

## Annex

### 62 Dutch reduction proposals for the EU action programme to reduce administrative burdens for businesses

March 2009

PRIORITY AREA	NUMBER OF PROPOSALS
1. Accountability for receiving government grants (additional area)	1
2. Agriculture and agricultural subsidies	9
3. Cohesion policy	10
4. Company law	1
5. Environment	5
6. Financial services	12
7. Fisheries	2
8. Food safety	4
9. Pharmaceutical legislation	2
10. Privacy (additional area)	3
11. Public procurement	2
12. Statistics	1
13. Transport	8
14. Working environment and employment relations	2
<b>TOTAL</b>	<b>62</b>

## 1. Accountability for receiving government grants (additional area)

<p><b>Reference to legislation</b></p> <p>Legal act and the article(s)/paragraph(s) concerned</p>	<p><b>Regulation 1998/2006 on <i>de minimis</i> aid</b></p>
<p><b>Reduction proposal</b></p> <p>What should be done?</p>	<p><u>Proportional accountability requirements for small government grants</u></p> <p>For small grants (of up to €50,000) it should be possible for Member States to disperse these grants on a lump sum basis instead of on the basis of real costs and with explicit reference to non-interference with the internal market (i.e. state aid).</p> <p>This would imply that expenditure is dispersed on the basis of a budget approved by an institution issuing the funding. Afterwards no financial accountability from beneficiaries is required. Instead, performance-based sample checks (on the basis of risk analyses) are carried out so as to control whether funded activities are in fact accomplished.</p>
<p><b>Justification of the proposal</b></p> <p>Why should it be done?</p>	<p>Under the current practice the accountability requirements for all grants are the same, regardless of the amount involved. Especially for smaller beneficiaries these requirements, even though the risk involved is lower, excessively raise administrative costs making them reluctant to apply for these grants. Recent studies have shown that by allowing lump sum payments as proposed, the administrative costs could be reduced up to 30% and the compliance costs up to 20% of the grant.</p> <p>In our view these requirements, especially in times of economic decline, seriously hinder proper accessibility to grants for smaller beneficiaries. In addition, the proposal in question seems to be in line with the Commission's key pillars of its Economic Recovery Plan which stresses the need to open up new finance, cut administrative burdens and kick-start investment.</p>
<p><b>Expected results/benefits for the involved Dutch businesses</b></p> <p>What is the impact of the reduction proposal?</p>	<p><b>Administrative burden reduction</b>  <b>€45,000,000 to €62,000,000 (30%- 40%)</b></p> <ul style="list-style-type: none"> <li>• Research has been conducted to the government-wide grant framework in the Netherlands. In the study by EIM on the savings potential of the grants framework in the Netherlands, the administrative burden imposed on businesses is calculated upon €195,000,000. That is 7% of the grant amount (€2,8 billion).</li> </ul>

	<ul style="list-style-type: none"><li>• This recent study on the effects of the integrated framework for government funding has shown that a yearly reduction of 30% - 40% of administrative burdens could be achieved. The grants up to € 50,000 are estimated at 80% of the total. By this calculation, the administrative savings are between € 45,000,000 and € 62,000,000.</li></ul>
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## 2. AGRICULTURE AND AGRICULTURAL SUBSIDIES

