

Procedure file

Basic information		
INI - Own-initiative procedure	2007/2096(INI)	Procedure completed
Strategy for the simplification of the regulatory environment		
Subject 2.60 Competition 8.50.02 Legislative simplification, coordination, codification		

Key players			
European Parliament	Committee responsible		Rapporteur
	JURI Legal Affairs		Appointed 18/12/2006
			PPE-DE GARGANI Giuseppe
	Committee for opinion		Rapporteur for opinion
	AFET Foreign Affairs		Appointed The committee decided not to give an opinion.
	DEVE Development		The committee decided not to give an opinion.
	INTA International Trade		The committee decided not to give an opinion.
	BUDG Budgets		The committee decided not to give an opinion.
	CONT Budgetary Control		The committee decided not to give an opinion.
	ECON Economic and Monetary Affairs		The committee decided not to give an opinion.
	EMPL Employment and Social Affairs		The committee decided not to give an opinion.
	ENVI Environment, Public Health and Food Safety		27/03/2007 PPE-DE OUZKÝ Miroslav
	ITRE Industry, Research and Energy		The committee decided not to give an opinion.
	IMCO Internal Market and Consumer Protection		The committee decided not to give an opinion.
	TRAN Transport and Tourism		The committee decided not to give an opinion.
	REGI Regional Development		The committee decided not to give an opinion.
	AGRI Agriculture and Rural Development		The committee decided not to give an opinion.
	PECH Fisheries		The committee decided not to give an opinion.
	CULT Culture and Education		The committee decided not to give an opinion.
	LIBE Civil Liberties, Justice and Home Affairs		The committee decided not to give an opinion.

European Commission	AFCO Constitutional Affairs	The committee decided not to give an opinion.
	FEMM Women's Rights and Gender Equality	The committee decided not to give an opinion.
	PETI Petitions	The committee decided not to give an opinion.
	Commission DG Legal Service	Commissioner BARROSO José Manuel

Key events

14/11/2006	Non-legislative basic document published	COM(2006)0690	Summary
26/04/2007	Committee referral announced in Parliament		
25/06/2007	Vote in committee		Summary
02/07/2007	Committee report tabled for plenary	A6-0271/2007	
03/09/2007	Debate in Parliament		
04/09/2007	Results of vote in Parliament		
04/09/2007	Decision by Parliament	T6-0365/2007	Summary
04/09/2007	End of procedure in Parliament		

Technical information

Procedure reference	2007/2096(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Strategic initiative
Legal basis	Rules of Procedure EP 54
Stage reached in procedure	Procedure completed
Committee dossier	JURI/6/48537

Documentation gateway

Non-legislative basic document		COM(2006)0690	14/11/2006	EC	Summary
Amendments tabled in committee		PE388.734	16/05/2007	EP	
Committee opinion	ENVI	PE388.426	06/06/2007	EP	
Committee report tabled for plenary, single reading		A6-0271/2007	02/07/2007	EP	
Text adopted by Parliament, single reading		T6-0365/2007	04/09/2007	EP	Summary
Commission response to text adopted in plenary		SP(2007)5401	18/10/2007	EC	
Commission response to text adopted in plenary		SP(2007)5402	24/10/2007	EC	

Strategy for the simplification of the regulatory environment

PURPOSE: to present a first progress report on the strategy for the simplification of the regulatory environment.

CONTENT: the purpose of this Commission Communication is to take stock of the regulatory simplification process, which was first agreed upon in October 2005. It also examines on-going work in the pipeline and sets out new initiatives that will help move the simplification programme (2006-2009) forward. It is being presented alongside a related Commission Communication entitled 'A strategic review of Better Regulation in the European Union'. See: [INI/2007/2095](#).

To recall, the overarching strategy of the Better Regulation policy, (Commission Communication: Implementing the Community Lisbon programme: A strategy for the simplification of the regulatory environment, see INI/2006/2006), is the adoption of a new strategy for the simplification of the regulatory environment. The over-arching objective of this strategy is to improve the quality and effectiveness of the acquis and to remove unnecessary burdens for operators, thereby contributing to the goal of enhancing the competitiveness of the European economy. The 2005 Simplification Strategy is a three year rolling programme (2005-2008). The Commission has identified 100 initiatives, covering 220 basic legislative instruments, requiring simplification. A further 43 initiatives have been identified for the period 2006-2009.

