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

A simpler and faster Europe: Communication on implementation and simplification

I. INTRODUCTION

Over the next five years, the Commission will pursue an ambitious programme, as set out in the Political Guidelines¹, with forward-looking, innovative policies, maintaining high standards. These new initiatives will build on the foundations of a thriving, diverse and fair European Union, to make Europe an even more desirable place to live, work and invest.

At the same time, we will radically lighten the regulatory load for people, businesses and administrations in the EU. To boost prosperity and resilience, the Commission will propose unprecedented simplification to unleash opportunities, innovation and growth. We will launch a new drive to speed up, simplify and improve EU policies and laws, make rules clearer and easier to understand and faster to implement. We will also deepen our cooperation with all relevant institutions and stakeholders so that shared responsibility drives better results.

Strengthening the EU's competitiveness has become more important than ever in today's volatile and uncertain world. It requires a legal environment that stimulates business creation and growth and that protects and empowers people in the simplest, fastest and most effective way possible. It also requires a sharp focus on the evolving realities on the ground, coupled with clarity of purpose to achieve our economic, social and environmental goals by the most cost-efficient means possible.

High standards can be a powerful source of competitive advantage. In many instances, they underpin the value and quality of European products, protect our citizens, drive innovation and ensure our economy is sustainable and fair. These advantages come to bear only if the EU's rules are proportionate, effective and fully and consistently implemented. Our rules must also keep pace with the frontiers of human and technological progress, and be responsive to global developments.

As highlighted in the Draghi report², the accumulation of rules over time at different levels, their increased complexity and challenges in implementing the rules are having a significant impact on Europe's competitiveness, limiting our economic potential and our prosperity. The time has come to take stock and shore up the quality of our regulatory framework, with a view to accelerating the achievement of our agreed objectives.

This requires bold and concerted action, rather than an incremental approach. The Commission, the European Parliament, the Council, Member States' authorities at all levels and stakeholders will need to work together to streamline and simplify EU, national and regional rules and implement policies more effectively. Overcoming regulatory fragmentation in the single market is also necessary to drive significant additional economic growth.

This communication sets out a vision for an implementation and simplification agenda that delivers fast and visible improvements for people and business, for a more prosperous, decarbonised and resilient EU. The *Omnibus* packages outlined in the 2025 Commission Work Programme will be our first deliverables of this mandate. They are only the start. This effort will continue over the mandate, with the ambition of stress-testing the whole *acquis* of existing EU legislation, in close cooperation with practitioners and stakeholders.

To deliver results, this communication outlines a comprehensive set of tools, without creating any redundant layers of process or administration. Instead, the Commission will refocus its efforts and its resources towards using these tools, to deliver simpler rules and more costeffective implementation. This change in regulatory and corporate culture will involve our whole organisation. Every Commission service will deliver on this rationalisation effort.

The Commission's approach to implementation and simplification will be guided by the need to take stock of the past, navigate the present, and shape the future. To better achieve our policy objectives, we will simplify existing rules wherever necessary and ensure that they are better implemented. We will review and adapt our regulatory framework to make it more responsive to the needs of people and businesses. The Commission will give due consideration to better law making principles and legal certainty when making simplification proposals. New better regulation and simplification tools will ensure that future laws are designed with implementation and simplification in mind right from the outset. Through all these actions, we will pursue a more effective and efficient delivery on our economic, social and environmental goals.

II. ENSURING EU POLICIES DELIVER RESULTS

Over the past years, the EU has demonstrated its commitment to tackle challenges head-on, agreeing on ambitious policies at a rapid pace to respond to multiple and complex crises and events. Our success now depends both on effective implementation and on avoiding that the accumulation of burdens for people, businesses and administrations defeats our purpose.

Implementation concerns Member States primarily when they bring EU law into national legislation and make sure it is enforced. It also concerns the application of rules by authorities, people and businesses. Even in areas where there is no binding EU law, coordinated work on objectives agreed at EU level has become essential to deliver results. This coordinated work is also necessary to avoid that additional national requirements not stemming from EU law – so-called 'gold plating'³ - result in fragmentation of the single market and create an additional burden for people and businesses. In short, it is a shared responsibility.

Shortcomings in implementing the rules and in completing the single market⁴ are a drag on our prosperity and competitiveness. They can also undermine the EU's ability to meet its policy objectives and to defend the Union's values. As a result, people and businesses do not reap the full benefits of EU policies, and companies often face significant challenges in overcoming regulatory obstacles and administrative burdens⁵.

