

Brussels, 7 December 2010

Reducing administrative burdens – context and overview of achievements and examples

The Commission's efforts to reduce administrative burdens are part of its smart regulation agenda. Smart regulation should ensure that European laws benefit people and businesses. It is essential if the EU is to deliver the ambitious objectives for smart, sustainable and inclusive growth set out by the Europe 2020 Strategy. The Commission therefore will evaluate the impact of legislation during the whole policy cycle: when a policy is designed, when it is in place, and when it is revised. As smart regulation is a shared responsibility of all those involved in EU policy-making, the Commission will work with the European Parliament, Council and Member States to encourage them to apply "smart regulation" in their work. Finally, to strengthen the voice of citizens and other stakeholders, the Commission has decided to increase the period of its public consultations from 8 to 12 weeks from 2012 onwards. The Commission has already launched new so-called "fitness checks" of existing legislation, which will help to find out if the way a sector is regulated needs to be adapted. The Commission will report on progress on the smart regulation agenda in the second half of 2012. See [IP/10/1296](#). Below the Commission presents an overview of achievements and examples in administrative burden reduction.

Which is the state of play of the savings achieved through the Action Programme for Reducing Administrative Burdens?

In the context of the Action Programme, administrative burdens that have been targeted and measured have been estimated at EUR 124 bn.

The measurement of administrative burdens covered 72 EU legal acts in 13 domains¹ which were assumed to impose 80 % of administrative burdens stemming from EU law.

The following tables provide a general overview of the reduction measures adopted by the legislators (Council and European Parliament), proposed by the Commission, under preparation or under consideration by the Commission as well as the state of play for all sectors (figures from [November 2010](#)).

¹ Agriculture and agricultural subsidies, Annual accounts/Company law, Cohesion policy, Environment, Financial services, Fisheries, Food safety, Pharmaceutical legislation, Public procurement, Statistics, Taxation / Customs, Transport, Working environment / employment relations.

General overview (November 2010)

	Adopted	Pending adoption by co legislator	Under preparation or consideration	Total
Number of measures	70	14	14	98
Reduction potential (in million €)	- 26 999	- 11 512	- 2 218	- 40 729
Reduction potential (in %)	- 21.8 %	- 9.3 %	- 1.8 %	- 32.9%

Sectoral Overview (November 2010)

Priority Area	Adopted	Pending adoption by co legislator	Under preparation or consideration	Total
1. Agriculture / Agricultural Subsidies	- 1 907.6			- 1 907.6
2. Annual Accounts / Company Law	1 362.9	- 6 911.6	- 69.0	- 8 343.5
3. Cohesion Policy	- 179.9		- 55.0	- 234.9
4. Environment	- 58.15	-244.55		- 302.7
5. Financial Services	- 141.5			- 141.5
6. Fisheries	- 25.9			-25.9
7. Food Safety	- 24.6	103.8	- 1361.4	- 1 282.2
8. Pharmaceutical Legislation	- 40.1	- 61.0	-53.5	- 154.6
9. Public Procurement	- 12.5		- 47.6	- 60.1
10. Statistics	- 328.3	- 1.3		- 329.6
11. Taxation/Customs	- 21 936.9	- 4 397.4		- 26 334.3
12. Transport	- 748.3		-266.6	- 1 014.9
13. Working Environment /Employment Relations	- 232.5		- 365.0	- 597.5
Total (% of total AB estimated 123 760.8)	- 26 999.1 (i.e. 21.8%)	- 11 512.0 (i.e. 9.3%)	- 2 218.1 (i.e. 1.8 %)	- 40 729.3 (ie.32.9%)

* Figures do not reflect the full value of measures under preparation or consideration since in certain cases a measurement of the potential reduction can only take place once the relevant proposal is finalized.

Examples of measures already adopted by the Council and the Parliament, based on a Commission proposal

With 18 billion **VAT invoices** annually in Europe, the switch to a **fully electronic VAT invoicing system** will significantly save time and money for more than 22 million taxable enterprises. This measure will remove obstacles to company's electronic billing, in particular additional requirements in the Member States to make invoices VAT compliant. The maximum mid-term reduction potential is estimated at **EUR 18.4 billion** if all businesses send all their invoices electronically. For the more general savings potential of e-invoicing see: [IP/10/1645](#).

The **reporting requirements in case of a merger or division** have been simplified. By reducing the requirements for the use of "simplified" mergers and divisions between parent companies and their divisions, more companies are allowed to benefit from this simpler regime. Furthermore, they are allowed to make better use of today's technological possibilities to communicate to their shareholders and the public in the most efficient way. The expected reduction potential is about **EUR 172 million**.

Fruit and vegetable producers spend about two hours in labelling and grading a ton of produce. Regulation 1221/2008 replaces 26 marketing standards with a General Marketing Standard. Labels will indicate origin but no longer class, size or variety. This measure can save up to **EUR 970 million**.

New authorisation procedures for Regular Shipping Services have made it simpler and more flexible to assign vessels to that service, notably by use of a new European database. The more efficient and flexible registration procedure will result in a decrease in administrative costs for shipping companies, as well as a potential reduction on internal costs due to the decrease of delays for vessels and an increase in their utilisation rates. In addition, the task of customs administrations will also be simplified. This measure is part of the European Maritime Transport Space without barriers and would save at least **EUR 75 million per year**, which is significant for each business given their number in this sector.

