



*The European Union's
action to simplify legislation*

Annual Burden Survey 2022



CONTENTS

FOREWORD	4
INTRODUCTION	5
REFIT — THE REGULATORY FITNESS AND PERFORMANCE PROGRAMME TO MAKE EU LEGISLATION MORE EFFICIENT	6
‘ONE IN, ONE OUT’ APPROACH – FIRST YEAR OF FULL APPLICATION	12
FIT FOR FUTURE PLATFORM PROVIDES SUGGESTIONS FROM EXPERTS AND STAKEHOLDERS TO SIMPLIFY EU LAWS AND CUT THE LEGISLATIVE BURDEN	19
PLATFORM OPINIONS AND THE COMMISSION’S FOLLOW-UP	21
CONCLUSIONS	25
ANNEX	27
ENDNOTES	32

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FOREWORD

The launch of Russia's brutal invasion of Ukraine in February 2022 served as a stark reminder that peace and democracy must be constantly cherished and nourished. Being unleashed as Europe sought to accelerate its recovery from a global pandemic, it also highlighted the urgent need to tackle our dependencies, such as those on fossil fuels and critical raw materials, in order to ensure our long-term global competitiveness, as we accelerate the twin green and digital transition. This is further highlighted by the economic impact of the war on the rest of Europe, especially high energy prices, increased cost of living and supply chain disruptions being felt by citizens and businesses across the European Union.

Effective and efficient legislation addressing the challenges of this new geopolitical reality will be key in our efforts to achieve our objectives with maximum benefit at minimum cost. We have delivered on many significant measures to cut red tape as part of our regulatory fitness and performance programme. With the systematic implementation of the 'evaluate first' principle, we ensured for instance that checks of existing EU legislation, policies and programmes were carried out before coming up with new proposals and revisions.

The feedback from our stakeholders has been a real asset. I am pleased that the Commission's uptake of the recommendations of the Fit for Future Platform – our high-level expert group that I have the pleasure of chairing – demonstrates its value for simplification and burden reduction. The Platform's ten opinions cover diverse topics, including VAT in the digital age, facilitating SMEs' access to capital, food waste and food donation, and the interconnectivity between the green and digital transition, feed directly into our legislative and non-legislative work.

The reporting on the first year of full implementation of our 'one in, one out' approach takes centre stage in this year's edition. The approach is the Commission's 'cost brake' to keep costs under control, so valuable in the current context, especially for the SMEs. I am proud to say that we proposed a significant overall burden reduction of EUR 7.3 billion in administrative costs for businesses and citizens. While it was not possible to achieve a net burden reduction for one policy area, given the challenges that had to be addressed, the reduction achieved in all the others made us deliver on our overall 'one in, one out' promise.

This has been a real success, and I would like to thank all those involved for having implemented and monitored this change in the Commission's policymaking culture. I am also grateful to the members of the Regulatory Scrutiny Board who continue to help us with their quality checks to ensure that we provide thorough cost-benefits analyses in the impact assessments for our proposals. After all, it is not just our better regulation system with its guidelines and comprehensive toolbox, praised as world-beating by the OECD, that makes the difference. Above all, it is the practical implementation, looking systematically for the most efficient solutions to achieve high quality legislation and using strategic foresight to make our regulation future-proof.

Looking ahead, we stressed the importance of a growth-enhancing regulatory framework as a horizontal pillar of our long-term competitiveness strategy, published in March. We introduced a new competitiveness check to ensure the integrated consideration of the impacts of our proposals on the competitiveness of businesses. And we announced a fresh push to rationalise and simplify reporting obligations with the ambitious goal of reducing such burdens by 25%, without undermining the related policy objectives.

This all goes to show that the Commission has a clear political focus on burden reduction, and remains fully committed to effective and efficient policymaking. Yet, for our citizens and businesses to feel the difference, we also rely on the joint commitments and efforts of the co-legislators, Member States, local and regional authorities, and all stakeholders.

Together, we can jointly deliver on better law-making.

Maroš Šefčovič,

Executive Vice-President for the European Green Deal, Interinstitutional Relations and Foresight



INTRODUCTION

Against the backdrop of the post-pandemic recovery and Russia's war of aggression on Ukraine, the von der Leyen Commission has put forward bold initiatives to drive and accelerate the green and digital twin transitions and to strengthen the resilience of our economies and democracies. They aim to make our industries more competitive, to defend our democratic values and stand stronger geopolitically.

The Commission is taking action in multiple areas to tackle the major challenges we face today, such as the energy and cost of living crises, the increased climate risks and impacts, boosting Europe's industrial competitiveness and food security, securing critical supplies and strategic autonomy in key areas, strengthening the social market economy and maintaining the economic recovery from the COVID-19 pandemic.

Adopting well-designed EU legislation is indispensable to create a legal framework to meet these objectives and put Europe at a competitive advantage in the global arena, but it also comes with risks such as excessive obligations and costs. This is why it is essential to focus on reducing the burden, simplifying and modernising the EU's legislative framework.

To deliver benefits to citizens and support businesses across Europe in the new geopolitical situation, the business-as-usual approach cannot suffice. The Commission committed that every new initiative should only add cost when strictly necessary to achieve the policy goals, and that the benefits must always outweigh the costs. When revising legislation, it also systematically analyses the related stock of legislation to ensure that it is fit for purpose and runs a thorough cost-benefit analysis to remove any inefficient and obsolete provisions.

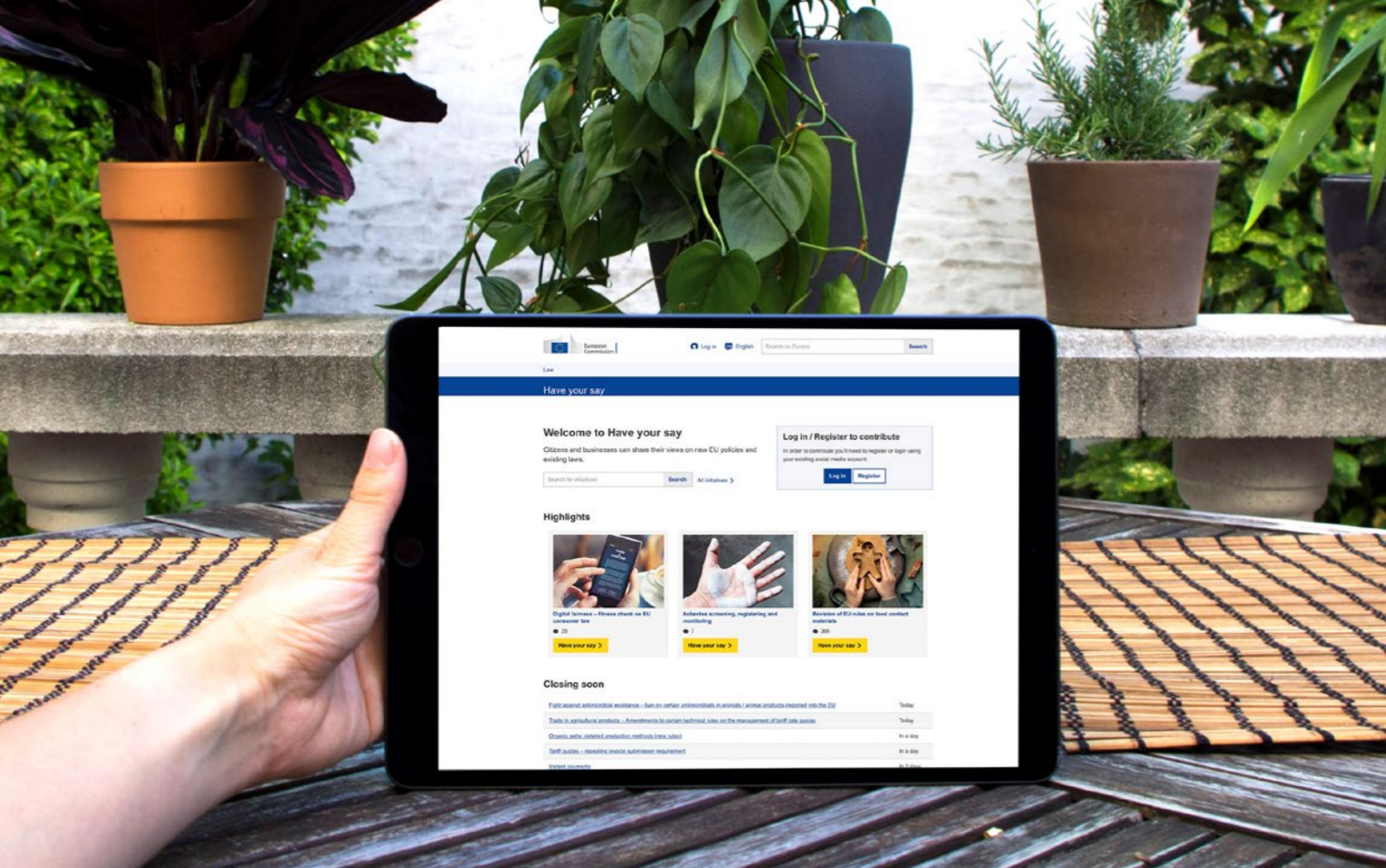
The Commission's efforts to produce effective and efficient legislation are anchored in the regulatory fitness and performance programme, REFIT. The programme is based on evidence coming from impact assessments and evaluations and fitness checks, so that burden reduction does not result in unjustified deregulation or in lowering our ambitious policy objectives and standards.

The new 'one in, one out' approach, tested in 2021 and rolled out in full since 2022, focuses on the impacts of costs of Commission's proposals on people and businesses. When introducing new burdens, this approach ensures that the Commission methodically and proactively also seeks to reduce the burden imposed by existing legislation in the same policy area. It aims to raise the quality of legislation and avoid any unnecessary and, where possible, any additional costs.

The Fit for Future Platform (a high-level expert group) supports the Commission in achieving these goals. It contributes to the REFIT programme and to the 'one in, one out' approach by issuing expert opinions on how EU legislation could be further simplified and modernised.

This annual burden survey provides concrete examples of REFIT's achievements, reports on the follow-up to the recommendations issued by the Fit for Future Platform, and comprehensively presents the progress made in the first year of implementing the 'one in, one out' approach. All these initiatives work together to deliver results in terms of simplifying EU legislation and reducing unnecessary burden. They play an important role in alleviating the many difficult challenges that citizens and business currently face.





REFIT — THE REGULATORY FITNESS AND PERFORMANCE PROGRAMME TO MAKE EU LEGISLATION MORE EFFICIENT

The Commission's regulatory fitness and performance programme (REFIT) places a strong emphasis on reducing the burden of legislation and improving existing EU laws by simplifying and modernising legislation, without changing its policy goals. REFIT aims to maximise the benefits for citizens, businesses, and national, regional and local public authorities. It strives to make EU laws simpler and easier to understand and thus also easier to implement, apply and enforce, which reduces red tape and delivers benefits.

The REFIT programme has evolved over time from focusing on selected initiatives ⁽¹⁾ to a methodical approach ⁽²⁾ that covers all evaluations and revisions. Before revising legislation, the Commission evaluates whether the existing laws are still fit for purpose or whether they need to be modified. In doing this, it looks systematically for scope to simplify the laws and reduce the burden, including through digital transformation and innovative practices. It does so without undermining the policy aims or lowering the high social and environmental standards that the Commission pursues in its proposals.

Both quantitative and qualitative evidence feed into the REFIT analysis in impact assessments and evaluations. Where it is not possible to improve efficiency or quantify the impacts, the Commission explains why in its reports and in the explanatory memoranda of its proposals.

REFIT IS A KEY PART OF THE COMMISSION'S 'BETTER REGULATION' AGENDA

As part of the REFIT programme, all **evaluations** specifically assess the scope for simplification and burden reduction in the efficiency analysis. Wherever relevant, evaluations scrutinise REFIT aspects, such as how to achieve the set objectives at strictly necessary costs. A specific form of evaluation are **fitness checks**, which typically look at a set of related legislative acts in a given policy area. For instance, they analyse regulatory overlap, inconsistencies, cumulative impacts or specific procedures such as reporting requirements.

Impact assessments carried out when legislation is revised also assess the objectives and measures for simplification and the scope to reduce the legislative burden. Where the impact assessment identifies in the problem description a need to reduce the burden or simplify the requirements, the objectives of the initiative reflect this as far as possible. The options outlined for the revision, in particular the preferred option, also explore the potential to make the legislation more efficient, for example by reducing regulatory costs.

The costs resulting from legislation have a direct effect on citizens and businesses. The Commission therefore invites them to contribute their views and **suggestions on the scope for simplifying and reducing the burden** via the *Have your say* portal. This portal also enables the public and other stakeholders to keep informed of public consultations and receive updates on initiatives.

The **public consultations** that the Commission conducts on the portal also give a breakdown of contributions sent by category of respondents, and since 2022, also from local and regional authorities. This helps the Commission better identify their views about the burden directly experienced by local communities and to reflect them in policy preparations.