As part of the broader change in regulatory culture, the EU needs to focus on improving the implementation of our rules and joining forces between EU institutions, Member States and stakeholders. The Commission will accelerate its work on better implementation by:

- a) working more closely with Member States
- b) investing in administrative capacity, digital tools and data
- c) engaging more effectively with stakeholders
- d) swift and resolute enforcement action

a) Working more closely with Member States

Cooperation with Member States in implementing EU law is the fastest way to ensure EU rules achieve their purpose. It also helps preventing breaches from happening in the first

place. For the Commission, this means stepping up dialogue with and providing more support to Member States to implement EU law correctly and on time.

When a major legal act is being finalised by the European Parliament and the Council, the Commission will systematically prepare an **implementation strategy**⁶ to plan how it will support Member States throughout the implementation process. The strategy will identify (legal, administrative or practical) challenges for transposing and applying the legal act, arrangements to track progress, support measures (including for SMEs) and a clear timeline. The recent Accele-RES strategy is a good example, helping Member States implement streamlined permitting procedures under the revised Renewable Energy Directive⁷.

Early **information from Member States and stakeholders** is crucial for the Commission to prepare effective implementation strategies integrating targeted and effective support measures. For directives, Commission **explanatory templates** and **transposition roadmaps**, to be complemented by Member States, will lead to faster and full transposition. Similarly, proactive updates on national obligations going beyond the requirements of EU law (gold plating) would help **tackle the impacts of diverging rules** across the EU.

The Commission will use **expert groups** and similar settings to build closer partnerships between national authorities, supporting implementation and providing peer support between Member States. The voluntary approach in the **Single Market Enforcement Task Force**, where the Commission and Member States work together to remove market barriers, can be a model for similar work in other sectors such as competition, telecoms or energy. Moreover, EU regulatory agencies can also help achieve a consistent application of EU law, in particular by contributing to a common supervisory culture.

b) Investing in administrative capacity, digital tools and data

Effective policy implementation relies on well-equipped and efficient public administrations. This requires a high level of digitalisation and access to data and evidence⁸, as well as appropriate staffing and skills in all administrations involved in implementation. The EU has a set of tools and programmes to support implementation, monitoring and evaluation. For example, the **Technical Support Instrument** helps Member States build their administrative capacity, digitalise, deliver reforms and implement EU priorities at large, with minimal burden on Member States. Under the **European Administrative Space (ComPAct)**⁹, the Commission provides support to strengthen administrative capacity at national, regional and local levels – with a focus on skills and the digital and green transitions – and exchanges for civil servants to share good practices and work on common problems across borders¹⁰. In addition, under the **Internal Market Information System**, the Commission facilitates digital cross-border administrative cooperation in implementing Single Market rules.

The Commission will foster the effective use of such tools in the implementation of major new policies or legislation.

c) Engaging more effectively with stakeholders

Some implementation challenges cannot be anticipated. This is why the Commission needs regular contacts with stakeholders and practitioners, to gather feedback on what is working and what is not, and to identify ways to improve and facilitate implementation.

Each Commissioner will host at least two implementation dialogues a year with stakeholders. The aim will be to assess progress and identify areas needing attention for EU policies to deliver results. The dialogues will target the main groups affected by EU policies such as industry, including SMEs, social partners, regional and local authorities and civil society, aiming for a balanced representation of interests and participation. Their outcomes will be presented in annual progress reports on enforcement and implementation. These will help identify issues of poor implementation, gold plating, over-compliance or fragmentation, and uncover opportunities for simplification and harmonisation. These dialogues will get underway immediately, with a first round in the first half of 2025.

d) Swift and resolute enforcement action

If shortcomings in implementing and applying EU law persist despite the Commission's support outlined above, we will accelerate action to achieve compliance. Sector-specific **monitoring and prevention mechanisms**¹¹ and **problem-solving tools**¹² remain useful to identify compliance problems and tackle specific issues. Swift fixes can also be achieved through a **pre-infringement dialogue**¹³.

Where cooperation fails to bring about timely implementation of agreed rules, **infringement procedures are necessary**, accompanied by clear communication of the reasons for action. The Commission will pursue a resolute enforcement action as guardian of the Treaties, to ensure that rules are implemented, and to fight fragmentation of the Single Market and any unlawful gold plating¹⁴. It will also continue to pursue its strategic approach¹⁵, prioritising breaches that have the most significant impact on public and business interests.