Examples of measures that have been proposed by the Commission and are waiting for approval by the EU Member States and the European Parliament

The Commission proposal (February 2009) allowing Member States to exempt **micro-entities** (max. 10 employees) from EU accounting obligations (more fitted to the needs of bigger companies) would allow each of these 5.4 million small businesses in Europe to save around EUR 1170 a year. This complements the 2006 reform for cutting accounting costs and would represent annual savings of about **EUR 6.3 billion**.

A large number of companies (potentially more than 4 million) would save costs related to the publication of changes in their **register in the national gazettes**. In addition, around 25 000 branches of companies from other Member States would be able to re-use translations of documents already certified in another Member States on a previous occasion. The annual benefits are expected to reach about **EUR 611 million**.

Accommodation providers, such as **hotels, B&Bs, with less than 10 beds** or less than 20 beds in many Member States (covering up to half of all premises) would be **exempted from statistical reporting** giving them more time to do business. The statistical reporting will be replaced by appropriate statistical estimation techniques. Overall, this represents **EUR 1.3 million annual savings** for those small businesses.

What is the role of the High Level Group of Independent Stakeholders on Administrative Burdens, chaired by Dr. Edmund Stoiber?

The High Level Group of Independent Stakeholders on Administrative Burdens, chaired by Dr. Edmund Stoiber was set up in late 2007 to advise the Commission with regard to the Action Programme for Reducing Administrative Burdens (for businesses) in the EU. Its main task has been to provide advice on administrative burden reduction measures suggested in the context of the Action Programme. Its mandate was prolonged and extended by the Commission on 17 August 2010. The Group will continue its work until 31 December 2012 to fully exploit the savings potential of the Action Programme.

In addition, the mandate now also includes the following tasks:

- 1) The group shall advise the Commission on its Simplification rolling programme, in particular with regard to the acts with high potential for reducing administrative burdens;
- 2) It shall assist the Commission in ensuring progress in adopting proposals on reducing administrative burden by the Council and Parliament;
- 3) It shall prepare a report by November 2011 on best practice in Member States to implement EU legislation in the least burdensome way;
- 4) It shall engage in a more regular and structured exchange with the Impact Assessment Board.

What is the importance of the report on best practice in Member States to implement EU legislation in the least burdensome way important for the Commission?

The High-Level Group is preparing this report and plans to finalise it by end of 2011. The Commission has emphasised in its Communication on Smart Regulation of 8 October 2010 – COM(2010)543 – that smart regulation is a shared responsibility of all those involved in EU policy-making (the European Parliament, the Council, the Member States and other stakeholders).

The results of the measurement exercise in the context of the Action Programme showed significant differences in the transposition and implementation of EU legislation between the Member States which in turn imposed different levels of administrative burdens on businesses. An exchange of good solutions for the implementation of EU legislation might boost the reduction of administrative burdens for businesses in some Member States as well as in the EU as a whole.

Therefore, the objective of the High-Level Group's report on best practice in Member States is to provide concrete examples for model solutions chosen by Member States to implement EU legislation in the least burdensome way. Ideally, these best practices might be transferred to other Member States or other areas, in order to reduce administrative burdens for businesses all over Europe by diminishing burdensome implementation of EU legislation and thus strengthening the integrity of the internal market.

Some Member States have already presented best practice examples at meetings of the High-Level Group and preparations for the report have started. The Commission and the High-Level Group will continue to cooperate with all those involved in EU policy-making to support the identification of best practices for implementing EU legislation, in order to make life easier for citizens and businesses.

Has the composition of the "Stoiber-Group" changed with the extended mandate?

The High-Level Group consists of 15 members including the Chairman and two new members for the extended mandate (Ms Krzysztozek, Director of the Department of Research and Economic Analyses at the Polish Confederation of Private Employers, Lewiatan; Mr Dell'Alba, Member of the European Economic and Social Committee and Director of the Delegation of the General Confederation of Italian Industry, Confindustria, in Brussels). The members of the Group come from 12 Member States, and the Commission has ensured that the interests of small and large businesses, social partners, consumer and environmental organisations, including non-governmental organisations are represented. In addition, observers from the European Parliament (MEP Lehne) and the Committee of the Regions (Minister-President Lambertz) participate in the HLG AB's meetings. See also [MEMO/07/471](#)

What has the "Stoiber Group" achieved so far?

The High-Level Group has worked successfully until now. A number of proposals adopted by the Commission benefited from the inspiration or support of the group. In the case of the two main reduction proposals from the Commission, VAT e-invoicing and exempting micro enterprises from accounting rules (representing respectively EUR 18.4 billion and EUR 6.3 billion of savings according to estimates), the members of the Group and Dr Stoiber himself were of great help in the negotiations with the Council and the Parliament.

The Group has held 22 meetings so far during which it has adopted 27 opinions, including opinions on administrative burden reduction measures in all 13 priority areas of the Action Programme for Reducing Administrative Burdens in the EU. The opinions deal with more than 300 administrative burden reduction suggestions by Commission services and stakeholders such as individual enterprises or business associations, national, regional and local governments or individual citizens. Further opinions relate to the extension of the Action Programme or the consultation on smart regulation. All opinions of the HLG AB are published on the Group's website – along with presentations, meeting reports and other documents. In September 2009 the Group adopted its intermediate report which contains more detailed information on the Group's activities until then.

Further information

On administrative burden reduction

<http://ec.europa.eu/enterprise/policies/better-regulation/administrative-burdens/>

On the High-Level Group

http://ec.europa.eu/enterprise/policies/better-regulation/administrative-burdens/high-level-group/index_en.htm.