The *Have your say: Simplify!* section of the portal also enables stakeholders to directly contribute specific suggestions on how to simplify and make EU legislation more efficient, to feed into the work of the Commission's high-level expert group – the **Fit for Future Platform** ⁽³⁾. All suggestions made there will be considered as a topic for potential follow-up, when relevant.

In checking the quality of impact assessments and selected evaluations, the independent **Regulatory Scrutiny Board** also plays an important role. It assesses whether the reports sufficiently explore the potential

to simplify legislation and to reduce unnecessary burden for businesses and citizens. The most important initiatives through which the Commission plans to give practical effect to its political priorities each year are listed in the **Commission work programme**, adopted in October for the following year ⁽⁴⁾. They include the REFIT initiatives listed in Annex II. The REFIT initiatives aim to keep EU law fit for purpose and are particularly relevant in identifying significant cost savings.

REFIT IS AN OVERARCHING PROGRAMME COVERING THE WHOLE POLICYMAKING PROCESS

The REFIT programme comprises all the Commission's work to simplify and reduce the burden of legislation. It includes the 'one in, one out' approach reported on in the next section, under which the Commission offsets new burdens imposed on individuals or businesses resulting from its proposals.

The programme also looks at the burden on public authorities at national, regional, and local levels. REFIT looks at all types of costs and benefits, and aims to ensure the overall coherence of EU legislation. Under REFIT, the Commission also tackles obsolete provisions and brings amendments together into a single act by codifying ⁽⁵⁾ and recasting

REFIT PROGRAMME OVERVIEW: SIMPLIFYING AND REDUCING THE BURDEN IN A NUTSHELL

REFIT PROGRAMME IS INTEGRATED IN THE COMMISSION'S BETTER REGULATION AGENDA

General objective of REFIT Programme

EU legislation is fit-for-purpose and up-to-date. Policy objectives and high standards are achieved at minimum costs:

- Reduce all types of unnecessary regulatory costs for citizens, businesses and public administrations.
- Modernise existing EU legislation, in particular through digitalisation.
- Simplify the body of EU law (acquis).

Activities under REFIT Programme:

- **Consultation of stakeholders** in the policy making on simplification and burden reduction (Have your say and Have your say: Simplify!).
- **Evaluations** (including fitness checks) and **impact assessments** analyse the burden reduction and simplification potential of EU legislation.
- **Revisions** with significant potential identified annually by the Commission work programme (Annex II).
- **Monitoring and reporting on progress** through the **REFIT scoreboard** and the **annual burden surveys**.

EXTENDING THE REFIT FOCUS BEYOND EXISTING LEGISLATION TO NEW LEGISLATION

'One in, one out'

Quantification focus on costs and cost savings that strengthens burden reduction efforts and helps to manage accumulated burden.

- Systematically and proportionally reducing burdens imposed by existing legislation for **businesses and citizens** when introducing burdens through new proposals.

Fit for Future Platform

High-level expert group assisting the Commission

- Recommendations on how to make EU legislation simpler, more efficient and innovation- and future proof.

(6) existing legislation. This makes the EU body of legislation more accessible and comprehensible.

The Fit for Future Platform expands the REFIT's outreach. The opinions issued by the Platform identify opportunities to simplify and modernise EU laws and to remove unnecessary burdens based on input from its members at national, regional, and local level and stakeholders. The Platform supplies first-hand expertise by bringing together the input of Member State administrations, regions, social partners, businesses including SMEs, and non-governmental organisations. It also feeds in input from the Committee of the Regions and the European Economic and Social Committee.

THE COMMISSION MONITORS AND REPORTS ON PROGRESS MADE BY THE REFIT PROGRAMME

The Commission started work to simplify and reduce the burden of EU regulation over two decades ago. Since 2015, the Commission has presented the results of monitoring REFIT programme on the online [REFIT scoreboard](#), which is updated annually. The scoreboard focuses on evaluations, fitness checks and on Commission proposals to revise legislation.

The REFIT scoreboard recently started to gradually incorporate other information to give a more complete picture on the outcome of legislative negotiations. This is particularly relevant when co-legislators make substantial amendments to the Commission's proposed measures to reduce the burden and simplify EU legislation. Similarly, the scoreboard records more information on the state of play of implementing legislation on the ground, reporting on measures taken by the Commission to ease the application and enforcement of EU legislation.

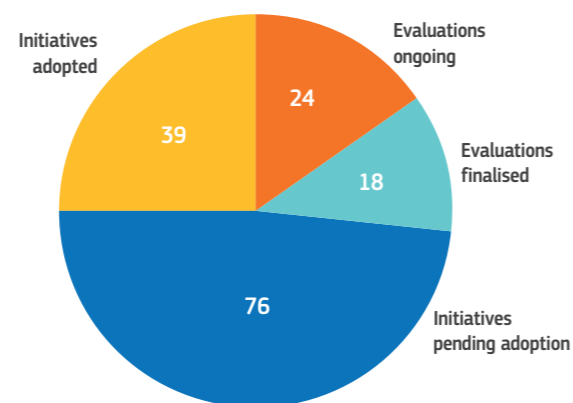
The Commission also monitors REFIT implementation during its annual planning and programming cycle, through which its Directorates-Generals and Executive Agencies report on REFIT key indicators in their annual activity reports (7).

REFIT HAS SIGNIFICANTLY HELPED SIMPLIFY, REDUCE BURDEN, AND MODERNISE EU LEGISLATION FOR CITIZENS, BUSINESSES AND PUBLIC AUTHORITIES

The REFIT scoreboard shows that between 2015 and 2022, the Commission issued a total of:

- 274 adopted legislative initiatives with simplification and burden reduction measures;
- 210 finalised evaluations and fitness checks.

These initiatives are organised in 18 policy areas, covering a wide range of sectors and stakeholders. The overall increase in REFIT initiatives compared to previous years (6) shows that the programme has made steady and consolidated progress in specific policy areas, and brings benefits to the same stakeholders.



KEY REFIT ACHIEVEMENTS IN 2022

In 2022, the Commission:

- finalised **18 evaluations and fitness checks**, and
- had **24 evaluations ongoing**.

Based on Commission proposals, the co-legislators (European Parliament and Council):

- adopted **39 legislative initiatives** that included simplification and burden reduction measures,
- had **76 legislative initiatives pending adoption**.

The 2022 Commission work programme lists 26 initiatives with significant potential for simplification and burden reduction in its REFIT Annex II. Once adopted, these initiatives will unlock benefits for businesses, citizens, and public authorities as a result of cutting red tape and simplifying legislation.

In 2022, the Commission also tabled seven proposals to recast legislation (9) and one proposal for codification (10). There are ten Commission proposals (11) for recast pending since 2021 (12) with the co-legislators and one for codification (13). These proposals contribute to the REFIT aim to consolidate and organise EU legislation to make it simpler to understand and easier to apply.

The Commission has estimated the cost savings generated by the REFIT initiatives, to the extent possible. A very high proportion (over 90%) of impact assessments underpinning legislative revisions include a quantitative estimate. This demonstrates a sustained effort on the part of the Commission. It also proves that the Commission's monitoring and regular reporting, and the Board's scrutiny, are yielding results and contributed to the overall cultural change and focus in the Commission to quantify costs and savings. When the quantitative analysis was sometimes limited, for example due to the lack of data from stakeholders, qualitative assessments based on stakeholder feedback helped analyse the REFIT potential.

Examples of significant REFIT initiatives in 2022

The 2022 REFIT revisions and evaluations cover a wide range of policy areas from environmental and climate action and competition, justice and migration, mobility and transport to the single market. The following examples present the programme's key achievements, and how REFIT has provided benefits to citizens, businesses and public authorities.



Environment

Water Framework Directive. In 2022, the Commission put forward a proposal (14) to tackle the findings of the fitness check (15) on chemical pollution and the obligation to regularly review priority substances and groundwater pollutants. The creation of an automatic data delivery mechanism under the Water Framework Directive and the Environmental Quality Standards Directive and the decision to end the obligation to produce an interim report on the programme of measures reduces the reporting burden on Member States. Improving the guidelines on effect-based methods and developing a harmonised methodology to monitor microplastics will also simplify Member States' work.



Competition

Broadband State aid rules. The Commission adopted revised guidelines on State aid rules for broadband networks (16) in 2022. The guidelines are a set of rules to assess State aid measures notified by Member States to support the roll-out and take-up of broadband networks. The revision aims to facilitate the application State aid rules and provides an up-to-date framework to support the digital transition while reflecting technological, regulatory and market developments. It aligns the threshold for public support to fixed networks with the latest technological and market developments and codifies case practice regarding support to mobile networks and end users vouchers schemes. Any state investment into fixed networks must also help to at least triple the available download speed.

To simplify the rules and cut red tape for businesses and public authorities, the revised guidelines allow Member States to require operators to provide the right set of wholesale access products for the market situation in an area and the demand for specific products. Moreover, the guidelines clarify concepts such as mapping, public consultations, selection procedure, wholesale access pricing and claw-back mechanisms.

State aid for climate, environmental protection and energy. The Commission adopted guidelines on State aid for climate, environmental protection and energy (17) in 2022. They create a fit-for-purpose and enabling framework for Member States to reach the goals set out in the Green Deal in a targeted and cost-effective manner. The guidelines bring in a simplified and more uniform method to assess cross-cutting measures and eliminate the requirement of notifying each individual large green project under aid schemes previously approved by the Commission. They also help improve legal certainty for Member States and other stakeholders by including new categories of measures.

The guidelines significantly simplify the assessment of State aid measures on improving the energy performance of buildings. For example, measures can be assessed jointly under the same provisions of aid to improve energy efficiency in buildings and for other investments that increase the level of energy and environmental performance of buildings. The Member States can therefore avoid having to assess different components under different provisions.



Migration and home affairs

Obligation of carriers to communicate passenger data. Building on the evaluation ⁽¹⁸⁾ of the Advanced Passenger Information Directive ⁽¹⁹⁾, the Commission proposed ⁽²⁰⁾ to revise the legal framework to improve external border management in the Schengen area and strengthen the EU's internal security. The proposal brings in measures to allow faster border checks for air travellers. Member States would thus substantially benefit from a more efficient use of resources of border authorities, including through greater preparedness and readiness to identify high-risk individuals ahead of their arrival and speeding up passenger checks. Air carriers would also gain from a new harmonised definition of advanced passenger information data, and from setting up uniform procedures and transferring information to border and law enforcement authorities through a unique connection.

This is estimated to generate cost savings of EUR 87.60 million per year for the airline industry. EUR 80 million per year is estimated to be saved by reducing the need to pay penalties for carrying passengers without valid travel documents to the Schengen borders due to better data, and EUR 7.60 million saved per year due to greater efficiency of transmitting data to the router. These cost savings offset the one-off and recurrent costs incurred in complying with the new instruments and in data transmission.

Long-term permit and single permit. In 2022, the Commission adopted two proposals for a long-term permit ⁽²¹⁾ and a single permit ⁽²²⁾ for third-country nationals to reside and work in a Member State, building on the fitness check on legal migration ⁽²³⁾.

The aim of the proposal on the long-term permit is to achieve an efficient management of migration flows in the EU by aligning and harmonising Member States legislation. The initiative will have positive impacts on businesses, in particular SMEs, as employers would gain access to a larger pool of qualified third-country nationals already legally resident in the EU. Third-country nationals would benefit from having a real choice between applying for a EU long-term residence permit and a national long-term residence permit.

The Commission proposal to amend the rules on the single application procedure for a single permit for third-country nationals ⁽²⁴⁾ simplifies the application procedure for a permit, improves equal treatment and the right to access goods, services and social security. The proposal clarifies the right of permit holders to change employer (and the procedure to do so) and the categories of third-country workers not covered by the Directive. It thereby improves the coherence of the Directive with the wider EU legal framework on migration.

The impact assessment estimates that these measures will generate cost savings for businesses/employers of between EUR 22 million and EUR 101 a year, and for third-country nationals of between EUR 89 million and EUR 546 million a year.



Mobility and transport

Port reception facilities. In 2022, the Commission simplified and streamlined the implementation of the Port Reception Facilities Directive by adopting implementing acts. It specified the rules for determining whether there is sufficient storage capacity, simplifying the compliance checks for ship operators in the implementing act on storage capacity for waste in a ship ⁽²⁵⁾. It also set the criteria for determining when a ship qualifies for reduced fees by adopting the implementing act on ships producing reduced quantities of waste and managing it sustainably ⁽²⁶⁾. The Commission's implementing act on reporting waste caught in fishing nets ⁽²⁷⁾ also streamlines reporting by the Member States on how much marine litter is in the seas.

By adopting the implementing act on selecting which ships to inspect ⁽²⁸⁾, the Commission simplified the mechanism for selecting ships for inspection, based on common criteria, and facilitated the selection approach across the EU.



