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REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS

on Simplification, Implementation and Enforcement



2025 Annual Overview Report on Simplification, Implementation and Enforcement

OCTOBER 2025

1. Forewords

Foreword by the President

Simplification is key to our competitiveness. Since last year's competitiveness report by Mario Draghi and the Single Market report by Enrico Letta, the simplification agenda for Europe has gained momentum. We need to remove obstacles that slow down our businesses, and make it easier to invest and create jobs in Europe. This goal is central to my Commission's Political Guidelines. Since the start of this new mandate, we have left no stone unturned to make our Union faster and simpler, more focused and more supportive of European companies. But simplification alone is not enough. Our rules must also be properly implemented by Member States, and when this does not happen, we must take action. Simplification, implementation, and enforcement go hand in hand.

Simplification has been at the heart of our work, and we have put forward six simplification omnibuses so far. Once in force, they will make a real difference for European businesses: they will lead to less paperwork and less complex rules, while upholding our social and environmental standards. We have proposed simplification measures that would result in over EUR 8.6 billion reduction of costs for companies and citizens. Now we need to keep the urgency mindset. More omnibuses are on their way already this year, and it is vital that the co-legislators act quickly so that our simplification proposals can immediately deliver for our businesses.

Implementation is the fundamental next step. It is not just about simplifying our rules, but also to ensure they are correctly implemented in a timely manner. Member States are the Commission's primary partners in making sure that this is the case. But it is also vital to reach out to businesses, social partners and stakeholders at large, to better understand where implementation is incorrect or incomplete. Over the last months, Executive Vice Presidents and Commissioners have engaged with over 550 stakeholders from all Member States through 28 Implementation Dialogues. This has provided us with necessary insights on how to further simplify and support the implementation of our rules and policies.

Enforcement of EU law is also key. Experience shows that the fastest way to enforce

our rules is through cooperation with Member States. In the first seven months of 2025, the Commission has launched 168 pre-infringement dialogues. In two-thirds of the dialogues closed, we have solved the issue at stake. In the same period, we have also launched 373 infringement cases – and closed almost as many of them. 95% of the cases were resolved before we had to refer them to the Court of Justice. This means less uncertainty for Europeans, and less time before they reap the benefits of European policies. Our aim is always to ensure that the rules we agree together are implemented in full, as quickly as possible – so that they can start making a real difference for the people of Europe.



This report reflects the progress achieved so far and sets the stage for further progress. Simplification, implementation, enforcement: this is my Commission's approach – for a Union that delivers and a continent that competes on the global stage.

Ursula von der Leyen President of the European Commission

Foreword by Commissioner Valdis Dombrovskis

At the start of the year, we set out a vision to significantly lighten the regulatory load for people, businesses and administrations in Europe, and to improve the implementation of our policies. We committed to proposing an unprecedented simplification of EU rules, to boost prosperity and resilience, and launched a new drive to make rules clearer and faster to implement, so that they can better reach their objectives in practice.

Our diagnosis was clear and widely shared. The accumulation of rules over time at different levels, and their increased complexity, are having a significant negative impact on Europe's competitiveness and prosperity. And tackling this reality requires bold and concerted action, rather than an incremental approach. Strengthening the EU's competitiveness calls for a legal environment that stimulates business creation and growth in the simplest, fastest and most effective way possible, while protecting and empowering people.

In just a few months, the Commission has put forward six omnibus packages in areas such as sustainability reporting, due diligence, chemicals, defence readiness, small mid-caps and agriculture. Together with other simplification initiatives, they could deliver over EUR 8.6 billion in savings, in terms of recurring administrative costs. These proposals are the first major step towards achieving the 25% reduction target and 35% for SMEs that will translate to EUR 37.5 billion savings for citizens, businesses, and public administrations by the end of this mandate.

Our commitment to gradually 'stress test' the EU acquis has led already to a first set of legislative proposals that will simplify EU rules. And these efforts will continue, as reflected in the 2026 Commission work programme. We will continue to tackle all sources of regulatory burden – administrative costs, as well as compliance costs more generally. This cost reduction is needed for Europe to reach its ambitious economic, social and environmental goals not just on paper, but in practice.

The College of Commissioners has rallied around this purpose. Every Commissioner has held at least one implementation dialogue, and many have already put forward ambitious simplification packages. Together, we are shaping a new institutional culture – one that is more open and responsive, focuses on efficiency and results, and prioritises improving existing rules over creating new ones.

We are also committed to the highest levels of transparency, accountability, and interinstitutional dialogue and cooperation. This annual overview report, and the individual progress reports by each Commissioner, are central to those goals. They are

complemented by the extensive information available on the Europa website on simplification, implementation and enforcement.

Achieving our simplification objectives requires a shared commitment among all the European institutions, and in particular the Parliament and the Council as co-legislators. We have a shared responsibility to handle simplification proposals swiftly and in a focused way, while keeping a high level of ambition.



And yet, as we move forward to simplify our rules and improve their implementation, we are not shying away from enforcing them. The Commission will continue to take resolute enforcement action in the interests of citizens and businesses right across the Single Market.

Valdis Dombrovskis

Commissioner for Economy and Productivity; for Implementation and Simplification

2. Executive summary

Creating a simpler and faster Europe is a top **cross-cutting priority** for the 2024-2029 mandate, marking a cultural and institutional shift in the European Commission. The priority is to systematically simplify EU laws and policies across Europe so that they achieve maximum effect, while improving their implementation and enforcement.

As framed by the <u>President's Political Guidelines</u> and the <u>Communication 'A simpler and faster Europe'</u>, speed, coherence and simplicity are key political priorities. This is key to strengthen EU's competitiveness as outlined in the Competitiveness Compass which will guide our action throughout this mandate. Each Commissioner has been tasked with reducing administrative burdens and simplifying implementation. 11 out of 18 legislative initiatives in the <u>2025 Commission work programme</u> were aimed, fully or in part, at simplifying laws and policies.