The number of open infringement procedures remains high (around 1 500 cases¹⁶ at the beginning of 2025), some of which are long-standing. The Commission will continue its work to **bring infringement cases to a close successfully** so that EU law delivers its intended benefits. If the early stages of the infringement procedure do not resolve breaches of EU law, the Commission will not hesitate to **refer cases to the Court of Justice of the European Union, requesting financial sanctions** where legally possible¹⁷.

III. MAKING EUROPE SIMPLER AND FASTER

The green and digital transitions are transforming the world's economies and societies, giving rise to intense competition for resources and innovation. Succeeding in this new environment requires a bold approach to boost our competitiveness, including by simplifying our regulatory framework, without undermining our policy goals and high standards. This new approach will seek to tackle all sources of regulatory burdens – reporting obligations, recurring administrative costs, as well as compliance costs more generally – wherever it is possible to identify adequate means of pursuing the original regulatory objective by more streamlined and efficient means.

The Commission has taken steps in recent years to reduce the administrative burden. In March 2023, it announced the goal to reduce the reporting burden by 25% for companies and administrations, without undermining the policy objectives¹⁸. With its 2024 work programme¹⁹, it tabled a first set of 41 measures towards this goal. Notable measures included the EU Customs Reform, which alone is expected to save EUR 2.7 billion, adjustments to the threshold of the Accounting Directive, benefiting more than one million companies, and a common online form for declarations on posted workers²⁰.

In 2025, the Commission has made simplification, reducing the reporting burden, cutting red tape, streamlining the process for obtaining permits and simplifying legislation top priorities for the next five years. Every Commissioner will pursue these goals in their areas of responsibility, coordinated by the Commissioner for Implementation and Simplification.

These changes complement the existing 'one in, one out' approach aimed at offsetting the costs of new legislation by reducing burdens²¹, normally in the same policy areas²². The approach has been fully implemented since 2022 and led to Commission proposals that would bring significant net cost savings if fully adopted by the co-legislators²³.

A simplification drive, based on comprehensive reviews of and targeted changes to our rules, will make life easier for people and companies, including our 33 million SMEs and many thousands of small mid-caps. We will work with them to maximise the use of our **online feedback tools**²⁴ to learn about implementation issues and simplification opportunities.

The Commission will build on the work of the Fit for Future Platform, a high-level expert group that has in recent years provided significant input to simplification efforts²⁵. The Platform's members brought expertise from national administrations, businesses, social partners and civil society, the Committee of the Regions and the Economic and Social Committee. The Network of Regional Hubs for EU Policy Implementation Review (RegHub) also contributed on implementation challenges at regional and local level.

To translate this new drive into practical action, the Commission will use the following **tools and actions**:

- a) new targets to reduce the administrative burden
- b) prioritising new simplification measures
- c) gradual stress-testing of the body of EU legislation
- d) a simpler, more focused and more impactful EU budget
- e) hands-on experience by conducting reality checks

a) New targets to reduce the administrative burden

To ensure sustained and measurable efforts for the coming years, the Commission had set the targets to reduce reporting burdens by **at least 25% for all companies and 35% for SMEs**, without undermining the policy objectives. However, reporting costs are only a subset of administrative costs and, based on the feedback received, we consider necessary to follow a more holistic approach. The Commission will therefore **apply its burden reduction targets to a baseline of all administrative costs**.

Using data available at EU and national level, Eurostat has approximated overall recurring administrative costs at EUR 150 billion in the EU in 2022.²⁶ A 25% reduction of this baseline will require **cutting recurring administrative costs by EUR 37.5 billion** by the end of the mandate. Dedicated measures for SMEs will aim to meet the 35% target. We will take stock of our progress towards this goal in annual progress reports on enforcement and implementation, which will also include orientations for future simplification initiatives.

Since the 25% burden reduction target was announced in March 2023, the Commission has proposed measures that are estimated to save about EUR 5 billion²⁷. It is the **responsibility of the European Parliament and the Council** to maintain or, where possible, strengthen the

burden reduction potential of Commission proposals during the legislative negotiations, and of Member States to avoid gold plating in national transpositions or application of EU law.