Single market

Construction products. In 2022, the Commission adopted a proposal ⁽²⁹⁾ to revise the rules and requirements related to construction products. This will minimise compliance costs through an effective standardisation process, clearer provisions, incentives to re-use products and an EU-wide approach to reduce specific national requirements. The proposal also creates a level playing field for all manufacturers, especially SMEs, in the Member States. The planned work sharing and technical fine-tuning with the Ecodesign for Sustainable Products Regulation will avoid unnecessary costs for businesses, especially SMEs.

The proposal maximises the scope of digitalisation to reduce the administrative burden. All related information and documentation under the proposal can be processed in digital form, stored, shared and accessed in an information system. Furthermore, eliminating the overlap between CE marking and the declaration of performance will reduce the administrative burden for manufacturers. Member States will be able to exempt from the obligations micro-enterprises that do not trade across borders. The revised rules have the potential to generate administrative cost savings of EUR 177 million a year.

Revised EU legislation on design protection. In 2022, the Commission tabled a proposed revision ⁽³⁰⁾ of the Design Directive ⁽³¹⁾ and of the Community Design Regulation ⁽³²⁾. The aim is to make the framework fit for purpose in the digital age, and more accessible and efficient for individual designers, SMEs and design-intensive industries.

The proposal streamlines the procedures and increases interoperability of protection systems in the EU. This will reduce the administrative burden on design protection users and public administrations. The proposed liberalisation of the spare parts market should also generate an estimated EUR 340-544 million per year in cost savings to customers ⁽³³⁾.

Cost savings linked to the fees to register a community design are expected to reach EUR 1.6 million in 2024 for those protecting designs — natural persons and firms without legal entity. The option to lodge multiple applications should generate estimated cost savings of EUR 0.64 million in 2024 for applicants, affecting some 20% of applications. Scrapping the transfer fee is estimated to generate cost savings of EUR 0.63 million related to around 3 000 designs that are transferred each year to different owners.

As it is already the case at the European Union Intellectual Property Office, the proposal also minimises the procedural burden on applicants at the national intellectual property offices. In particular, there will be no need for designs submitted to undergo a detailed eligibility assessment before registration is granted. Instead, national intellectual property offices will be able to annul ineligible registrations after office-based invalidity proceedings. Shifting to such proceedings instead of having to bring the matter before a judicial body, would also result in cost savings of EUR 4 000-7 000 per case for people seeking to cancel an invalid design registration.

Liability for defective products. Following an evaluation finalised in 2018 ⁽³⁴⁾, the Commission tabled a proposal ⁽³⁵⁾ in 2022 to revise and replace the Product Liability Directive ⁽³⁶⁾. It aims to modernise and reinforce the current well-established rules in the context of the digital and circular economy and global value chains. It ensures fair and predictable rules for businesses and consumers alike. The new rules make it easier for injured persons to prove their liability claims and get full compensation for damages incurred and economic operators have more legal certainty as regards their liability exposure in the Single Market. The new rules also create a more level playing field between EU and non-EU manufacturers.

ONE IN, ONE OUT

Covering compliance costs for citizens and businesses

Adjustment costs

(e.g. costs related to upgrading production lines, reducing damage to the environment, improving public health)

Administrative costs

(e.g. costs related to notification, submitting reports, information labelling, authorising, permits, certificates)

> Recurring administrative costs
> One-off administrative costs



Compensated to the greatest possible extent

(through specific instruments, e.g. financial programmes, technical assistance to SMEs)

Offset for citizens and businesses

‘ONE IN, ONE OUT’ APPROACH – FIRST YEAR OF FULL APPLICATION

2022 was the first year of full implementation of the ‘one in, one out’ approach in the European Commission and consequently it covers initiatives adopted in that year. The aim of this approach is to offset new legislative burden on businesses and citizens by reducing existing burdens in the same policy area. It is based on an estimate of the costs and savings stemming from Commission legislative proposals⁽³⁷⁾ and Commission legal acts rather than being applied mechanically by directly repealing one legislative act or withdrawing one Commission proposal when another is proposed. Therefore, the approach does not focus on the number of initiatives nor on the current stock of accumulated costs but instead focuses on keeping in check the aggregate burden newly imposed on businesses and citizens.

The approach covers compliance costs⁽³⁸⁾ for citizens and businesses, which are all clearly presented in impact assessments, showing both adjustment costs and administrative costs. Adjustment costs⁽³⁹⁾ are compensated to the greatest possible extent and administrative costs⁽⁴⁰⁾ are offset in the same policy area. The Regulatory Scrutiny Board, the Commission’s oversight body, has been mandated by the President of the Commission to pay particular attention to proper application of the ‘one in, one out’ approach, as part of its quality review of impact assessments.

The goal of EU regulation is to provide benefits to citizens and businesses and increase their overall welfare, but regulation often comes

at a cost. The EU ‘better regulation’ framework considers benefits and costs of EU legislation in a comprehensive way, analysing economic, social and environmental impacts all together. As part of this framework, the ‘one in, one out’ approach focuses the attention of policy-makers to the costs resulting from EU legislation. The approach was formulated as a commitment not to increase the burden on businesses and citizens in a policy area. Its underlying intention was to stimulate a change in the policymaking culture.

The Commission’s 2021 Better Regulation Communication⁽⁴¹⁾ set out the main principles of the approach⁽⁴²⁾ and positioned it within the Commission’s overall ‘better regulation’ framework, and in the REFIT context. The Commission used the EU standard cost model, examined the experience of Member States⁽⁴³⁾ that applied similar approaches nationally, and developed the EU-level approach.

The Communication also provided scope for flexibility in the practical application of the ‘one in, one out’ approach. For example, this entails the option to apply the approach flexibly across reporting periods, to trade costs and savings across policy areas and to grant exceptions in certain exceptional circumstances, if needed.

While the overall aim in rolling out the REFIT programme is to simplify legislation, keep it fit for purpose and remove unnecessary burden, the ‘one in, one out’ approach focuses more specifically on costs and

savings for businesses and citizens in a given policy area.

The Commission piloted the approach in 2021 to test the methodology, the definition and coverage of costs. The pilot comprised ten legislative proposals, covering a range of different policy instruments, types of costs and a broad range of sectors and stakeholders. The pilot enabled the Commission to finetune the approach based on the initial findings, discussed in detail in the 2021 Annual Burden Survey⁽⁴⁴⁾. The Survey reported on the paradigm change that triggered a significant adjustment in working methods, with increased efforts to improve quantification, including the provision of training for staff and awareness raising.

KEY RESULTS IN 2022

Since the end of the pilot phase, the Commission has focused on applying the ‘one in, one out’ approach to all legislative proposals adopted in 2022 that were in its scope. It set up internal procedures and monitoring, methodological guidance and peer exchanges among Commission departments to provide the framework and adapted training to ensure the approach was implemented successfully.

In particular, it **adapted the methodology to include one-off costs** (instead of only covering recurring costs), drawn up in coordination with the Commission’s Joint Research Centre. This means that one-off administrative costs and costs savings are annualised over a ten-year period by applying a social discount factor of 3%, which is the default rate recommended in the ‘better regulation’ toolbox⁽⁴⁵⁾. This methodology calculates the total annual administrative costs, both recurrent and one-off costs, by bringing them to the same base in the ‘one in, one out’ calculator⁽⁴⁶⁾. The calculator was adapted to accommodate cases

specific to Commission proposals while ensuring a consistent approach for all cases recorded by Commission departments.

IMPROVED QUANTIFICATION OF COSTS AND BENEFITS PROVIDED BETTER ESTIMATES

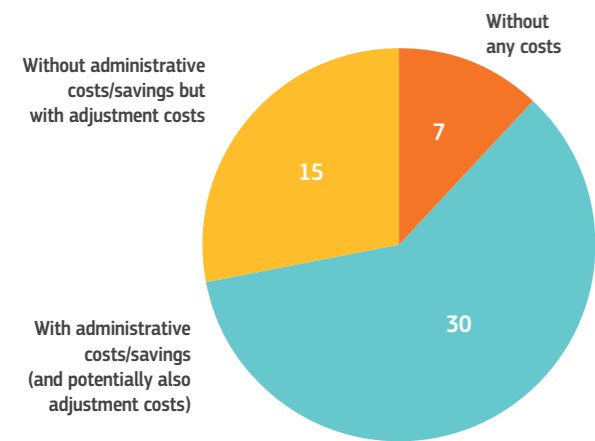
The ‘better regulation’ guidelines and toolbox require work to quantify both the benefits and the costs, to the extent that this is feasible and proportionate. The results of this quantification are clearly presented in the impact assessments and the Regulatory Scrutiny Board runs a quality check on the methodology and the outcomes. There has been a noticeable increase in the share of impact assessments with at least a partial quantification of costs and benefits for a range of situations. This further progress was also positively noted in the Regulatory Scrutiny Board’s Annual Report 2022, which also pointed out that a sufficient quantification for the ‘one in, one out’ approach remains a difficult aspect at first submissions of draft impact assessments⁽⁴⁷⁾.

The range of Commission proposals and types of costs and benefits themselves rarely makes it possible to give a single aggregate figure of expected costs and (even less so) of the benefits. Adding a monetary value to quantifications is in most cases even more difficult to achieve or would involve a disproportionate use of resources.

Nonetheless, this approach has resulted in estimates being available for all initiatives in scope in terms of administrative costs and cost savings. The cost dimension of the ‘one in, one out’ approach is developed in impact assessment reports and reflected in their annex.

Experience with running the pilot and full application of the ‘one in,

Legislative proposals in scope of the 'one in, one out' approach, 2022



'one out' approach demonstrated that classifying different cost categories presented in the impact assessments can sometimes be difficult. To improve the understanding of the approach, the Commission therefore revised the impact assessment template to further facilitate a clear presentation of costs and benefits and make it even easier to identify which of them are included in the approach and offset.

52 INITIATIVES UNDER THE 'ONE IN, ONE OUT' APPROACH IN 2022

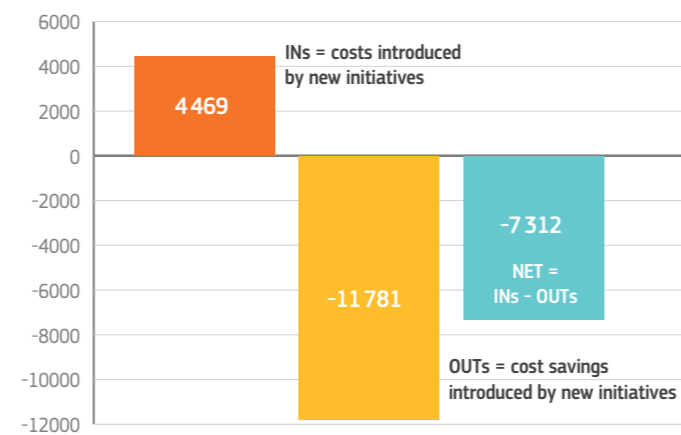
The scope of the 'one in, one out' approach covers initiatives adopted in 2022 under the 2022 Commission work programme, earlier work programmes or other initiatives outside the work programme that are expected to give rise to significant administrative costs or savings and are accompanied by an impact assessment⁽⁴⁸⁾.

In 2022, the Commission adopted a total of **52 initiatives under the 'one in, one out' approach**, following the above criteria. According to the impact assessments conducted, 30 of these initiatives (58%) generated administrative costs and/or savings. 22 initiatives of the total of 52 (42%) were not expected to generate neither administrative cost nor savings (see annexed 2022 offsetting overview).

When looking at the granular data beyond administrative costs of relevance for the 'one in, one out' offsetting, it can be seen that 15 initiatives (29%) out of the 22 initiatives that were not expected to generate neither administrative costs nor savings, were however expected to entail adjustment costs. 7 initiatives were not expected to generate any costs or savings for citizens and businesses at all (13%).

The seven initiatives (i.e. 13%) that were not expected to give rise to any significant costs include, for instance, the initiative on the protection of journalists and rights defenders facing a strategic lawsuit against public participation, the initiative to establish the Union Secure Connectivity Programme for the period 2023-2027, and the proposal to digitalise visa procedures for third-country nationals. This

Administrative costs/cost savings of Commission proposals in 2022 (EUR million)



demonstrates that there are also initiatives in the Commission work programme adopted in 2022 that deliver significant benefits for society without giving rise to significant costs for citizens or businesses.

Unlike most national 'one-in, X-out' schemes⁽⁴⁹⁾, the Commission offsets not only the administrative costs involved, but also tackles the initiatives expected to give rise to adjustments costs, by compensating them to the extent possible⁽⁵⁰⁾ through other measures.

OVERALL, THE COMMISSION PROPOSALS ARE EXPECTED TO LIGHTEN THE ADMINISTRATIVE BURDEN IN 2022 DESPITE THE AMBITIOUS POLICY AGENDA

The von der Leyen Commission has a very ambitious policy agenda, and the level of ambition is commensurate to the policy challenges that the EU is facing.

