

**Intermediate Report of the High Level Group of
Independent Stakeholders on Administrative Burdens
- Achievements and challenges -**

Adopted at the meeting of the HLG on 17 September 2009 in Brussels

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I. Introduction

In the context of the Lisbon Strategy, refocused on growth and jobs, the Commission has launched a comprehensive agenda on better regulation to ensure that the regulatory framework in the EU contributes to achieving the renewed aims of the Lisbon Strategy, namely growth and jobs. The EU's Better Regulation policy aims at achieving set objectives in a more efficient way while removing unnecessary administrative burdens. This can be done by simplifying and improving existing regulation, to better design new regulation and to reinforce the adherence to and the effectiveness of the rules. Better Regulation is one of the priorities of the current Commission. The Strategy continues to take into account the social and environmental objectives and the benefits for citizens and national administrations.

Good regulation is necessary and beneficial for many reasons: to ensure that markets function properly; to create a level playing-field for companies and financial institutions competing in the single market; to protect the health and the environment of both workers and consumers. At the same time regulation brings costs and burdens – for companies, public authorities and citizens – and these must be kept to a minimum, in line with the EU proportionality principle as laid down in article 5 of the EC Treaty. In driving forward the better regulation agenda, the Commission's aims have been to ensure that the regulatory framework helps to stimulate entrepreneurship and innovation, allows businesses to compete more effectively and to exploit fully the potential of the internal market.

Following the first strategic review of the Better Regulation initiative in November 2006, the Commission proposed to reinforce the initiative with an ambitious set of actions, including the launch of a strategy to reduce the administrative burden for companies of existing regulation, jointly with Member States, by 25% by 2012. It was estimated by the Commission that a reduction of the administrative burden by a quarter could lead to an increase of 1.4 % of EU GDP. The resulting Action Programme was proposed in January 2007.¹

The Commission initiative was welcomed in the Conclusions of the Spring European Council on 8/9 March 2007. Furthermore, the European Council supported the intention of the Commission to set up, as part of a pilot project supported by the European Parliament, an independent expert group to assist the Commission with the implementation of the Action Plan on the Reduction of Administrative Burdens. This independent expert group was set up by the Commission on 31 August 2007 as "High Level Group of Independent Stakeholders on Administrative Burdens" (HLG).

After nearly two years of intensive and fruitful work the HLG presents this intermediate report to the European Commission and its President José Manuel Barroso at the start of a new mandate.

II. The Action Programme

A key part of the Action Programme consists of a large-scale measurement of administrative costs incurred by businesses in complying with "Information Obligations" (IOs) in 13 Priority Areas. Information Obligations are legal obligations placed on businesses to provide information on their action or production, either to public authorities or to private parties. Information is construed in a broad sense, i.e. including labelling, reporting, registration,

¹ COM(2007)23

monitoring and assessment needed to provide the information. The methodology used is based on the “EU Standard Cost Model”² (see Annex). The 13 Priority Areas covered are

- Agriculture and Agricultural Subsidies
- Annual Accounts / Company Law
- Cohesion Policy
- Environment
- Financial Services
- Fisheries
- Food Safety
- Pharmaceutical Legislation
- Public Procurement
- Statistics
- Tax Law (VAT)
- Transport
- Working Environment / Employment Relations.

Within these 13 areas a total of 42 legislative acts (extended by another 30 acts in January 2009) have been taken into account. The Commission tasked a Consortium³ to help with mapping and measuring the information obligations in the 13 priority areas. In 2007 and 2008 a detailed measurement was carried out – primarily through workshops and interviews – normally in six EU Member States per priority area with a different selection for each Priority Area. In addition, data from Member States which had already carried out administrative burden measurement of their own, so-called ‘baseline countries’ were analysed. Based on the results of these processes, data were extrapolated for the remaining countries. According to the measurement of the 42 legislative acts within the scope, the administrative cost for European undertakings totals almost 130 bn. Euros per year.

Furthermore, the Consortium was contracted to develop simplification measures to reduce administrative burdens on the basis of the measurements. The Consortium has delivered such preliminary measures mostly in Spring and Summer 2009.

