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Basic information		
INI - Own-initiative procedure	2014/2150(INI)	Procedure completed
Regulatory fitness and performance programme (REFIT): state of play and outlook		
Subject 8.50.02 Legislative simplification, coordination, codification		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	 <b>JURI</b> Legal Affairs		10/11/2014
		 <b>KAUFMANN</b> <a href="#">Sylvia-Yvonne</a> Shadow rapporteur	
		 <b>NIEBLER Angelika</b>	
		 <b>KARIM Sajjad</b>	
		 <b>MARINHO E PINTO</b> <a href="#">António</a>	
		 <b>HAUTALA Heidi</b>	
		 <b>FERRARA Laura</b>	
	<b>Committee for opinion</b>	<b>Rapporteur for opinion</b>	<b>Appointed</b>
	 <b>ECON</b> Economic and Monetary Affairs	The committee decided not to give an opinion.	
	 <b>EMPL</b> Employment and Social Affairs		22/10/2014
		 <b>MCINTYRE Anthea</b>	
	 <b>ENVI</b> Environment, Public Health and Food Safety		24/09/2014
		 <b>LA VIA Giovanni</b>	
	 <b>IMCO</b> Internal Market and Consumer Protection		17/07/2014
		 <b>KARAS Othmar</b>	
	 <b>TRAN</b> Transport and Tourism	The committee decided not to give an opinion.	

Council of the European Union	Council configuration	Meeting	Date
	<a href="#">Competitiveness (Internal Market, Industry, Research and Space)</a>	<a href="#">3353</a>	04/12/2014
European Commission	Commission DG	Commissioner	
	<a href="#">Secretariat-General</a>	TIMMERMANS Frans	

### Key events

18/06/2014	Non-legislative basic document published	COM(2014)0368	Summary
24/11/2014	Committee referral announced in Parliament		
04/12/2014	Debate in Council	<a href="#">3353</a>	
16/06/2015	Vote in committee		
24/06/2015	Committee report tabled for plenary	<a href="#">A8-0208/2015</a>	Summary
11/04/2016	Debate in Parliament		
12/04/2016	Results of vote in Parliament		
12/04/2016	Decision by Parliament	<a href="#">T8-0104/2016</a>	Summary
12/04/2016	End of procedure in Parliament		

### Technical information

Procedure reference	2014/2150(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Initiative
Legal basis	Rules of Procedure EP 54
Other legal basis	Rules of Procedure EP 159
Stage reached in procedure	Procedure completed
Committee dossier	JURI/8/01740

### Documentation gateway

Non-legislative basic document		COM(2014)0368	18/06/2014	EC	Summary
Committee opinion	<b>IMCO</b>	<a href="#">PE541.631</a>	18/03/2015	EP	
Committee draft report		<a href="#">PE551.792</a>	23/03/2015	EP	
Committee opinion	<b>ENVI</b>	<a href="#">PE546.616</a>	30/03/2015	EP	
Amendments tabled in committee		<a href="#">PE554.972</a>	26/05/2015	EP	
Committee opinion	<b>EMPL</b>	<a href="#">PE549.312</a>	29/05/2015	EP	
Committee report tabled for plenary, single reading		<a href="#">A8-0208/2015</a>	24/06/2015	EP	Summary
Text adopted by Parliament, single reading		<a href="#">T8-0104/2016</a>	12/04/2016	EP	Summary
Commission response to text adopted in		<a href="#">SP(2016)484</a>	20/09/2016	EC	

## Regulatory fitness and performance programme (REFIT): state of play and outlook

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**PURPOSE:** to report state of play in implementing the Regulatory Fitness and Performance Programme (REFIT) programme and identifies new actions.

**BACKGROUND:** the Regulatory Fitness and Performance Programme (REFIT) aims to offer a simple, clear and predictable regulatory framework for business workers and citizens. It seeks to cut red tape, remove regulatory burdens, simplify and improve the design and quality of legislation.

Under REFIT, the Commission is screening the entire stock of EU legislation on an ongoing and systematic basis to identify burdens, inconsistencies and ineffective measures and identified corrective actions.