This is the **first annual overview report** summarising the main results of the Commission's work across the three key components of the new drive to achieve a simpler and faster Europe. Complementarily, each Member of the College has prepared an Annual Progress Report on simplification, implementation and enforcement under their portfolios. They all cover the period up to 31 July 2025¹.

In just six months, the Commission adopted six packages of initiatives ('omnibuses') and other proposals that aim to **reduce burden and simplify legislation**, cutting costs by over EUR 8.6 billion. In addition, it made progress on stress-testing the EU *acquis* in several areas, including energy, financial, digital and company and consumer law, building on the stakeholder input received during reality checks and implementation dialogues.

Over 550 stakeholders were consulted via 28 implementation dialogues organised by the Members of the College, in coordination with the Commissioner for Implementation and Simplification. These dialogues are also part of the new consultation tools developed to speed up **implementation** of EU laws, policies and EU funding across Member States. The

¹ This first overview report covers the period of 7 months. The next report will cover the 12-month period from 1st of August 2025 until 31st of July 2026.

Commission has supported Member States through multiple instruments to achieve full transposition and implementation of our jointly agreed rules and **enforced EU law** with determination.

The last part of the report presents the next steps in this work to drive a real **change of regulatory culture** across the European Union. It underlines the importance of partnership and continued work together with Parliament and the Council, also sharing also the responsibility with the Member States to achieve a faster and simpler Europe.

For this ambitious agenda to be successful, the Commission relies on the **European Parliament** and **the Council** to sustain and even accelerate the work on the 'omnibus' packages and other simplification proposals, maintaining their level of ambition and ensuring that the benefits are felt quickly. **Member States** also play a crucial role. Their proactive engagement is essential to reduce the overall regulatory burden on people and businesses, and to ensure that EU laws and policies are implemented swiftly and efficiently. The Commission also calls on Member States to participate in simplification efforts by simplifying and cutting red tape stemming from national rules.

The Commission will continue to pursue the drive to simplify EU laws and policies over the years ahead. This is reflected in the 2026 Commission work programme adopted at the same time as this report – with more than half of the initiatives having a strong simplification dimension. We will also continue to use all our tools and resources to accelerate implementation and will not hesitate to use enforcement mechanisms to ensure that rules agreed deliver the best possible results.

3. Delivering results: key measures

"To protect jobs, we need to make business in Europe easier. And the omnibuses we have put on the table so far will make a real difference. Less paperwork, less overlaps, less complex rules. Our proposals will cut EUR 8 billion a year of bureaucratic costs for European companies."

State of the Union address by President von der Leyen 10 September 2025, Strasbourg

A. Simplification and stress tests

Simplification and burden reduction are essential parts of our agenda to boost the EU's competitiveness. In an unprecedented drive to simplify and to make sustained and measurable progress, the Commission is focused on removing barriers in the single market and regulatory bottlenecks to sustainable economic growth. It had set ambitious targets to reduce the administrative burden for all companies by at least 25% and by 35% for small and medium enterprises (SMEs) by the end of the mandate of this Commission. In March 2025, the European Council called on the Commission and the co-legislators to work towards achieving these targets.

The 2025 Commission work programme, in which **11 out of 18 proposals** have a strong focus on simplification, puts this agenda into motion. Since February 2025, based on input from stakeholders and internal analysis, the Commission has put forward six packages of initiatives that specifically aim to reduce administrative burden and simplify the legislative framework. These packages – called omnibus proposals due to their cross-cutting and targeted nature and complementing other simplification proposals – will reduce burdens for SMEs, larger companies and public administrations, with over **EUR 8.6 billion in recurring administrative cost savings**.

The **Omnibus I** is a far-reaching initiative to simplify the rules on **sustainability reporting**, **sustainability due diligence and taxonomy** (EUR 4.5 billion savings). In addition to reducing the number of companies subject to sustainability reporting requirements and limiting reporting in the value chain, it postponed by two years the requirements for certain companies, including

smaller ones (the so-called wave two and wave three companies) subject to the Corporate Sustainability Reporting Directive. It also postponed by one year the transposition deadline and date of application for the first group of companies under the Corporate Sustainability Due Diligence Directive. The European Parliament and the Council adopted this measure on 17 April 2025, and the amendments to the Taxonomy delegated act were adopted in July 2025. The other parts of the package are expected to be adopted by the end of 2025.

Also, within Omnibus I, the proposal to simplify the **Carbon Border Adjustment Mechanism** removes related obligations for approximately 182 000 or 90% of importers, most of which are SMEs, unlocking EUR 1.2 billion in savings. It was adopted by the co-legislators in October 2025.

The **Omnibus II** on simplifying **investment rules** makes it easier both to use and then report on InvestEU and the European Fund for Strategic Investments (EUR 350 million savings, of which EUR 324 million one-off administrative cost savings and mobilising EUR 50 billion in additional public and private investment capacity). It is planned to be adopted by the colegislators shortly.

The Commission also proposed simplifying the External Action Guarantee and easing procedures. Discussions in the European Parliament and in the Council are ongoing.

The **Omnibus III** on the **common agricultural policy** reduces complexity and excessive administrative burden for farmers and national administrations in managing, monitoring and reporting, and leverages the potential of digitalisation (to yield EUR 1.58 billion in annual savings for farmers and EUR 210 million for administrations). Discussions in the European Parliament and in the Council on this proposal are at an advanced stage.

The **Omnibus IV** on small mid-caps, digitalisation, and common specifications enables **small mid-cap companies** to benefit from some of the same lighter requirements as SMEs, removes inefficient paper format requests in product legislation and postpones the application of due diligence rules on batteries, which were agreed in July 2025 (EUR 380 million in savings). Discussions in the European Parliament and the Council are ongoing.

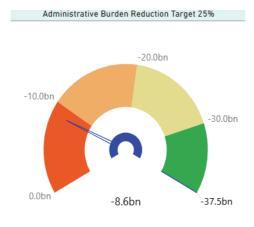
The **Omnibus V** on **defence readiness** simplifies EU rules applicable to the European defence industry to facilitate investment and make it easier to design, develop, manufacture and deliver defence products and technologies. It tackles both specific EU defence legislation and general legislation with an impact on defence activities. Discussions in the European Parliament and the Council are ongoing.