III. The Work of the High Level Group

On 31 August 2007, the Commission set up the “High Level Group of Independent Stakeholders on Administrative Burdens” (HLG) to advise on the implementation of the Action Programme for Reducing Administrative Burdens in the EU, with a three-year mandate. According to Article 2 of the Mandate of the HLG⁴ *the group’s task shall be to advise the Commission with regard to the Action Programme for Reducing Administrative Burdens in the European Union whose aim is to reduce administrative burdens on businesses arising from EU legislation by 25% by 2012. In particular, the group will provide advice on administrative burden reduction measures suggested by the consultants, through internet consultation and local workshops in Member States; advise the Commission at its request on methodological issues that may arise in the Action Programme; suggest which additional*

² Cf. http://ec.europa.eu/enterprise/admin-burdens-reduction/action_program_en.htm#ee and for 2009 Commission Impact Assessment Guidelines:

http://ec.europa.eu/governance/impact/commission_guidelines/commission_guidelines_en.htm

³ Deloitte, Capgemini and Ramboll Management

⁴ Cf. Commission Decision C(2007) 4063

pieces of existing legislation could be included in the EU-wide measurement exercise, as necessary. (see annex).

On 13 September, Dr. Stoiber was appointed chairman of the group. Including the chairman the group has 15 members proposed by stakeholder organisations such as business associations, trade unions, environmental organisations, etc. (see Annex). The members were appointed by the Commission on 23 November 2007. They work on an honorary basis and are supported by a secretariat within the Directorate-General for Enterprise and Industry. The group held its inaugural meeting on 17 January 2008 and have since met a further 12 times. Each member was appointed as a reporting member for one or more of the priority areas and thus responsible for preparing HLG draft opinions for the respective priority areas.

Furthermore, Mr Lehne, MEP, representative of the European Parliament, and Ms Maij-Weggen, representative of the Committee of the Regions, attended the HLG meetings as observers and participated in the discussions.

The mandate of the group is limited to reducing administrative burdens in the stock of legislation (ex-post). Avoiding unnecessary burdens in new legislation (ex-ante) is not comprised in the mandate of the HLG. This task, amongst others, is dealt with by the Impact Assessment Board (IAB), a body of five high-ranking Commission officials, working under the authority of the President of the Commission. As the tasks of the IAB and the HLG are linked to each other in their efforts to reduce and prevent unnecessary administrative burdens, all HLG meetings were attended by a representative of the IAB. The EU has not yet confirmed that the 25 % reduction target is a net reduction target.

1. Baseline Measurement

In the beginning the group familiarised itself with the methodology used for the measurement, the EU Standard Cost Model. The group received preliminary reports from the Consortium on the measurement and subsequently advised the Commission on these measurements. Initially the HLG was confronted with certain inconsistencies as well as a lack of explanations in these reports. The HLG debated these issues several times with the Consortium and the Commission. Some of the issues raised have been solved subsequently although some doubts on the quality of specific figures remain. Nonetheless the results enabled the HLG to get an indication on the burdens and gave insight to the process to comply with information obligations and provided the basis for the HLG's work.

The HLG acknowledged the approach to start the measurement with 42 selected legislative acts. However, their exact share in the total burdens imposed by EC legislation remains unclear. Because of this deficiency, a quantification of the complete administrative burdens caused by EU legislation is not possible at this point of time. The HLG cannot help to doubt that some of the acts chosen were not among the most burdensome. The HLG therefore in general welcomed the extension of the Action Programme by another 30 acts as announced in January 2009, but would have appreciated to be consulted by the Commission prior to the adoption of the list. If an assessment of the total administrative burdens in the EU is intended, further extensions of the Action Programme seem necessary.

In the HLG's opinion transparency is of utmost importance for the whole process of reducing administrative burdens. Therefore, the group has decided to consult stakeholders while drafting and debating its opinions. All opinions and minutes of the meetings are published on its website. The HLG strongly regrets that it was not possible to publish any of the intermediate documents used from the Consortium. This holds especially true as these

documents formed the basis of the HLG's work. The HLG is of the view that the final reports by the Consortium should be published as soon as possible.

2. Opinions of the HLG

Since its inauguration the HLG adopted opinions on all 13 priority areas and made numerous suggestions where and how to reduce administrative burdens. In addition, the group delivered four opinions on suggestions made by stakeholders such as individual enterprises or business associations, national, regional and local governments or individual citizens. Furthermore, the HLG adopted opinions on the so-called 2008 Fast Track Actions (FTA), immediate measures that are likely to generate significant benefits through merely technical changes in existing rules, which can be adopted fairly quickly.