Even in this challenging context, the Commission **adopted policy proposals that are expected to lighten the overall administrative burden by EUR 7.3 billion**. This means that the initiatives that the Commission tabled in 2022 generated more savings of administrative costs than the new costs they imposed on citizens and businesses. Despite the high ambitions and the need to respond to a difficult geopolitical context, the Commission therefore met its overall 'one in, one out' offsetting target in 2022 by a large margin, removing significantly more administrative costs than those it added.

OFFSETTING ADMINISTRATIVE BURDENS IN THE SAME POLICY AREA WAS ACHIEVED ACROSS ALMOST ALL HEADLINE PRIORITY AREAS

In 2022, the administrative savings made were greater than the new administrative costs imposed in all six Commission policy priority areas

⁽⁵¹⁾ (headline ambitions) except one, headline ambition 1: 'A European Green Deal' – see table overleaf and Annex. This meant that the Commission used the scope to 'trade' flexibility across policy areas in this exceptional case, to move towards a fair green transition. In other words, as the costs ('INs') for this objective were deemed necessary but it was not possible to find cost saving ('OUTs') in the same policy area, the Commission decided to take the cost savings ('OUTs') from a different policy area. This can also be explained by the fact that the Green Deal introduced new legislation in sectors or topics that were previously not regulated, and this necessarily has an implication on administrative costs. At the same time, particular care was put in minimising the additional administrative burden and generate savings in the same policy area. In addition, the Green Deal as Europe's growth strategy is also creating opportunities for businesses and consumers and increases Europe's competitiveness on the global stage.

Most savings come under headline ambition 2 ('A Europe fit for digital age') and headline ambition 3 ('An economy that works for people') (52% and 41%, respectively). Most new administrative costs come under headline ambition 1 ('A European Green Deal') and headline ambition 2 ('A Europe fit for digital age') (53% and 43%, respectively). The tabular overview illustrates the relevance of the respective headline ambition policy areas for the overall 'one-in, one-out' offsetting results, by presenting them as a share of the total net contributions.

These results may correspond to the expectation of stakeholders, namely that additional costs for addressing the green transition would be offset with cost savings coming from digitalisation.

DETAILED RESULTS OF THE ONE-IN, ONE-OUT APPROACH BY POLICY AREA

Headline ambition 1: A European Green deal

The only policy area with a net deficit is headline ambition 1. Achieving the EU's long-term sustainable economy requires substantial action to create a regulatory environment that scales up measures fast and to create conducive conditions for crucial sectors to reach net zero. The biggest contributors to the new administrative burden were the proposals on packaging and packaging waste (EUR 1.3 billion), the sustainable use of plant protection products (EUR 576 million), and the proposal

POLICY AREAS BY HEADLINE AMBITION	NUMBER OF PROPOSALS	INs (COSTS)	OUTs (SAVINGS)	NET
				(= INs - OUTs)
[EUR MILLION / YEAR]				
A European Green Deal	15	2352.3	-387.4	1964.9
A Europe fit for the digital age	13	1899.8	-6090.1	-4190.2
An economy that works for people	9	85.9	-4862.3	-4776.4
A stronger Europe in the world	0	0	0	0
Promoting our European way of life	9	130.9	-377.3	-246.4
A new push for European democracy	6	0.6	-63.9	-63.3
Total	52	4469.4	-11780.9	-7311.5

Figures are rounded

on industrial emissions and on the landfill of waste (EUR 467 million).

Two proposals on new emission standards for cars, vans, lorries and buses (EUR -210 million) and on harmonised conditions for the marketing of construction products (EUR -177 million) reduced costs but less than the new costs added by the other initiatives.

This resulted in a total of almost EUR 2 billion of additional administrative burden on businesses and citizens overall under this headline ambition.

Headline ambition 2: A Europe fit for the digital age

Among its political priorities, the Commission aims to make this the Europe's Digital Decade with several actions under this policy area. In 2022, the Commission proposed several initiatives that generated significant savings, such as the Interoperable Europe Act to improve cross-border public-sector interoperability (saving EUR 5.7 billion), the initiative on short-term accommodation rentals for a stronger tourism ecosystem (saving EUR 255 million), and the Data Act on harmonised rules on fair access to and use of data (saving EUR 85 million).

Still, digital markets can also pose risks to consumer protection, competition, or security as, they have remained weakly regulated so far. To address cybersecurity risks, the Commission put forward the proposal for a Cyber Resilience Act, which is expected to result in administrative costs (EUR 1.9 billion) while bringing significant benefits to citizens and businesses by reducing the risks of cyberattacks and costs related to handling cybersecurity incidents, such as ransomware attacks.

Overall, the balance is positive and shows that EU action will remove around EUR 4.2 billion more administrative costs than the new costs added under this headline ambition.

Headline ambition 3: An economy that works for people

A well-working social market economy is indispensable to meet the challenges of achieving the twin digital and green transition. In 2022, the Commission adopted several initiatives under this headline ambition that are expected to result in administrative costs. They include the proposals increasing the protection of workers from the risks related to exposure to asbestos at work (EUR 33 million) and new rules on the taxation of crypto-assets and e-money (EUR 53 million).



The Commission also adopted two key proposals that significantly remove administrative costs and positively affect how businesses operate in financial markets: VAT in the digital age proposal (estimated saving EUR 4.7 billion) adapting the VAT rules to the digital era and the Listing Act, which aims to simplify the rules for companies to raise finance (estimated saving EUR 167 million).

Overall, this is expected to generate significant savings, substantially contributing to the overall reduction in administrative burden under headline ambition 3, to the tune of EUR 4.8 billion.

Headline ambitions (5-6) on the European way of life and European democracy

Compared with the proposals under headline ambitions 1 to 3, the Commission proposals adopted in 2022 in the other headlines are expected to generate much smaller costs and savings. No proposals relevant under the 'one-in, one-out' approach were adopted under headline ambition 4 on 'A stronger Europe in the world', while the net balance of administrative cost savings is EUR 246 million for headline ambition 5, 'Promoting our European way of life' and EUR 63 million for headline ambition 6, 'A new push for European democracy'.

This included the proposals under headline ambition 5, 'Promoting our European way of life' to prevent and combat child sexual abuse (EUR 82 million), for obligations on carriers to communicate advance passenger information (EUR 32 million), on a single permit and set

of rights for third-country nationals to live and work in the EU (estimated savings EUR 102 million), the European Health Data Space (estimated savings EUR 275 million). Headline ambition 6 'A new push for European democracy' also included the proposal on parenthood (with an estimated savings of EUR 64 million).

A FEW POLICY PROPOSALS GIVE RISE TO SIGNIFICANT ADMINISTRATIVE COSTS AND SAVINGS

A few of the proposals adopted in 2022 significantly affect the share of OUT/IN costs due to the costs (INs) or savings (OUTs) that they are expected to generate for businesses and citizens. **Four main initiatives bring in significant costs and eight main initiatives remove significant costs of at least EUR 100 million.** This shows that the overall result of the 'one-in, one-out' offsetting approach largely depends on major cost-relevant initiatives. Monitoring of the 'one-in, one-out' approach helped identify these initiatives at an early stage and ensured that they received close attention during the policymaking process.

Of all the initiatives expected to add **new administrative costs** for businesses, only four account for nearly 95% of the total new administrative costs.

A similar picture emerges for the initiatives expected to remove net administrative costs, with the top two initiatives accounting for nearly 90% of savings.

THERE ARE SIGNIFICANT COSTS SAVINGS FOR CITIZENS

Several proposals adopted by the Commission in 2022 contained measures specifically affecting citizens. Two notable initiatives generate significant impacts on citizens: the proposal to establish a European Health Data Space, reducing administrative costs for citizens by EUR 163 million (under headline ambition 5) and the initiative on short-term accommodation rentals, estimated to reduce administrative costs for citizens by EUR 216 million ⁽⁵²⁾ (headline ambition 2).

Overall, legislative proposals in 2022 are expected to reduce administrative costs for citizens by EUR 359 million, which represents 5% of the total net amount.

AN UNPRECEDENTED ARRAY OF MEASURES THAT CAN COMPENSATE ADJUSTMENT COSTS FOR BUSINESS

The EU has very high social and environmental standards and objectives. The Commission proposes legislation to set or revise these standards or to pursue the longer-term objectives only when the expected benefits outweigh the costs. While many new proposals may lead to new business opportunities, competitive advantages and first-mover advantages ⁽⁵³⁾, they often may at the same time also be associated with the additional costs of adjusting how businesses operate. Moreover, the benefits and costs may not be equally distributed between the stakeholders.

In situations where the necessary adjustment costs would be too heavy for EU businesses to absorb or they might not directly feel the expected benefits, the Commission (and Member States) may offer compensatory measures to the extent feasible. Under the 'one-in, one-out' approach, the Commission committed to compensate these adjustment costs to the greatest possible extent.

There is an array of measures available under several EU programmes that can potentially be used to provide compensatory measures for the adjustment costs incurred by businesses, even though they have not been specifically designed for that purpose.

The budget of the **2021-2027 multiannual financial framework** amounts to over EUR 2.018 trillion ⁽⁵⁴⁾, reinforced with the recovery instrument of the NextGenerationEU ⁽⁵⁵⁾, the EUR 806.9 billion recovery instrument. For instance, the EU 'green budget' is structured around four areas: climate adaptation, climate mitigation, biodiversity and clean air. It includes a strong 'do no harm' component that covers both climate and environmental objectives. At least 30% of funding must support climate-related initiatives.

The centrepiece of NextGenerationEU is the **Recovery and Resilience Facility** with EUR 723.8 billion, pledging 40% of its funds to climate change and 26% to the digital transition ⁽⁵⁶⁾. EU support for the transition increased further with additional funding from the **REPowerEU initiative**. It provides additional grants under the Recovery and Resilience Facility of EUR 20 billion available to Member States to promote the greening of industry, to support EU net-zero industry projects, and



to assist energy-intensive industries with the high energy prices. Member States will also be able to dedicate grants from the **Brexit Adjustment Reserve** of EUR 5.4 billion to these objectives. All the national recovery and resilience plans endorsed by the Council include measures relevant to SMEs and SMEs will also qualify for a large pool of measures with a broader policy focus ⁽⁵⁷⁾.

The **EU's cohesion policy Funds** are sources of investment funding for the EU's economic, social and territorial cohesion, supporting regions and cities also to reach the targets of climate neutrality and circular economy and contributing to a just transition. For instance, investments in climate action are expected to reach EUR 59.6 billion by 2023 (coming from the 2014-2020 programmes) and the contribution to climate and environment-related projects is expected to exceed EUR 110 billion in 2021-2027.

The **new Social Climate Fund** ⁽⁵⁸⁾ will strengthen the social dimension of the EU budget by tackling the social impacts on the most vulnerable people of the **'Fit for 55' proposals** and how the impacts are distributed. It complements support under the Just Transition Mechanism and the cohesion Funds.

The **Innovation Fund** is one of the world's largest funding programmes for the demonstration of innovative low-carbon technologies, contributing to greenhouse gas reduction. It is financed by auctioning 450 million allowances from the EU Emission Trading System over this decade, representing some EUR 38 billion.

EXAMPLES OF SPECIFIC COMPENSATORY MEASURES RELATED TO INDIVIDUAL PROPOSALS

Compensatory measures are general by their very nature and cannot easily be assigned to a given year. Nevertheless, several examples of compensatory measures can be attributable to individual proposals adopted by the Commission in 2022 under the 'one-in, one-out' approach.

The investments to implement the **European Health Data Space** will be covered by a number of **EU funds**, including the EU4Health programme for specific investments in digital health infrastructures, preparatory actions, capacity building and actions on interoperability, the Digital Europe programme for additional action on interoperability and cross-sectoral investments in the European common data spaces (e.g. secure clouds), the Horizon Europe programme for digital health and health data research, and the Recovery and Resilience Facility. The EU cohesion policy invests in health, a key asset for regional development and competitiveness, to reduce economic and social disparities. It has increased the mobilization of structural funds to allow for a prompt response to the COVID-19 pandemic. For reference, investments supported by EU funds under the 2014-2020 financial cycle included EUR 1 billion for digital health while for the 2021-2027 financial cycle EUR 7.7 billion are planned from the European Regional Development Fund under the "access to healthcare" specific objective. Additionally, the national plans include investments linked to action to digitise and modernise the health sector of over EUR 14 billion under the Recovery and Resilience Facility.

Under the **proposal on the sustainable use of pesticides**, farmers must record any integrated pest management intervention in the electronic integrated pest management register. There are measures available to the Member States to offset these costs under the **EU Common Agricultural Policy**.