In addition to pursuing these quantified targets on reduction of reporting costs and other recurring administrative costs, the Commission will continue to pursue meaningful reductions in other regulatory compliance costs wherever a more cost-effective means of delivery of the policy objective can be identified.

b) **Prioritising new simplification measures**

The **2025 Commission work programme** has a stronger focus on simplification than ever before. It includes a series of *Omnibus* packages and other simplification proposals to tackle priority areas identified with stakeholders over the past year²⁸. We **invite the European Parliament and the Council to consider fast-tracking these files**, acting on the simplification proposals without reopening other parts of the legislation, to provide maximum and swift clarity and relief to companies. The work programme will continue to flag simplification measures for such prioritisation in future years

Omnibus packages and other simplification proposals, adopted throughout the year, will maximise simplification by addressing interactions between different pieces of legislation. They will include, inter alia:

- Omnibus package on sustainability. This proposal will cover a far-reaching simplification in the fields of sustainable finance reporting, sustainability due diligence and taxonomy. It will ensure better alignment of the requirements with the needs of investors, proportionate timelines, financial metrics that do not discourage investments in smaller companies in transition, and obligations proportionate to the scale of activities of different companies. It will notably address the trickle-down effect to prevent smaller companies along the supply chains from being subjected in practice to excessive reporting requests that were never intended by the legislators. The carbon border adjustment mechanism requirements will be eased to the benefit of smaller importers, specifically for SMEs and authorities.
- *Omnibus package on investment simplification.* This package will facilitate, among others, the deployment of InvestEU and the European Fund for Strategic Investments, and simplify reporting.
- Omnibus package, including on small mid-caps and removal of paper requirements. This Omnibus package will ensure that small mid-caps companies will also have adapted requirements and it will remove inefficient requests for paper format in product legislation.
- **Digital package**. The review of the Cybersecurity Act and simplification of cybersecurity legislation will ensure simplified and more agile means to facilitate multiple-purpose reporting to avoid duplications. This will form part of the broader assessment, during the first year of the mandate, of whether the expanded digital *acquis* adequately reflects the needs and constraints of businesses such as SMEs and small midcaps, going beyond necessary guidance and standards that facilitate compliance²⁹. Among others, a European Data Union Strategy will address existing data rules to ensure a simplified, clear and coherent legal framework for businesses and administrations to share data seamlessly and

at scale, while respecting high privacy and security standards.

• *Common Agricultural Policy simplification*. This package will address sources of complexity and excessive administrative burden for farmers and national administrations in managing, monitoring and reporting, also leveraging the potential of digitalisation.

On top of these proposals, other initiatives in the work programme will simplify legislation to **streamline permit granting, authorisations and reporting requirements**. These include the *Industrial Decarbonisation Accelerator Act* that will extend accelerated permitting to more sectors in transition or the targeted revision of the EU's rules on chemicals (*REACH*) will simplify rules for the chemicals industry without compromising on health, safety and environmental protection.

Digital initiatives will contribute to simplification and implementation across all policy domains³⁰. Building on the Digital Wallet, we will put forward the **European Business Wallet** to enable businesses to manage national, cross-border and EU regulatory requirements, notifications, and compliance processes in one place and in a user-friendly way.

Further simplification proposals will be explored, including a possible omnibus in the area of defence to help reach the investment goals that will be set out in the White Paper and to allow innovative companies to flourish.

While proposals on full repeal of existing legislation or to withdraw pending proposals may also be motivated by other considerations (obsolescence of certain rules, lack of political progress on long-standing proposals), simplification and cost-effectiveness considerations can often apply in such instances as well.

c) A gradual stress-testing of the stock of EU legislation

The work programme also includes a first list of **evaluations of individual laws or of whole policy areas (fitness checks)**, kickstarting a process to stress-test the stock of EU legislation. These will look critically at the potential to simplify and focus on finding opportunities to reduce costs and consolidate rules, taking particular account of the challenges of SMEs. The results will feed into the next round of simplification packages, in a virtuous circle.

Stress-testing will be a **continuous process** to screen EU legislation. The aim is to ultimately review the entire *EU acquis* to capture its cumulative impacts, potential inconsistencies and simplify it, while more efficiently achieving its policy objectives. Each Commissioner will ensure the stress-testing of the legislation within their areas of responsibility, under the steer of the Commissioner for Implementation and Simplification. Based on this process, **concrete simplification measures** will be included in the Commission work programme each year.

d) A simpler, more focused and more impactful EU budget

Simplification is also essential to **address the current fragmentation of the EU's financial landscape and reduce the administrative burden** faced by all stakeholders, to ensure the timely and effective implementation of EU funds. As outlined in the Communication on the road to the next multiannual financial framework³¹, the Commission will present in 2025 a

proposal for a simpler, more focused and more responsive long-term budget that delivers on EU priorities while facilitating beneficiaries' access to EU funding and maximising its impact. It will also reduce complexity for implementing authorities, while retaining strong safeguards on the protection of the Union's financial interests. This proposal will build on lessons learned from the current programming period and a **broad consultation** of the political, institutional and stakeholder levels, alongside proactive outreach to citizens.

e) Hands-on experience by carrying out reality checks

The Commission will **reach out to practitioners in companies, in particular SMEs and small mid-caps across a wide range of areas,** to understand their experience on the ground and the impact of EU law on their activities. This exchanges at the technical level will help identify and solve practical issues, such as issues linked to authorisations, permitting, control or compliance.