The **Omnibus VI** cuts compliance costs and administrative burden for the **chemical industry** while maintaining a strong level of protection of public health and the environment. It simplifies the rules on classification, labelling, the packaging of chemicals, fertilising products and cosmetics products (unlocking savings of EUR 363 million, out of which EUR 290 million in recurrent savings). Discussions in the European Parliament and the Council are ongoing.

Together, with other initiatives, such as the package of measures to create a simpler and standardised securitisation framework, the omnibus proposals contribute substantially to the Commission's target to reduce the administrative burdens by at least 25%, and by at least 35% for SMEs. Reaching this target will require cutting recurring administrative costs by EUR 37.5 billion by the end of the mandate. With EUR 8.6 billion² in administrative cost savings, the Commission has already proposed over a fifth of the target in the first few months of this five-year mandate, which are now for the co-legislators to take forward swiftly. Moreover, with these measures, the Commission also cut one-off cost to the tune of EUR 4 billion. Overall, meeting this goal significantly increases the level of ambition of the 'one in, one out' approach taken over the 2022-2024 period, in which the Commission proposed net administrative cost savings for businesses and citizens amounting to nearly EUR 14 billion.

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² Excluding savings for Omnibus V on defence, for which the staff working document is being finalised.



The omnibus proposals have also included **specific savings for SMEs** amounting to over EUR 2.8 billion. This comprises savings of EUR 1.6 billion in Omnibus III (common agricultural policy), EUR 830 million in the Carbon Border Adjustment Mechanism (Omnibus I), EUR 180 million in the Omnibus IV (small mid-caps and digitalisation) and EUR 67 million recurrent savings stemming from Omnibus VI (chemicals).

In addition to quantifiable administrative burden reduction, the omnibus packages adopted so far introduce several **measures benefiting SMEs** across different sectors and helping them do business in the EU. The Commission has proposed to exclude listed SMEs from corporate sustainability reporting

obligations, while a value chain cap and a voluntary standard will protect companies with fewer than 1,000 employees from disproportionate information requests. Under corporate sustainability due diligence, the Commission has proposed a shield that protects SMEs against burden shifting from large companies, as well as less frequent assessments and more proportionate steps. The changes proposed to the Carbon Border Adjustment Mechanism simplify compliance for SMEs by exempting small importers below 50 tonnes per year and easing reporting, authorisation, and emissions calculation requirements. SMEs are also expected to gain from streamlined administrative procedures that improve access to InvestEU (Omnibus II). Small farmers are set to receive support through a simplified payment scheme, and benefit from streamlined controls, stronger crisis management, and enhanced competitiveness and digitalisation support (Omnibus III).

More broadly, SMEs will also benefit from replacing paper-based requirements with digital processes, simplified record-keeping obligations in the General Data Protection Regulation and higher reporting thresholds for F-gases (Omnibus IV). The clarification of defence rules will simplify access to funding, permitting, and cross-border transfers, thereby also easing burdens for SMEs operating in the defence area (Omnibus V). Finally, SMEs will also benefit from streamlined hazardous chemical labelling rules, clearer EU cosmetics regulations, and easier registration for EU fertilising products through alignment with standard REACH information requirements (Omnibus VI).

On 1 April 2025, the Commission also adopted its proposal for a **modernised cohesion policy** as part of its mid-term review, which amends the Regional Development Fund/Cohesion Fund and Just Transition Fund regulations (adopted by the co-legislators on 18 September 2025). It encourages Member States to better align their programmes with EU strategic and emerging priorities, by reallocating available funds to competitiveness, defence, housing, water resilience, and the energy transition. Member States also benefit from simplification measures, notably faster financing to strategic European projects selected under other EU instruments and to companies investing in Europe's value chains, enhanced flexibilities in the implementation framework, as well as financial incentives in terms of higher pre-financing and co-financing. In addition, the possibility to benefit, under certain circumstances, from an eligibility period extended by one year reduces timing pressure on beneficiaries.

The Commission's recent proposals for the **next multiannual financial framework** are also a major contribution to the drive to simplify EU rules. The aim is to significantly reduce the burden for recipients and beneficiaries of EU funds, including businesses, people and administrations. The proposal will make it easier for beneficiaries to access EU funds, with a single portal consolidating information on funding and tender opportunities and streamlined support for project promoters. This will reduce the time needed to find information on EU funding opportunities.

In addition, the next financial framework will have a simpler design, with a reduced number of EU programmes and with harmonised rules. This will reduce overlaps and maximise synergies between different programmes. National and regional partnership plans will reduce the

number of programming documents and the related burden on national and regional administrations. The use of financial instruments and budgetary guarantees will also be simplified, with a harmonised set of technical rules, a single budgetary guarantee for internal policies under the European Competitiveness Fund and a separate guarantee for external policies under the Global Europe Fund. This will considerably reduce the administrative burden, notably for our implementing partners and final beneficiaries.

Finally, an upgraded performance framework will provide a single set of rules, reducing the administrative burden associated with monitoring and reporting. A single expenditure and performance monitoring system will apply to all programmes, replacing over 5 000 indicators with a streamlined set of around 900 indicators.

The Commission is also determined to **embed the simplification perspective into all new proposals**. To ensure that the upcoming legislation is conducive to growth, a new SME and competitiveness check has been introduced in impact assessments in 2025 to ensure that new proposals showcase the culture change of less bureaucracy for businesses in order to boost competitiveness of EU companies, including SMEs. Moreover, since January 2025, the Commission assesses the digital dimension of its policy initiatives, in line with the Interoperable Europe Act. This way, the Commission promotes the use of legal requirements that include digital implementation by default and encourages the reuse of existing data and digital solutions.

To complement this overview report, the Commission will continue reporting on the administrative burden reduction target and present an overview of the key results of the work to simplify legislation, avoid overregulation and reduce burdens on the Europa website³.