The HLG strived to adopt its opinions unanimously and succeeded in most cases. In those cases where unanimity could not be achieved, the HLG voted on the contentious points. The discussions within the group are reported in the minutes of the meeting which are published on the HLG's website.

Under the chairmanship of Dr. Edmund Stoiber the members of the group dealt with such diverse matters as e-invoicing and statistical needs, accounting and auditing, risk assessments at work, digital tachographs, animal identification and registration, product labelling and regulation in the financial sector. All in all it made more than 250 suggestions with a reduction potential of more than 40 billion EUR of annual savings. The two most prominent suggestions refer to certain obligations of micro enterprises⁵ (see 10 July 2008 HLG opinion on Company Law) and on e-invoicing (22 October 2008 HLG opinion, cf. annex).

Most important recommendations of the HLG:

One of the crucial recommendations of the HLG in particular due to its implications for all kinds and sizes of businesses, is the recommendation by the HLG to foster e-invoicing, i.e. to organise inter-company billing electronically. Although technically already possible, several legal and other burdens hamper the development of this important initiative. Due to the large number of bills sent from one company to another, the potential is huge: around 18 billion EUR. The HLG is very pleased that the Commission made this recommendation its own by adopting the necessary legislative proposal in January 2009.

Equally important and intensively discussed in two HLG meetings was the suggestion to give Member States the possibility to exempt micro-entities from European accounting rules. In each undertaking the possible burden reduction is on average around 1,200 EUR per year, which is a considerable sum for such small businesses. The fact that the vast majority of European businesses are micro-entities leads to a reduction potential of approximately 5.8 billion EUR per annum. The Commission presented a legislative proposal to that avail in February 2009.

Both proposals now lie with Council and Parliament.

⁵ Micro entities are: companies that do not exceed the limits of two of the three following criteria: balance sheet total of EUR 500.000, net turnover of EUR 1.000.000 and an average number of employees during the financial year of 10

a. Opinions in the 13 Priority Areas

The HLG adopted opinions with burden reduction recommendations in all 13 Priority Areas that are in the scope of the Action Programme based on the work done by the services of the Commission, the findings of the Consortium and on suggestions submitted by stakeholder groups. In the areas of transport and environment, follow-up opinions are planned.

In general, the opinions were compiled as follows:

- Based on reports by the Consortium, discussions with stakeholders and their suggestions, the Secretariat of the HLG produced a first draft of the opinion.
- The reporting members wrote the final draft of the opinion following discussions with Commission staff from departments competent for the subject.
- Once the reporting members and the chair were comfortable with the draft all other members received it for comments.
- Following that the opinions were discussed intensively in plenary sessions of the HLG, and then updated by the Secretariat and published. Most opinions were adopted unanimously, in some cases individual members voted against or abstained in relation to parts or the whole opinion. To be transparent the HLG not only published its opinions but also put the minutes of its meetings in the public domain.

b. Opinions on Stakeholders' suggestions

The HLG has received almost 400 suggestions from various stakeholders such as individual citizens, business associations, companies and Member States. Since the Action Programme focuses on the reduction of administrative burdens for businesses, some contributions tended to suggest removal or drastic revision of regulations. During the discussions in particular members of the group with a background among consumer or environmental organisations or trade unions pointed out that some of these suggestions might conflict with the political objectives of the legislation.

The most promising suggestions (around 90) were dealt with in four separate opinions (so-called "offline consultation opinions"). The HLG will continue to discuss suggestions submitted by stakeholders and to give recommendations on these in its opinions.

c. Opinions on Fast Track Actions

Right at the beginning of its activities the HLG looked in detail at the proposed Fast Track Actions (FTA), measures that were identified by the Commission to be implemented quickly but nevertheless with a significant overall reduction potential. The two FTA packages 2007 and 2008 together included measures with a reduction potential of around 2.3 billion EUR.⁶

⁶ Due to its inception in late 2007 the HLG did not have the opportunity to make its view known as regards the 2007 package of FTAs.