FIT FOR FUTURE PLATFORM PROVIDES SUGGESTIONS FROM EXPERTS AND STAKEHOLDERS TO SIMPLIFY EU LAWS AND CUT THE LEGISLATIVE BURDEN

In May 2020, the Commission set up a high-level expert group, the Fit for Future Platform ⁽⁵⁹⁾. The group plays a key role in identifying scope to simplify and modernise existing EU laws and any unnecessary burden on people and businesses at EU, national, regional and local level.

The Platform consists of 52 members, **pooling expertise** from national and regional administrations, employers, trade unions, small and large businesses, as well as consumer, health, environmental and other non-governmental organisations, the Committee of the Regions and the European Economic and Social Committee.

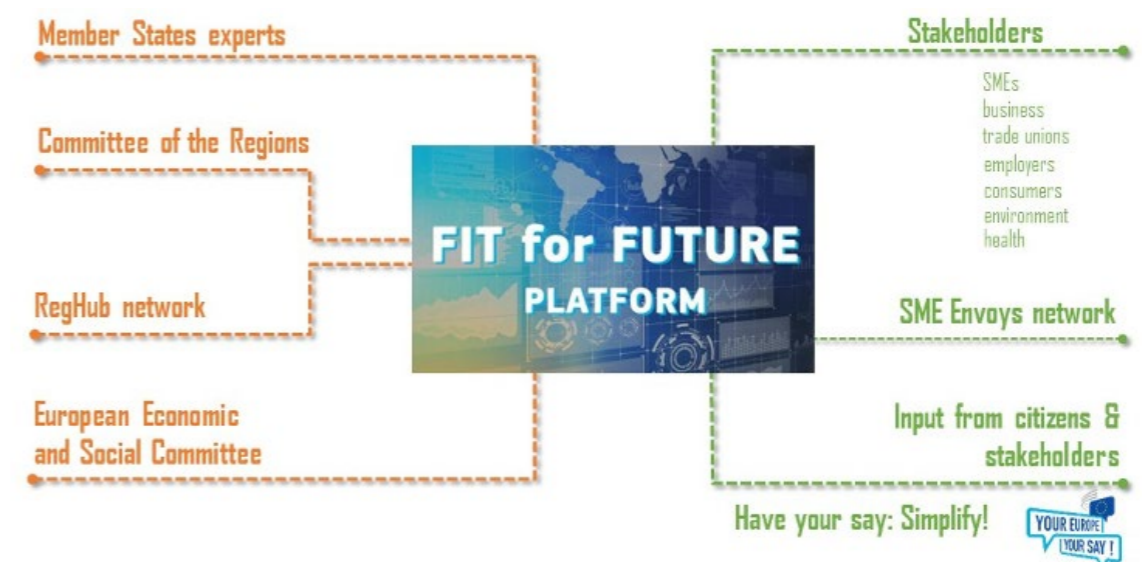
It also works closely with the **SME envoys network** ⁽⁶⁰⁾, which contributes suggestions for the Platform's annual work programme, signalling legislation that affects small and medium-sized enterprises in particular. The Platform also receives contributions from regional hubs in the Committee of the Regions' **RegHub network** ⁽⁶¹⁾, which groups regional

and local authorities to proactively consult and collect the experience of local stakeholders in implementing EU policies on the ground.

The Platform is chaired by the Commission's Vice-President responsible for Interinstitutional Relations and Foresight, Maroš Šefčovič. The Platform's members provide the Commission with a unique range of expertise and knowledge to complement the evidence used when revising proposals or implementing existing legislation.

The work of the Platform is structured around an annual work programme, which is co-created by its members, who both select and prioritise the topics in the work programme. The Fit for Future Platform **supports the Commission's efforts** to:

- reduce unnecessary burden and costs, including administrative and compliance costs;
- simplify existing EU laws;



- ensure that EU policies are forward-looking and relevant in light of new developments and technological progress, especially by tapping the potential of digitalisation.

People, businesses and organisations can contribute to the work of the Platform by providing input through the Commission's *Have your say: Simplify!* section of the portal ⁽⁶²⁾. This portal enables stakeholders to share their views and experiences on any topic in the Fit for Future Platform's annual work programme or propose topics or matters that the Platform could look into.

THE 2022 ANNUAL WORK PROGRAMME FOCUSED ON TEN PRIORITY TOPICS:

The Fit for Future Platform adopted its second annual work programme ⁽⁶³⁾ in January 2022 with the focus on the following **ten topics**:

1. **Interconnectivity between the digital and the green transitions**
2. **Enterprise-friendly VAT ⁽⁶⁴⁾ in the digital age**
3. **Regulation on the Governance of Energy Union and Climate Action**
4. **SME access to capital**
5. **End-of-life Vehicles Directive and the Directive on the type-approval of motor vehicles**
6. **Revision of EU law governing victims' rights**
7. **Food waste and donation**
8. **Government interoperability strategy**
9. **REACH Regulation ⁽⁶⁵⁾**
10. **Biosolutions**

The topics were proposed by the Platform's members, by the SME envoys network, the RegHub network or via the *Have your say: Simplify!* Portal, selected for their high potential for simplification and modernisation. They converge with the Platform's priorities to digitalise EU legislation, make it simpler and make labelling, authorisation and reporting obligations more efficient.

KEY RESULTS IN 2022

The Platform's working methods were also streamlined in 2022. This resulted in a more structured work stream with a standardised timeline

for milestones and a two-month faster adoption of its annual work programme, facilitated by the members sharing their overall preferences in an electronic poll ahead of the plenary discussions.

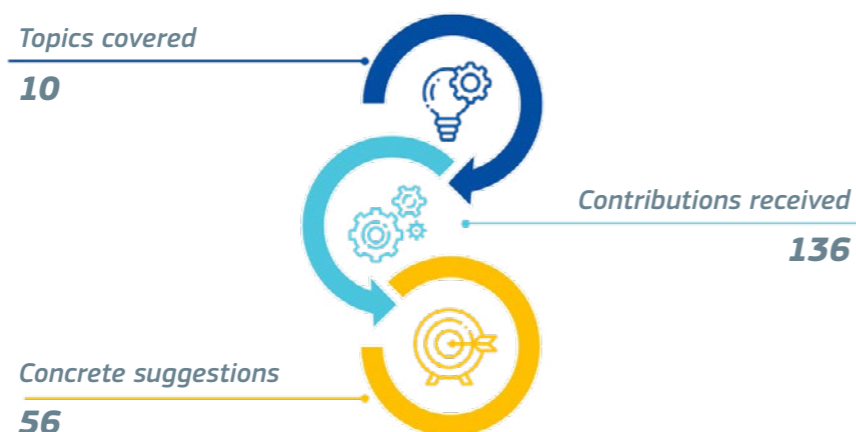
These changes improved the efficiency of the process and led to the adoption of all the Platform's ten opinions ⁽⁶⁶⁾ swiftly in 2022. Its members had submitted 136 contributions and formulated 56 specific suggestions across the 10 topics.

SUPPORTING THE POLICYMAKING PROCESS

The Platform's opinions include suggestions – often based on direct experience from affected citizens, stakeholders, national and regional authorities or municipalities – that have great potential to make a difference. They identify areas in need of streamlining, improve consistency and coherence between different pieces of EU law, improve enforcement, compliance and implementation, and maximise digital opportunities. The suggestions also help empower citizens, for example, by improving access to accurate information anywhere in the EU. The strength in the Platform's suggestions comes from the range of interests and concerns it represents and channels into pragmatic and balanced suggestions. This helps the Commission identify situations where EU laws are being implemented inefficiently or give rise to avoidable burden.

The Platform's suggestions complement the evidence underpinning the Commission's policymaking process at various stages. Most often they enrich evaluations and impact assessments as the Commission's annual work programme is the starting point of the discussion when members decide upon the Platform's annual working programme, ensuring a close strategic alignment. They also feed into other initiatives and guide action to implement new initiatives, such as when preparing implementing and delegated acts, guidelines and training. They can also trigger a more strategic overarching reflection by the Commission. Since the Platform provides input at various stages, follow-up to its input can take various forms too.

All opinions issued by the Platform are published ⁽⁶⁷⁾ and shared with the Commission department leading on each file, for appropriate follow-up.



PLATFORM OPINIONS AND THE COMMISSION'S FOLLOW-UP

Enterprise-friendly VAT in the digital age

The Platform's opinion on the proposal for an **enterprise-friendly VAT in the digital age** contained a broad range of suggestions on how to simplify, streamline and cut regulatory tape around the Value-Added Tax (VAT) system. The Commission took up the Platform's suggestions on how to avoid additional registration by extending the VAT One Stop Shop to the transfer of own goods and by further reducing the requirement for businesses to register in other Member States in the new proposal on VAT in the digital age presented in December 2022. In line with the Platform's opinion, the Commission's proposal also removes the need for a derogation to bring in mandatory e-invoicing.

The Platform also suggested measures to lower the risk of businesses receiving heavy penalties, flagging the changing rules on VAT exemptions for services related to imports of goods. The Commission followed up this suggestion in the proposal of a series of measures to modernise the EU's VAT system, make it work better for businesses and be more resilient to fraud by embracing and promoting digitalisation.

Facilitating SMEs access to capital

The Platform's opinion on **facilitating SME access to capital** confirmed that, while past simplifications notably to the Prospectus Regulation ⁽⁶⁸⁾ setting EU rules on information to be provided to investors, the Markets in Financial Instruments Directive (MiFID II) and Market Abuse Regulation have eased access to public markets, access to financing remains limited to bank loans, still the main source of financing in the EU. The Commission took up the Platform's suggestion, in particular to simplify the procedures for admission to securities trading (such as shares, bonds, derivatives) for SMEs and other listing obligations contributed to the development of the proposal for a Listing Act tabled in December 2022 ⁽⁶⁹⁾.

The Listing Act focused on lightening the regulatory requirements that can deter a company from deciding to list or remain listed on regulated markets as well as SME growth markets, while ensuring a high level of investor protection and market integrity. The proposal includes measures to simplify the documentation that companies need to list on public markets, notably the prospectus streamline the scrutiny processes by national supervisors, simplify and clarify some market abuse requirements. In addition, the proposal also puts forward a new Directive on multiple vote share structures that helps controlling shareholders retain decision-making power in the company if they list their company on public markets dedicated to SME listing. The proposal also aims to foster investment research and seeks to repeal the outdated listing legislation.

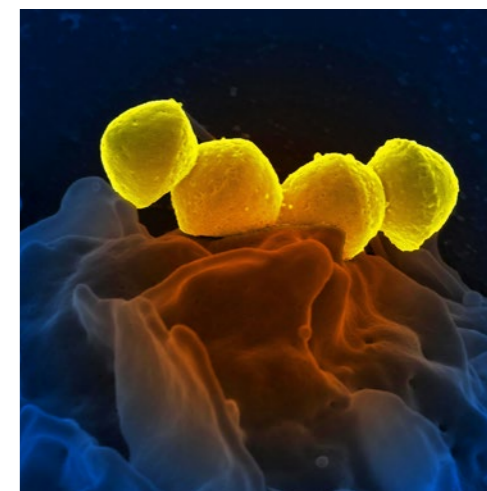


Biosolutions

In its wide-ranging opinion on **biosolutions**, the Platform raised several issues, identifying the need to update the EU legal framework to reflect current scientific knowledge on sustainable alternatives to fossil-based products, including on micro-organisms. The Commission recently adopted four implementing acts ⁽⁷⁰⁾ that simplify the process of approval and authorisation of biological plant protection products containing micro-organisms as active substances.

Follow-up action has been initiated to ensure proper implementation of those acts, such as the *Better Training for Safer Food* scheme and a call for proposals for EU financial grants to help Member States build capacity in micro-organisms and speed up evaluations of this type of active substance.

The Commission will continue to work with the Member States to fully exploit all existing possibilities in Regulation (EC) 1107/2009 to accelerate the processes for the evaluation of biocontrol products.



The Platform's suggestions to better define biocontrol products, shortening the processing timelines for dossiers concerning biocontrol products, allowing provisional authorisations for biocontrol products and not limiting the approval of biocontrol active substances in time may be considered by the European Parliament and the Council in the current inter-institutional negotiations of the Commission proposed Regulation on the sustainable use of plant protection products.

Concerning the suggestion to focus safety evaluation on the potential risk posed by the product rather than the production process used, the Commission has adopted a new proposal on plants produced by genetic engineering techniques of targeted mutagenesis and cisgenesis⁷¹. To lay the foundation for assessing whether to take a potentially similar approach in the risk assessment of genetically modified micro-organisms obtained by new genomic techniques, the Commission has mandated the European Food Safety Agency to collect additional scientific knowledge on micro-organisms.