Reality checks will seek to identify any hurdles or positive experiences, and how they relate to EU rules, implementation and national transposition. They will help to **verify whether the assumptions underpinning EU legislation are correct and deliver the expected benefits**. They will also help gauge whether the simplification measures planned would generate cost savings and are appropriate and realistic.

The outcome of the reality checks feed into the stress-testing of existing legislation (including evaluations and fitness checks) and the design of future simplification proposals.

IV. IMPROVING HOW WE MAKE NEW RULES

As important as it is to simplify existing rules, it is also essential that new legislation is simple, easy to understand and implement, clearly drafted and unambiguous. Implementation and enforcement issues need to be considered from the moment when the Commission designs its proposals, as set out in the Better Regulation guidelines and toolbox³², and throughout the legislative process.

The EU can build on its better regulation approach, recognised as among the best in the OECD, including as regards consultations, evaluations and impact assessments³³. It also benefits from the work of the Regulatory Scrutiny Board, which ensures the high quality of evidence underpinning legislative proposals.

Nevertheless, most companies – SMEs in particular – see regulatory requirements and their cumulative impact as the greatest challenge to setting up and growing their business in the EU. This requires strengthened examination of the impacts of intended new legislation on competitiveness, SMEs and start-ups as well as small mid-caps. It also merits more careful consideration by the European Parliament and the Council of the impact of their amendments during the legislative process. Closer scrutiny of the terms of empowerments inserted in legislation, and subsequently of relevant delegated and implementing acts will also be necessary.

To tackle these challenges, a new approach to the legislative process is needed, through:

- a) reinforced SME and competitiveness checks
- b) scrutiny of delegated and implementing acts, and related empowerments

- c) smart and digital delivery integrated in the design of EU laws
- d) a simple methodology to assess the impact of significant amendments

a) Reinforced SME and competitiveness checks

The reinforced SME and competitiveness checks will be applied systematically to all envisaged legislation with foreseeable effects on companies, particularly on small businesses, in order to look more closely at such impacts. The competitiveness check considers four key aspects: cost/price competitiveness, international competitiveness, capacity to innovate, and impacts on the competitiveness of SMEs. The check will have a **stronger sector focus**. It will assess the competitive position of EU companies in the sectors most affected by each proposal using indicators and qualitative information, providing a proxy of the **competitive position of EU companies affected** to better understand the cumulative impacts on certain sectors, such as those identified in the Draghi report as being key for European competitiveness. The Commission will then consider the most appropriate **mitigating measures** where competitiveness issues are identified.

The Commission will follow up on the recommendations of the Fit for Future Platform opinion, which suggested ways to renew the SME test³⁴. The impact assessments of relevant legislation will **present more clearly the impacts on SMEs, as well as supportive and mitigating measures**, improving the quality of the information available to the College of Commissioners and the co-legislators. In addition, the analysis of the indirect effects of legislation on SMEs will be strengthened. All evaluations and fitness checks will also contain a dedicated **analysis of efficiency and effectiveness of policies for SMEs**.

b) Scrutiny of delegated and implementing acts, and related empowerments

The Commission adopts a **high number of delegated**³⁵ **acts and implementing**³⁶ **acts** every year, mandated by legislation adopted by the European Parliament and the Council. Many of these acts are technical and have limited impacts, which would already have been considered when proposing the basic legislation, and therefore do not require a dedicated impact assessment.

However, when the Commission has to choose between policy options and there are significant impacts which were not taken into account when preparing the Commission proposal on the basic legislation, delegated and implementing acts will be subject to an impact assessment³⁷. Even when there are no policy choices, if significant impacts are expected, the Commission will present a cost or cost-savings analysis. Where relevant, particular attention will be paid to the impact on SMEs.

