

## CALL FOR EVIDENCE FOR AN INITIATIVE (without an impact assessment)

This document aims to inform the public and stakeholders about the Commission's work, so they can provide feedback and participate effectively in consultation activities.

We ask these groups to provide views on the Commission's understanding of the problem and possible solutions, and to give us any relevant information they may have.

**⚠️** You should **finalise this document at the earliest stages of the preparatory process**, so that best use can be made of feedback from stakeholders.

<b>TITLE OF THE INITIATIVE</b>	<b>Rationalisation of reporting requirements</b>
<b>LEAD DG – RESPONSIBLE UNIT</b>	Secretariat-General, SG.A.2
<b>LIKELY TYPE OF INITIATIVE</b>	To be determined
<b>INDICATIVE TIMING</b>	2024-2025
<b>ADDITIONAL INFORMATION</b>	-

*This document is for information purposes only. It does not prejudge the final decision of the Commission on whether this initiative will be pursued or on its final content. All elements of the initiative described by this document, including its timing, are subject to change.*

### A. Political context, problem definition and subsidiarity check

#### Political context

The competitiveness of EU businesses has suffered from the impact of the coronavirus pandemic and the Russian aggression against the Ukraine that triggered supply chain disruptions, high energy costs and spiralling prices after Russia's weaponisation of gas and food.

The Commission has therefore announced a series of measures and actions aiming to improve the competitive position of EU businesses in global markets. The Communication "Long-term competitiveness of the EU: looking beyond 2030" ([COM\(2023\)168](#)) emphasised the importance of a growth-enhancing regulatory framework for supporting competitiveness and productivity of EU businesses. The Commission committed to 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. The aim is to reduce such burdens by 25%, without undermining the related policy objectives. Significant proposals have now been adopted, following the announcement in the Communication and further ones are to follow shortly, as detailed in the Commission Work Programme 2024.

The SME relief package ([COM\(2023\) 535](#)) adopted on 12 September 2023 has further outlined the next steps towards achieving that objective. They include the identification of priority areas for rationalising reporting requirements in cooperation with a representative set of companies, sectoral associations and national authorities as well as the preparation of specific rationalisation plans by Commission departments for 2024.

#### Problem the initiative aims to tackle

This initiative is part of the Commission's efforts to ease burdensome reporting requirements for businesses (particularly SMEs) and public authorities. Administrative burden or regulatory obstacles are among the biggest problems for 55% of SMEs. A predictable regulatory environment and an efficient institutional framework and conducive business environment contribute to enhancing competitiveness, achieving fairness and providing relief from the recent successive crises.

A 'reporting requirement' is a requirement stemming from EU legislation that obliges Member States authorities, private organisations and/or public organisations to provide (in principle periodically) structured or unstructured data (qualitative or quantitative) to competent authorities at EU or national level. For the scope of this exercise, the notion of reporting requirements includes also the provision of information from businesses to other

businesses or from businesses to consumers, while certification, labelling, permitting, and similar processes are not included<sup>1</sup>.

The Commission deploys a rich array of tools to simplify legislation and make it easy to comply with it and reap its benefits. The rolling regulatory fitness and performance programme (REFIT) exists since 2012 and systematically looks for opportunities to simplify EU legislation and reduce burdens. Moreover, the Commission has been implementing the 'one in, one out' approach since 2022 that committed to offset any new proposed administrative burden on business and citizens and to compensate to the greatest extent possible adjustment costs (such as investment costs) originating from its proposals. The Commission has also introduced a mandatory competitiveness check to ensure that the impact of its proposals on the competitiveness of businesses is properly considered. These efforts and tools complement the medium-term goal to rationalise reporting requirements and cut the administrative burden linked to them by 25% by looking more specifically at the stock of reporting requirements for businesses and Member States that originate from EU legislation.

While reporting requirements are necessary to ensure proper implementation, monitoring and evaluation of EU legislation to deliver the benefits of envisaged policy objectives and can also be economically efficient when they replace 27 different requirements from Member States, some reporting requirements can be considered as cumbersome or costly by businesses or Member States. Therefore, the scope of this exercise is not to eliminate reporting obligations altogether but to rationalise them by removing redundant, duplicating, or obsolete obligations, inefficient frequency or timing, inadequate methods of collection accumulated over the years, without undermining the policy objectives.

With this initiative, the Commission wants as a first step, to identify the most inefficient and burdensome reporting requirements for businesses and Member States and to look for ways how to rationalise them (e.g. by changing the frequency of reporting), modernise them (e.g. by introducing digitalisation) or optimise them (e.g. by applying the 'once only' principle that implies that businesses will not have to provide the same data for different obligations, or replacing when possible 27 different points of entry with one at EU level).

## **Basis for EU action (legal basis and subsidiarity check)**

### **- Legal basis**

The initiative aims to identify reporting requirements originating in EU legislation that can be eliminated or rationalised without undermining the policy objectives. Once they are identified, any future action by the Commission will be based on the relevant legal bases underpinning the legislation where the reporting requirements in question have been defined.