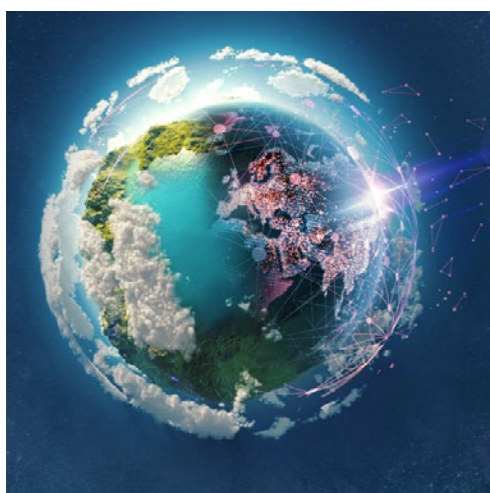
Food waste and food donation



The opinion on **food waste and food donation** contains suggestions to promote the recovery and redistribution of surplus food from the food supply chain and thus reduce food waste. Between December 2022 and February 2023, a European Citizens' Panel on Food Waste was convened to drive further action preventing food waste in the EU⁽⁷²⁾. The Commission has proposed legally binding food waste reduction targets as part of the revision of the Waste Framework Directive⁷³.

To ease the administrative burden due to traceability requirements on donors of surplus food, the Fit For Future Platform suggested updating the EU guidelines on food donation. The Commission assesses the barriers and opportunities for food donation with the help of the re-established EU Platform on Food Losses and Food Waste and will also consider, in this context, possible updating its guidelines to reflect the latest developments including amendments made in 2021 to EU food hygiene rules to facilitate safe food distribution. It should be noted, however, that traceability must be ensured throughout the food supply chain, including when food is donated, in order to ensure food safety, in particular in case of product withdrawal for example due to safety concerns.

Interconnectivity between the green and the digital transition



The Platform's opinion on **interconnectivity between the green and the digital transition** suggested, for example, strengthening the assessments of combined effects of legislation and policies on different stakeholder groups in evaluating related legislation to promote the green and digital transitions. It also called for more robust assessments of non-action in impact assessments, which should better factor in the long-term impact of (non)regulation and to mainstream the United Nations' Sustainable Development Goals. The Commission will work on how to better assess the cumulative impacts of different policy measures at the EU level with a view to develop a methodology, as announced in its Communication on the long-term competitiveness of the EU of March 2023.

The opinion's early input fed into the Commission's Strategic Foresight Report 2022⁽⁷⁴⁾, which identified the need for a future-proof and agile EU regulatory framework as one of 10 areas of action for a successful twinning between the green and digital transitions. It calls for EU policymakers to make further use of digital solutions in impact assessments, such as digital twins, artificial intelligence for forecasting and modelling. The opinion recog-

nises that evaluations could better analyse twinning, and capacity to mutually reinforce both transitions by looking at combined effects. This can further strengthen our evidence base to help create quality legislation. Moreover, it also underlines the importance of identifying the benefits of Commission proposals both qualitatively and quantitatively.

The Platform's opinion also stresses the importance of improving access to data through improved co-use and governance of existing physical infrastructure for broadband roll-out. Reflecting that, the Commission's Gigabit Infrastructure Act contributes to the efficient and timely roll-out of very high-capacity networks necessary to meet the increased needs for connectivity. The act regulates permit granting procedures, making it mandatory to provide key information in electronic format via the Single Information Point. Digital tools should enable the electronic submission of applications and support the process of permit granting.

Governments interoperability strategy

Making the best of digital opportunities is at the core of the opinion on **Governments interoperability strategy**, which the Platform prepared in the context of the 2020 digital strategy *Shaping Europe's Digital Future*⁽⁷⁵⁾. The aim of the Interoperable Europe Act⁽⁷⁶⁾ is to strengthen cross-border interoperability and cooperation in the public sector and to adopt an 'interoperable by design' approach from policymaking to policy implementation in the EU.

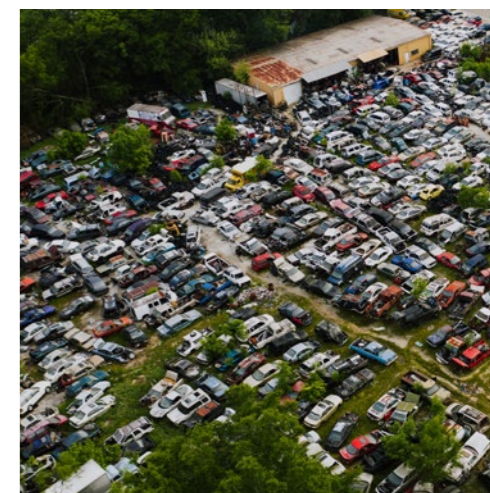
The act recognises the need to foster the exchange of good practices and solutions by proposing to establish an interoperability governance and an interoperable Europe portal, which will serve as a point of reference for interoperability solutions, knowledge and community. It also aims to involve regional and local communities, which constitute the 'first and last mile' of public service delivery. The proposal is accompanied by a 'European Interoperability Framework for Smart Cities and Communities' to cater specifically for local and regional conditions.

The Platform's opinion suggested putting in place an effective mechanism to foster interoperability from the start of the policymaking process, for example through an interoperability assessment. The Interoperable Europe Act introduced this requirement for an assessment for public organisations that intends to set up or modify a network and information system that is likely to result in high impacts on cross-border interoperability.

End-of-life vehicles

The Platform's opinion on the **end-of-life vehicles** focuses on digitalisation and interoperability. Many of its suggestions fed directly into the Commission's preparatory work on the impact assessment accompanying the revision of the End-of-life Directive⁷⁷. This included extending the use of digital means (such as a digital vehicle passport and the digitalisation of the vehicle registration system), alignment of recycling definitions with the Waste Framework Directive and setting mandatory criteria to help distinguish end-of-life vehicles from used vehicles.

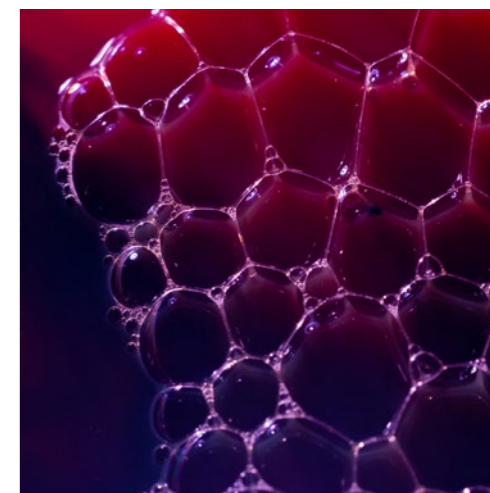
Moreover, it sought to improve interoperability between national vehicle registers to address the problem of 'missing vehicles', increased functionality of the certificate of destruction by clarifying its link with vehicle de-registration and adding additional information to vehicle registers. The call for better coherence with sectoral legislation, e.g. the Batteries Regulation, has been assessed in measures that look at future regulatory approaches on substances of concern in vehicles. The impact assessment looked at the suggested ways to improve extended producer responsibility, monitoring and the overall enforcement of the advanced end-of-life vehicle processing requirements.



REACH Regulation

The ambitions set out in the European Green Deal drove the Platform's opinion on the **REACH Regulation**. Its opinion presents a set of suggestions to modernise and improve the Regulation on the Registration, Evaluation, Authorisation and restriction of Chemicals (REACH). Based on a comprehensive impact assessment, the Commission is preparing a legislative proposal to modernise and improve the functioning of the REACH Regulation that was announced in the 2023 Commission work programme for the fourth quarter of 2023 and which will reflect on the issues presented in the Chemicals Strategy for Sustainability.

Taking account of the Platform's opinion, the Commission is considering options to improve communication in supply chains, reform the current provisions on authorisation and restriction titles, address professional uses and improve the interface of REACH with other pieces of legislation, such as occupational health and safety legislation. In addition, the Commission is looking into the requirements for downstream users to provide more information on the use and exposure of substances of very high concern and assessing ways to improve the evaluation process, and options to strengthen the enforcement of REACH. This includes creating a European Audit Capacity, stepping up checks on imports (also of online sales) and access of stakeholders to justice.



EU law on victims' rights

The Platform prepared an opinion on the revision of the body of EU law governing **victims' of all crime rights**, highlighting systematic and continuous education, involving all stakeholders in the victim support system and monitoring the measures taken. The Commission launched an EU-wide victims' rights campaign at the beginning of 2023 aiming to raise awareness of victims' rights, a main aspect raised by the Platform. The Commission is also taking action under the victims' rights strategy for 2020-2025, which includes improving cooperation and coordination through the activities of the Victims' Rights Platform, the EU Centre of Expertise for victims of terrorism and the European Network on Victims' Rights.

It would also strengthen training activities, including through cooperation with the European Judicial Training Network, reaching out to stakeholders who are in contact with victims, such as judicial authorities, lawyers, prosecutors, court staff and prison and probation staff. In July 2023, the Commission tabled a proposal⁷⁸ revising EU law on victims' rights to improve victims' access to information, support and justice and to strengthen multi-agency cooperation between the different groups of people who come into contact with victims.

Regulation on the Governance of Energy Union and Climate Action



The Platform also looked into the **Regulation on the Governance of Energy Union and Climate Action** and proposed suggestions. It called broadly to modernise the framework to align with the European Green Deal and the new provisions brought in by the European Climate Law and the Fit for 55 package. It provided useful input into the Commission's ongoing work on the evaluation of the Governance Regulation, providing supporting evidence to aspects that need to be strengthened in light of recent developments.

As suggested by the Platform, the Commission will look into the national energy and climate plans template annexed to the regulation, drawing lessons from previous versions and drawing on the Platform's suggestions. In December 2022, the Commission issued Guidance to help the Member States update their 2021-2030 national energy and climate plans.



CONCLUSIONS

The Commission's aim is to adopt and implement legislation that can stand the test of time, does not create unnecessary burden, and delivers results at a minimum cost. In parallel, it aims to deepen the culture of evidence-based policymaking and to take a long-term view on the likely impacts of EU policies.

The current context of multiple crises requires a sharper focus on improving the regulatory fitness of EU legislation. To achieve this, it is equally important to cut red tape and maximise the benefits for citizens, businesses and public authorities in the most efficient manner.

It is therefore essential to look back at the existing stock of legislation when new legislation is proposed and ensure that it is still necessary, proportionate and does not add burden. The REFIT programme played a key role in managing the body of EU law to achieve this goal. The programme encompasses all tools and approaches geared towards the same results, such as the 'one-in, one-out' approach and the Fit for Future Platform.

The first full year of implementing the 'one-in, one-out' approach can be considered a success in that it achieved a sharper focus on costs and benefits. While further improvements are needed in better quantifying them, the approach already has driven progress in that costs and benefits are now more clearly presented in impact assessments. This has resulted in a new drive to limit all costs to the strict minimum and reduce the administrative burden on businesses and citizens by EUR 7.3 billion. This proves that the Commission can pursue ambitious policy goals while relieving citizens and businesses from unnecessary administrative burdens at the same time.

The Commission achieved its 'one-in, one-out' commitment not to increase the burden on businesses and citizens in all headline ambitions pursued by the Commission, except headline ambition 1 on the European Green Deal, which was perhaps to be expected, given the commitment made by the Commission to put Europe firmly on a new path of sustainable growth. However, the new administrative costs resulting from initiatives in this policy area are largely offset by savings under headline ambitions 2 on 'A Europe fit for digital age' and 3 on 'An economy that works for people', in line with the scope for flexibility embedded in the system.

The EU's ambitious policy agenda requires its businesses to make major investments and adjustments to adapt and prepare for the twin transition and other challenges. This is even more challenging as Europe recovers from the COVID-19 pandemic and in the current geopolitical situation. However, doing so is expected to create new businesses opportunities by opening up new markets or achieving comparative advantages.

The EU has made significant volumes of additional funding available to help EU businesses cope with the costs of this transformation and increase their competitiveness on global markets. As these funds and financial programmes are spread over several years, it is difficult to specify in all cases how much of these funds would compensate for the adjustment costs resulting from each Commission proposal in 2022. However, many more additional resources are now available to businesses, including SMEs, than at any point in time.

Full implementation of the 'one-in, one-out' approach also shows that just a few proposals can affect the balance of administrative costs. The approach identifies these high-impact proposals for closer monitoring to ensure that they minimise costs and maximise savings.

The aim of bringing in a target system such as the 'one-in, one-out' approach was not only to minimise costs but also to change procedures and methods to result in a better quantification of the costs and benefits and a higher awareness of costs and their impacts. The greater focus on savings has increased internal incentives to opt for the most efficient option, to simplify and to cut red tape in existing provisions.

The results of the first full year of implementing the 'one-in, one-out' approach prove that the overall change in the culture of policymaking at the Commission is already bearing fruits, but it is a long-term goal that must be shared by co-legislators, Member States and stakeholders. The efficiency gains proposed by the Commission must be maintained in legislative negotiations, and by Member States when implementing and applying EU legislation. Moreover, contributing to consultations and providing the required data from all levels plays an important role in designing cost-effective regulations, and in making them easier to implement, to the benefit of citizens, businesses (especially SMEs), and public authorities.