<p><b>Reference to legislation</b></p> <p>Legal act and the article(s)/paragraph(s) concerned</p>	<p><b>Regulation 795/2004 laying down detailed rules for the implementation of the single payment scheme provided for in Council Regulation (EC) 1782/2003 establishing common rules for direct support schemes under the common agricultural policy and establishing certain support schemes for farmers</b></p> <p><b>Article 3: calculation of the unit value of the payment entitlements</b></p>
<p><b>Reduction proposal</b></p> <p>What should be done?</p>	<p>Allow Member States to recalculate the value of the payment entitlements in case the farmer owns various fractions of an entitlement of the same origin. Change article 3(3) of Regulation 795/2004 to:</p> <p>3. Where the size of a parcel which is transferred with an entitlement in accordance with Article 46(2) of Regulation (EC) No 1782/2003 amounts to a fraction of a hectare, the farmer may transfer the part of the entitlement concerned with the land at a value calculated to the extent of the same fraction. The remaining part of the entitlement shall remain at the disposal of the farmer at a value calculated correspondingly. <u>If the receiving farmer already owns a fraction of an entitlement of the same nature and same usage history, these fractions will be merged by adding up the corresponding values of the fractions and by dividing the sum by the fractions of these values. Fractions of entitlements of the same nature, but with a different usage history may be merged in the same way, but only on application of the receiving farmer and on the condition that for the merged entitlement the usage history of the least used fraction will be taken into consideration for the total of the merged entitlement.</u></p>
<p><b>Justification of the proposal</b></p> <p>Why should it be done?</p>	<p>Due to the existing trade in payment entitlements many fractions of an entitlement come to life. The total amount of payment entitlements will grow (is growing) fast. This causes unnecessarily high administrative burden on both farmers and national authorities.</p>
<p><b>Expected results/benefits for the involved Dutch businesses</b></p> <p>What is the impact of the reduction proposal?</p>	<p><b>Administrative burden reduction between €10,407 - €21,390</b></p> <ul style="list-style-type: none"> <li>• If the coherence between the farmers who own various fractions of the entitlement and the payment of entitlements would be improved as suggested, the potential administrative burden reduction would be estimated between € 10,407 - € 21,390.</li> <li>• Whenever a farmer buys grant rights, he can only receive a portion of the grants (196 on the yearly basis). The administrative burdens of controls related to the grant and their execution cost a farmer between 1 - 2 minutes.</li> </ul>

<p><b>Reference to legislation</b></p> <p>Legal act and the article(s)/paragraph(s) concerned</p>	<p><b>Regulation 796/2004 laying down detailed rules for the implementation of cross-compliance, modulation and the integrated administration and control system provided for in Council Regulation (EC) 1782/2003 establishing common rules for direct support schemes under the common agricultural policy and establishing certain support schemes for farmers</b></p> <p><b>Article 11(1): single application</b></p>
<p><b>Reduction proposal</b></p> <p>What should be done?</p>	<p>Grant exemption from the obligation to submit a single application to farmers who use less than 1 hectare or less than the adjusted threshold referred to in article 28, first paragraph, second subparagraph, of the new Regulation on direct payments. Change Article 11(1) of Regulation 796/2004 to:</p> <p>1. A farmer applying for aid under any of the area-related aid schemes may only submit one single application per year. A farmer who does not apply for aid under any of the area related aid schemes but applies for aid under another aid scheme listed in Annex I of Regulation (EC) No 1782/2003, shall submit a single application form if he has agricultural area as defined in Article 2(a) of Regulation (EC) No 795/2004 at his disposal in which he shall list these areas in accordance with Article 14 of this Regulation. However, Member States may exempt farmers from this obligation where the information concerned is made available to the competent authorities in the framework of other administration and control systems that guarantee compatibility with the integrated system in accordance with Article 26 of Regulation (EC) No 1782/2003.</p> <p><u>Moreover, Member States may exempt farmers from this obligation in the case of farmers who use less than a minimum amount of hectares, to be fixed by the Member State, but not higher than 1 hectare or than the adjusted threshold after applying article 28, first paragraph, second subparagraph, of the new Regulation on direct payments.</u></p>
<p><b>Justification of the proposal</b></p> <p>Why should it be done?</p>	<p>The obligation to submit a single application is disproportionate for farmers who use less than 1 hectare. Moreover, according to Article 28, first paragraph, of the (new) Regulation establishing common rules for direct support schemes, Member States can choose not to grant direct payments to a farmer if the eligible area of the holding for which direct payments are claimed is less than one hectare. Therefore, a farmer holding less than one hectare should be exempted from submitting a single application.</p>
<p><b>Expected results/benefits for the involved Dutch businesses</b></p> <p>What is the impact of the reduction proposal?</p>	<p><b>Administrative burden reduction between €1,987,920 - €6,686,640 or 80% of the time spent</b></p> <ul style="list-style-type: none"> <li>• If the coherence between the farmers who use less than 1 hectare and the obligation to submit a single application would be improved as suggested, the potential administrative burden reduction would be estimated between €1,987,920 - €6,686,640. A consequence is that businesses might anticipate to this change by buying or selling parcels.</li> </ul>