### **- Practical need for EU action**

As the initiative aims at rationalising reporting requirements originating from EU legislation, only the EU can address this issue. The resulting future proposals for amending various legislative acts may cover areas of exclusive and shared competence. Member States were also invited by Commission President von der Leyen in her State of the Union address to follow suit and to take their own measures to simplify the requirements imposed at their level. This should be understood as extending to national measures implementing EU rules in ways which go beyond the legal requirements, or which render relevant reporting requirements more complex than they need to be to comply with EU law.

## **B. What does the initiative aim to achieve and how**

This consultation will contribute to the evidence underpinning measures to rationalise reporting requirements for businesses and Member States with the aim to reduce the administrative burden linked to them by 25% in the medium term.

With this 'call for evidence', the Commission is seeking feedback, ideas and input from EU businesses and Member States on which reporting requirements originating from EU legislation are considered as the most burdensome in terms of the time it takes to fulfil them, the costs associated with them and the overall difficulty in meeting the requirements.

1) The Commission is looking for indications of the areas where inefficient requirements are particularly problematic, with quantitative data on the burden induced by those requirements.

<sup>1</sup> These are however in scope of the Regulatory fitness and performance programme and are offset under the 'one in, one out' approach.

2) The Commission is also looking for concrete ideas for rationalisation, modernisation or optimisation, such as eliminating redundant requirements, adjusting the frequency of reporting, proposing options for digitalisation, applying the 'once only' principle, making better use of other data sources, or other possible efficiency gains. This should however not undermine policy objectives or standards of conduct and protection.

The feedback provided to this 'call for evidence' should refer to the reporting requirements originating (directly or indirectly) from EU legislation and ideally cover the following elements (or some of them):

- How much time and resources are devoted generally to fulfilling the reporting requirements? Please detail to the extent possible the hours per month/year or the full-time equivalent staff needed to fulfil them.
- Are these requirements only originating from EU law?
- Are there specific areas (type of reporting requirements or policy areas) that are particularly problematic?
- Among those, which specific reporting requirements are considered difficult to fulfil? Which take the most time? Please detail to the extent possible the hours per month/year or the full-time equivalent staff needed to fulfil these requirements in specific areas.
- What are the reporting requirements that you consider obsolete or of limited usability or not proportionate? Is the purpose of collecting some information unclear?
- Which reporting requirements could be (further) digitalised and how? Please consider both the data collection and the submission of the report itself.
- For which requirements could the reporting frequency be decreased?
- Which reporting requirements overlap with other requirements and could be consolidated?
- Are some reporting requirements unnecessary in the sense that the information provided is already accessible to public authorities / EU via other communication channels or information systems / databases?

### Likely impacts

The rationalisation of reporting requirements originating from EU legislation is expected to ease the administrative burden of businesses and Member States. For businesses, and particularly SMEs, rationalising inefficient reporting will free resources for growth enhancing activities. When reporting requirements for Member States, regional or local authorities are streamlined, their administrations can become more efficient and use the scarce resources to perform other functions. Moreover, redundant requirements imposed on Member States can also have an impact on businesses that need to provide these data to the competent national authorities.

By improving cost competitiveness of businesses, this initiative is expected to contribute to the sustainable development goal 8 (decent work and economic growth) and 9 (industry, innovation and infrastructure). Moreover, it will contribute to the sustainable development goal 16 (peace, justice and strong institutions) and in particular it will contribute to develop effective, accountable and transparent institutions and ensure responsive, inclusive and representative decision-making.

### Future monitoring

Based on the results of this 'call for evidence', other consultation activities detailed below, and data collected through preparatory work, the Commission will prepare concrete rationalisation plans for 2024 and thereafter. It will also work towards a full repository of reporting requirements with a view to monitoring their relevance and performance, and with the aim to reduce their burden by 25%.

The 2023 Annual Burden Survey will transparently present the results of the consultation activities and other activities, particularly in priority areas identified by stakeholders.

## C. Better regulation

### Impact assessment

This 'call for evidence' will be followed up by measures, some of which (with most significant impacts and policy choices) will be subject to impact assessments, in line with the 'better regulation' policy of the Commission. Other measures, both legislative and non-legislative, introducing targeted amendments will not need an impact assessment.

### Consultation strategy

This 'call for evidence' is available in all official EU languages and is open for feedback on the Commission's 'Have Your Say' portal for 6 weeks. All feedback or position papers providing answers to the questions raised in box 'B' above and any evidence to support them are welcome, in any official EU language.

No additional public consultation will be organised to support the rationalisation of reporting requirements. However, follow-up workshops with business / industry stakeholders (including SMEs) and with Member State representatives will be organised. The Fit-for-Future Platform (a high-level expert group comprised of representatives from civil society organisations and of national, regional and local authorities) will also contribute to the exercise. The results of these activities, that will be presented in the 2023 Annual Burden Survey, will help focus the Commission's efforts to rationalise reporting requirements.

In line with the Commission's 'better regulation' policy to develop initiatives informed by the best available knowledge, we also invite scientific researchers, as well as academic organisations, learned societies, and scientific associations with expertise in the field of administrative burden reduction, to submit relevant published and pre-print scientific research, analyses and data on inefficient reporting requirements. The Commission is particularly interested in submissions that synthesise the current state of knowledge in relevant fields.