Stress testing

Cutting red tape and achieving simpler rules require taking a critical look at the accumulated burdens across existing legislation. Each Commissioner has been tasked with carrying out a comprehensive stress test of the body of EU law in his or her remit, under the coordination of the Commissioner for Implementation and Simplification. The aim of this process is to simplify, codify and consolidate the EU regulatory framework, and to ensure it remains relevant, proportionate, and fit to achieve its objectives in the most cost-efficient way.

The stress-testing process **prioritises areas where burdens are felt most acutely** and where there is the greatest potential to simplify. The priorities are drawn up based on stakeholder feedback, including through our new consultation tools (implementation dialogues and reality checks), and based on internal analysis by Commission departments. Completed evaluations and the Draghi and Letta reports also help to identify priorities. Stress tests will inform further omnibus and simplification initiatives throughout this mandate. In 2025, significant policy areas are being screened, including key parts of financial, digital, energy, company and consumer law, to determine whether the current rules are meeting their intended objectives and to identify opportunities for reducing administrative costs. For example, a forthcoming report on the competitiveness of the **banking sector legislation** will also assess the complexity of the EU regulatory framework.

On **digital policy**, the Commission has looked for opportunities to simplify legislation. It will propose a digital omnibus by the end of 2025 covering EU law governing data policy under the Free Flow of Non-Personal Data Regulation, the Data Governance Act, and the Open Data Directive. It will also cover the rules on cybersecurity and incident reporting requirements, the application of the Artificial Intelligence Act and other targeted aspects related to the General Data Protection Regulation. The digital omnibus will also ensure alignment with the forthcoming proposal for an EU Business Wallet. The Commission is also working on a comprehensive digital fitness check to look more broadly at the cumulative effect, the

³ https://commission.europa.eu/law/law-making-process/better-regulation/simplification-and-implementation/simplification_en

coherence and the opportunities that can be created in the application of the EU digital law and related rules.

On **food and feed safety policy**, the Commission has identified potential to simplify rules and will present an omnibus proposal by the end of the year, as announced in the Vision for Agriculture and Food. The aim of the package will be to reduce unnecessary regulatory and administrative burden while maintaining strict requirements for ensuring food and feed safety, as well as to protect public and animal health, plant health and the environment. The proposal responds to repeated requests from stakeholders and EU Member States for faster and clearer procedures for plant protection products, drones, biocides, feed additives, hygiene rules and official controls.

On **environment**, the Commission conducted a call for evidence to identify simplification potential in the area of circular economy, waste, industrial emissions and environmental assessments and will propose an environmental omnibus by the end of 2025.

On **energy and climate policies**, following the <u>report on the functioning of the Governance Regulation</u> and its <u>evaluation</u>, the Commission will revise the governance of the Energy Union and Climate Action and related legislation to streamline and simplify in particular reporting obligations for Member States in the energy and climate field, as well as to further align the EU framework with international commitments. The fitness check on the energy security of supply framework is currently ongoing and will be finalised this year.

Company law and consumer law were also prioritised for stress testing in 2025, following stakeholder input. This will result in a 28th regime to create a single harmonised set of rules for companies throughout the EU in 2026. It will remedy the patchwork of national company law rules that makes it difficult to do business across several EU countries. An evaluation of the Shareholder Rights Directive is ongoing, with a view to exploring ways to further harmonise and simplify cross-border operations of investors, issuer companies and intermediaries and assess the scope to reduce costs and burdens for them.

Following the comprehensive fitness check of EU consumer law completed in 2024, the Commission is working on a Digital Fairness Act to fill the identified gaps in the digital consumer protection. Considering the findings of the fitness check and the implementation dialogue held on 15 July 2025 on Consumer Protection in the Digital Environment⁴, the ongoing impact assessment and consultations on the Digital Fairness Act cover also potentially significant simplification elements in specific areas, such as consumer information requirements in online contracts and the right of withdrawal from digital media services.

On **data protection**, following the implementation dialogue⁵ held on 16 July 2025, the Commission will propose targeted amendments to the General Data Protection Regulation, as part of the digital omnibus to be presented by the end of 2025 and will further reflect on how to modernise the data protection framework and improve its governance and implementation, while upholding the fundamental right to data protection.

Delegated and implementing acts

Stress-testing does not only cover legislation but also implementing rules. The Commission adopts many delegated and implementing acts every year. These comprise a significant share of the overall regulatory framework and are based on empowerments adopted by the European Parliament and the Council. Many are purely technical or are recurring management measures, financing decisions or authorisations. Some can, however, create additional administrative burden.

⁴ <u>Implementation dialogue on consumer protection in the digital environment with Commissioner Michael McGrath - European Commission</u>

⁵ <u>Implementation dialogue on the application of the general data protection regulation with Commissioner Michael McGrath - European Commission</u>

A review of the impact of these acts on regulatory complexity is therefore needed. Commission departments are screening empowerments for the adoption of delegated or implementing acts. The aim is to identify whether such acts are legally required, and whether they would simplify the regulatory framework or are necessary to achieve EU policy objectives and thus should be prioritised. If this is not the case, they can be deprioritised.

For example, in financial services, the Commission analysed 430 empowerments to issue these acts stemming from the basic acts adopted by the co-legislators during the 2019-2024 legislature. Based on this analysis, 115 delegated and implementing acts have been assessed as non-essential to the effective functioning of the basic legislation. In the environmental field, the Commission has screened 253 potential such acts. Of these, 196 acts were considered necessary to achieve environmental or burden reduction policy objectives, while 57 acts were considered as having less immediate added value while being burdensome/costly in terms of administration or implementation.

The Commission finds it essential to include empowerments into new legislation only where delegated and/or implementing acts are necessary to reach the policy objectives and where they do not add significant implementation burden. To this end, the Commission counts on the cooperation of the Parliament and the Council to preserve this simplification focus, both for new legislation and for implementing rules.

Reality checks

Using a new tool, the Commission has started to conduct 'reality checks' with those implementing or directly affected by EU law to understand better how it works on the ground.6 Direct contacts at technical level enable the Commission to identify hurdles or positive experiences, to verify whether the assumptions underpinning the EU legislation are correct and whether EU legislation delivers the expected benefits. This process also enables the Commission to receive feedback on, for instance, the cost or cost saving levels that had been estimated in the impact assessments accompanying the policy proposals. The outcomes of the reality checks feed into the process of stress testing existing legislation (including evaluations and fitness checks) and the design of future simplification proposals.