	<ul style="list-style-type: none"> <li>The main gain lies in the fact that businesses are expected to spend about 80% less time (6.1 hours spent on the request plus 13.9 hours spent on controls and control compliance).</li> </ul>
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<p><b>Reference to legislation</b></p> <p>Legal act and the article(s)/paragraph(s) concerned</p>	<p><b>Regulation 796/2004 laying down detailed rules for the implementation of cross-compliance, modulation and the integrated administration and control system provided for in Council Regulation (EC) 1782/2003 establishing common rules for direct support schemes under the common agricultural policy and establishing certain support schemes for farmers</b></p> <p><b>Article 13 and 14: single application</b></p>
<p><b>Reduction proposal</b></p> <p>What should be done?</p>	<p>The obligation to submit the abovementioned documents with the application can be withdrawn. For example, change Article 13 of Regulation 796/2004 to:</p> <p>1. In the case where a farmer intends to produce hemp in accordance with Article 52 of Regulation (EC) No 1782/2003 or hemp grown for fibre as referred to in Article 106 of that Regulation, <u>the farmer keeps at the disposal of the control officials</u></p> <p>(a) all information required for the identification of the parcels sown in hemp, indicating the varieties of seed used;</p> <p>(b) an indication as to the quantities of the seeds used (kg per hectare);</p> <p>(c) the official labels used on the packaging of the seeds in accordance with Council Directive 2002/57/EC (2), and in particular Article 12 thereof.</p> <p>This is only an example. A similar approach could be used for all supporting documents mentioned in these articles.</p>
<p><b>Justification of the proposal</b></p> <p>Why should it be done?</p>	<p>Certain supporting documents (as specified in Article 13) are only necessary in case of physical checks. It therefore suffices that the farmer keeps those documents available for the control officials.</p>
<p><b>Expected results/benefits for the involved Dutch businesses</b></p> <p>What is the impact of the reduction proposal?</p>	<p><b>Administrative burden reduction of €41,330 or 3,5%</b></p> <p>If the coherence between the farmers who are involved in producing the above items and the obligation to submit documents with the application would be improved as suggested, the potential administrative burdens reduction would be estimated at 3,5%.</p> <p><b>Impact on annoyance reduction</b></p> <ul style="list-style-type: none"> <li>It is expected that the reduction of annoyance caused by the time spent on submitting documentation to control officials,</li> </ul>

	<p>will have a much larger impact on the perception of Dutch farmers than the reduction of real costs in euros.</p> <ul style="list-style-type: none"> <li>• For instance it may occur that authorities cause (additional) annoyance by rejecting a farmer's application. In that scenario the farmer has to start the procedure of submitting the application all over again.</li> </ul>
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<p><b>Reference to legislation</b></p> <p>Legal act and the article(s)/paragraph(s) concerned</p>	<p><b>Regulation 796/2004 laying down detailed rules for the implementation of cross-compliance, modulation and the integrated administration and control system provided for in Council Regulation (EC) 1782/2003 establishing common rules for direct support schemes under the common agricultural policy and establishing certain support schemes for farmers</b></p> <p><b>Article 30(1): determination of areas</b></p>
<p><b>Reduction proposal</b></p> <p>What should be done?</p>	<p>Allow Member States to apply the measurement tolerance as referred to in article 30(1) of Regulation 796/2004 also with respect to administrative checks based on the GIS as referred to in article 6(1) of that Regulation.</p> <p>Add the following to Article 30(1) of Regulation 796/2004:</p> <p>The measurement tolerance can also be applied to parcels as established by the GIS as referred to in Article 6(1) of this Regulation in the performance of the administrative checks according to Article 24(1) of this Regulation.</p>
<p><b>Justification of the proposal</b></p> <p>Why should it be done?</p>	<p>The tools that are used to establish the system as referred to in Article 6(1) of Regulation 796/2004 are the same tools that are used to perform the physical checks. The measurement tolerance that is allowed while determining agricultural parcel areas is however not allowed to be used while performing the administrative checks based on the GIS, as meant in Article 24(1) of the Regulation. This means there is a lack of uniformity in the execution of checks.</p>
<p><b>Expected results/benefits for the involved Dutch businesses</b></p> <p>What is the impact of the reduction proposal?</p>	<p><b>High impact on annoyance reduction</b></p> <ul style="list-style-type: none"> <li>• It is expected that the reduction of annoyance caused by the time spent on submitting documentation to control officials, will have a large impact on the perception of Dutch farmers.</li> <li>• For instance it may occur that authorities cause (additional) annoyance by requiring extra documents.</li> </ul>

