and legal developments at EU level. These elements create burdens on stakeholders and generate a certain level of legal uncertainty for the entities collecting and transmitting the data, for the authorities processing them, and ultimately for the data subjects. The differences in the implementation of the directive at national level also lead to inefficiencies. Especially from the side of air carriers, having to deal with different requirements in different countries (for example, regarding the data fields, formats, timing of transmission, type of flights, etc.) was perceived as a burden. Building on these findings, the Commission has decided to start preparatory work to revise the directive.



Mobility and transport

Market access rules in road freight transport – The European Parliament and the Council adopted a regulation⁴⁷ to update the rules for pursuing the occupation of road transport operator to combat the phenomenon of letterbox companies and unfair competition. The legal act adopted retains the simplification aspects from the Commission proposal⁴⁸. The revision clarifies and simplifies current provisions⁴⁹ on access to the occupation of road transport operator and on common rules for access to the international road haulage market. Clearer and more harmonised rules on access to the profession will ease their implementation by Member States, reduce the administrative burden both for public authorities and private operators, and bring a more uniform application and better cooperation between the competent authorities across the EU. The impact assessment estimated that clearer rules and easier enforcement could lead to savings for EU-28 businesses of EUR 5.2-6.9 billion in 2020-2035.



Taxation, customs union and anti-fraud

EU Single window environment for customs – The Commission proposed the EU Single window environment for customs⁵⁰ - a digital solution for quicker and more efficient sharing of electronic data between different governments authorities involved in goods clearance at the border. Traders will have to submit this information only once. Once fully rolled out, the single window will also allow businesses to complete border formalities in one single portal

⁴⁵ SWD(2020)174 of 8 September 2020.

⁴⁶ Council Directive 2004/82/EC of 29 April 2004.

⁴⁷ Regulation 2020/1055 of 15 July 2020.

⁴⁸ COM(2017)281 of 31 May 2017.

⁴⁹ Regulation (EC) 1071/2009 and Regulation (EC) 1072/2009 of 21 October 2009.

⁵⁰ COM(2020)673 of 28 October 2020.

in a given Member State. Customs and other authorities will be able to automatically check that the goods in question comply with EU requirements and that the necessary formalities have been completed. The single window offers a win-win situation for both traders and national authorities as it can provide a fully coordinated and more effective clearance process, while also guaranteeing that the border formalities required for international trade in goods are properly enforced. The single window will therefore help to smoothen international trade and simplify clearance processes for goods subject to non-customs formalities.

Excise duties on alcohol and alcoholic beverages – The directive⁵¹ adopted in 2020 aims to ensure proper functioning of the single market and free movement of goods within the EU, protecting public health and preventing and correcting distortions in competition. It is expected that the initiative will lead to a reduction of administrative and compliance costs, improvement in revenue collection, in some areas also to a reduction of fraud potential and facilitation of legitimate trade.

VAT Invoicing Directive – The Commission finalised its evaluation in 2020. The evaluation found that the directive contributed to the simplification and harmonisation of invoicing and e-invoicing rules across the EU. The directive had an overall positive contribution to its general policy objectives and has contributed to foster the (unstructured) e-invoicing uptake, (i) to reduce the administrative burdens on businesses, (ii) to increase legal certainty for economic operators, and more generally (iii) to support the proper functioning of the single market. Overall, the directive laid the ground for administrative burden savings of almost EUR 1 billion in 2014-2017.

Administrative cooperation in direct taxation – The Commission carried out an evaluation⁵² and building on its findings adopted in 2020 a proposal to revise the directive⁵³. The evaluation estimated the cumulative costs related to the automatic exchange of information for Member States at about EUR 90 million and for financial institutions at about EUR 140 million. The impact assessment to prepare the Commission proposal cautiously estimated that the one-off substantive compliance costs for all platforms operators are around EUR 875 million, while recurrent costs were estimated at around EUR 105 million. One-off costs for all tax administrations were estimated at around EUR 189 million. However, the Commission's proposed measures are estimated to bring additional tax revenues of EUR 2.7-7.1 billion per year and from 2025 additional tax revenues of EUR 11-33 billion per year. Having harmonised reporting requirements instead of the current patchwork of national reporting requirements will create therefore a simplified reporting system for the platforms, and at the same time, ensure reporting of the income regardless of the jurisdiction of the platform's tax residence.

⁵¹ Council Directive (EU) 2020/1151 of 29 July 2020.

⁵² SWD(2019)327 of 12 September 2019.

⁵³ COM(2020)314 of 15 July 2020.

Looking ahead

The Commission is committed to ensure that EU legislation achieves its objectives and avoids unnecessary costs and burdens and has a long-standing policy of improving existing EU laws through REFIT.

The new Communication on better regulation emphasises that to foster the EU's sustainability and recovery, it is pivotal to legislate as efficiently as possible, while making EU laws better adapted to tomorrow's needs. It proposes several improvements to the EU law-making process that will also strengthen the REFIT programme.

The communication underlines that better cooperation is needed with the European Parliament and the Council regarding their efforts to assess and monitor the impact of EU legislation and to safeguard the cost savings intended with REFIT. The views of the local, regional and national authorities and in particular their ability to provide data on the EU legislation effects on the ground, will enrich the impact assessments and evaluation and capacity to monitor and report on the EU's efforts to simplify EU legislation.

The 'one-in, one-out' approach, the REFIT programme and the Fit for Future platform will contribute to the overall simplification effort.

The 'one-in, one-out' approach means that when introducing new burdens for businesses and citizens, the Commission will offset them by removing equivalent burdens in the same policy area⁵⁴. The communication sets out the key features of the approach, as explained below.

The approach will apply to all Commission initiatives, both new and revisions, which generate significant costs or remove them and are accompanied by an impact assessment. A pilot will be carried out in the second half of 2021 and the approach will apply to all relevant initiatives starting with the 2022 Commission work programme. All compliance costs (administrative and adjustment costs) will be analysed and quantified in the impact assessments, where this is feasible and proportionate. These estimates will be scrutinised by the Regulatory Scrutiny Board, made publicly available⁵⁵ and be subject to discussions in the legislative process. Other measures will be undertaken with a view to compensate adjustment costs to the greatest extent possible. Administrative costs will be offset. The 'one-in, one-out' approach will therefore complement the efforts that the Commission has already undertaken with the REFIT programme to keep recurrent burdens in check.

The Regulatory Scrutiny Board will pay particular attention to the application of the 'one-in, one-out' approach by assessing the quality of cost estimates, in line with its renewed mandate. It will continue to scrutinise selected evaluations and impact assessments looking also at the efficiency and proportionality of the preferred option and whether the potential to simplify legislation and to reduce unnecessary burdens for businesses and citizens is exploited. The annual burden survey will reflect this work and will report on the annual implementation of the 'one-in, one-out' approach.

⁵⁴ As described in the Communication on better regulation.

⁵⁵ As part of the impact assessments accompanying legislative proposals.

Building on the direction set in 2020, the Fit for Future platform will study around 15 topics in 2021 and deliver its opinions in autumn 2021. The platform will play a key role in identifying opportunities to simplify and modernise EU existing legislation and unnecessary burdens at EU, national, regional and local level stemming from European legislation. The 2021 annual burden survey will report on the opinions of the Fit for Future platform and the planned follow-up.

As the Commission work programme moves from strategy in 2020 to implementation in 2021, its REFIT dimension will continue to be driven forward. This will shift the focus in 2021 from evaluations and fitness checks, which prepared the ground for policymaking, towards legislative revisions. The 2021 annual burden survey will reflect this approach.