3. Other activities

Outside the plenary sessions of the HLG various activities were undertaken to promote reduction of administrative burdens and raise awareness for the problem. Of particular interest was the Best Idea for Red Tape Reduction Award and the discussions the chair and the members of HLG had with various governments, stakeholders and institutions.

a. Best Idea for Red Tape Reduction Award

At the initiative of Mr Berger and Mr Illy (members of the HLG), the HLG advised the Commission on 26 February 2008 to organise a competition to generate new suggestions on reducing administrative burdens. The competition “Best Idea for Red Tape Reduction Award” was officially launched in cooperation with Bertelsmann Foundation and SCM Network on 18 September 2008. Until the official deadline expired on 31 January 2009, the Commission received almost 500 entries from all over Europe via newspapers (BILD, Fakt, The Sun⁷) the online consultation and the European Business Test Panel.

The submitted ideas have been evaluated by the Secretariat of the HLG according to criteria such as originality, feasibility and overall potential to reduce burdens, notably for Small and Medium Sized Enterprises (SMEs). The most promising 20 suggestions were presented to an independent jury headed by Vice-President Verheugen and Dr. Stoiber. The jury included representatives from other European Institutions, the SCM Network and Bertelsmann Foundation as well as Mr Gibbons for the HLG, all appointed in their personal capacity; the jury met on 31 March to select the top three candidates including the winner. The top 20 suggestions covered various subject matters such as financial services, trade and other statistics, food safety and labelling, employment issues, automotive industries, customs issues, transport and agriculture. They originated from Austria, Belgium, Cyprus, Denmark, Estonia, Germany, Greece, the Netherlands and Sweden.

The German Confederation of Skilled Crafts (ZDH) received the Best Idea for Red Tape Reduction Award for its idea to exempt more craft businesses from the obligation to use a tachograph for short distances. Vice-President Verheugen and Dr. Stoiber together handed out the award to the president of ZDH, Otto Kentzler, on the occasion of the 2009 European Enterprise Award ceremony in Prague on 13 May 2009. Mr Kentzler appealed to the Commission to implement the idea as soon as possible. The runner-ups included the Federation of Swedish Farmers (LRF) which proposed that food producers producing small amounts (such as beekeepers) should not have to register as a food business when delivering small quantities to wholesalers or packaging establishments, and the Austrian SME Kutsam GmbH&CoKG which proposed that statistical data for Intra-Community trade should only be collected from the exporter in future, instead both from the exporter and the importer as it is the case today (single flow reporting). These and other ideas received in the context of the competition contribute to keeping up the speed of reducing administrative burdens, in line with the Commission goal of 25% less red tape in the EU by 2012.

⁷ The HLG concluded a media partnership with these three newspapers.

Winning proposal of the “Best Idea for Red Tape Reduction Award”

The winning suggestion would - if implemented - ease the life of many small businesses in various handicraft sectors. The existing exemptions from the obligation to use a tachograph⁸ for different types of businesses are not very coherent. Many business owners cannot understand why they are subjected to a regime that obliges them to use this expensive instrument for activities beyond a radius of mere 50 km. The objective of the legislation is to avoid excessive driving hours both from a social and road safety viewpoint. This mainly concerns the transport business, not craft businesses whose main occupation is not to transport goods but to reach a client to perform services. It is consequently not suggested to change the underlying driving time rules but only to alleviate burdens identified by the sector itself.

b. Individual visits and discussions

The Chair regularly exchanged views with Vice-President Verheugen who is responsible for reducing administrative burdens within the Commission. On 6 November 2008 the Chair met President Barroso for an extensive discussion on the state of play and the course of action concerning the reduction of administrative burdens. Furthermore, the Chair held numerous meetings with Commissioners and Directors-General. From this experience the Chair drew the conclusion that the Commission’s understanding of the problems businesses are faced by unnecessary bureaucracy has increased and that a new culture seems to be developing which aims at minimising burdens for businesses.

The chairman of the IAB, Alexander Italianer, attended several HLG meetings and informed members about the work of the IAB. The HLG acknowledges the work of the IAB and the improvements in the quality of Commission’s impact assessments.

On 20 June 2008 the Chair and several other members participated actively as speakers or participants in panels in the “Cutting Red Tape for Europe” conference in Brussels.

In November 2008 the HLG was also well represented at the International Regulatory Reform Conference, organised by the Bertelsmann Foundation in Berlin.

In September and December 2008 the Chair reported to two political groups of the European Parliament, the EPP group and the ALDE group, on the progress of the HLG’s work. Besides those, he participated in discussions on reducing red tape within the EP’s committees for Legal Affairs, Budgetary Control, Internal Market and Consumer Protection as well as for Industry, Research and Energy. On 8 July 2009 the Chair met the then President of the European Parliament, Hans-Gert Pöttering, for an exchange of views.

