



- Successful Cutting Red Tape conference in Brussels
- Opportunities and challenges for cutting red tape
- Twenty communication events completed throughout Europe
- **Special focus:** Environment
- Unnecessary administrative burdens cut in EU company law
- High Level Group wants to drastically reduce bureaucracy for SMEs

Cutting redTape

Information about the E.U. Action Programme

Cutting Red Tape for Europe
Quarterly E-Magazine

Successful Cutting Red Tape conference in Brussels

More than 400 business and government representatives from across Europe participate in large-scale event

On June 20, the European Commission organised the 'Cutting Red Tape' conference at the European Parliament in Brussels as part of the Action Programme for Reducing Administrative Burdens. Keynote speakers included Commission Vice-President Günter Verheugen, Dr. Edmund Stoiber, Chairman of the High Level Group on Administrative Burdens, and Gregor Virant, Minister of Public Administration of Slovenia, representing the Presidency of the EU. The high turnout and lively discussion throughout the day were testimony to the fact that administrative burden reduction is high on the agenda of European stakeholders.



Vice-President Günter Verheugen:

"I am confident that the European Union will reach its goal by 2012 and achieve concrete results – although we still have a long way to go."

To achieve this objective, a project has been created with a scope which has never been seen before. The Commission's consultants have already finished an inventory of the information obligations (IOs) included in the most important EU legal acts. This first survey, unique in its size and intensity, has already brought some interesting facts to light:

- The 41 European legal acts covered by the programme account for around 340 European IOs
- These were implemented in the Member States by means of around 6 000 national IOs
- In 500 cases, Member States went beyond what was required of them under EU law.

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Minister Gregor Virant:

"Better regulation is not only about administrative burden reduction, but also includes assessing the impact of new legislation before it is adopted."

At a national and European level, countries might not use the same techniques, but the goal is the same: to make our regulation better than it was. Over the years we have accrued too many burdens for citizens and business. How did this happen? We can say we were negligent in the past. Today, fortunately, we have made a complete turnaround: administrative burden is on the agenda of most Member States and, of course, on the agenda of the European Commission.



Dr. Edmund Stoiber:

"People see the EU as a bureaucratic monster, a moloch, with opaque structures and procedures."

If you ask people on the street – in Rome, London, Paris or Berlin- what their foremost association with the European Union is, they do not mention the indisputable successes, such as peace, freedom, financial prosperity and security, but perverse developments such as lack of transparency and excessive bureaucracy. I am convinced that reducing red tape can help increase public support for the European Union.

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Opportunities and challenges for cutting red tape

An expert panel composed of Jan Mulder, Gert-Jan Koopman, Scott Jacobs, and Michael Gibbons faced an audience eager to discuss with them the possibilities and threats for reducing administrative burdens in the EU. This led to an interesting and interactive interchange of ideas, some of which can be read here.



Left to right:
Scott Jacobs (Managing Director of Jacobs & Associates),
Jan Mulder (Member of the European Parliament),
Michael Gibbons (Member of the former Better Regulation Commission) and Gert-Jan Koopman (Director, Directorate-General Economic and Financial Affairs)

The challenge lies in reducing administrative burdens without losing sight of the benefits of the laws.

The ambition level is high, but the time now is ripe: with the Action Programme and the available tools in place, it is feasible to reach the target.

Red tape hurts business. However, regulation is necessary to ensure consumer, social and environmental protection.

Regulation is a form of taxation paid for by citizens, which they are not aware of, as people only tend to see what directly affects them.

Until some years ago, the costs of regulation did not play a role at all, as they were not measured. Now, when we make laws, we have to know what they cost.

25% is the common reduction target for the EU and its Member States. In this context, national and regional legislation should also be examined and improved.



Four breakout sessions provided participants with another opportunity to contribute directly. Workshops were held in the areas of Environment and Transport, Company Law, Food Safety and Pharmaceuticals, as well as a general workshop on burden reduction

Company Law

The first results from the pilot measurement triggered strong discussions. These preliminary results show that approximately 80% of the burden is within two IOs, thus providing the opportunity to tackle red tape in a very focussed manner. First estimates show a potential to reduce red tape by more than 30%. Given the measured costs of information obligations and the significant estimated potential for burden reduction, action should follow quickly using the complete range of measures available and with a stronger focus on eGovernment.

Food Safety & Pharmaceuticals

Regulations in Food Safety and Pharmaceuticals are very often the result of specific incidents, such as the BSE outbreak in 1996. However, there is a fine line lawmakers have to draw to strike a balance between over- and under-regulation as the first imposes burdens on business and the second exposes the population to risks. The labeling of goods should not as such be considered an administrative burden. Measures to relieve some of the burden could come from simplifying the labels, and – in relation to pharmaceuticals in particular – harmonisation of forms and application procedures across countries.

Environment & Transport

The main issues in Transport are the differences in national implementation of the EU rules for companies operating internationally and the implementation of the digital tachograph. For Environment, it was felt that administrative costs should be put in context: current costs vs. future benefits, and administrative costs vs. investment costs. Reduction ideas in both areas focused on:

- Harmonization of legislation in the area of cross-border transport
- Increased collaboration between Member States (and business) when implementing or revising legislation
- Improving guidance both from:
 - EU to national legislators
 - National legislators to companies.

