



EUROPEAN COMMISSION

High Level Group of Independent Stakeholders on Administrative Burdens

MINUTES OF THE MEETING OF THE HLG ON 22 OCTOBER 2008

Venue: Brussels, 22 October 2008, from 10.00 to 17h00

Present: See presence list

Excused: Mr. R. Berger, Mr. R. Linschoten, Mr. J. Potdevin

1) Opening; adoption of agenda and minutes

The meeting was opened by the Chair.

The draft agenda was adopted without comment.

The draft minutes of the meetings on 10 July and 18 September were adopted without comments.

In view of the financial crisis the HLG discusses the situation and the implication for the reduction of administrative burdens.

In general the chair pointed out that the recent crisis shows that whilst there is certainly too much regulation on small issues, there seems to be not enough or inefficient regulation for the important issues such as the banking sector.

2) Report from the chair on his visits in the EP and with the French government

The chair reports briefly from his discussions with MEPs (JURI committee) and the French President, the Secretary General of the Elysée and the State Secretary for European Affairs. All three underlined that France is committed to support the action programme. The French President expressly supported the HLG's opinion on an exemption for micro-entities from the accounting directives.

The Chair welcomes the announcement of Commissioner McCreevy to table a legislative proposal on the exemption of micro-entities. President Barroso also supported this proposal.

As regards the EP the chair informs members that discussions are scheduled with the CONT and IMCO committees and the ALDE group (liberals). Expectations vis-à-vis the HLG were high; however, the Chair also expects suggestions on measures to reduce administrative burdens from the MEPs.

He will furthermore see President Barroso and Vice-President Wallström.

For next week a meeting was scheduled with representatives from the Dutch government. Together with Mr. Linschoten the Chair will visit some enterprises in the Netherlands.

3) Exchange of views on the priority area Agriculture and Agricultural subsidies

DG AGRI presents the state of play of its Action Plan on simplification and administrative burden reduction in the CAP (the presentation will be put at the disposal of members).

Based on the draft opinion, prepared by the reporting members Mr. Pesonen and Mr. Illy, the HLG discusses the state of play within the priority area agriculture.

The chair insists that reductions in administrative burden as presented by DG AGRI have to be felt positively by the farmer.

The chair and Mr. Pesonen thank DG AGRI for the presentation. Mr. Pesonen explains that part of the CAP reform is technical and part is political. It is for sure the political part that can be difficult.

Mr. Illy sees three main issues as regards this priority area: decoupling, SPS and licenses. In general he is of the view that the amount measured by the consortium is too low.

The chair agrees that the amount is too low. This would be too good to be true. (NB: the consortium's draft report so far only includes measurement data on one legislative act for this priority area.) He states that Commissioner Fischer-Boel and DG AGRI have done a very good job.

Mr. Ludewig underlines again the need for quantified data.

Mr. Telička states that he is in principle in favour of the draft opinion. The HLG's job is however not to rubberstamp papers without being in possession of concrete data.

Mr. Illy emphasises that the draft was not meant to be a final opinion on the priority area of agriculture. The Group would have to come back to this area, once the final measurement results and the consortium's suggestions for administrative burden reductions were available. He regrets the lack of proposals from farmers.

Mr. Gibbons supports the view of Mr. Telička and adds that he would not be in favour of an opinion that suggests even less than the Commission itself (see para. 23).

Mr. Hontelez is of the opinion that para 15 contains several political statements that go beyond the mandate of the HLG and he personally cannot agree with them.

Mr. Mollerup states that in his view the farmers are interested in the final paper. These are merely communication issues. He would like the group to be a bit more courageous.

Ms. Maij-Weggen, observer from the CoR, supports Mr. Mollerup's view.

In view of the uncertainty about the data the chair suspends the discussion of the draft opinion. The discussion will be continued at a later meeting of the HLG. He underlines the need for solid data.

At the beginning of the afternoon session the draft agenda for the next meetings is being discussed (which priority area is going to be discussed during the following meetings). The secretariat will send such an agenda after having consulted with the chair and members.

4) Priority area Tax Law (VAT): Presentation of e-invoicing

DG TAXUD presents the reform of the control regulation (the presentation will be put at the disposal of members).

In answering a question of the chair DG TAXUD states that the reduction will be both in time and money. The quantification is still provisional and needs to be finalised.

With regard to paragraph 11 of the draft opinion DG TAXUD indicates that a simplification for the supplier may cause more burden on the receiver's end.

When presenting the draft opinion Mr. Mollerup welcomes the initiative. The issue affects each and every business in Europe. Member States have far too many options leading to differing requirements for invoicing in every Member State which increases costs in case of cross-border transactions. Although figures regarding the reduction potential still need to be finalised, it will in any case be a huge two digit billion EUR figure. He quotes Denmark as an example where e-invoicing was made possible for all traders via an open platform. He mentions that trust is one of the main issues. E-invoicing needs a leap of trust.

Ms. Fritsch joins this view. She underlines that figures are indicative albeit huge. She informs members that a normal invoice contains 10 information obligations, whilst a simplified version contains only 4. She underlines that part of the problem is the existence of different systems in Member States.

The chair thanks the reporting members and asks the consortium to explain the figures.

The consortium states that the figures are indeed huge. This depends on the number of invoices; e.g. a large company could easily issue millions of invoices per year. Thus, the potential benefit of e-invoicing was enormous for companies. With regard to the preliminary estimated reduction potential EUR 113 bn. for overall administrative costs for businesses, the consortium explains that this figure was based on an expert assessed percentage of the estimated total costs of invoicing of approximately EUR 190 bn. in the EU-27.

Mr. Murray reminds the HLG that VAT will remain on the agenda. E-invoicing is only one aspect. In view of the savings potential he looks forward to the next suggestions stemming from this area.

Mr. Telička finds the opinion encouraging but would like it to be more concrete. He deems that there are still too many options left. He indicates that on the one hand fraud

(prevention) is an important issue when it comes to VAT, on the other hand sensitivities in this area were far too high since the Santer Commission.

Concerning the issue of fraud, Ms. Fritsch expresses the view that e-invoices are even easier to trace.

Upon invitation of the chair the HLG adopts the opinion unanimously.

5) Presentation of the ALTINN project of the Norwegian government

Kari Bjørke presents the ALTINN project of the Norwegian government concerning e-services for businesses (the presentation will be put at the disposal of members).

6) Information by the secretariat on the state of play concerning the competition

The secretariat informs that over 250 entries have been registered for the competition. The main part came in via the media partnership. The secretariat is assessing these suggestions. Upon request by the chair the secretariat will present an interim report on 10 December.

7) Report from Mr. A. Italianer, Deputy Secretary General of the Commission and chair of the IAB

Mr. Italianer gives a presentation on actual developments within the Impact Assessment Board (the presentation will be put at the disposal of members).

Ms. Fritsch suggests coming back to some general issues in the next HLG meeting (e.g. the introduction of a ceiling for administrative burdens to stop the inflation of bureaucracy, the issue of a net target, the evaluation of the success of reduction measures after adoption).

Adopted by the HLG in Brussels on 10 December 2008