In the [October 2013 Communication](#) on REFIT, the Commission set out an ambitious agenda. It identified areas where initiatives foreseen would not be taken forward. It withdrew a number of proposals that had been long blocked in the legislature and repealed a number of pieces of legislation. In total, over 100 actions were identified, half of which were new proposals aimed to simplify and reduce regulatory burden in existing legislation.

**CONTENT:** following on from its October 2013 Communication, the present Communication reports on the state of play in implementing the REFIT programme and identifies new actions. It indicates how the Commission is further strengthening its horizontal regulatory tools impact assessment, evaluation and stakeholder consultations. It also looks at how EU institutions, Member States and stakeholders in business and civil society are playing their part in exercising this shared responsibility for Regulatory Fitness.

**Future REFIT initiatives:** the Commission considers that new initiatives for simplification and burden reduction are warranted in several areas. These initiatives include the simplification of EU legislation on identity and travel documents, the development of a new comprehensive architecture for business statistics, the extension of the one-stop shop in the area of VAT to all business to consumer supplies together with the development of an EU VAT Web portal to inform businesses about national and EU VAT rules and the codification of legislation on third country listings for visa requirements.

The Commission will prepare repeals of legislation in further areas: (i) energy labelling, (ii) transport rates and conditions, (iii) the Common Agricultural Policy; (iv) standardized reporting in the area of environment. In addition, the Commission is also screening the acquis in respect of police cooperation and judicial cooperation in criminal matters to identify acts which could be repealed in the context of the expiry of the transitional period set out in the Treaties.

A close scrutiny of all pending proposals before the legislator has resulted in the identification of further proposals which are either outdated or without support by the legislator and should therefore be suggested for withdrawal. These include proposals on investor compensation schemes, aviation security charges, pregnant workers, a compensation fund for oil pollution damage and exempting micro companies from certain food hygiene provisions, even though the latter would have brought significant benefits for smaller businesses.

In other key areas where wider policy reviews are in preparation such as the Digital Single Market, it will be important to identify the remaining barriers and assess the regulatory framework for costs and simplification potential.

The Commission considers that a continued effort is needed at EU, Member State and stakeholder levels to further facilitate the implementation of legislation on chemicals, notably REACH, and to reflect on specific areas where rules can be simplified and burdens reduced.

**Horizontal actions:** the Commission is determined to further strengthen its horizontal regulatory tools impact assessment, evaluation and stakeholder consultations and other horizontal actions, notably by putting more emphasis on the assessment of costs and benefits of regulation and the reduction of administrative obligations, such as reporting requirements.

**Conclusions drawn from the experience:** the Commission has drawn several lessons can be drawn from the experience in implementing REFIT thus far.

- (1) smart regulation and regulatory fitness require a firm political commitment and related adjustment of policies and processes at all levels - within the Commission, between the European institutions and within the Member States;
- (2) there is a need for scrutiny of the regulatory processes. The Impact Assessment Board has provided an essential quality control function;
- (3) experience shows that quantification looking at costs and benefits - is a necessary part of regulatory assessment;
- (4) transition costs of legislative changes have to be carefully weighed against the costs of inaction;
- (5) the detection of unnecessary burden and cost by those directly affected by legislation can be an important complement to quantitative assessment. Consultation and debate are therefore essential in this regard.

Taking these observations into account, and looking to the future, the Commission will continue to give priority to and keep up the momentum on regulatory fitness. It will continue to focus on areas of significant EU value added respecting the principles of subsidiarity and proportionality.

The Commission will continue to work closely with Parliament and Council to ensure that benefits in simplification and burden reduction are confirmed in the legislative process. It invites input, data and evidence from social partners and stakeholders on the state of play and outlook on REFIT presented in this Communication.

## Regulatory fitness and performance programme (REFIT): state of play and outlook

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Performance Programme (REFIT): state of play and outlook.

Better regulation: whilst noting the decision of Commission President Juncker to entrust the First Vice-President of the Commission with the portfolio of better regulation, Members underlined that the Commission should prioritise the development of certain measures and should focus on the quality of legislation and better enforcement of existing legislation rather than on the number of legislative acts.

