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Subject: REGULATORY SCRUTINY BOARD OPINION
Revision of the Single Permit Directive

Delegations will find attached document SEC(2022) 201.

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REGULATORY SCRUTINY BOARD OPINION

Revision of the Single Permit Directive

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EUROPEAN COMMISSION
Regulatory Scrutiny Board

Brussels,
RSB

Opinion

Title: Impact assessment / Revision of the Single Permit Directive

Overall opinion: POSITIVE WITH RESERVATIONS

(A) Policy context

The Single Permit Directive adopted in 2011 established a single application procedure for third-country nationals to get a sole permit allowing them to reside and work in an EU Member State. It also guaranteed them equal treatment with the nationals of the Member State that grants the single permit. The ten-year experience with the Directive, supported by the conclusions of the 2019 fitness check on legal migration, calls for a review of some of the provisions. These should simplify and clarify the scope, eliminate regulatory failures and bring the Directive in line with the latest EU legislation in the area of legal migration. The impact assessment explores options to address these issues.

(B) Summary of findings

The Board notes the useful additional information provided in advance of the meeting and the commitments to make changes to the report.

However, the report still contains significant shortcomings. The Board gives a positive opinion with reservations because it expects the DG to rectify the following aspects:

- (1) The report is not sufficiently clear on the narrow scope of the initiative, which may raise unfounded expectations as to the likely impact of the proposed measures.**
- (2) The considered options are not appropriately structured or linked to the identified problems. As a result, the report does not present real alternative solutions to policy makers.**
- (3) The potential impact of the proposed measures on the domestic labour markets and administrative systems of Member States is not analysed in sufficient detail.**

(C) What to improve

- (1) The report should be more explicit about the relatively narrow scope of the revision of**

This opinion concerns a draft impact assessment which may differ from the final version.

Commission européenne, B-1049 Bruxelles - Belgium. Office: BERL 08/010. E-mail: regulatory-scrutiny-board@ec.europa.eu

the Single Permit Directive, considering the results of the fitness check on EU migration policies and the political feasibility for introducing further changes in the shared competence policy area of legal migration. Clarifying the scope of the revision would also allow the establishment of a clearer logic for the intervention (linking problems, objectives and options) and management of expectations for what can realistically be achieved thanks to the proposed measures.

(2) The report should explain better the underlying reasons justifying the proposed further harmonisation in the procedure to issue single permits for third-country nationals to reside and work in an EU Member State. It should clarify the need to create a more level playing field for procedures and privileges that are inherently Member-State specific and have little cross-border impact. It should take into account that labour-market needs for migration are very different across Member States.

(3) Narrowing down and better justifying the scope of the revision would help structure the options better. By discarding from the outset the issues and measures related to self-employed and to mid- and low-skilled workers, the options could be structured around the key thematic areas of the Directive, rather than around policy-delivery instruments. This way, the options would be better linked with the identified problems. The baseline option should become more dynamic by integrating the likely outcomes of the ongoing infringement procedures and reflect the various rulings of the Court of Justice. Moreover, the range of assessed measures should be expanded to consider alternative solutions per thematic area, including those proposed by stakeholders (for instance for sanctions and inspections). Following this approach, preferred options should be identified by thematic problem area and then combined into a preferred policy package.

(4) The depth of the EU labour market impact analysis of the revision should be aligned with the expectations about the likely inflow of third-country nationals wishing to work in the EU. If this is expected to be high, the analysis should be more granular and consider the specific needs and conditions in individual Member States. If however, it is expected to remain constant, the narrative should be adjusted to reflect the lower expectations.

(5) The report should better assess the impacts on national administrations, including the measures, resources and time necessary to allow them effectively to conduct all the necessary procedures to award the single permit within four months.

(6) Views of stakeholders should be more systematically presented and considered in the report. The report should better differentiate between the views of Member States and other types of stakeholders, giving more visibility to minority or dissenting positions. More attention should be given to alternative proposals put forward by stakeholders by either providing a more detailed explanation for discarding them or by including them in the analysis.