The reality checks conducted so far have helped shape the proposals for simplification, including omnibus proposals, such as the reality checks organised with practitioners on sustainability, on fertilisers, cosmetics and classification, labelling and packaging, on industrial decarbonisation accelerator and with the defence industry.

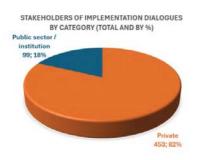
Other examples include a reality check on State aid rules for affordable housing, which solicited input and information from stakeholders and Member States on real-life situations and practical difficulties in the affordable housing sector, in particular on the main current and potential obstacles to implementing State aid rules. A reality check on medical devices helped identify obstacles in implementing the legislation with the help of patients, healthcare professionals and manufacturers. And a reality check on implementation of the Strategic Technologies for Europe Platform (STEP) explored together with beneficiaries and business

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⁶ The choice of participants is driven by the goal of having a 'hands-on', direct interaction and pragmatic exchange, while aiming at a balanced participation.

support organisations the use of the STEP portal, and the benefits and obstacles to receiving funding for STEP projects.

B. Implementation

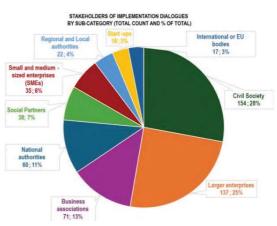


Challenges to the swift and effective implementation of EU laws and policies diminish their impact. That is why, the European Commission has recently introduced two **new consultation tools**: implementation dialogues and reality checks. To this end, the Commissioners have prioritised engagement with stakeholders, by conducting implementation dialogues to seek their feedback to help us assess progress, identify best practices and obstacles, and collect practical suggestions to identify the

scope for simplifying rules and improving implementation. The first round of **28 dialogues** has been completed involving over **550 stakeholders** – including industry representatives, SMEs, companies, social partners, central, regional and local authorities, and civil society. The dialogues provided practical, operational insights that the Commission will follow up and factor into our future work. For example, one of the first dialogues was in the transport sector and addressed high-speed rail. The outcome has fed into the preparatory work on a comprehensive European High Speed Rail Network Master Plan⁷.

The implementation dialogues focused on topics outlined in

the <u>Political Guidelines</u> and the <u>Communication on a Simpler and Faster Europe</u>. Some of the concerns raised included the complexity of EU legislation, layered obligations, and everchanging reporting requirements. A recurring theme was **persistent legal fragmentation and gold-plating** of EU laws at national level. Stakeholders stressed the challenge of operating or investing cross-border when having to follow 27 interpretations of the same rules. National authorities, in turn, struggle to apply overlapping



legal frameworks, particularly where multiple EU regulations intersect without clear guidance or coordinated interpretation. In the first seven months of 2025, the Commission has taken several steps to identify and address implementation needs. For example:

Helping Member States implement EU law

The Commission stepped up cooperation with Member States in implementing EU law as the fastest way to ensure that EU rules achieve tangible results for people and businesses. In addition to the already existing support measures, the Commission put in place new tools to support Member States in their work to implement EU law and to make the exchange of information easier. In April 2025, it made available a **transposition roadmap** IT tool to improve information flows and help anticipate implementation challenges. In only three months, this new feature was used for 21 directives. The Commission is preparing a standard template explaining transposition obligations to Member States and for Member States to explain how these are fulfilled through national measures for new directives.

Commission services now prepare **implementation strategies and guidance**⁸ more frequently for major legal acts adopted by the co-legislators. For the Commission to develop targeted strategies and support measures to aid implementation, it is crucial to receive early

⁷ Implementation dialogue on high-speed rail in Europe with Commissioner Tzitzikostas.

⁸ For example the <u>strategy for the Energy Performance of Buildings Directive</u> (EPBD).

information from Member States authorities on the specific national legal, administrative or practical impacts of proposals and adopted legal acts. At the same time, we are increasing our efforts to prepare well-drafted, high-quality legal texts that are easy to understand and implement.

Support for capacity building in Member States

Better implementation of EU policy and efficient administrative performance could save EU taxpayers and businesses billions of euros every year. The implementation dialogues revealed a **lack of administrative capacity** and the need for targeted capacity-building as highlighted by public administrations and stakeholders at central, regional, and local levels in areas such as permitting, the Common Agricultural Policy or safety and security, to name just a few. In response, the Commission provides support to public administrations in Member States through the <u>Public Administration Cooperation and Exchange</u> programme. In the first half of 2025, Germany, Malta, the Netherlands, Austria, Poland and Slovakia received support under this programme to improve their administrative capacity for coordination between social security systems, to implement the Sustainable Finance Disclosure Regulation or to implement reforms and investments under the Recovery and Resilience Facility and Cohesion policy.

In addition, the Commission updated its <u>Quality of Public Administration – A Toolbox for Practitioners.</u> The Toolbox gives examples of how to reduce administrative requirements by combining simplification reforms with digitalisation.

Tools and programmes to support implementation

The Commission supported the Member States' work to implement key EU policies and funds through a range of tools and programmes. For example, the <u>Just Transition Platform</u> is helping EU Member States and regions most affected by the transition to **climate neutrality**. In 2025, the Platform provided comprehensive advisory services to 32 Just Transition Fund regions in 14 Member States⁹ – to accelerate action and facilitate the implementation of the Fund. In the area of **migration**, the Commission has established 27 country teams providing Member States with tailor-made support in the implementation of the Pact on Migration and Asylum.

On **regional cooperation**, 30 regions in 15 Member States¹⁰ received technical assistance through the S3 Community of Practice and Smart Specialisation Platforms to implement the European Regional Development Fund, contributing to their competitive advantage and promoting innovative and smart economic transformation. These instruments bring together researchers, businesses, civil society, and public administrations who are developing partnerships in key technologies, such as European Alliances for batteries, hydrogen, and fuel cell technology.

