

18. juni 2010

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Danish response to consultation on Smart Regulation

Smart regulation provides a clear way for the EU to create well thought-out, practical and proportionate responses to some of the greatest challenges the EU is facing.

The Danish Government supports the approach that smart regulation should be balanced and focus on enhancing the quality of regulation. A better quality of regulation supports easy and flexible administration in businesses and thereby also enhances their compliance – which, in turn, enhances protection level. The Danish Government emphasises that administrative burdens should only be reduced when it does not reduce the basic protection levels in regulation.

Smart regulation is about maximising the benefits of regulation while minimising the burdens imposed on end-users. At every stage of the European policy- and law-making process, end-users should be at the heart of how policies are chosen, designed, implemented and monitored.

We need an approach that embeds the principles of smart regulation in every intervention in all policy areas, providing a joint framework for EU institutions and Member States to make transparent, evidence-based decisions which maintain the focus on the end-users.

The EU should further improve the framework conditions for businesses – especially small and micro entities - across the European Union. By improving framework conditions businesses can spend more time on their core business instead of paper work, thereby creating the growth that is essential to the well being of the European society.

In concrete terms smart regulation should:

1. One way to improve the framework conditions is making regulation as smart as possible, maximising the benefits of regulation while minimising the burdens on **end-users**. The ultimate ambition of regulation must be for end-users to accept and comply with it. Therefore the end-users' voice is essential so that the highest compliance can be obtained.

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2. Keeping end-users – employees, consumers, businesses and other organisations – in mind during policy-making, is the only way to consistently create smart regulation. End-users are the key to highlighting a problem and to judge whether an intervention will be effective. When end-users are involved at every stage of the policy-making process, interventions are thought through more clearly and better implemented from the beginning; from choosing how the Commission should intervene, to developing a policy, to the Council and Parliament deliberating upon it and Member States implementing it.
3. It is the policy maker and civil servants' responsibility to involve end-users. This means that policy makers and civil servants must be in direct contact with end-users, the assumption being that in the end this will lead to more concrete knowledge of the needs and practises of the end-user.
4. Smart regulation should contain of a number of practical instruments that should be applied early in the policy-making process. These instruments include intensified use of eGovernment, improved guidance, transparency, and consultation. These instruments will make it easier for business to accept and comply with the rules. The Commission's plans for ex-post evaluating regulation are also highly welcomed – especially if it focuses on the real effect the regulation has on the end-users.
5. **Impact Assessments** are an important way of securing the voice of end-users throughout the policy making process. Impact assessments should be carried out by the Commission on all significant measures and be updated throughout the policy-making process when substantial amendments are proposed in the European Parliament and the Council.
6. The EU institutions should consider how the Council and Parliament can receive the analytical support necessary for them to carry out impact assessment on substantive amendments.
7. The independence of the Impact Assessment Board should be reinforced. To ensure that the quality of proposals is enhanced by a demand from highest political level, tougher consequences should be introduced where the Impact Assessment Board has a negative opinion: a negative opinion by the Impact Assessment Board would require oral procedure in the College of Commissioners.
8. The Commission has announced that it will report to the Spring Council in 2012 on whether the target for **reducing the administrative burdens by 25 pct.** has been reached. The Danish Government will do all in our power to ensure that the target is reached - with reductions that are real and tangible for businesses across the EU. The Danish Government will work on strengthening ownership for the smart regulation agenda, hereunder for the different Council formations to adopt the current proposals for administrative burden reductions. It is our hope that the Commission will continue to work on strengthening the ownership across the Commission.

9. In the short run a dashboard of state of play for reaching the 25 pct. reduction target would be a good way to communicate the efforts to DGs, the European Parliament, Member States, and other stakeholders.
10. The difficulties often experienced with businesses not noticing any change in the business climate as a result for administrative burden reductions can be met by an enhanced focus throughout the policy- and law-making process on the end-user. Additionally, systematic “reality checks” with a number of companies on whether the reductions obtained will make everyday life easier could be a practical way forward.
11. Tangible reductions in the stock of administrative burdens in European regulation should continue to be pursued through substantial delivery of the administrative burden reduction programme in all priority domains through targeted simplification of administrative burdens and through the evaluation of targeted pieces of legislation.
12. Smart regulation tools with a constant end-user focus such as eGovernment, thorough consultation, analyses on effect for instance ex-post evaluation, need to be back bone tools that always apply for all institutions across policy areas.

With these recommendations we believe that smart regulation can provide a clear way for the EU institutions to create practical and proportionate responses to some of the greatest issues Europe faces. We encourage the EU institutions to seize this opportunity to do so