<p><b>Reference to legislation</b></p> <p>Legal act and the article(s)/paragraph(s) concerned</p>	<p><b>Regulation 1975/2006 laying down detailed rules for the implementation of Council Regulation (EC) 1698/2005, as regards the implementation of control procedures as well as cross-compliance in respect of rural development support measures</b></p> <p><b>and</b></p> <p><b>Regulation 796/2004: Regulation 796/2004 laying down detailed rules for the implementation of cross-compliance, modulation and the integrated administration and control system provided for in Council Regulation (EC) 1782/2003 establishing common rules for direct support schemes under the common agricultural policy and establishing certain support schemes for farmers</b></p>
<p><b>Reduction proposal</b></p> <p>What should be done?</p>	<p>Integrate both regulations into one.</p>
<p><b>Justification of the proposal</b></p> <p>Why should it be done?</p>	<p>At present two regulations deal with more or less the same matter. Yet differences exist in the details, for example in definitions. The aim of the IACS is to function as a single automatic system. It is more efficient to lay down the corresponding rules in one regulation.</p> <p>The administrative burden stemming from regulation 1975/2006 is estimated to be € 31,249,890 - € 39,062,353.</p>
<p><b>Expected results/benefits for the involved Dutch businesses</b></p> <p>What is the impact of the reduction proposal?</p>	<p><b>Administrative burden reduction between €1,000 - €2,000</b></p> <p>If the coherence between integrating both regulations and the obligation of controls would be improved as suggested, the potential administrative burden reduction would be estimated between € 1,000 - € 2,000.</p> <p><b>Positive impact on annoyance reduction</b></p> <ul style="list-style-type: none"> <li>• It is expected that the reduction of annoyance caused by the time spent on inspection of extra controls, will have a much larger impact on the perception of Dutch farmers than the reduction of real costs in euros.</li> <li>• For instance, clear and integrated definitions will be better understood and will reduce the flow of questions asked by farmers and hereby the time spent.</li> </ul> <p><b>Cost and time reduction expected for national authorities and EC</b></p> <ul style="list-style-type: none"> <li>• It is expected that the reduction proposal will result in cost reduction for the national authorities. For instance paying agencies will be able to cut ICT costs in case of a single IACS.</li> <li>• Differences between first pillar and second pillar applications for aid cease to exist.</li> </ul>

	<ul style="list-style-type: none"> <li>The EC will have only one regulation to manage instead of two.</li> </ul>
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<p><b>Reference to legislation</b></p> <p>Legal act and the article(s)/paragraph(s) concerned</p>	<p><b>Regulation 382/2005 laying down detailed rules for the application of Council Regulation (EC) 1786/2003 on the common organisation of the market in dried fodder</b></p> <p><b>Article 27: on the spot checks</b></p>
<p><b>Reduction proposal</b></p> <p>What should be done?</p>	<p>Allow an annual check instead of regular additional checks.</p> <p>Change Article 27 of Regulation 382/2005 to:</p> <p>1. The competent authorities shall undertake <u>regular additional checks</u> on suppliers of raw materials and on operators to whom dried fodder has been supplied.</p>
<p><b>Justification of the proposal</b></p> <p>Why should it be done?</p>	<p>The costs of the controls as required by Article 27 are no longer proportional to the total amount of aid granted. Moreover, the risk of non-compliance is very low. The Article 27 checks are to be done to make sure the goods reach their final state. In the case of dried fodder, there's no financial incentive to change to another destination than fodder.</p>
<p><b>Expected results/benefits for the involved Dutch businesses</b></p> <p>What is the impact of the reduction proposal?</p>	<p><b>The administrative burden reduction is estimated approximately at €43,734</b></p> <ul style="list-style-type: none"> <li>When annual checks are considered to be sufficient and the regular additional checks would be abolished, the administrative burden reduction for Dutch businesses would be €43,734 (costs of 1,182 checks a year).</li> <li>In fact, the checks are related to a subsidy measure that will end on 31 March 2012. Checks will no longer be needed after that date and an administrative burden reduction of €43,734 will be achieved.</li> </ul> <p><b>Considerable annoyance reduction</b></p> <p>Since the checks are considered to be disproportional, abolishing them will reduce the perceived effects in a substantial way.</p>