The REFIT programme must not be used to undermine sustainability or any social, labour, environmental or consumer standards.

Better regulation should simplify legislation, and should include the implementation and application of Union acts at European level, as well as at national, regional and local level, in order to ensure good administration and Europe-friendly conduct at all levels.

The report suggested that the Commission took the introduction of sunset clauses into consideration in time-limited legislative initiatives, on condition that this did not lead to legal uncertainty, and include if appropriate review clauses in legislative measures.

Members welcomed the [package of measures](#) of 19 May 2015 aimed at better regulation and supported the continued commitment shown by the Commission to the better law-making agenda. They noted the Commission's commitment to negotiate a new Interinstitutional agreement on better law-making.

Pointing out that during the previous parliamentary term, the choice between implementing acts and delegated acts caused numerous Interinstitutional disputes, Members considered it important for specific guidelines to be drawn up.

Transparency and stakeholder consultations: Members welcomed the Commission's intention of making the legislative process more transparent and its affirmation that dialogue with citizens, the social partners and stakeholders must contribute to the process. The Commission was asked to conduct a balanced and transparent assessment of the positions of, and feedback from, all participants in the consultation procedure.

The report also welcomed the Commission's decision in future to conduct four-week public consultation exercises on draft delegated acts and major implementing acts before Member States voted on their position in the committee responsible.

Members took the view that the Economic and Social Committee and the Committee of the Regions could contribute to the purposes of better legislation if they were properly consulted on specific issues sufficiently well in advance.

Impact assessments and European added value: whilst noting that impact assessments constituted an important tool for supporting decision-making, Members called on the Commission and Member States to be more rigorous in fulfilling their commitments and in assessing the impact of future and existing legislation. They underlined, however, that such assessments were not a substitute for political assessments and decisions and that the freedom of Members of the European Parliament to carry out their political work must not be restricted in any way.

Members considered that:

- a competitiveness assessment should form a significant part of the impact assessment process;
- better regulation principles should apply to decisions on secondary legislation as well as primary legislation; the Commission, where appropriate, should accompany delegated and implementing acts with an impact assessment;
- impact assessments must be comprehensive, and contain a balanced evaluation of economic, social and environmental consequences, as well as an assessment of the impact on the fundamental rights of citizens and equality between women and men.

Parliament's specialist committees were asked to make more consistent use of in-house impact assessment instrument.

SMEs and Think Small First: Members welcomed the Commission's commitment to give consideration to more flexible rules for SMEs, including an outright exemption for microbusinesses, provided it was appropriate and feasible. They called on the Commission: (i) not to abandon its ambitious targets of reducing the administrative burden on SMEs and (ii) ensure that objectives concerning the public interest including user-friendly, ecological, social, health and safety and gender-equality standards were not compromised.

The reduction of administrative burdens must not lead to a reduction in employment standards or an increase in precarious employment contracts

Ex-post evaluations: the report:

- underscored the importance of ex-post assessment and policy performance appraisal for an evaluation of the implementation and efficiency of EU legislation and EU policies in the light of the legislative authority's intended outcomes;
- encouraged the Commission and the Member States to intensify the exchange of best practices in the implementation and application of EU directives. Notes that, one third of the regulatory and administrative burden of EU legislation follows from transposition measures undertaken by the Member States.

Withdrawal of pending legislative proposals: the report pointed out that the Court of Justice affirmed in its judgment of 14 April 2015 that the Commission might at any time in the course of the adoption of a Union act under the ordinary legislative procedure withdraw a proposal as long as the Council had not acted. It called on the Commission, in the event of withdrawal, to first consult Parliament, especially after the first reading, and to duly take into account its position.

## Regulatory fitness and performance programme (REFIT): state of play and outlook

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The European Parliament adopted by 537 votes to 94, with 80 abstentions, a resolution on Regulatory Fitness and Performance Programme (REFIT): state of play and outlook.

Better regulation: Parliament approved the [package of measures](#) of 19 May 2015 aimed at better regulation and supported the continued commitment shown by the Commission to the better law-making agenda. They noted the Commission's commitment to negotiate a new Interinstitutional agreement on better law-making. According to Members, the work foreseen in the REFIT Communication should be seen as an ongoing process, ensuring that the legislation in force at European level is fit for purpose, achieves the shared objective of the legislators and meets the expectations of citizens, in particular employees, businesses, and other stakeholders.