On-going work: a number of major simplification initiatives have now been confirmed for the 2006/2007/2008 period. In summary, they are:

- **Agriculture:** the merging of 21 Common Market Organisations into one single scheme in order to establish a more streamlined horizontal legal framework that will provide a single set of harmonised rules.
- **Environment:** a review of the Integrated Pollution Prevention and Control Directive (IPPC) and other related legislation on industrial emissions.
- **Construction:** a review of the Construction Directive with a view to clarifying and reducing the administrative burden on SME's.
- **Statistics:** a review of statistical reporting ? aimed at SME's in particular.
- **Food/Feed labelling:** the modernisation of food and labelling legislation in order to clarify rules to the end consumer.
- **Consumer protection:** the rationalisation and simplification of the whole consumer protection acquis in order to remove inconsistencies, overlaps, internal market barriers and distortions of competition.
- **Cosmetics:** a recast of the thirty year old Cosmetic Directive. This will help reduce the administrative cost of implementing and managing the Directive.
- **Accounting and financial reporting standards:** providing EU firms with an up-to-date set of Financial Reporting Standards by merging the current set of Regulation into one single Regulation. Currently there are over 2000 pages of accounting and financial reporting provisions.
- **Automotive Regulatory Framework:** a revision of the framework Directive on type-approval motor vehicles. This will allow for the replacement of EC Directives by UN/ECE Regulations and the introduction of necessary technical provisions for self testing and virtual testing in 25 EC and UN/ECE Regulations.
- **Access to the road transport market and profession:** four Regulations have been recast and one Directive in a bid to clarify and simplify the rules. The recast should allow for a more harmonised application of the provisions and encourage the cost-effective enforcement of the rules.
- **New Approach:** the technical New Approach Regulations/Directives have been consolidated. This has allowed for more consistent definitions, simplified certification procedures and streamlined administrative co-operations.

New initiatives reinforcing the Simplification rolling programme: The Commission is reinforcing its simplification actions with 43 new initiatives to cover the period 2006-2009. Some of the major new initiatives include the simplification of provisions relating to:

- medicines (the so-called 'Variations' Regulations);
- the mutual recognition of goods not covered by harmonised Community rules;
- novel/new foods;
- agriculture, and the administration/management thereof;
- the Common Fisheries Policy;
- the regulatory framework of the electronic communications networks and services;
- replacing the textiles Directives with a single Regulation;
- toys;
- limiting new legislative acts on Metrology and fertilizers;
- the revisions of the eco-label award scheme;
- the recasting of a Directive on the marketing of fruit and propagating material; and
- work-related to musculoskeletal disorders.

National reform programmes: regulatory requirements and implementation measures mainly originate at national level. The national reform programmes (NRP) are part of the new governance structure of the growth and jobs strategy (Lisbon strategy) and set out the economic

reform policies at national level on the basis of Community guidelines. They are, therefore, of key importance in creating a better business environment in the EU. All Member States have responded to the guidelines on Better Regulation and have included measures to promote Better Regulation in their National Reform Programmes.

At this stage, 9 Member States have launched simplification programmes of varying degrees of ambition in the context of these NRPs. It is however essential that the EU simplification programme is complemented by a progress on simplification in all Member States and at all regulatory levels.

Examples of national initiatives include: administrative cost reduction; e-government and ICT solutions to cut red tape in public administration; review of legislation; simplification of taxation obligations, administration or reporting: especially one-stop shops for companies, SMEs and citizens, reform of corporate and capital income taxes; simplification of VAT obligations; improvement of the implementation of the internal market law to maximise its benefits; Common Commencement Dates (CCDs).

Exchanges of best practices between Member States and peer reviews are of crucial importance to improving the regulatory environment. The Commission is facilitating this work through the High

Member States and regions should be encouraged to work together on the development of

good practices, for example through the BEST initiative.

Conclusions: the simplification strategy, at the heart of the Better Regulation initiative, is beginning to bear fruit. In this report, the Commission expresses its determination to move the project forward and to deliver a strong regulatory environment. It calls upon both the Council and the European Parliament to intensify their involvement. It also reminds the Member States that they too have their part to play by exchanging best practices and implementing the simplification programmes.

Strategy for the simplification of the regulatory environment

The Committee on Legal Affairs unanimously adopted the report by Giuseppe GARGANI (EPP-ED, IT) on the strategy for the simplification of the regulatory environment, and urged the Commission to put more emphasis on implementation, enforcement and evaluation of Community legislation, as an essential part of the 'better regulation' process. It welcomed the political priority to be given to the simplification strategy, and asked the Commission to set out its simplification proposals in its annual policy strategy at the start of the annual legislative programming process. The Commission must avoid the proliferation of documents containing lists of simplification initiatives, in order to have as clear a reference framework as possible. Furthermore, Parliament, the Commission and the Council should conclude an interinstitutional agreement on an accelerated working method for simplification measures as a whole. The Committee stressed the vital importance of cooperation between the Community institutions as a prerequisite for the success of any simplification strategy.