Burden reduction

A number of themes were discussed in this workshop. The most important conclusions and recommendations were:

- General rules will probably not work, specific actions are necessary for specific situations
- Think small first: what works for small companies typically also works for large companies
- Not everybody feels harmonisation is necessary for every thing: do not harmonise for the sake of harmonising
- eGovernment offers lots of opportunities, but the government organisations must speak with one voice
- Involvement of stakeholders is crucial, but consultation periods are not always long enough
- Burden reduction is not just a question of short term action; a cultural change is needed

For more information on the Cutting Red Tape conference, including presentations and speeches, please visit the Cutting Red Tape website: www.cuttingredtape.eu



Special Focus: Environment

About Environment

The policy of DG Environment is to protect, preserve and improve the environment for present and future generations, and to promote sustainable development, taking into account the diversity of situations in the various regions of the EU. The directives and the regulations within the scope of the measurement project focus on two main topics: waste management and civil protection.

Scope of the measurement and most burdensome IOs

Control of major accident hazards involving dangerous substance (96/82/EC)

- Notification of presence of dangerous substances
- Notification of changes in presence of dangerous substances
- Written (update of) safety report
- Written (update of) internal emergency plan
- Cooperation with inspectors regarding accident prevention in establishments where dangerous substances are present

End of life vehicles (2000/53/EC)

- Issuing a certificate of destruction of a vehicle

Waste electrical and Electronic equipment (WEEE) (2002/96/EC)

- Written notification of a planned shipment of waste
- Keeping records of Waste Electrical and Electronic Equipment when entering and leaving the treatment facility
- Keeping information on the compliance with the equipment requirements of electrical and electronic equipment put on the markets

Integrated pollution prevention and control (96/61/EC)

- Application for permits for new installations

Shipments of waste (EC/1013/2006)

- Written notification of a planned shipment of waste

Preliminary ideas for burden reduction

- Integrate recording systems into one internetbased system
- Centralisation of WEEE reporting to municipalities and statistical departments
- Simplification of language, and use of clear and understandable terminology, providing clear and simple guidelines and instructions

Over a thousand stakeholders consulted throughout Europe

A multitude of recommendations collected at national events



Communication event in Ireland

Businesses are directly affected by legislation and are therefore well placed to comment on how it could be made less burdensome for them while still respecting the policy objectives of the legislation. This is why the European Commission is engaging business and other interested parties throughout Europe in discussions about what it can do to reduce paperwork. In the past few months 19 communication events have been held across Europe to jump start the discussions.

- Reduction ideas from business gathered during the events include:
- More and improved use of E-government tools to facilitate information exchange between business and national authorities
 - Simplification of forms
 - Special provisions for SMEs

Unnecessary administrative burdens cut in EU company law

Commission puts forward four Fast Track Actions (FTAs) to make life easier for SMEs



The European Commission is moving quickly to deliver on its 2008 programme to cut administrative costs. In April the Commission approved proposals for four measures designed to cut the burdens on small and medium enterprises:

- Companies will no longer need to publish business data in the national gazettes
- Companies will be able to (re-)use translations from one Member State when opening branches in other Member States
- Parent companies with no material subsidiaries will no longer need to prepare consolidated accounts
- It will be possible to exempt medium-sized companies from providing detailed data in the annual accounts

Altogether it is estimated that cutting these measures could generate significant benefits of over € 600 million, especially for SMEs.



High Level Group wants to drastically reduce bureaucracy for SMEs

Micro-enterprises should be exempted from European rules regarding accounting and auditing.

In the presence of the President of the Commission, José Manuel Barroso and Vice-President Günter Verheugen, the High Level Group of Independent Stakeholders on Administrative Burdens adopted a first landmark decision during its discussions on the reduction of bureaucracy in the area of company law. The High Level Group, led by its chairman Edmund Stoiber, came to the conclusion that Member States should be given the possibility to exempt micro-enterprises from European accounting and auditing rules.

Stoiber: "Businesses and their personnel should concentrate on their products and not be forced to do superfluous work for the state."

Enterprises with fewer than 10 employees, a balance sheet total below € 500,000 and turnover below € 1m should be freed from having to do annual accounts and reports. Auditing should be waived too. This would drastically reduce the bureaucratic burden for 86% of European enterprises, leading to a Europe-wide reduction potential of € 5.7bn.

[> Read more](#)

Your opinion counts

Submit your ideas!

The Commission continues to urge businesses throughout the EU to send in ideas on how to reduce administrative burdens. By responding to this call, business can actively contribute to a more competitive Europe!

How to submit an idea:

To facilitate businesses in this effort, the Commission has created an [online consultation form](#).

What happens then?

The online questionnaire has been designed to register problems and suggestions on administrative burdens. The input businesses provide will be taken into account in the preparation of EU measures reducing administrative burdens and it will be regularly published on the same internet site. same internet site.

Most recent red tape news

Are you interested in reading the most recent news on red tape reduction in the EU?

Please visit the press room of the European Union to find the most recent selection of press releases, memo's, speeches and publications. In the news room you will find among other the following articles:

- ["Think Small First": A Small Business Act for Europe \(25.06.08\)](#)
- [Further steps to cut red tape and make life easier for small businesses \(20.06.08\)](#)
- [Commission proposes further cuts in red tape for construction products \(26.05.08\)](#)
- [Commission cuts unnecessary administrative burdens in EU company law \(17.04.08\)](#)
- [Commissioner Verheugen presents the European Commission's strategy for promoting Better Regulation in the EU \(17.04.08\)](#)



Excuse me, are you the accountant?
I am the tax inspector.



We have collected quite a number of...



...documents.

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