During the legislative process, the Commission will carefully consider the **implications of relevant empowerments** proposed by the co-legislators for the Commission to adopt delegated and implementing acts, with the aim of avoiding their proliferation as well as unnecessary complexity and costs.

c) Smart and digital delivery integrated in the design of EU laws

The content of an initiative needs to be of good quality, meaning easy to understand, unambiguous and sufficiently clear to allow for univocal translation into all the official languages of the Union, and its design needs to look ahead to its actual implementation.

Future implementation issues can best be identified through early dialogue and cooperation with Member States, regional and local authorities, social partners and other stakeholders. To achieve this goal, **the legal and practical aspects of implementation will become part of stakeholder consultations and impact assessments** where appropriate.

The Commission will deliver **digital-ready policies**, by ensuring that digital considerations are embedded from the outset³⁸ and using innovative tools such as **regulatory sandboxes** to 'test' policy options with Europe's business base³⁹. We will also advance **cross-border interoperability**⁴⁰ among public administrations, as well as extend the use of **e-platforms** such as the Single Digital Gateway⁴¹, and the **re-use of existing data**, including via the pre-filling of forms, for current or future compliance requirements⁴².

To lighten reporting burdens and compliance costs, we will further embed the 'digital by default' and 'once-only' principles in partnership with national, regional and local authorities and the relevant EU agencies.

d) A simple methodology to assess the impact of significant amendments

The Commission will put forward suggestions to the co-legislators on a simple methodology for assessing the impacts of their significant amendments, to **test and showcase the feasibility of carrying out such assessments** without unduly delaying the legislative process. Drawing as much as possible on existing tools and models and on existing data, this methodology could provide an estimate of the administrative costs of significant amendments, together with a more informative presentation of other costs. The Commission will put forward these suggestions for consultation with co-legislators in the second quarter of 2025.

V. WAY FORWARD: PARTNERSHIP AND CO-OWNERSHIP

In this Communication, the Commission has laid out an ambitious agenda for simplification and implementation to boost competitiveness, prosperity, policy delivery and resilience in the EU. Achieving these goals will require a strong commitment from all other institutions and stakeholders, including in particular the European Parliament and the Council.

National, regional and local authorities will also be essential partners to turn ambitions into concrete actions, by identifying opportunities for simplification, suggesting stakeholders to invite in the new consultation activities (implementation dialogues and reality checks) and by multiplying simplification measures by translating them to all levels of governance.

The principles of partnership and cooperation will guide the Commission's work:

- a) reporting regularly on progress, ensuring transparency and accountability
- b) engaging with the co-legislators to create simpler and more effective EU rules

a) Reporting regularly on progress, ensuring transparency and accountability

The Commission will report regularly on progress made. Each Commissioner will present an **annual progress report on implementation and enforcement** in his or her area to the respective Parliament Committee and Council formation. These reports will present progress on key policy objectives, as well as on enforcement action, implementation, and support and simplification measures. The reports will also take stock of stakeholder dialogues (including

implementation dialogues), stress tests and reality checks. They will outline any additional measures potentially needed.

The Commission will present an **overview report**, promoting accountability and follow up in the annual implementation and simplification cycle. The Commission will also publish on its *Europa* website user-friendly information on topics such as progress on the burden reduction targets, enforcement actions and implementation of EU law at national level, including interactive maps and customisable graphs.

Annual implementation and simplification cycle



b) Engaging with the co-legislators to create simpler and more effective EU rules

The **European Parliament and the Council** have a central role to play in creating simple and effective rules at the lowest administrative cost for people and companies.

In 2016, both institutions committed to the principle of **assessing the impacts of their substantial amendments** when appropriate.⁴³ This can include amendments that increase costs, create the risk of additional adverse impacts or significantly reduce the simplification potential of a Commission proposal. However, the European Parliament and the Council do not do so in practice.

The Commission therefore calls on the European Parliament and the Council to **put in place the necessary processes and resources**⁴⁴. While amendments cannot be subject to a full impact assessment given the tight timeframe of negotiations, it should be possible for each institution to **use a simple methodology to assess their costs**, as mentioned earlier.

Good implementation and simplification are a joint endeavour involving all EU institutions throughout the whole legislative process. Simplification measures should therefore be clearly identified and recognised by the co-legislators, so that they can be **handled in a focussed way with priority** to ensure that the benefits of simplification are delivered swiftly.

The Commission stands ready to work closely together with Parliament and Council to these ends, including by **renewing the Interinstitutional Agreement on Better Lawmaking** to clarify how best to achieve these goals.

¹ Political Guidelines 2024-2029 | European Commission.

² 2024 report by Mario Draghi on the future of European competitiveness: <u>https://commission.europa.eu/</u> topics/strengthening-european-competitiveness/eu-competitiveness-looking-ahead_en#paragraph_47059.