On codification, the Committee asked the Commission to be consistent and refrain from setting out in its legislative and work programme plans for codification on the same topics as those in relation to which it intends to submit substantive legislative proposals. It proposed that the Commission once and for all adopt recasting as a standard legislative technique so that, for each initiative, the text can be available in its entirety, including where there are specific amendments. This would provide a clear indication of the new parts and those which are unchanged, thereby increasing the legibility of Community legislation. Where recasting is impossible, the codification of the legislative area concerned should be the standard legislative technique to be carried out within a six-month time-frame.

The traditional legislative instruments should continue to be used as a general rule in order to attain the objectives laid down in the Treaty, with co-regulation and self-regulation supplementing or replacing legislative measures where these methods make improvements of equivalent or broader scope than legislation can provide.

The Committee went on to state that the Commission must make every effort to ensure that the process being promoted at European level to simplify regulation is not undermined at national level by internal rules or technical barriers, and the Commission should guide and monitor this process also at national level.

Lastly, it emphasised that regular impact assessments play a key role in the simplification process and that such assessments should be considered by the Council and Parliament when amendments are made to a proposal during the legislative process.

Strategy for the simplification of the regulatory environment

The European Parliament adopted a resolution based on the own-initiative report drawn up by Giuseppe GARGANI (EPP-ED, IT) in response to the Commission working document entitled "First progress report on the strategy for the simplification of the regulatory environment". It urged the Commission to place greater emphasis on implementation, enforcement and evaluation of Community legislation, as an essential part of the "better regulation" process. It welcomed the fact that, for the first time, the simplification initiatives have been included in the Commission's legislative and work programme for 2007, in confirmation of the political priority to be given to the simplification strategy. Parliament called on the Commission systematically to include from now on, the simplification initiatives in a specific part of the legislative and work programme, to indicate what priority it intends to give to each individual simplification initiative and to set out its simplification proposals in its annual policy strategy at the start of the annual legislative programming process. The Commission must avoid the proliferation of documents containing lists of simplification initiatives, in order to have as clear a reference framework as possible.

Parliament suggested that Parliament, the Commission and the Council should conclude an interinstitutional agreement on an accelerated working method for simplification measures as a whole, and stressed the vital importance of cooperation between the Community institutions as a prerequisite for the success of any simplification strategy. In accordance with the terms of such an agreement, Parliament, together with the Council and the Commission, could set up special ad hoc structures with the precise aim of promoting simplification.

On codification, the Commission must address the difficulties relating to translation and prevent the submission of new legislative proposals from having a negative impact on the codification initiatives, thereby undermining the entire simplification process. Parliament asked the Commission to be consistent and refrain from setting out in its legislative and work programme plans for codification on the same topics as those in relation to which it intends to submit substantive legislative proposals. It proposed that the Commission once and for all adopt

recasting as a standard legislative technique so that, for each initiative, the text can be available in its entirety, including where there are specific amendments. This would provide a clear indication of the new parts and those which are unchanged, thereby increasing the legibility of Community legislation. Where recasting is impossible, the codification of the legislative area concerned should be the standard legislative technique to be carried out within a six-month time-frame.

Parliament welcomed the commitment by the Commission to develop a solid set of methodologies for the work of simplification. It called on the Commission to persist in consulting the interested parties, for instance by extending to other sectors the initiatives already announced concerning agriculture and fisheries and by strengthening the measures it intends to adopt in this regard in the field of company law and copyright. The Commission was encouraged to develop further sector-specific analyses and the measurement of the administrative burdens generated by existing Community legislation.

The traditional legislative instruments should continue to be used as a general rule in order to attain the objectives laid down in the Treaty, with co-regulation and self-regulation supplementing or replacing legislative measures where these methods make improvements of equivalent or broader scope than legislation can provide. Any use of alternative regulatory arrangements should be in compliance with the Interinstitutional Agreement on better law-making.

Parliament went on to state that the Commission must make every effort to ensure that the process being promoted at European level to simplify regulation is not undermined at national level by internal rules or technical barriers. The Commission should guide and monitor this process also at national level, for instance by acting as a centre for collecting and disseminating the best practices developed within the EU and its Member States and, not least, responding to indications from stakeholders.

Lastly, it emphasised that regular impact assessments play a key role in the simplification process and that such assessments should be considered by the Council and Parliament when amendments are made to a proposal during the legislative process.