In addition, to assist the delivery of EU policies by better managing **cohesion policy** funds, the REGIO Peer2Peer+ is a key enabler of change towards simplification and efficiency. Over the past year, it has engaged and exchanged with more than 1,100 public officials to address for instance key simplification measures such as streamlining calls for project proposals, applying simplified cost options, and adopting performance-based approaches.

On **environmental protection**, the Commission carries out an annual <u>Environmental Implementation Review</u> to support all Member States in implementing key EU environmental laws and policies. The fourth review (July 2025) identified good practices and challenges in Member States. It recommended improvements and solutions as well as 'priority actions', to help decision-makers prioritise resources, including EU funds and technical assistance.

¹⁰ Bulgaria, Croatia, Czechia (Karlovy Vary, Moravian-Silesian, Usti), Finland (East and North Finland, Päijät-Häme), France (La Reunion, Normandie), Greece (Crete, East Macedonia and Thrace, Western Macedonia), Hungary, Italy (Molise, Puglia, Veneto), Malta, Poland (Malopolska), Portugal (Alentejo, Azores, Centro, Madeira), Romania (Centru, South-West Oltenia), Sweden (Jämtland Härjedalen, Västernorrland), Slovenia and Spain (Aragon, Balearic Islands, Catalonia).

⁹ Belgium, Czechia, Germany, Finland, France, Croatia, Ireland, Italy, Lithuania, Poland, Romania, Spain and Sweden.

Technical support and assistance to implementation

The Commission provides technical support under its <u>Technical Support Instrument</u> (TSI) and deploys technical assistance to Member States as part of EU funds. In 2025, 135 reform projects were <u>selected</u> for TSI support in all Member States providing for **390 innovative and ambitious reforms** with a budget of almost **EUR 117 million**.

A multi-country project concluded in 2025 supported our public administrations' backbone on evidence-informed policy making. This included a measure to reduce administrative burden in Belgium, and to improve policy evaluation in Latvia, Netherlands, Greece, Czechia, Estonia and Lithuania. Similarly, Slovenia improved its rate of EU funds absorption and investment management by reducing system fragmentation, pooling skills and resources, simplifying procedures (less gold-plating) and better prioritisation of strategic investments.

As the New Pact on Migration and Asylum entered into force, nine Member States¹¹ promptly received on-the-ground technical support for the preparation of their National Implementation Plans for putting the Pact into practice. In addition, the authorities of nine Member States¹² are receiving tailored support to carry out specific reforms stemming from their National Implementation Plans during the two-year transition period until 2026. Other examples include support for developing and implementing artificial intelligence models to detect market abuse in fourteen Member States¹³, for simplifying and digitalising environmental permitting for industrial installations (in Poland), or for implementing the European Child Guarantee (in Greece), the national strategy for improving financial literacy (in Cyprus), or the national housing policy plan (in Croatia).

Initiatives to improve digitalisation and data access

The Commission has played a pivotal role in assisting Member States with the adoption of interoperability assessments by publishing comprehensive guidelines and the Open Source Software Catalogue. These guidelines and the catalogue were made publicly available in all EU languages on the Interoperable Europe Portal. The Commission also launched the Interoperable Europe Community in May 2025 to provide a forum for public and private-sector stakeholders to co-create, exchange knowledge, and contribute to the practical implementation of interoperability across the EU. The Community also supports the Interoperable Europe Board by providing input to guide its strategic decisions on cross-border digital public services.

Building on the European digital identity framework, the EU Business Wallet will enable secure digital identification, data sharing and legally valid notifications across the EU. It will help economic operators manage regulatory requirements, cutting administrative burdens and compliance costs.

The Commission is enhancing data access with the rollout of <u>Common European Dataspaces</u> being developed across domains such as agriculture, cultural heritage, energy, finance, the green deal, heath, languages, manufacturing, media, mobility, public administration, research and innovation and tourism.

In view of the priority given to accelerated accession for **candidate countries**, the Commission is developing an Al tool (**eAccession**) that will facilitate the legal alignment process by which candidate countries incorporate the 35 chapters of the EU *acquis* into their national legal systems as part of their preparation for EU membership.

¹¹ Belgium, Czechia, Germany, Estonia, Greece, Ireland, Italy, Portugal, and Romania.

¹² Belgium, Czechia, Estonia, Ireland, Greece, Italy, Lithuania, Romania and Slovakia.

¹³ Bulgaria, Denmark, Estonia, France, Finland, Greece, Lithuania, Italy, Portugal, Slovakia, Slovenia, Sweden, Spain and Romania.

EU agencies and consistent application of EU law

In 2025, the EU agencies continued to support the implementation of EU law thereby contributing to the consistent application across Member States and reducing legal uncertainty. They provided technical and interpretative guidance such as regulatory standards, scientific advice, templates, and Q&A documents. This is especially valuable in areas involving cross-border activities, where coordinated interpretation is essential. Another key form of support was the promotion of practical cooperation and capacity building. For example, the European Labour Authority supported a cross-border enforcement operation involving seven Member States (Belgium, Denmark, Croatia, Italy, Cyprus, Lithuania, and Romania), in partnership with the European Roads Policing Network.

C. Enforcement

The EU's credibility and success depend on the full and effective implementation and application of its laws in practice. Jointly agreed policies only deliver their intended effects for people and businesses if they are applied everywhere in Europe in the same way. The EU cannot afford fragmented or half-hearted compliance.

This Commission champions a more ambitious implementation agenda. Cooperation with Member States is the Commission's preferred approach to avoid implementation issues from the outset, but **resolute enforcement is necessary when cooperation fails**. The Commission has again shown its determination to enforce EU law over the past months across the most important policy areas. To further increase transparency of its enforcement actions, the Commission put in place a new Europa webpage on infringements, pre-infringement dialogues and transposition of directives, allowing for targeted searches and customised graphs per policy area and topic.