The Board notes the estimated costs and benefits of the preferred option in this initiative, as summarised in the attached quantification tables.

Some more technical comments have been sent directly to the author DG.

(D) Conclusion

The DG must revise the report in accordance with the Board's findings before launching the interservice consultation.

If there are any changes in the choice or design of the preferred option in the final version of the report, the DG may need to further adjust the attached quantification tables to reflect this.

Full title	Revision of the Directive 2011/98/EU of the European Parliament and of the Council of 13 December 2011 on a single application procedure for a single permit for third-country nationals to reside and work in the territory of a Member State and on a common set of rights for third-country workers legally residing in a Member State
Reference number	PLAN/2020/8688
Submitted to RSB on	23 September 2021
Date of RSB meeting	20 October 2021

ANNEX: Quantification tables extracted from the draft impact assessment report

The following tables contain information on the costs and benefits of the initiative on which the Board has given its opinion, as presented above.

If the draft report has been revised in line with the Board's recommendations, the content of these tables may be different from those in the final version of the impact assessment report, as published by the Commission.

<i>I. Overview of Benefits (total for all provisions) – Preferred Option</i>		
<i>Description</i>	<i>Amount</i>	<i>Comments</i>
<i>Direct benefits</i>		
Cost savings (application costs)	Cost savings are estimated to be in the order of EUR 11.0 million every year (over a ten-year period). <i>Please note that all figures are rounded to the nearest million)</i>	These cost savings would accrue to third-country nationals (TCNs) as a result of a direct reduction in application costs (Measure 2.1)
	Cost savings are estimated to be in the order of EUR 2.0 million every year (over a ten-year period). <i>Please note that all figures are rounded to the nearest million)</i>	These cost savings would accrue to employers as a result of a direct reduction in application costs (Measure 2.1)
Cost savings (reduced time spent)	Cost savings are estimated to range between EUR 90.0 million (rounded to the nearest million) and EUR 278.0 million (rounded to the nearest million) every year (over a ten-year period). The mid-point/ best estimate is: EUR 2.0 million (rounded to the nearest million).	These cost savings would accrue to TCNs as a result of a reduction in fees associated with and the time spent on the application process (Measures 2.2, 2.3, 2.4 and 2.5). A wide range is obtained owing to significant differences in the extent of cost savings estimated across policy actions/ measures (driven in part by differing assumptions around the number of affected applicants/ applications)
	Cost savings are estimated to range between EUR 22.0 million and EUR 70.0 million every year (over a ten-year period). The mid-point/ best estimate is: EUR 20.0 million.	These cost savings would accrue to employers as a result of a reduction in the fees associated with and the time spent on the application process (Measures 2.2, 2.3, 2.4 and 2.5). A wide range is obtained owing to significant differences in the extent of cost savings estimated across policy

	<i>Please note that all figures are rounded to the nearest million)</i>	actions/ measures (driven in part by differing assumptions around the number of affected applications)
	Cost savings are estimated to range between EUR 200,000 (rounded to the nearest 100,000) and EUR 1.0 million (rounded to the nearest million) every year (over a ten-year period). The mid-point/ best estimate is: EUR 200,000 (rounded to the nearest 100,000).	These cost savings would accrue to national authorities as a result of a reduction in the time spent on the application process (Measures 2.1, 1.2, 2.3, 2.4). A wide range is obtained owing to significant differences in the extent of cost savings estimated across policy actions/ measures (driven in part by differing assumptions around the number of affected applications)
Cost savings (reduced travel costs)	Cost savings are estimated to be in the order of EUR 137.0 million every year (over a ten-year period).	These cost savings will be primarily entailed by Measure 2.1 (on place of application). These costs are assumed to be borne by TCNs only.
Cost savings (reduced intermediary fees)	Cost savings are estimated to be in the order of EUR 106.0 million every year (over a ten-year period).	These cost savings will be primarily entailed by Measure 2.1 (on place of application) for TCNs .
	Cost savings are estimated to be in the order of EUR 25.0 million every year (over a ten-year period).	These cost savings will be primarily entailed by Measure 2.1 (on place of application) for employers .
Cost savings (reduction in other application-related fees)	Cost savings are estimated to be in the order of EUR 14.0 million every year (over a ten-year period).	These cost savings will be primarily entailed by Measure 2.1 (on place of application) for TCNs .
	Cost savings are estimated to be in the order of EUR 4.0 million every year (over a ten-year period).	These cost savings will be primarily entailed by Measure 2.1 (on place of application) for employers .
<i>Indirect benefits</i>		
Economic impacts	An increase in tax revenue between EUR 636.9 million and EUR 1.3 billion	Based on a linear evolution of the number of single permits issued over the next 10 years, and an increase resulting from the preferred option between 2.5-5%.
	Increased additional earnings between EUR 6.6 billion and EUR 13.2 billion	As above
	Increased consumption between EUR 2.9 billion and EUR 5.7 billion	As above
	Resulting in a total economic	As above