On 11 February 2009 the Chair reported to the Committee of the Regions’ executive committee.

Moreover, the Chair met with numerous representatives from Member State governments, in particular Chancellor Merkel and the then President of the European Council Sarkozy and the Chairman of the Eurogroup Prime Minister Juncker, who promised their support for reducing bureaucracy. Additional meetings with the governments of Slovenia, the UK, the Netherlands,

⁸ A device that records the distance and time travelled by a vehicle (especially a truck or coach), used to check the drivers' working time and speed of the vehicle..

Belgium and Italy took place; all governments assured the Chair of their full support for the reduction of red tape. On 29 May 2008 the Chair discussed issues of red tape reduction on a national and European level with representatives of the 27 Member States in the context of the Competitiveness Council. From this discussion the Chair got the impression that more and more Member States were aiming to be at the forefront of reducing bureaucracy. In his view the idea of reducing red tape has gained momentum all over Europe. The Chair saw the increasing number of Member States which address the reduction of administrative burdens as a positive signal.

During the HLG meeting on 20 January 2009 Mr William Sargent, then chair of the UK Better Regulation Executive, presented the UK achievements and plans.

In order to get first hand information on the problems faced by enterprises due to unnecessary bureaucracy, the Chair visited enterprises of different sizes and branches. He spoke with entrepreneurs and business representatives in Germany, the UK, the Netherlands, Italy and France. Numerous suggestions for simplification tabled on these occasions were incorporated in the HLG's work on so-called "offline" suggestions.

The Chair informed members in regular intervals about the various other activities.

Upon invitation by Mr Henri Grethen, Member of the European Court of Auditors, several members of the HLG participated in the evaluation of the draft report of the Court on the Commission's impact assessment system in Luxembourg.

Members also participated in numerous other conferences and events on the reduction of administrative burdens on businesses such as the conference "Reduction of Administrative Burdens on SMEs" organised under the Slovenian presidency in Bled on 17 April which Mr Linschoten attended on behalf of the HLG or a conference on SMEs in a larger Europe organised by BusinessEurope in Brussels on 7 May 2009 which Mr Gibbons attended on behalf of the Chair.

IV. Conclusions

The HLG welcomes the legislative and other initiatives the Commission set already in the context of Better Regulation. It agrees with the Commission that many more steps need to be taken. The HLG calls upon Commissioners to propose necessary legislative actions before the end of this mandate, as asked for by the Council and promised by the Commission in its Communication of January 2009⁹.

The HLG will continue till the end of its mandate to give advice to the Commission to the best of its knowledge. It will not cease to underline the message that the reduction of administrative burden is very important to improve the situation of European businesses and to increase the trust in European politics.

It is paramount for the success of the programme that the Commission continues to make the necessary legislative proposals and that Parliament and Council treat these as quickly as possible and without adding additional burdens on the way. Concrete actions are needed, not lip service.

Reducing and preventing new administrative burdens is a permanent task. The Commission as well as all other European institutions should look at the organisational setup needed to ensure that this task will be continued and intensified after the current mandate of the HLG expires.

⁹ Cf. COM(2009)15

Annexes

Members of the group

Members	Profile	Proposed by
STOIBER Edmund	Chair of the High-Level Group Former Minister-President of Bavaria	European Commission
BERGER Roland	Chairman Roland Berger Strategy Consultants	Mr. Stoiber
CARVALHO GOUCHA Gabriel Côrte-Real de	General Counsel of the Mirpuri Investments Group Vice President for Institutional and International Relations of PME Portugal (an Association of SMEs). Representative of PME Portugal in the Commission for “Desformalização” of the Ministry of Justice	European Small Business Alliance (ESBA)
FRITSCH Annika	Senior Tax Specialist Specialist in the areas of taxes and corporate law and coordinator of Better Regulations at Företagarna	European Association of Craft, Small and Medium-sized Enterprises (UEAPME)
GIBBONS Michael	Company Director with specialist energy sector expertise Independent regulatory expert	Mr. Stoiber
HONTELEZ John	Secretary General of the European Environmental Bureau (EEB)	European Environmental Bureau (EEB) via Friends of the Earth - Europe
ILLY Riccardo	Chairman of Gruppo Illy Former President of the Region Friuli- Venezia-Giulia and President of the Assembly of European Regions	European Commission in agreement with Mr. Stoiber
JONGERIUS Agnes	Chairwoman of the Federatie Nederlandse Vakbeweging - FNV	ETUC
LINSCHOTEN Robin	Former Chairman of the Dutch Advisory Board on Administrative Burdens (Actal)	Mr. Stoiber
LUDEWIG Johannes	Executive Director Community of European Railway and Infrastructure Companies (CER) Chairman of the German National Regulatory Control Council	BusinessEurope
MOLLERUP Paul	Managing Director of the Danish Federation of Small and Medium-sized Enterprises (DFSME), H• NDAERKSR• DET	European Commission in agreement with Mr. Stoiber