More pre-infringement dialogues for swifter results

A <u>pre-infringement dialogue</u>, formerly known as 'EU Pilot', is used by the Commission when it is likely to lead to swifter compliance than a formal infringement procedure. The dialogues also help the Commission to gather information to determine whether a breach of EU law exists. In the first seven months of 2025, the Commission initiated **168 dialogues, confirming an increasing use of this tool**¹⁴. The dialogues are very efficient with a resolution rate of 67% ¹⁵. These include files in very different policy areas, from health and safety at work to financial services, environment, energy, direct and indirect taxation and road safety. With almost 20% of files opened and closed during the first half of 2025, the pre-infringement dialogue has clear potential to achieve swift results and to collect information. The Commission has also **upgraded the IT tool** used by Commission services and Member States to conduct the dialogues, which will lead to further efficiency gains.

Early compliance in infringement procedures saving time

<u>Infringement procedures</u> have been and will remain the backstop needed by the Commission should cooperation measures not be sufficient to achieve timely compliance with EU rules. In the first seven months of 2025, the Commission <u>launched 373 infringement cases</u>, 87% of which concerned the incomplete or incorrect transposition of directives¹⁶. Complaints from

¹⁴ In 2024, the Commission initiated 173 dialogues over the whole year.

¹⁵ Overall, the Commission closed 118 cases in the reference period, including many long-standing cases from 2023 or before.

¹⁶ Repartition by infringement type: 256 cases of incomplete transposition, 69 cases of incorrect transposition, 18 cases of bad application of directives and 30 cases for breaching the Treaties, regulations or decisions.

people and businesses provided useful information identifying shortcomings, resulting in 13 of these new infringement procedures¹⁷.

In the same period, the Commission <u>closed 345 infringement cases</u>¹⁸ as Member States achieved compliance. <u>95% of the cases</u> were resolved before the Commission had to refer them to the Court of Justice, meaning people and businesses reaped the benefits of EU law sooner than if Court proceedings had been necessary. The Commission has made progress in many long-standing cases¹⁹ and the average handling time of infringements has decreased²⁰.

Effective action bringing results for people and businesses

Tangible results for people and businesses have been achieved across policy areas. The **movement of workers** across EU Member States has been made easier. Several Member States abolished unjustified obstacles to the <u>recognition of professional qualifications</u> and the conditions to pursue regulated professions in various areas²¹. The Commission achieved concrete results to facilitate labour mobility in cases brought by complainants²² or subject to a petition²³. Furthermore, more Member States²⁴ have now correctly transposed EU rules on the posting of workers, which concern situations when employers send their employees to carry out services in another EU Member State on a temporary basis. As outlined in the <u>Single Market Strategy</u>, the Commission has also used infringement procedures to address **Single Market barriers** such as fragmented labelling practices or retail restrictions²⁵.

In the **digital area**, Commission enforcement improved compliance with the <u>Digital Services</u> Act and the <u>Data Governance Act</u> as <u>eight Member States</u> designated the competent authorities to implement the rules and empowered these authorities to perform the tasks required. Other Member States are still lagging behind and the Commission proceeded to the next step in the infringement procedure against <u>six of them</u>. To **increase security**, infringement procedures proved successful²⁶ on the <u>Regulation against the dissemination of terrorist content online</u> while further efforts are necessary to complete transposition of <u>EU cybersecurity rules</u>²⁷. The Commission's actions also achieved clearer **road transport**²⁸ rules and greater **railways safety and interoperability**²⁹ and advanced the trans-European transport network³⁰.

The **protection of consumers** has been strengthened as Member States have progressed in transposing EU rules on the <u>accessibility of products and services</u> and on <u>representative</u> <u>action</u> to defend collective interests. Likewise, the rights of people reporting breaches of EU

These new complaint-based cases were opened against eight Member States: INFR(2025)4002, INFR(2025)4004, <a href="INFR(2025)4006, INFR(2025)4008, INFR(2025)4011, INFR(2025)4012, INFR(2025)4013, INFR(2025)4016, INFR(2025)4018.

^{18 195} cases of incomplete transposition, 51 cases of incorrect transposition, 30 cases of bad application of directives and 69 cases for breaching the Treaties, regulations or decisions.

¹⁹ 18% of these cases had been opened over five years ago, showing the Commission's commitment to reduce its backlog of long-standing cases.

²⁰ 34.3 months compared to 36.4 months in 2024.

²¹ For medical professions and veterinaries in Malta, nurses in Ireland and career counsellors in Greece.

²² On the free movement of public sector workers in <u>Cyprus</u> and outbound transfer of pension capital in <u>the Netherlands</u>.

²³ In a case brought before the Court of Justice, <u>Italy</u> has remedied discrimination of foreign lecturers.

²⁴ Slovenia and Finland as regards the Posting of Workers Enforcement Directive.

²⁵ France and Italy on labelling and Hungary on food retail, drugstore retail and the retail tax regime.

²⁶ Cyprus, Poland and Slovenia have complied with their obligations and cases have been closed, while <u>Bulgaria</u>, <u>Ireland and Portugal</u> have been referred to Court for failing to fulfil certain obligations under the Regulation.

²⁷ Cases against <u>Greece</u> and <u>Lithuania</u> could be closed but reasoned opinions were adopted against <u>19 Member States</u>.

²⁸ For example, cases against <u>eight Member States</u> could be closed regarding transposition of EU rules on use of vehicles hired without drivers for carriage of goods.

²⁹ <u>Czechia</u> and <u>Poland</u> completed transposition of the Railways Safety Directive and <u>Poland</u> of the Interoperability Directive while <u>Germany</u> resolved an issue of bad application of the latter directive.

³⁰ Cases closed for Estonia, Croatia, Slovenia and Slovakia while Belgium, France and Luxembourg received reasoned opinions.

law have been reinforced. In the area of **financial services**, the Commission's enforcement actions led to stronger borrowers' rights and promoted a more stable and trustworthy financial environment³¹. As regards workers' rights, following the Commission's enforcement action, almost all Member States have fully transposed the EU rules on <u>transparent and predictable</u> working conditions.

Thanks to enforcement action by the Commission and the imposition of financial <u>sanctions</u> <u>against five more Member States</u> by the Court of Justice, all Member States have now transposed <u>EU whistleblowing protection</u> rules, which help to prevent and address breaches of EU law in a wide range of areas.