	benefit to the EU between EUR 9.1 billion and EUR 18.3 billion.	
Economic impacts for third countries	Remittances are expected to increase between EUR 995.1 million and EUR 2.0 billion.	As above

<i>II. Overview of costs (by provision) – Preferred option (in EUR)</i>							
		Third-country nationals		Employers		National authorities	
		One-off	Recurrent	One-off	Recurrent	One-off	Recurrent
Policy measure 2.1	Direct costs	0	0	0	0	40,000 - 2,000,000 (500,000)	20,000 - 200,000 (70,000)
	Indirect costs	n/a	n/a	n/a	n/a	n/a	n/a
Policy measure 2.2	Direct costs	0	0	0	0	102,000 - 1,500,000 (450,000)	12,000 - 135,000 (44,000)
	Indirect costs	n/a	n/a	n/a	n/a	n/a	n/a
Policy Measure 2.3	Direct costs	0	0	0	0	160,000 - 600,000 (200,000)	17,000 - 200,000 (40,000)
	Indirect costs	n/a	n/a	n/a	n/a	n/a	n/a
Policy Measure 2.4	Direct costs	0	0	0	0	Up to 600,000	20,000 - 200,000 (60,000)
	Indirect costs	n/a	n/a	n/a	n/a	n/a	n/a
Policy Measure 2.5	Direct costs	0	0	0	0	800,000 - 5,000,000 (2,000,000)	20,000 - 300,000 (100,000)
	Indirect costs	n/a	n/a	n/a	n/a	n/a	n/a
Policy Measure 2.6	Direct costs	0	0	0	0	120,000 - 131,000 (50,000)	5,000 - 50,000 (11,000)
	Indirect costs	n/a	n/a	n/a	n/a	n/a	n/a
Policy	Direct	0	0	0	0	130,000 -	5,000 -

Measure 2.7	costs					700,000 (200,000)	50,000 (11,000)
	Indirect costs	n/a	n/a	n/a	n/a	n/a	n/a
Policy Measure 2.8	Direct costs	0	0	0	0	200,000 - 1,000,000 (400,000)	300,000 - 12,000,000 (3,000,000)
	Indirect costs	n/a	n/a	n/a	n/a	n/a	n/a
Policy Measure 2.9	Direct costs	0	0	0	0	n/a ¹	n/a ²
	Indirect costs	n/a	n/a	n/a	n/a	n/a	n/a
Policy Measure 2.11	Direct costs	0	0	0	0	n/a ³	n/a ⁴
	Indirect costs	n/a	n/a	n/a	n/a	n/a	n/a
Policy Measure 2.12	Direct costs	0	0	0	0	300,000 - 3,000,000 (1,000,000)	40,000 - 500,000 (100,000)
	Indirect costs	n/a	n/a	n/a	n/a	n/a	n/a

Note: average estimates are provided in brackets. Please note that estimates have been reported to the nearest ten thousand, hundred thousand or million (as necessary)

¹ Quantification was not possible

² Quantification was not possible

³ Quantification was not possible

⁴ Quantification was not possible