³ 'Gold plating' is a widely used term in the context of the implementation of the EU law, which refers to additional national obligations that go beyond EU requirements. In practical terms, it is considered as an imposition of extra requirements and administrative burden (norms, guidelines and procedures) interfering with the expected policy goals to be achieved by EU legislation.

⁴ 2024 report by Enrico Letta on the future of the Single Market: <u>https://www.consilium.europa.eu/media/</u> <u>ny3j24sm/much-more-than-a-market-report-by-enrico-letta.pdf</u>

⁵ Draghi report.

⁶ Better Regulation Guidelines, SWD(2021)0305 final and Tool 38 of the Better Regulation Toolbox.

⁷ The streamlined permitting procedures are crucial for meeting the 2030 renewable energy targets. The Commission supports this work by holding structured dialogues and bilateral meetings with Member States to discuss transposition plans, particularly for permitting. <u>https://energy.ec.europa.eu/news/commission-adopts-guidance-eu-countries-implementing-revised-directiv es-renewable-energy-and-energy-2024-09-02_en</u>

⁸ See recent TSI project "Building capacity for evidence-informed policymaking in governance and public administration in a post-pandemic Europe".

⁹ European Commission, Enhancing the European Administrative Space (ComPAct), COM(2023) 667 final.

¹⁰ The public administration cooperation and exchange programme (PACE) facilitates exchanges on topics such as professionalisation of public administration, improving administrative performance, green and digital public administration.

¹¹ For example, the Single Market Transparency Directive and the Proportionality Test Directive to avoid the creation of new barriers and obstacles, the Single Market Scoreboard, the European Semester's country-specific reports, the National Energy and Climate Plans, the Climate Action Progress Report, the Environmental Implementation Review and national Action Plans in the area of fisheries.

¹² For example, tools such as <u>SOLVIT, FIN-NET</u>, and <u>Your Europe</u> empower people and businesses to fully use their rights in the single market. They provide clear information, assistance on specific problems and problem-solving.

¹³ Known as EU Pilot dialogue, whose success rate was 75% in 2024. This form of dialogue is used when it is likely to achieve faster compliance than a formal infringement procedure.

¹⁴ E.g. when EU legislation establishes fully harmonised rules. Moreover, the Commission may propose full harmonisation more frequently, in fields where it is possible, in order to ensure a level playing field across the Single Market, European Commission, A Competitiveness Compass for the EU COM(2025) 30 final.

¹⁵ European Commission, *EU law: Better results through better application* (C(2016)8600) and *Enforcing EU law for a Europe that delivers*, COM(2022)0518 final.

¹⁶ Over 900 of these cases concern the incomplete or incorrect transposition of directives.

¹⁷ The Commission systematically asks the Court to impose financial sanctions in the form of a lump sum payment and a daily penalty payment when a Member State fails to take the necessary measures to comply with an earlier Court judgment finding an infringement of EU law (Article 260(2) TFEU) and when a Member State fails to notify measures transposing a directive adopted under a legislative procedure (Article 260(3) TFEU). 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.

¹⁸ European Commission, Long-term competitiveness of the EU: looking beyond 2030, COM(2023) 168 final.

¹⁹ European Commission work programme 2024 – *Delivering today and preparing for tomorrow* – Annex II, COM(2023) 638 final.

²⁰ In 2024 the Commission presented a proposal for a Regulation setting up a multilingual public interface implementing a voluntary standard form for the declaration of posted workers. The average reduction in the

time required to complete a posting declaration using the standard form is estimated at approximately 73% compared to the average time currently required across the EU. This will boost workers' protection by increasing the transparency of postings and help Member States carry out effective and targeted inspections.