MURRAY Jim	Independent Consultant Special Adviser to Commissioner Kuneva	Bureau Européen des Unions de Consommateurs (BEUC)
PESONEN Pekka Juhana	Secretary General of COPA and COGECA. Formerly dairy and livestock advisor in Brussels; former State Secretary - Finnish Ministry of Agriculture and Forestry	Committee of Professional Agricultural Organisations in the European Union (Copa) - General Confederation of Agricultural Co- operatives in the European Union (Cogeca)
POTDEVIN Jacques	Certified public accountant and auditor Chairman of Jacques Potdevin & Associés (JPA Paris) CEO of JPA International and JPA Consulting International. Senior lecturer to the French Business School HEC (Hautes Etudes Commerciales).	European Federation of Accountants (FEE)
TELICKA Pavel	Senior Advisor at the European Policy Centre (EPC) Former European Commissioner co- responsible for the portfolio of Health and consumer protection with Commissioner David Byrne (in 2004)	European Policy Centre (EPC)

Since its inception the following persons stepped down from their HLG membership:

Mr Haythornthwaite (replaced by Mr Gibbons), Mr Pere Padrosa (replaced by Mr Mollerup) and Mr Mendez (replaced by Ms Jongerius)

Mandate of the group

Article 1

The High Level Group of Independent Stakeholders on Administrative Burdens

The High Level Group of Independent Stakeholders on Administrative Burdens, hereinafter referred to as “the group”, is hereby set up with effect from 31 August 2007.

Article 2

Task

The group’s task shall be to advise the Commission with regard to the Action Programme for Reducing Administrative Burdens in the European Union whose aim is to reduce administrative burdens on businesses arising from EU legislation by 25% by 2012.

In particular, the group will:

- provide advice on administrative burden reduction measures suggested by the consultants, through internet consultation and local workshops in Member States;
- advise the Commission at its request on methodological issues that may arise in the Action Programme;
- suggest which additional pieces of existing legislation could be included in the EU-wide measurement exercise, as necessary.

The mandate is given for three years: it may be extended by Commission Decision.

Article 3

Consultation

1. The Commission may consult the group on any matter relating to the implementation of the Action Programme for Reducing Administrative Burdens in the European Union.
2. The Chairperson of the group may advise the Commission that it is desirable to consult the group on a specific question. The group shall not provide such advice unless being requested in writing by the Commission.

Article 4

Membership – Appointment

1. The group shall be composed of up to fifteen members.
2. The Commission shall first appoint the Chairperson of the group. The members of the group shall then be appointed by the Commission in consultation with the Chairperson from high level stakeholders with competence in the areas referred to in Article 2 and 3(1).

The members shall be selected on the basis of their expertise in Better Regulation and/or the policy areas covered by the Action Programme. The Commission shall ensure that the interests of small and large businesses, social partners, consumer and environmental organisations, including non-governmental organisations are adequately represented.

3. The members shall be appointed in a personal capacity and shall advise the Commission independently of any outside influence in accordance with this decision.
4. Members of the group are appointed for a three-year term of office. They shall remain in office until such time as they are replaced or their term of office ends.
5. Members who are no longer capable of contributing effectively to the group's deliberations, who resign or who do not comply with the conditions set out paragraph 3 of this Article, or Article 287 of the Treaty may be replaced for the remainder of their term of office.
6. Members shall each year sign an undertaking to act in the public interest and a declaration indicating the absence or existence of any interest which may undermine their objectivity.
7. The names of members shall be published on the Internet site of the Directorate-General for Enterprise and Industry. The names of members shall be collected, processed and published in accordance with Regulation (EC) No 45/2001.