<p><b>Reference to legislation</b></p> <p>Legal act and the article(s)/paragraph(s) concerned</p>	<p><b>Regulation 796/2004 laying down detailed rules for the implementation of cross-compliance, modulation and the integrated administration and control system provided for in Council Regulation (EC) 1782/2003 establishing common rules for direct support schemes under the common agricultural policy and establishing certain support schemes for farmers</b></p> <p><b>Article 10(1): single payment</b></p>
<p><b>Reduction proposal</b></p> <p>What should be done?</p>	<p>If the margins within which the total possible amount of aid lies have been established by the national authorities, an advanced payment is justified.</p> <p>In Article 10(1) of Regulation 796/2004, replace “not be made before” by “only be made in so far”:</p> <p>1. Without prejudice to to the time period provided for in Article 28(2) of Regulation (EC) No 1782/2003 or any rules providing for the payment of advances in accordance with paragraph 3 of that Article, direct payments falling within the scope of this Regulation shall <u>only be made in so far</u> the checks with regard to eligibility criteria, to be carried out by the Member State pursuant to this Regulation, have been finalised.</p>
<p><b>Justification of the proposal</b></p> <p>Why should it be done?</p>	<p>Aid applications frequently cause problems because of parcel overlapping. The total amount of possible aid in those cases is most often clear. The only thing that has to be sorted out is how the overlap must be solved, which causes delay in the payments. The farmer who submitted a right application should not be the victim of this situation, especially as it often relates to a relatively small part of the aid.</p>
<p><b>Expected results/benefits for the involved Dutch businesses</b></p> <p>What is the impact of the reduction proposal?</p>	<p><b>Significant impact on annoyance reduction</b></p> <ul style="list-style-type: none"> <li>• It is expected that the reduction of annoyance caused by the time spent on submitting documentation to control officials, will have a large impact on the perception of Dutch farmers.</li> <li>• For instance it may occur that authorities cause (additional) annoyance by rejecting a farmer’s application. In that scenario the farmer has to start the procedure of submitting the application all over again.</li> </ul>

<p><b>Reference to legislation</b></p> <p>Legal act and the article(s)/paragraph(s) concerned</p>	<p><b>Regulation 796/2004 laying down detailed rules for the implementation of cross-compliance, modulation and the integrated administration and control system provided for in Council Regulation (EC) 1782/2003 establishing common rules for direct support schemes under the common agricultural policy and establishing certain support schemes for farmers</b></p> <p><b>Article 21(1): single application</b></p>
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<p><b>Reduction proposal</b></p> <p>What should be done?</p>	<p>Replace the second subparagraph of Article 21(1) of Regulation 796/2004 by a new paragraph 1a, while at the same time changing the title of the article from ‘Late submission’ to ‘Late or incomplete submission’:</p> <p>1a. If the application is not accompanied by documents, contracts or declarations to be submitted to the competent authority in accordance with Articles 12 and 13, or documents, contracts or declarations are not complete, the competent authority requests the applicant to submit or complete the documents, contracts or declarations concerned within a time limit to be set by the competent authority. If the applicant fails to do so, the application shall be considered inadmissible for the aid for which the documents, contracts or declarations are constitutive for the eligibility.</p>
<p><b>Justification of the proposal</b></p> <p>Why should it be done?</p>	<p>As many applications are lodged in the final days of an application period, not all of the applications can be checked on their completeness immediately after receipt. However, the current article does not leave any other possibility than denying the application if one or more of the accompanying documents is missing or incomplete.</p>
<p><b>Expected results/benefits for the involved Dutch businesses</b></p> <p>What is the impact of the reduction proposal?</p>	<p><b>Significant impact on annoyance reduction</b></p> <p>It is expected that the reduction of annoyance caused by the time spent on the aid application will have a large impact on the perception of Dutch farmers.</p> <p><b>Costs and time reduction for national authorities</b></p> <p>It is expected that the flexibility of deadlines will have a large impact on national authorities by lowering high season work.</p>

<p><b>Reference to legislation</b></p> <p>Legal act and the article(s)/paragraph(s) concerned</p>	<p><b>Regulation 796/2004 laying down detailed rules for the implementation of cross-compliance, modulation and the integrated administration and control system provided for in Council Regulation (EC) 1782/2003 establishing common rules for direct support schemes under the common agricultural policy and establishing certain support schemes for farmers</b></p> <p><b>Article 41: the Integrated Administration and Control System (IACS)</b></p>
<p><b>Reduction proposal</b></p> <p>What should be done?</p>	<p>Change the definition of ‘repeated non-compliance’ in Article 41 of Regulation 796/2004:</p> <p>(a) A ‘repeated’ non-compliance shall mean the non-compliance with the same requirement, standard or obligation referred to in Article 4 determined more than once within a consecutive period of three <u>calendar</u> years, provided the farmer has been informed of a previous non-compliance and, as the case may be, has had the</p>