- ²¹ This includes recurrent and annualised one-off costs
- ²² European Commission, Better Regulation: Joining forces to make better laws, COM(2021) 219 final.
- ²³ These savings are based on the initiatives adopted by the Commission, and are estimated at EUR 7.3 billion in 2022, EUR 6.3 billion in 2023 and EUR 260 million in 2024 (a transition year at the end of the previous Commission mandate, with a lower level of legislative activity). Some of these measures have however not yet been adopted or the cost saving potential has been reduced by amendments to the proposed legislation.
 ²⁴ Companies facing legal or administrative barriers in a Member State can report the obstacles via
- ²⁴ Companies facing legal or administrative barriers in a Member State can report the obstacles via <u>https://fosmo.youreurope.europa.eu/</u> and business associations or other organisations with several companies can contact <u>grow-single-digital-gateway@ec.europa.eu</u> to report barriers. They can first get personalised help and advice through <u>https://asf.youreurope.europa.eu/</u>.
- ²⁵ Over its four-year mandate, the Platform prepared 41 opinions and 260 specific suggestions. Several Commission flagship initiatives drew from this expertise, including the VAT in the Digital Age package, Ecodesign for Sustainable Products, the Gigabit Infrastructure Act, the Interoperable Europe Act, the Banking Union package and the Listing Act.
- ²⁶ The calculations follow a pragmatic approach and are based on previous work and take into account the estimates of burden by the High-Level Group on Administrative Burdens in 2012 and observed trends in in the burden in the period 2012-2022 for some Member States for which the data are available.
- ²⁷ These include the 41 initiatives adopted alongside the 2024 Commission work programme, as well as subsequent Commission proposals such as the simplification package for agriculture. These savings were estimated using the EU standard cost model.
- ²⁸ A call for evidence on the rationalisation of reporting requirements was open for feedback from stakeholders until December 2023. Approximately 200 respondents provided their input, complemented by targeted discussions with associations and other stakeholders such as workshops with industry (including SMEs).
- ²⁹ The digital *acquis* includes, among others, the General Data Protection Regulation, the Data Governance Act, the Data Act, the Cybersecurity Act, the Cyber Resilience Act, the EU Chips Act and the Artificial Intelligence Act.
- ³⁰ See also section IV(c) below, 'Smart and digital delivery integrated in the design of EU laws'.

³¹ COM(2025) 46 final.

- ³² <u>https://commission.europa.eu/law/law-making-process/planning-and-proposing-law/better-regulation/better-regulation-guidelines-and-toolbox_en.</u>
- ³³ Based on <u>OECD Regulatory Policy Outlook 2021 | OECD</u>. The consultation process will also be improved by the change to bring in implementation dialogues and reality checks as mentioned earlier.
- ³⁴ Final opinion SME_test.pdf (europa.eu). The current SME test is defined in tool #23. The possible effects on small mid-caps should also be considered, to the extent that these can be distinguished.
- ³⁵ Under Article 290 of the Treaty on the functioning of the EU (TFEU), delegated acts may supplement or amend certain non-essential elements of a legislative act if the latter act delegates such powers.

³⁶ Where uniform conditions for implementing legally binding Union acts are needed, those acts shall confer implementing powers on the Commission under Art. 291 TFEU.

³⁷ Cf. tool #42 of the <u>Better Regulation toolbox</u>.

- ³⁸ As part of its digital-ready policymaking framework, the Commission has developed a new Legislative, Financial and Digital Statement to accompany its proposals. The chapter on the digital dimension includes essential information on the digital aspects of proposals and serves as the Commission's interoperability assessment report, as mandated by the Interoperable Europe Act. It ensures that the Commission thoroughly assesses digital impacts when drafting proposals so that they are fit for the digital age.
- ³⁹ As foreseen for instance under the EU's Artificial Intelligence Act.
- ⁴⁰ Interoperable Europe solutions (available on Interoperable Europe Portal) will enable public administrations to develop inter-connected digital public services, facilitating the free flow of data across borders.
- ⁴¹ The single digital gateway facilitates online access to information, administrative procedures, and assistance services that EU citizens and businesses may need in another Member State.
- ⁴² This can include, for example, drawing on available data from satellites. EU satellites can remotely provide reliable and comparable near-real time reporting data and predictions in a cost-efficient manner.
- ⁴³ See paragraph 15 of <u>IIA-BL</u>: The European Parliament and the Council will, when they consider this to be appropriate and necessary for the legislative process, carry out impact assessments in relation to their substantial amendments to the Commission's proposal. The European Parliament and the Council will, as a

general rule, take the Commission's impact assessment as the starting point for their further work. The definition of a 'substantial' amendment should be for the respective Institution to determine.

⁴⁴ The Court of Justice has indicated that, although there is no legal requirement to carry out impact assessments, whose content is also not binding, the EU legislature must be able to clearly set out the basic data taken into account when making its choices, in particular where any burden is imposed. The Court confirmed in its judgment in cases C-541/20 to C-555/20 - Action for annulment – First package of mobility measures ('Mobility Package') – 4 October 2024 -that onerous requirements introduced in the legislative process and for which the co-legislators cannot demonstrate the underlying basic data may be successfully challenged and annulled by the Court.