Article 5 Operation

1. In agreement with the Commission, sub-groups may be set up to examine specific questions under terms of reference established by the group. Such sub-groups shall be dissolved as soon as their objectives have been reached. Where appropriate, the opinion of existing stakeholder groups with sectoral expertise will be sought and transmitted to the group and sub-groups.
2. The Commission or the Chairperson, in agreement with the Commission, may ask experts or observers with specific competence on a subject on the agenda to participate in the group's or sub-groups' deliberations if this is useful and/or necessary.
3. Information obtained by participating in the deliberations of a group or sub-group shall not be divulged if, in the opinion of the Commission, that information relates to confidential matters.
4. The group and its sub-groups shall normally meet on Commission premises in accordance with the procedures and schedule established by it. The Directorate-General for Enterprise and Industry shall provide secretarial services.
5. The group shall adopt its rules of procedure on the basis of the standard rules of procedure adopted by the Commission¹⁰.

¹⁰ See standard rules of procedure – Annex III of document SEC(2005)1004.

6. The Commission will in general publish on the Internet, in the original language of the document concerned, any relevant summary or conclusion resulting from the work of the group.

Article 6
Meeting expenses

The Commission shall reimburse travel and, where appropriate, subsistence expenses for members, experts and observers in connection with the group's activities in accordance with the Commission's rules on the compensation of external experts.

The members, experts and observers shall not be remunerated for the services they render.

Meeting expenses are reimbursed within the limits of the annual budget allocated to the group by the responsible Commission services.

Article 7
Applicability

The decision shall apply until three years after its adoption by the Commission.

List of opinions and reporting members per HLG meeting

26 February 2008

Discussion on the Fast Track Actions (FTA) package 2008; opinion prepared by Mr Berger and Mr Illy

29 May 2008

Discussion of the priority area Company law and vote on the micro-entities proposal (exemption from EU accounting and auditing rules)

April meeting

10 July 2008

- Company law: Ms Fritsch, Mr Côte-Real Goucha, Mr Gibbons, Mr Ludewig and Mr Potdevin

18 September 2008

- First opinion on stakeholders' suggestions: coordinated by Mr Linschoten

22 October 2008

- Invoicing rules in the VAT directive (e-invoicing): Mr Mollerup, Ms Fritsch, Mr Potdevin and Mr Berger

10 December 2008

- Public procurement: Mr Teli•ka and Mr Linschoten

20 January 2009

- Second opinion on stakeholders' suggestions: coordinated by Mr Linschoten

4 and 5 March 2009

- Agriculture: Mr Pesonen and Mr Illy
- Food safety: Mr Murray and Mr Pesonen
- Pharmaceutical legislation: Mr Linschoten and Mr Murray
- Transport: Mr Ludewig and Mr. Teli•ka

16 and 17 April 2009

- Environment: Mr Hontelez, Mr Ludewig and Mr Pesonen
- Third opinion on stakeholders' suggestions: coordinated by Mr Linschoten

28 May 2009

- Fisheries: Mr Côte-Real Goucha and Mr Hontelez
- Taxation: Mr Mollerup, Ms Fritsch, Mr Potdevin and Mr Berger
- Working environment: Mr Gibbons, Ms Jongerius and Mr Teli•ka

7 and 8 July 2009

- Cohesion: Mr Illy, Ms Jongerius and Mr Teli•ka
- Financial Services: Mr Linschoten and Mr Berger
- Statistics: Mr Mollerup and Mr Ludewig
- Fourth opinion on stakeholders' suggestions: coordinated by Mr Linschoten