	possibility to take the necessary measures to terminate that previous non-compliance.
<b>Justification of the proposal</b>  Why should it be done?	Article 41 of Regulation 796/2004 states that “a ‘repeated’ non-compliance shall mean the non-compliance with the same requirement, standard or obligation referred to in Article 4 determined more than once within a consecutive period of three years.  Applying periods measured in ‘calendar years’ is substantially easier to administer than periods measured in ‘years’ or ‘days’.
<b>Expected results/benefits for the involved Dutch businesses</b>  What is the impact of the reduction proposal?	<b>Significant impact on annoyance reduction</b> <ul style="list-style-type: none"> <li>• It is expected that the reduction of annoyance caused by the time spent on submitting documentation to control officials, will have a large impact on the perception of Dutch farmers.</li> <li>• For instance it will create clarity for farmers and a facilitated administrative process for national authorities.</li> <li>• Clarity for farmers means it will simplify their system of data administration.</li> </ul>

⇒ **SUPPORT FOR THE FOLLOWING DANISH PROPOSAL**

**Article 24.2 in Commission Regulation (EC) 796/2004 laying down detailed rules for the implementation of cross-compliance, modulation and the integrated administration and control system provided for in of Council Regulation (EC) 1782/2003 establishing common rules for direct support schemes under the common agricultural policy and establishing certain support schemes for farmers**

Introduction of a triviality limit regarding deviation between the agricultural parcels as declared in the single application and the reference parcels as contained in the identification system for agricultural parcels.

In 2008 approximately 4,000 cases were reopened due to a lacking correspondence on 0.1 ha.

### 3. COHESION POLICY

#### **Introductory horizontal and cross-cutting issues, in light of the complexity of current rules and regulations for structural funds**

##### **Implementation**

1. Programmes of each programming period should be assessed and implemented exclusively on the basis of the rules applicable in this period. Other or extra rules and standards dating from subsequent programming periods should not be applied to cases of prior periods. Also, within one programming period, new rules and standards should only apply to future occurrences.
2. The time and effort necessary for implementation must be proportionate to the size of the programme. In particular the documentation required – e.g. in connection with the audit strategy – should be less extensive and frequent for smaller programmes than for large ones.
3. In cases where small- and medium-sized enterprises (SMEs) are the final beneficiary, the duty to deposit all supporting documents up until 2020 should be abolished. These SMEs should be able to send this information to the Managing Authority which files it, with the aim to close the accounts for a specific project at a later stage.
4. In the structural funds regulation it is explicitly mentioned that national rules are to be taken into account when considering the legality and regularity of transactions. As a result control burden increases. The increase is the result of an assessment, which is required to determine the applicable and relevant national rules in addition to the European rules. Taking into account at least 27 different assessments on top of European rules will also increase the complexity of regulation and the risk of error. The Commission is requested to put forward a proposal to strike this obligation.

##### **Guidance**

1. The Commission should confine its guidance regarding implementation to aspects of unitized handling which is indispensable to reach the common objectives (including the correct use of funds). Where these objectives can be met by different means, Commission should grant Member States the freedom to choose the solution which is most compatible to their national systems.
2. Each legal framework applicable to specific Structural Funds should actively and specifically indicate which rules and regulations fall under its implementation mechanism in order to avoid discussions on the interpretation and scope of other rules regulations. This is without prejudice to the fact that projects financed by the Funds must comply with the provisions of the Treaty and acts adopted under it.
3. The Commission should take more account of the principle of proportionality when implementing the Structural Funds Regulations. Every implemented rule should be subject to a cost-benefit ratio comparing compliance costs and administrative burdens to gains in terms of reduced risk of error in the area of management, audit and control.

4. To ensure uniform and comprehensive information, the Commission could also set up an electronic information system, which contains her interpretations of legal questions as well as the underlying legal texts.

