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NOTE

From:	General Secretariat of the Council
To:	Delegations
Subject:	AOB item for the meeting of the General Affairs Council of 22 September 2026 Simplification - Information from Austria

Austria, Czechia, Denmark, Germany, Estonia, Italy, Latvia, Lithuania, Hungary, Poland, Portugal, Slovenia and Slovakia support reducing unjustified administrative burdens and advancing simplification at EU level as part of a stronger culture of better law-making. The European Council has called for simplification as a key element to reinforce competitiveness. It is therefore essential that legislation is simple by design, feasible to implement, respects the principles of proportionality and subsidiarity, and ensures legal certainty and thus investment security. The objective is to regulate better, such that EU-level legislation is enacted only where Union action is necessary and adds value, and is designed in a manner that is proportionate, coherent, legally predictable and supportive of a business environment in which European undertakings can invest, innovate and grow, while strengthening the competitiveness of the European economy and ensuring the proper functioning of the Single Market remain central objectives of EU law-making, while preserving the EU's high standards of social, consumer and environmental protection in line with the European Council Conclusions of March 2026.

The need for such an approach has become more pressing in light of the current geopolitical circumstances: European competitiveness is under growing pressure from geopolitical tensions, climate change, high energy costs, strategic dependencies (particularly for raw materials), overcapacities in third countries and intensified global competition for investment. In this context, it is vital to ensure a regulatory environment which facilitates doing business in the EU and does not unnecessarily hinder companies through unjustified administrative burdens, duplicative procedures or excessive reporting obligations. Austria, Czechia, Denmark, Germany, Estonia, Italy, Latvia, Lithuania, Hungary, Poland, Portugal, Slovenia and Slovakia support the exchange of best practices and experiences among European and EU countries in order to take significant steps towards reducing bureaucracy also at national level.

The EU's strength does not rest on regulatory density as such, but on the quality, enforceability, predictability and credibility of its legislation, while maintaining high levels of protection in the areas of health, the environment, social policy and labour. Cohesive and well-designed legislation can shape markets beyond the EU only if they are sufficiently clear, comprehensive and feasible to be implemented and enforced consistently by Member States and complied with by economic operators. It is of the utmost importance to avoid cumulative complexity that risks weakening the effectiveness and as a result the legitimacy of EU action while also reducing the attractiveness of the EU Single Market as a place to do business and invest.

During the legislative process within the Council, substantial amendments can result in unnecessary bureaucratic costs for public administrations, citizens and, above all, the business community. We need a Council procedure to target regulatory, administrative and compliance costs in well justified cases and without slowing down the legislative process in order to avoid creating such burdens, as tasked by European Council in March 2026.

Against this background, Austria, Czechia, Denmark, Germany, Estonia, Italy, Latvia, Lithuania, Hungary, Poland, Portugal, Slovenia and Slovakia underline that strengthening the competitiveness of the European economy and the proper functioning of the Single Market must remain a central objective of EU law-making. EU legislation should therefore be systematically designed and assessed also in light of its impact on competitiveness, ensuring that it enables businesses to scale, compete globally, innovate and fully benefit from the opportunities of the Single Market. At the same time, it is crucial that EU-legislation reflects EU competences whereby EU action is taken where the objectives of the proposed measure cannot be sufficiently achieved by the Member States alone and where action at EU level delivers clear added value over national, regional or local measures. Austria, Czechia, Denmark, Germany, Estonia, Italy, Latvia, Lithuania, Hungary, Poland, Portugal, Slovenia and Slovakia underline that simplification is not merely a managerial or economic objective, but also a legal requirement. Article 5 of the Treaty of the European Union delineates the competencies of the Union and the Member States and defines subsidiarity and proportionality as essential principles. Any proposed Union action should be supported by a clear demonstration of necessity, EU added value and the inability of Member States to achieve the intended objectives acting individually. In line with subsidiarity, EU action should be taken only where the objectives of the proposed measure cannot be sufficiently achieved by the Member States alone and where action at EU level delivers clear added value over national, regional or local measures. In line with proportionality, the financial and administrative burden of proposed legislation must not exceed what is necessary to attain the legitimate policy objective, and the least onerous effective option should be preferred.

EU legislation cannot be an end in itself. Therefore, regulatory restraint to avoid over-regulation and the introduction of new administrative burdens is a condition for sound EU law-making. Legislation should be simple by design, supported by evidence, and drafted in a way that facilitates transposition, application, enforcement and judicial review. Excessively complex or layered rules can reduce compliance, produce legal uncertainty, create divergence in implementation and ultimately undermine confidence in the EU legislation and therefore the Single Market, while also impairing the competitiveness of EU businesses.