State of play of the most important recommendations made by the HLG

Area	Recommendation	HLG Opinion	Measure proposed or put in place by Commission	Adoption by Parliament / Council	Savings Potential in Euro
Agriculture	Introducing an online system for the application of direct payments, amendments to the single application and to the additional application for sheep and goat premiums including the supplementary premium.	5.03.09	<i>Proposal directed at Member States</i>		290 m.
Cohesion	Installation of a central database	8.07.09	<i>Proposal directed at Member States</i>		215 m
Company law / accounting	Granting Member States the option to exempt Micro Enterprises from the accounting directives	29.05.08	26.02.09		5.8 bn.
Company law / accounting	Granting Member States the option to exempt small companies from the obligation to publish their annual accounts	10.07.08			27 m.
Company Law / accounting (FTA 08)	- Elimination of certain disclosure requirements (formation expenses and breakdown of net turnover) from the Directive - Clarification of the relationship between the IAS Regulation 1606/2002 and the 7 th Directive	26.02.08	17.04.08	11.05.09	10 m.
Company - Law / accounting (FTA 08)	- Elimination of the costs of publishing in the national gazette, information that has already been disclosed in the commercial register - Member States should not require the translations and the certification of the translation to be made in their respective country	26.02.08	17.04.08		600 m.
Environment (FTA 08)	Clarifying that batteries lawfully placed on the market before 26.09.08 do not have to be withdrawn from the market or relabelled after this date	26.02.08	16.04.08	19.11.08	400 m.
Food safety	Creation of an online database for registration of transport of animals	4.03.09			627 m.
Public Procurement	Generalising the possibility that in open procurement procedures only the winner of a tender has to introduce all documents that are requested by EU legislation and not the best five bidders	10.12.08			150 m.
Statistics (FTA 08)	Simplification of Community statistics relating to the trading of goods between Member States with a view to alleviate the statistical reporting of economic operators, in	26.02.08	7.02.08	11.03.09	250 m.

	particular SME's				
Transport	Modernization of the digital tachograph to be used in trucks and coaches and admissibility of onboard computer systems	4.03.09			650 m.
Transport	Changing the maximum frequency to download data from the digital tachograph in trucks and coaches from 28 days to 40 days.	4.03.09			176 m.
Transport	Changing the Member States' option to exempt drivers carrying materials, equipment and machinery for the driver's use in the course of its work within a radius of 50 km to a radius of 150 km.	4.03.09			59 m.
VAT / Invoicing	Harmonization of European invoicing rules and facilitation of the use of electronic invoicing	22.10.08	28.01.09		18 bn.
VAT / Invoicing	Generally allowing filing of the periodical VAT return in a frequency based on turnover thresholds (threshold of up to 0.5 m. Euro for an annual frequency and up to 5 m. Euro for a quarter annual frequency)	28.05.09			1.9 bn.
VAT / invoicing	Repealing the Member State option to require the submission of an annual summarizing VAT return	28.05.09			1.7 bn.
Working environment	Exempting very small firms undertaking certain low risk activities from having to produce a written assessment of the risks to health and safety (while maintaining the obligation to carry out a risk assessment)	28.05.09			1-2 bn.
Working environment	Facilitating less burdensome reporting on occupational accidents by either allowing online reporting or by coordinating this report with other reports such as to insurance institutions	28.05.09			151 m.

The EU Standard Cost Model (EU SCM)

When reducing administrative burdens for businesses, it is necessary to know where the burden stems from and how they can be minimised. The EU Standard Cost Model (EU SCM) is a method for determining the administrative burdens for businesses imposed by legislation.

The EU SCM breaks down administrative costs imposed by legal acts into components that can be assessed with reasonable accuracy. SCM does not aim at producing statistically valid results, but creates credible estimates (i.e. figures based on relatively small samples or expert judgment). Doing otherwise would not be cost-efficient (considering the level of detail and the number of parameters involved). Thanks to this analytical approach, one can better:

- locate the most costly obligations and the greatest reduction opportunities,
- formulate reduction proposals, and
- determine at which level reduction measures have to be adopted.

The EU SCM does not address or question the policy objectives of each piece of legislation. As such, the measurement focuses only on the administrative activities that must be undertaken in order to comply with legislation.

Administrative costs are defined as the costs incurred by enterprises, the voluntary sector, public authorities and citizens in meeting information obligations. In some cases, the information has to be transferred to public authorities or private parties. In others, it only has to be available for inspection or supply on request (such as workplace health and safety assessments).

The overall purpose is to measure the administrative costs and identify opportunities to reduce or eliminate unnecessary administrative burdens. Thus, a distinction has to be made between information that would be collected and processed by businesses even in the absence of the legislation (so called business-as-usual costs) and information that is solely collected because of a legal obligation (administrative burdens). Added together, the business-as-usual costs and administrative burdens represent the administrative costs.

Opinions adopted by the HLG

The opinions are grouped as follows

1. Opinions on the 13 priority areas of the Action Programme
2. Opinions on stakeholder suggestions, so-called offline consultation opinions
3. Opinion on Fast Track Action package 2008