<p><b>Reference to legislation</b></p> <p>Legal act and the article(s)/paragraph(s) concerned</p>	<p><b>Article 72, regulation (EC) 1083/2006</b></p> <p><i>“1. The Commission shall satisfy itself in accordance with the procedure laid down in Article 71 that the Member States have set up management and control systems that comply with Articles 58 to 62 and, on the basis of the annual control reports and annual opinion of the audit authority and its own audits, that the systems function effectively during the periods of implementation of operational programmes.</i></p> <p><i>2. Without prejudice to audits carried out by Member States, Commission officials or authorised Commission representatives may carry out on-the-spot audits to verify the effective functioning of the management and control systems, which may include audits on operations included in operational programmes, with a minimum of 10 working days' notice, except in urgent cases. Officials or authorised representatives of the Member State may take part in such audits. The implementing rules of this Regulation concerning the use of data collected during audits shall be adopted by the Commission in accordance with the procedure referred to in Article 103(3). Commission officials or authorised Commission representatives, duly empowered to carry out on-the-spot audits, shall have access to the books and all other documents, including documents and metadata drawn up or received and recorded on an electronic medium, relating to expenditure financed by the Funds. The aforementioned powers of audit shall not affect the application of national provisions which reserve certain acts for agents specifically designated by national legislation. Authorised Commission representatives shall not take part, inter alia, in home visits or the formal questioning of persons within the framework of the national legislation of the Member State concerned. However, they shall have access to information thus obtained.</i></p> <p><i>3. The Commission may require a Member State to carry out an on-the-spot audit to verify the effective functioning of systems or the correctness of one or more transactions. Commission officials or authorised Commission representatives may take part in such audits.”</i></p>
<p><b>Reduction proposal</b></p> <p>What should be done?</p>	<p>The Commission should refrain from undertaking standard audits on the level of projects when the compliance assessment is accepted by the Commission. Audits by the Commission should only be executed in specific and duly motivated cases.</p>

<p><b>Justification of the proposal</b></p> <p>Why should it be done?</p>	<p>The audit structure in article 72 is based on audits on different levels. After the first level audits and the second level audits the Commission can audit on the level of the project. Is it really necessary that the Commission audits on the level of the project as well? The proposal to refrain from undertaking audits on the level of the project can be justified firstly because it is consistent with the Sisa system (Single Audit approach). Secondly because of the fact that the Commission gives a judgement of the management and control system in line with article 71 of the regulation.</p>
<p><b>Expected results/benefits for the involved Dutch businesses</b></p> <p>What is the impact of the reduction proposal?</p>	<p><b>Administrative burden reduction €100,000 to €200,000</b></p> <ul style="list-style-type: none"> <li>• Based on the Dutch administrative burden baseline measurement 2007, total burdens are calculated at €2,400,000 for EFRO. Accountability and control are calculated at €800,000. The savings stemming from this proposal should be sought here.</li> <li>• After the first level and second level audits, there is the possibility that the EU can monitor at the level of projects. It is estimated that administrative burden savings can amount to €100,000 to €200,000, in sight of the probably low frequency control of the EU.</li> </ul> <p><b>Positive impact on annoyance reduction</b></p> <p>Canceling the control of the EU at the level of projects for the relevant businesses will have a substantial positive impact in qualitative terms.</p>

<p><b>Reference to legislation</b></p> <p>Legal act and the article(s)/paragraph(s) concerned</p>	<p><b>Article 17, Regulation (EC) 1083/2006</b></p>
<p><b>Reduction proposal</b></p> <p>What should be done?</p>	<p>Compliance of environmental legislation should not be made part of the <u>eligibility rules</u> of the European Regional Development Fund.</p>
<p><b>Justification of the proposal</b></p> <p>Why should it be done?</p>	<p>Compliance of environmental legislation is being enforced by the competent bodies. Managing authorities lack expertise in this field.</p> <p>This proposal does not question the importance of environmental legislation, but intends to reduce the administrative burden for applicants.</p>

<p><b>Expected results/benefits for the involved Dutch businesses</b></p> <p>What is the impact of the reduction proposal?</p>	<p><b>Administrative burden reduction for Dutch businesses €36,210 to €72,420</b></p> <ul style="list-style-type: none"> <li>• If compliance of environmental legislation will not be part of the eligibility rules of the European Regional Development Fund, the potential administrative burden reduction is estimated between € 36,210 to € 72,420 (EFRO).</li> <li>• The main benefit lies in the fact that businesses are expected to spend between 10% - 20% less time for a subsidy request. Obligations because of environmental legislation are no longer part of the subsidy request.</li> </ul>
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<p><b>Reference to legislation</b></p> <p>Legal act and the article(s)/paragraph(s) concerned</p>	<p><b>Article 90, Regulation (EC) 1083/2006</b></p> <p><i>“1. Without prejudice to the rules governing State aid under Article 87 of the Treaty, the managing authority shall ensure that all the supporting documents regarding expenditure and audits on the operational programme concerned are kept available for the Commission and the Court of Auditors for:</i></p> <p><i>(a) a period of three years following the closure of an operational programme as defined in Article 89(3);</i></p> <p><i>(b) a period of three years following the year in which partial closure took place, in the case of documents regarding expenditure and audits on operations referred to in paragraph</i></p> <p><i>2. These periods shall be interrupted either in the case of legal proceedings or at the duly motivated request of the Commission.”</i></p>
<p><b>Reduction proposal</b></p> <p>What should be done?</p>	<p>A) The proposal is to set a fixed time for the storage of documents, for example 31-12-2015.</p> <p>B) The proposal is to bring the legal obligation to keep records in line with the national obligation to keep records for 5 years. T</p> <p>C) The proposal is to allow SMEs to send their records to the managing authority and pass on the obligation to them.</p>
<p><b>Justification of the proposal</b></p> <p>Why should it be done?</p>	<p>A) This will lead to a decline in storage costs for organisations.</p> <p>B) Harmonisation of legislation on this topic will lead to a reduction of administrative burdens for applicants.</p> <p>C) The main benefit lies in the fact that SMEs don't need to keep documents regarding expenditure and audits on the operational programme available for the Court of Auditors.</p>