Austria, Czechia, Denmark, Germany, Estonia, Italy, Latvia, Lithuania, Hungary, Poland, Portugal, Slovenia and Slovakia consider that a strong Single Market requires a legal framework that is both ambitious in substance and workable in practice. Yet, persistent unjustified barriers and administrative burden continue to prevent businesses from fully benefiting from its advantage. Simplification measures include reducing unnecessary compliance friction, improving legal clarity, avoiding overlapping reporting channels and enabling companies to devote resources to innovation, resilience, investment and growth rather than to avoidable administrative processing. This shows that simplification as well as competitiveness must be perceived in a broader sense, helping our businesses to thrive while maintaining high levels of protection in the areas of health, the environment, social policy and labour. Therefore, EU legislation should be assessed against a number of criteria; it should be

- implementable, meaning that obligations can be applied in practice by public authorities and private actors without disproportionate interpretative effort,

- predictable and stable, allowing administrations, courts and market participants to rely on a coherent framework over time,

- coherent with the existing *acquis communautaire*, avoiding duplication, overlap and conflict between instruments,

- evidence-based and adequately justified in the light of subsidiarity, proportionality, EU added value and competitiveness effects, particularly for SMEs and SMCs,

- supported by robust, high-quality impact assessments focussing on economic impacts, including potentially significant economic, fiscal or administrative implications as well as potential distributional effects on individual Member States, both from the Commission and from co-legislators,

- competitiveness-enhancing, meaning that legislation supports investment, innovation, productivity and the ability of European undertakings to scale and compete both within the Single Market and globally,

- targeted and on a sound legal foundation, reflecting the respective competences as set forth in the Treaties.

These criteria are directly linked to legal certainty. Poorly coordinated new obligations, repeated amendments, multiple reporting channels or unclear interaction with existing frameworks create avoidable compliance costs and legal risk, especially for SMEs and for national administrations responsible for implementation.

The EU needs a stronger focus on the efficient implementation of existing regulation before proposing additional legislation or frequent amendments in the same field. At the same time, the EU must be able to address, where necessary, current and future challenges. Every major new reporting or compliance obligation should be preceded by a review of existing obligations in the same policy field with a view to consolidation, simplification or repeal. This would help prevent cumulative overload, improve the coherence of the *acquis communautaire*, streamline reporting requirements and reduce duplication in a manner consistent with proportionality and supportive of business dynamism. Simplification efforts should focus on reducing administrative burdens, improving compliance processes and facilitating the application of existing legislation. They should not be used to introduce new policy initiatives or substantive changes unless these are separately and sufficiently justified on their own merits.

Following the evaluate-first approach, the functioning of existing instruments should be assessed before new layers of legal obligations are added. In line with this, greater emphasis should be given to making impact assessments for new proposals including transparency on the methodology and data behind it. Priority should be given to interoperable reporting systems, once-only digital reporting, enforcement convergence, harmonised data standards and streamlined interfaces so as to significantly reduce compliance costs and legal friction without impairing policy ambition.

Austria, Czechia, Denmark, Germany, Estonia, Italy, Latvia, Lithuania, Hungary, Poland, Portugal, Slovenia and Slovakia emphasise that a structural discipline in EU law-making is indispensable. To this end, the EU should continue pursuing ambitious objectives to reduce administrative and regulatory burden by systematically reviewing existing EU legislation and identifying opportunities for simplification, consolidation or repeal, where appropriate. Any new legislative proposal should be accompanied by an assessment of the existing legislation in the same policy area, with a view to identifying opportunities to simplify the regulatory framework and avoid unnecessary regulatory complexity and administrative burden, while preserving the achievement of policy objectives.

Austria, Czechia, Denmark, Germany, Estonia, Italy, Latvia, Lithuania, Hungary, Poland, Portugal, Slovenia and Slovakia therefore support a systematic review of the *acquis communautaire* to determine, sector by sector, whether rules remain necessary, whether they should be modernised or future-proofed, and whether specific reporting or procedural obligations impose unjustified burdens without corresponding added value and consequently, whether the respective rules should be consolidated, simplified or repealed. Such a review should not be conceived as deregulation, but as an exercise in legislative deep-cleaning designed to improve the clarity, accessibility and effectiveness of EU legislation and to create a competitive operating environment for businesses and industry and maintaining our social, labour, consumer and environmental standards. New regulation affecting competitiveness should systematically include a provision for mandatory review to be conducted at least every five years in order to ensure that the objectives of the legislation are achieved, or to point out, which provisions have been proven ineffective or disproportionate in practice.

Austria, Czechia, Denmark, Germany, Estonia, Italy, Latvia, Lithuania, Hungary, Poland, Portugal, Slovenia and Slovakia propose a dedicated European Implementation and Consolidation Year, primarily focussing on implementation of existing legislation, simplification, interoperability, evaluation of cumulative burden, enforcement convergence, reduction of duplicative reporting obligations, and indispensable legislative amendments. Such a period would create space for legal stocktaking before new policy layering occurs and would better align future legislative activity with evidence gathered from implementation practice. This approach would also strengthen the role of *ex ante* impact assessment, *ex post* evaluation and empirically verifiable data in demonstrating subsidiarity, proportionality, actual EU added value and effects on competitiveness.