Parliament made the following recommendations:

- the Commission should prioritise the development of certain measures and should focus on the quality of legislation and better enforcement of existing legislation rather than on the number of legislative acts;
- the REFIT programme must not be used to undermine sustainability or any social, labour, environmental or consumer standards;
- better regulation should simplify legislation, and should include the implementation and application of Union acts at European level, as well as at national, regional and local level, in order to ensure good administration and Europe-friendly conduct at all levels;
- the Commission should introduce sunset clauses in time-limited legislative initiatives, on condition that this does not lead to legal uncertainty, and include if appropriate review clauses in legislative measures;
- the choice between implementing acts and delegated acts caused numerous Interinstitutional disputes, it is important for specific guidelines to be drawn up.

Transparency and stakeholder consultations: Parliament welcomed the Commissions intention of making the legislative process more transparent and its affirmation that dialogue with citizens, the social partners and stakeholders must contribute to the process. The Commission was asked to conduct a balanced and transparent assessment of the positions of, and feedback from, all participants in the consultation procedure.

The resolution also welcomed the Commissions decision in future to conduct four-week public consultation exercises on draft delegated acts and major implementing acts before Member States voted on their position in the committee responsible.

Members took the view that the Economic and Social Committee and the Committee of the Regions could contribute to the purposes of better legislation if they were properly consulted on specific issues sufficiently well in advance.

Impact assessments and European added value: whilst noting that impact assessments constituted an important tool for supporting decision-making, Parliament called on the Commission and Member States to be more rigorous in fulfilling their commitments and in assessing the impact of future and existing legislation. It underlined, however, that such assessments were not a substitute for political assessments and decisions and that the freedom of Members of the European Parliament to carry out their political work must not be restricted in any way.

Members considered that:

- a competitiveness assessment should form a significant part of the impact assessment process;
- better regulation principles should apply to decisions on secondary legislation as well as primary legislation; the Commission, where appropriate, should accompany delegated and implementing acts with an impact assessment;
- impact assessments must be comprehensive, and contain a balanced evaluation of economic, social and environmental consequences, as well as an assessment of the impact on the fundamental rights of citizens and equality between women and men.

Parliament took note of the conversion of the Commissions Impact Assessment Board (IAB) into an independent Regulatory Scrutiny Board (RSB) and expected that the inclusion of independent experts will have an advantageous effect on the impact assessment process within the Commission. It insisted that the Regulatory Scrutiny Board has only an exclusively advisory role and must not issue binding opinions.

Parliaments specialist committees were asked to make more consistent use of in-house impact assessment instrument.

SMEs and Think Small First: Parliament welcomed the Commission's commitment to give consideration to more flexible rules for SMEs, including an outright exemption for microbusinesses, provided it was appropriate and feasible. It called on the Commission: (i) not to abandon its ambitious targets of reducing the administrative burden on SMEs and (ii) ensure that objectives concerning the public interest including user-friendly, ecological, social, health and safety and gender-equality standards were not compromised.

The reduction of administrative burdens must not lead to a reduction in employment standards or an increase in precarious employment contracts.

Ex-post evaluations: the resolution:

- underscored the importance of ex-post assessment and policy performance appraisal for an evaluation of the implementation and efficiency of EU legislation and EU policies in the light of the legislative authority's intended outcomes;
- encouraged the Commission and the Member States to intensify the exchange of best practices in the implementation and application of EU directives, Notes that, one third of the regulatory and administrative burden of EU legislation follows from transposition measures undertaken by the Member States.

Withdrawal of pending legislative proposals: Parliament pointed out that the Court of Justice affirmed in its judgment of 14 April 2015 that the Commission might at any time in the course of the adoption of a Union act under the ordinary legislative procedure withdraw a proposal as long as the Council had not acted. It called on the Commission, in the event of withdrawal, to first consult Parliament, especially after the first reading, and to duly take into account its position.