The Fit for Future Platform will continue to support the REFIT objectives by identifying initiatives in need of refitting to the changing reality. Since it started, 25 of its opinions have already been integrated into the Commission's policymaking. Work on the Platform's 2023 annual work programme is already advanced, with eight important and challenging topics. They range from very specific issues such as European standardisation, public procurement, the GDPR Regulation, and the Digital Europe programme to more horizontal themes such as future-proof policy making, social economy entities, professional mobility, and the SME test in impact assessments (which elicited great interest by the Platform's members).

All these efforts combine to improve the quality of regulation and to boost the competitiveness of European businesses, particularly SMEs. Bringing in the new competitiveness check for all impact assessments will enable an integrated and clearer assessment of the many facets of competitiveness. The competitiveness check also has a specific focus on SMEs, with an own section dedicated to them. The systematic use of the SME test, supported by the SME filter ⁽⁷⁹⁾, will allow a proper understanding of benefits and costs for SMEs.

President von der Leyen underlined the Commission's political focus on and commitment to efficient legislation in her announcement to push ahead in streamlining reporting requirements, with the aim to reduce them by 25%. This focus was evident in the long-term competitiveness strategy ⁽⁸⁰⁾ that the Commission presented in March 2023, which features a dedicated part on a growth-enhancing regulatory framework as a horizontal support measure.

As part of this exercise, the Commission will make a fresh push to rationalise and simplify reporting requirements for companies and administrations with first proposals for each of the green, digital and economic thematic areas before the autumn. This includes for example consolidating, reducing frequency or digitalising such requirements without undermining the related policy objectives ⁽⁸¹⁾. The next annual burden survey will again report on the progress made. Although it takes time for the impact of changes to be felt directly on the ground, the Commission's commitment to take action only when necessary, in an efficient and targeted way, is stronger than ever. It will ensure that EU legislation remains future-proof and fit for purpose.

ANNEX 'ONE IN, ONE OUT' APPROACH — 2022 OFFSETTING OVERVIEW

LEGISLATIVE PROPOSALS	RECURRENT ADMINISTRATIVE COSTS [EUR MILLION/YEAR] (SAVINGS, IF NEGATIVE)	ANNUALISED ONE-OFF ADMINISTRATIVE COSTS [EUR MILLION/YEAR] (SAVINGS, IF NEGATIVE)	NET AMOUNT [EUR MILLION/YEAR] (SAVINGS, IF NEGATIVE)
Headline ambition 1 – A European Green Deal	1677.8	287.1	1964.9
Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on packaging and packaging waste, amending Regulation (EU) 2019/1020 and Directive (EU) 2019/904, and repealing Directive 94/62/EC	1260.0	3.5	1263.5
Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on the sustainable use of plant protection products and amending Regulation (EU) 2021/2115	573.8	2.2	576.0
Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Directive 2010/75/EU of the European Parliament and of the Council of 24 November 2010 on industrial emissions (integrated pollution prevention and control) and Council Directive 1999/31/EC of 26 April 1999 on the landfill of waste	228.2	239.0	467.2
Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Directives 2005/29/EC and 2011/83/EU as regards empowering consumers for the green transition through better protection against unfair practices and better information	10.6	13.2	23.8
Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on European Union geographical indications for wine, spirit drinks and agricultural products, and quality schemes for agricultural products, amending Regulations (EU) No 1308/2013, (EU) 2017/1001 and (EU) 2019/787 and repealing Regulation (EU) No 1151/2012 (+ corrigendum in May)	12.6	0	12.6
Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on fluorinated greenhouse gases, amending Directive (EU) 2019/1937 and repealing Regulation (EU) No 517/2014	5.6	0.4	6.0
Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Regulation (EC) No 1272/2008 of the European Parliament and of the Council on classification, labelling and packaging of substances and mixtures	-25.66	28.7	3.1
Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on nature restoration	0.0	0.0	0.0
Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Directive 2000/60/EC establishing a framework for Community action in the field of water policy, Directive 2006/118/EC on the protection of groundwater against pollution and deterioration and Directive 2008/105/EC on environmental quality standards in the field of water policy	0.0	0.0	0.0

LEGISLATIVE PROPOSALS	RECURRENT ADMINISTRATIVE COSTS [EUR MILLION/YEAR] (SAVINGS, IF NEGATIVE)	ANNUALISED ONE-OFF ADMINISTRATIVE COSTS [EUR MILLION/YEAR] (SAVINGS, IF NEGATIVE)	NET AMOUNT [EUR MILLION/YEAR] (SAVINGS, IF NEGATIVE)
Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing a Union certification framework for carbon removals	0.0	0.0	0.0
Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on ambient air quality and cleaner air for Europe (recast)	0.0	0.0	0.0
Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing a framework for setting ecodesign requirements for sustainable products and repealing Directive 2009/125/EC	0.0	0.0	0.0
Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on substances that deplete the ozone layer and repealing Regulation (EC) No 1005/2009	-0.2	0.0	-0.2
Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL laying down harmonised conditions for the marketing of construction products, amending Regulation (EU) 2019/1020 and repealing Regulation (EU) 305/2011 (Rev CPR)	-176.8	0.0	-176.8
Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on type-approval of motor vehicles and of engines and of systems, components and separate technical units intended for such vehicles, with respect to their emissions and battery durability (Euro 7) and repealing Regulations (EC) No 715/2007 and (EC) No 595/2009	-210.4	0.0	-210.4
Headline ambition 2 – A Europe fit for the digital age	-4207.3	17.1	-4190.2
Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on horizontal cybersecurity requirements for products with digital elements and amending Regulation (EU) 2019/1020	1896.9	2.9	1899.8
Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing the Union Secure Connectivity Programme for the period 2023-2027	0.0	0.0	0.0
Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing a framework of measures for strengthening Europe's semiconductor ecosystem (Chips Act)	0.0	0.0	0.0
Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on adapting non-contractual civil liability rules to artificial intelligence (AI Liability Directive)	0.0	0.0	0.0
Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on effectively banning the making available on the Single market of products produced, extracted or harvested with forced labour	0.0	0.0	0.0
Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on liability for defective products	0.0	0.0	0.0
Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing a Single Market emergency instrument and repealing Council Regulation No (EC) 2679/98	0.0	0.0	0.0

LEGISLATIVE PROPOSALS	RECURRENT ADMINISTRATIVE COSTS [EUR MILLION/YEAR] (SAVINGS, IF NEGATIVE)	ANNUALISED ONE-OFF ADMINISTRATIVE COSTS [EUR MILLION/YEAR] (SAVINGS, IF NEGATIVE)	NET AMOUNT [EUR MILLION/YEAR] (SAVINGS, IF NEGATIVE)
Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on the legal protection of designs (recast)	-2.1	0.0	-2.1
Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on harmonised rules on fair access to and use of data (Data Act)	-85.0	0.0	-85.0
Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on data collection and sharing relating to short-term accommodation rental services and amending Regulation (EU) 2018/1724	-268.9	14.1	-254.8
Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL laying down measures for a high level of public sector interoperability across the Union (Interoperable Europe Act)	-5748.2	0.0	-5748.2
Revision of the State aid framework for agriculture, forestry and rural areas	0.0	0.0	0.0
Revision of the vertical block exemption Regulation and of the vertical guidelines	0.0	0.0	0.0
Headline ambition 3 – An economy that works for people	-4763.9	-12.5	-4776.4
Strengthening existing rules and expanding exchange of information framework in the field of taxation (DAC8)			
Proposal for a Council Directive amending Directive 2011/16/EU as regards measures to strengthen existing rules and expand the exchange of information framework in the field of taxation to include crypto-assets and e-money	22.5	30.4	52.9
Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Directive 2009/148/EC on the protection of workers from the risks related to exposure to asbestos at work	33.0	0.0	33.0
Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Regulations (EU) No 260/2012 and (EU) 2021/1230 as regards instant credit transfers in euro	0.0	0.0	0.0
Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL harmonising certain aspects of insolvency law	0.0	0.0	0.0
Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on Corporate Sustainability Due Diligence and amending Directive (EU) 2019/1937	0.0	0.0	0.0
Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Regulation (EU) No 909/2014 as regards settlement discipline, cross-border provision of services, supervisory cooperation, provision of banking-type ancillary services and requirements for third-country central securities depositories	-0.4	-0.7	-1.1
Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Dir. 2009/65/EU, 2013/36/EU and (EU) 2019/2034 as regards the treatment of concentration risk towards central counterparties and the counterparty risk on centrally cleared derivative transactions (EMIR)	-10.0	0.0	-10.0

LEGISLATIVE PROPOSALS	RECURRENT ADMINISTRATIVE COSTS [EUR MILLION/YEAR] (SAVINGS, IF NEGATIVE)	ANNUALISED ONE-OFF ADMINISTRATIVE COSTS [EUR MILLION/YEAR] (SAVINGS, IF NEGATIVE)	NET AMOUNT [EUR MILLION/YEAR] (SAVINGS, IF NEGATIVE)
Review of the listing rules applicable to companies issuing securities in the EU (Listing Act) made of:			
Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Regulations (EU) 2017/1129, (EU) No 596/2014 and (EU) No 600/2014 to make public capital markets in the Union more attractive for companies and to facilitate access to capital for small and medium-sized enterprises			
Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Directive 2014/65/EU to make public capital markets in the Union more attractive for companies and to facilitate access to capital for small and medium-sized enterprises and repealing Directive 2001/34/EC			
Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on multiple-vote share structures in companies that seek the admission to trading of their shares on an SME growth market	-167.0	0.0	-167.0
VAT in the digital age package made of:			
Proposal for a COUNCIL DIRECTIVE amending Directive 2006/112/EC as regards VAT rules for the digital age			
Proposal for a COUNCIL REGULATION amending Regulation (EU) No 904/2010 as regards the VAT administrative cooperation arrangements needed for the digital age			
Proposal for a COUNCIL IMPLEMENTING REGULATION amending Implementing Regulation (EU) No 282/2011 as regards information requirements for certain VAT schemes	-4642.0	-42.2	-4684.2
Headline ambition 4 – A stronger Europe in the world	0.0	0.0	0.0
Headline ambition 5 – Promoting our European way of life	-270.5	24.1	-246.4
Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL laying down rules to prevent and combat child sexual abuse	73.1	9.4	82.5
Proposal for a Directive Obligation of carriers to communicate advance passenger information (API)	17.8	14.7	32.5
Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on standards of quality and safety for substances of human origin intended for human application and repealing Directives 2002/98/EC and 2004/23/EC	15.9	0.1	16.0
Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on asset recovery and confiscation	0.0	0.0	0.0
Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Regulations (EC) No 767/2008, (EC) No 810/2009 and (EU) 2017/2226 of the European Parliament and of the Council, [...], as regards the digitalisation of the visa procedure	0.0	0.0	0.0
Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL concerning the status of third-country nationals who are long-term residents (recast)	-0.1	0.0	-0.1

LEGISLATIVE PROPOSALS	RECURRENT ADMINISTRATIVE COSTS [EUR MILLION/YEAR] (SAVINGS, IF NEGATIVE)	ANNUALISED ONE-OFF ADMINISTRATIVE COSTS [EUR MILLION/YEAR] (SAVINGS, IF NEGATIVE)	NET AMOUNT [EUR MILLION/YEAR] (SAVINGS, IF NEGATIVE)
Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on import, export and transit measures for firearms, their essential components and ammunition, implementing Article 10 of the United Nations' Protocol against the illicit manufacturing of and trafficking in firearms, their parts and components and ammunition, supplementing the United Nations Convention against Transnational Organised Crime	-0.8	0.0	-0.8
Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on a single application procedure for a single permit for third-country nationals to reside and work in the territory of a Member State and on a common set of rights for third-country workers legally residing in a Member State (recast)	-101.6	0.0	-101.6
Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on the European Health Data Space	-274.8	0.0	-274.8
Headline ambition 6 – A new push for European democracy	0.0	-63.3	-63.3
Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Directive 2011/83/EU concerning financial services contracts concluded at a distance and repealing Directive 2002/65/EC	0.0	0.6	0.6
Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing a common framework for media services in the internal market (European Media Freedom Act) and amending Directive 2010/13/EU	0.0	0.0	0.0
Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on standards for equality bodies in the field of equal treatment and equal opportunities between women and men in matters of employment and occupation, and deleting Article 20 of Directive 2006/54/EC and Article 11 of Directive 2010/41/EU	0.0	0.0	0.0
Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on protecting persons who engage in public participation from manifestly unfounded or abusive court proceedings ("Strategic lawsuits against public participation")	0.0	0.0	0.0
Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on combating violence against women and domestic violence	0.0	0.0	0.0
Proposal for a COUNCIL REGULATION on jurisdiction, applicable law, recognition of decisions and acceptance of authentic instruments in matters of parenthood and on the creation of a European Certificate of Parenthood	0.0	-63.9	-63.9
Total	-7563.9	252.4	-7311.5