The Commission successfully enforced EU rules on **environment**, strengthening the <u>environmental liability regime</u> and rules on <u>environmental impact assessments</u> in Member States³². Infringement procedures also led to compliance with Member States' obligations on national water plans, promotion of the water quality of rivers and lakes and for preparedness and management of floods³³. The EU's **climate and energy policy** has been upheld by enforcing the <u>revised EU Emissions Trading System (ETS)</u> and the integrated <u>National Energy and Climate Plans</u>. Furthermore, <u>more Member States</u> have implemented <u>the EU's Clean Energy Package rules</u>.

The Commission enforced EU rules on **free movement** and protected **EU citizenship**. On the latter, the Court of Justice <u>ruled</u> that granting citizenship in exchange for predetermined payments or investments is contrary to EU law. The Commission continued to uphold the <u>rule</u> of law, fundamental rights and the <u>Single Market freedoms</u>.³⁴

Resolute enforcement action, including financial sanctions

While the Commission strives to bring infringement procedures to a successful end in their early stages, it does not hesitate to refer a case to the Court of Justice if necessary to achieve compliance. In the reference period, the Commission brought <u>45 cases to the Court of Justice</u>. In all cases where the Treaty on the Functioning of the European Union so provides, the Commission asked the Court to impose financial sanctions against the Member State concerned (<u>15 cases</u>). These figures confirm the increased numbers of referral decisions in recent years³⁵, evidence of the Commission's determination to do what it takes to enforce EU law.

In the first seven months of 2025, 14 Member States have been **paying financial sanctions** imposed by the Court of Justice of the European Union, amounting to over EUR 302 million³⁶. Some Member States are paying multiple financial sanctions related to different judgments of the Court. They concerned EU rules on the following topics, in order of magnitude: asylum, protection of whistleblowers, treatment of urban wastewater, waste landfills, clean vehicles, audiovisual services and national competition authorities³⁷.

³¹ The Commission enforced EU rules on a secondary market for non-performing loans by <u>referring six Member States</u> to the Court and closing cases against <u>six Member States</u>.

³² Cases against <u>Belgium</u>, <u>Estonia</u> and <u>the Netherlands</u> could be closed.

³³ Cases against <u>Bulgaria</u>, <u>Spain</u> and <u>Slovakia</u> could be closed.

³⁴ In a referral against Hungary, the Commission asked the Court of Justice to handle the case in an expedited procedure, which the Court granted.

³⁵ In 2023 and 2024, the Commission referred 134 infringement cases to the Court of Justice, including a request for financial sanctions in 55 of these cases

³⁶ Amounts are definitive only after the exhaustion of all legal remedies. The public register provides an <u>updated list</u> of ongoing infringement cases with financial sanctions imposed by the Court of Justice.

³⁷ The fines paid in the areas of asylum, treatment of urban wastewater and waste landfills result from judgements of the Court of Justice under Article 260(2) TFEU (second judgement) while the fines paid in the other areas are for an incomplete transposition of EU rules (under Article 260(3) TFEU)).

4. Way forward

Over the next four years, the Commission will continue action to make it easier to implement EU law and policy in practice, by simplifying EU rules and reducing regulatory burdens. This is necessary to boost the competitiveness and resilience of our economy, and to deliver fast and meaningful improvements for people and businesses, whilst ensuring the EU's priorities and objectives are met. The 2026 Commission work programme adopted today reflects this drive, putting a clear and strong emphasis on simplification proposals.

As regards **simplification**, more simplification and omnibus proposals will follow in the coming months, including in the areas of environment, automotive, food and feed safety, medical devices, clinical trials and digital. We will also focus on other pressing issues raised by stakeholders, such as in the areas of energy product legislation and taxation, and we will also put forward simplification proposals addressing administrative burden on citizens.

As simplification must be a shared effort among the EU institutions, it is important that the European Parliament and the Council continue prioritising work on the Commission's omnibus and simplification proposals, preserving their simplification focus, while achieving the policy objectives.

The Commission is also engaging with the European Parliament and the Council so that all institutions live up to their commitment to assess impacts of their substantial amendments. To aid this process, the Commission is developing a simple and pragmatic approach that each Institution could use for this purpose.

As regards **implementation**, Members of the College will continue engaging with stakeholders through a second round of implementation dialogues which will take place before the end of the year. They will focus on diverse policy areas such as affordable housing, construction, regional business competitiveness, trade and economic security, energy products legislation, anti-fraud architecture and banking integration. The Commission will provide **tailored support** to the Member States in implementing EU law to achieve the intended impact of our laws and policies on the ground. Together with our work to simplify the rules, implementation will remain at the heart of the Commission's focus to strengthen European competitiveness. For this, cooperation with the other EU Institutions and the Member States remains crucial to attain the targets set at the beginning of this mandate.

As regards the **enforcement** of EU law, the **number of active infringement procedures remains high**, with over <u>1500 cases</u> ongoing. All Member States are concerned, while there are significant differences in the number of cases per Member State³⁸. Monitoring the application of EU law and ensuring compliance will remain a **top priority**. Special attention will be given to long-standing cases, without compromising the effectiveness of the Commission's enforcement action: achieving compliance and positive results for people and businesses is what enforcing EU law is about. The Commission continuously strives to improve its enforcement policy, ensuring its tools are fit for purpose.

In its <u>Communication 'A simpler and faster Europe'</u>, the Commission laid out an ambitious agenda for simplification and implementation to boost competitiveness, prosperity, policy delivery and resilience in the EU. Achieving these goals requires strong commitment from all other institutions and stakeholders, including in particular the European Parliament and the Council. This report lays the groundwork for a **structured dialogue** with them on the current state of EU legislation and its implementation, and further opportunities for simplification. The Commission also calls on the Member States to make comparable efforts to simplify, implement and enforce their national legislation.

³⁸ The three Member States with most open cases (Spain, Poland and Bulgaria) have three times the number of cases as the Member State with least infringement procedures (Lithuania). More information and data on the Commission's enforcement action is available https://example.com/hem-en/.