ENDNOTES

- ⁽¹⁾ Reducing regulatory burden started with the Administrative Burden Reduction Programme (2007-2012) and the results of the 'Top Ten Consultation of most burdensome EU laws for SMEs'. As a follow up, REFIT was launched in 2012 (COM(2012) 746).
- ⁽²⁾ COM(2017) 651 of 24 October 2017.
- ⁽³⁾ https://commission.europa.eu/law/law-making-process/evaluating-and-improving-existing-laws/refit-making-eu-law-simpler-less-costly-and-future-proof/fit-future-platform-f4f_en
- ⁽⁴⁾ https://commission.europa.eu/strategy-documents/commission-work-programme_en
- ⁽⁵⁾ Codification is the process of bringing the rules in an existing act together with all the amendments to that act, in the form of a new legal act. This replaces and repeals the earlier act.
- ⁽⁶⁾ Recast is a tool that can help simplify EU legislation by taking the opportunity of amending existing legislation to bring together all earlier amendments into a single document. The result is the adoption of a new legal act that incorporates both amendments and unchanged provisions in a single text.
- ⁽⁷⁾ https://commission.europa.eu/publications/annual-activity-reports_en
- ⁽⁸⁾ In 2021, 35 legislative initiatives with a simplification and burden reduction objective were adopted and 62 legislative initiatives were pending adoption. The Commission finalised 29 evaluations and fitness checks in 2021, with 28 ongoing.
- ⁽⁹⁾ COM(2022) 650 of 27 April 2022; COM(2022) 655 of 27 April 2022; COM(2022) 667 of 28 November 2022; COM(2022) 480 of 27 October 2022; COM(2022) 541 of 26 October 2022; COM(2022) 542 of 26 October 2022; COM(2022) 184 of 22 April 2022.
- ⁽¹⁰⁾ COM(2022) 503 of 4 October 2022.
- ⁽¹¹⁾ COM(2021) 802 of 15 December 2021; COM(2021) 804 of 15 December 2021; COM(2021) 733 of 25 November 2021; COM(2021) 732 of 25 November 2021; COM(2021) 734 of 25 November 2021; COM(2021) 434 of 30 July 2021; COM(2021) 422 of 20 July 2021; COM(2021) 563 of 14 July 2021; COM(2021) 558 of 14 July 2021; COM(2021) 115 of 12 March 2021.
- ⁽¹²⁾ The annual burden survey started to report data on codifications and recasts in 2021.
- ⁽¹³⁾ COM(2021) 769 of 7 December 2021.
- ⁽¹⁴⁾ COM(2022) 540 of 26 October 2022.
- ⁽¹⁵⁾ SWD(2019)439.
- ⁽¹⁶⁾ Communication from the Commission., OJ C 36, 31.1.2023, p. 1-42.
- ⁽¹⁷⁾ Communication from the Commission, Guidelines on State aid for climate, environmental protection and energy, OJ C 80, 18.2.2022, p. 1-89.
- ⁽¹⁸⁾ SWD(2020)174 of 08 September 2020.
- ⁽¹⁹⁾ Council Directive 2004/82/EC of 29 April 2004.
- ⁽²⁰⁾ COM(2022) 0729, COM(2022) 0731 of 13 December 2022.
- ⁽²¹⁾ COM(2022) 650 of 27 April 2022.
- ⁽²²⁾ COM(2022) 655 of 27 April 2022.
- ⁽²³⁾ SWD(2019)1055 of 29 March 2019.
- ⁽²⁴⁾ Directive 2011/98/EU of 13 December 2011.
- ⁽²⁵⁾ Commission Implementing Regulation (EU) 2022/89.
- ⁽²⁶⁾ Commission Implementing Regulation (EU) 2022/91.
- ⁽²⁷⁾ Commission Implementing Regulation (EU) 2022/92.
- ⁽²⁸⁾ Commission Implementing Regulation (EU) 2022/90.
- ⁽²⁹⁾ COM(2022) 144 of 20 March 2022.
- ⁽³⁰⁾ COM(2022) 666 and COM(2022) 667 of 28 November 2022.
- ⁽³¹⁾ Directive 98/71/EC of 13 October 1998.
- ⁽³²⁾ Regulation 6/2002 of 12 December 2001.
- ⁽³³⁾ During the 10-year transition, each year the benefits are estimated to increase by EUR 4-13 million per year to reach EUR 40-130 million in the last year.
- ⁽³⁴⁾ SWD(2018)157 of 7 May 2018.
- ⁽³⁵⁾ COM(2022) 495 of 28 September 2022.
- ⁽³⁶⁾ Council Directive 85/374/EEC of 7 August 1985.
- ⁽³⁷⁾ Costs following from amendments tabled at the legislative stage and or from national implementation measures could alter the cost estimates. They are not part of the Commission's 'one-in, one-out' approach, which stops at the level of the Commission's proposal.
- ⁽³⁸⁾ Excluding fees and charges, see Tool #59 (Typology of costs and benefits) of 'Better Regulation'. Compliance costs for public authorities are also presented in impact assessments but are not counted towards the 'one-in, one-out' offsetting.
- ⁽³⁹⁾ Adjustment costs encompass the investments and expenses that citizens or business have to bear to adjust their activity to the requirements contained in a legal rule, such as the costs of upgrading production lines, reducing environmental damage and improving public health.
- ⁽⁴⁰⁾ Administrative costs, whether one-off or recurrent, can comprise costs related to fulfilling reporting obligations, notifications, information labelling, authorisation, permits or certificates. For definitions, see Tools #56 (Typology of costs and benefits) in the 'better regulation' toolbox.
- ⁽⁴¹⁾ COM(2021) 219 final, https://ec.europa.eu/info/files/better-regulation-joining-forces-make-better-laws_en
- ⁽⁴²⁾ The main principles were developed in the Commission's revised 'better regulation' guidelines, while the 'better regulation' toolbox provided practical guidance on how to estimate and report costs.
- ⁽⁴³⁾ See: OECD: One-In, X-Out: regulatory offsetting in selected OECD countries (OECD regulatory policy working paper).
- ⁽⁴⁴⁾ See https://commission.europa.eu/document/download/9d243918-55d8-4ca4-b6c6-9fef5c048b9_en?filename=annual-burden-survey_2021_en.pdf, p. 12.
- ⁽⁴⁵⁾ See Tool #64 of the 'better regulation' toolbox on the level of the discount factor. The 10-year period is sufficiently long to reflect the average cost over a longer term; the legislation introducing the one-off administrative costs is likely to be evaluated and possibly revised within that period. The 10-year period is also recommended by the OECD in the assessment of compliance costs (OECD, 2014, Regulatory compliance cost assessment guidance, p. 43).
- ⁽⁴⁶⁾ The 'one-in, one-out' calculator is an internal Commission tool to calculate and record new and removed administrative burden, based on the EU standard cost model that is publicly available – see Tool #58 of the 'better regulation' toolbox at https://commission.europa.eu/law/law-making-process/planning-and-proposing-law/better-regulation/better-regulation-guidelines-and-toolbox_en
- ⁽⁴⁷⁾ Regulatory Scrutiny Board, Annual Report 2022, May 2022, at https://commission.europa.eu/publications/regulatory-scrutiny-board-annual-report-2022_en
- ⁽⁴⁸⁾ In the rare cases where an impact assessment was not carried out due to urgency, an analytical document (staff working document) was drawn up instead to replace it – if needed, within three months of adoption. The costs for the approach presented in these analytical documents could therefore still be recorded in the 'one-in, one-out approach' to give a consistent coverage of all relevant initiatives.
- ⁽⁴⁹⁾ See for instance OECD (2019) 'One-in, X-out: Regulatory offsetting in selected OECD countries', OECD Regulatory policy working papers No 11.
- ⁽⁵⁰⁾ Note, however, that often the distinction between administrative and adjustment costs may be subject to interpretation, in particular for initiatives that are, by their very nature, of an administrative character.
- ⁽⁵¹⁾ At the start of the term of office in 2019, President von der Leyen presented in 'A Union that strives for more – My agenda for Europe' the priority policy areas for the current Commission 2019-2024 to match the next generation's aspirations and the transformation challenges Europe faces across six headline ambitions. The Commission also announced the 'one in, one out' approach under the von der Leyen term of office.
- ⁽⁵²⁾ The initiative includes also additional costs savings for businesses, amounting to EUR 255 million.
- ⁽⁵³⁾ This includes opportunities arising where the EU sets the standards at the global level or when economies of scales can occur by being able to serve a market of over 440 million consumers. See also the Communication on 'The Single Market at 30', COM(2023)162.
- ⁽⁵⁴⁾ https://commission.europa.eu/strategy-and-policy/recovery-plan-europe_en
- ⁽⁵⁵⁾ https://commission.europa.eu/strategy-and-policy/recovery-plan-europe_en
- ⁽⁵⁶⁾ https://ec.europa.eu/economy_finance/recovery-and-resilience-scoreboard/
- ⁽⁵⁷⁾ Among the measures that contribute to the policy of smart, sustainable and inclusive growth, 21 plans contain investments and reforms worth EUR 45.2 billion identified as supporting SMEs, representing approximately 10% of all estimated RRF expenditure. The figures (covering all Member States, except Hungary) are based on the pillar tagging methodology for the Recovery and Resilience Scoreboard and corresponds to the measures allocated to the policy area 'Support to SMEs' as primary or secondary policy area.
- ⁽⁵⁸⁾ COM(2021) 568 of 14 July 2021.
- ⁽⁵⁹⁾ [Commission Decision of 11 May 2020 establishing the Fit for Future Platform \(2020/C 163/03\).](https://commission.europa.eu/strategy-and-policy/recovery-plan-europe_en)
- ⁽⁶⁰⁾ [SME envoys network.](https://commission.europa.eu/strategy-and-policy/recovery-plan-europe_en)
- ⁽⁶¹⁾ [RegHub network.](https://commission.europa.eu/strategy-and-policy/recovery-plan-europe_en)
- ⁽⁶²⁾ [Have your say: Simplify!](https://commission.europa.eu/strategy-and-policy/recovery-plan-europe_en)
- ⁽⁶³⁾ [Fit for Future Platform annual work programme 2022.](https://commission.europa.eu/strategy-and-policy/recovery-plan-europe_en)
- ⁽⁶⁴⁾ Value Added Tax.
- ⁽⁶⁵⁾ REACH stands for the Registration, Evaluation, Authorisation and restriction of chemicals.
- ⁽⁶⁶⁾ [Fit for Future Platform 2022 adopted opinions.](https://commission.europa.eu/strategy-and-policy/recovery-plan-europe_en)
- ⁽⁶⁷⁾ https://commission.europa.eu/law/law-making-process/evaluating-and-improving-existing-laws/refit-making-eu-law-simpler-less-costly-and-future-proof/fit-future-platform-f4f/adopted-opinions_en
- ⁽⁶⁸⁾ The Prospectus Regulation sets the EU rules on the information that must be provided by companies that want to offer securities to the public or seek admission to trading on a regulated market to attract investors, raise capital and finance their growth.
- ⁽⁶⁹⁾ [Capital Markets Union package.](https://commission.europa.eu/strategy-and-policy/recovery-plan-europe_en)
- ⁽⁷⁰⁾ [Micro-organisms used in plant protection products.](https://commission.europa.eu/strategy-and-policy/recovery-plan-europe_en)
- ⁽⁷¹⁾ COM(2023) 411 final, see <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM:2023:411:FIN>
- ⁽⁷²⁾ European Citizens Panels are a new phase of citizen engagement to support the Commission's policymaking that build on the success of such Panels carried out during the Conference on the Future of Europe. For more information on the results of the Food Waste Panel see https://citizens.ec.europa.eu/food-waste-panel_en
- ⁽⁷³⁾ COM(2023) 420 final, see <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:52023PC0420>
- ⁽⁷⁴⁾ [Commission Strategic Foresight Report 2022](https://commission.europa.eu/strategy-and-policy/recovery-plan-europe_en)
- ⁽⁷⁵⁾ [Shaping Europe's Digital Future.](https://commission.europa.eu/strategy-and-policy/recovery-plan-europe_en)
- ⁽⁷⁶⁾ [Interoperable Europe Act.](https://commission.europa.eu/strategy-and-policy/recovery-plan-europe_en)
- ⁽⁷⁷⁾ COM(2023)451, see https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=comnat:COM_2023_0451_FIN
- ⁽⁷⁸⁾ COM(2023)424, see <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52023PC0424>
- ⁽⁷⁹⁾ The SME filter is a process carried out by the SME Envoys Network to identify the SME-relevant policy initiatives in the early stages of policy making, available at <https://ec.europa.eu/docsroom/documents/53934>.
- ⁽⁸⁰⁾ COM(2023) 168 final, see https://ec.europa.eu/commission/presscorner/detail/en/ip_23_1668.
- ⁽⁸¹⁾ Reporting requirements are necessary to ensure proper implementation, monitoring and evaluation of EU body of law. They can also be economically meaningful as they replace 27 different obligations from Member States.

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