<p><b>Expected results/benefits for the involved Dutch businesses</b></p> <p>What is the impact of the reduction proposal?</p>	<p><b>Proposal A: administrative burden reduction: €162,000 to €324,000</b></p> <ul style="list-style-type: none"> <li>• If the fixed time for the storage of documents would be decreased, the potential (administrative) burdens reduction is estimated between € 162,000 to 324,000 for the involved Dutch businesses.</li> <li>• Dutch businesses still need to archive and storage their supporting documents regarding expenditure and audits on the operational programme. The main benefit lies in the fact that businesses don't need to storage their documentation for a period longer than 2 years following the closure of an operational program or following the year in which partial closure took place.</li> <li>• Reduction range 10% - 20% = € 162,000 to € 324,000.</li> </ul> <p><b>Proposal B:</b></p> <p>This proposal refers to a qualitative aspect for keeping records for a maximum of 5 years for every legislation.</p> <p><b>Proposal C: administrative burden reduction: €48,594 to €72,891</b></p> <ul style="list-style-type: none"> <li>• If SMEs would be allowed to send their records to the managing authority, the potential administrative burden reduction is estimated between € 48,594 to € 72,891 for the Dutch businesses (10%-15% reduction range).</li> <li>• SMEs don't need to cooperate with auditors anymore, because the managing authority is responsible for this obligation.</li> </ul>
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<p><b>Reference to legislation</b></p> <p>Legal act and the article(s)/paragraph(s) concerned</p>	<p><b>Articles 88 and 90, Regulation (EC) 1083/2006: partial closure</b></p> <p><i>"1. Partial closure of operational programmes may be made at periods to be determined by the Member State. Partial closure shall relate to operations completed during the period up to 31 December of the previous year. For the purposes of this Regulation, an operation shall be deemed completed where the activities under it have been actually carried out and for which all expenditure by the beneficiaries and the corresponding public contribution have been paid.</i></p> <p><i>2. Partial closure shall be made on the condition that the Member State sends the following to the Commission by 31</i></p>
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	<p><i>December of a given year:</i>  (a) a statement of expenditure relating to the operations referred to in paragraph 1;  (b) a declaration for partial closure in accordance with Article 62(1)(d)(iii).  3. Any financial corrections made in accordance with Articles 98 and 99 concerning operations subject to partial closure shall be net financial corrections.”</p>
<p><b>Reduction proposal</b>   What should be done?</p>	<p>A) Diminish the executing time of a partial closure procedure to one year.</p> <p>B) Strike the third paragraph of article 88.</p> <p>C) Add the following to article 90, 1, (b): “These periods shall be interrupted or curtailed under specific circumstances either in the case of legal proceedings or at the duly request of the Commission or the Member State.”</p>
<p><b>Justification of the proposal</b>   Why should it be done?</p>	<p>Article 88 allows Member States to close part of a Structural Funds Programme during the programming period. However, partial closure can take several years, making it an unattractive tool (article 90). Furthermore partial closure brings a financial risk for Member States. Where normally financial corrections on projects can be re-used for other projects, financial corrections in the partial closure procedure are net corrections (the money involved will be pulled out of the programme).</p> <p>Swift execution of partial closures would identify irregularities and necessary corrective actions on a regular and timely basis, considerably reducing the financial risk for the whole financial period and opening up possibilities for improved financial management by Member States and supervision by the Commission. Risk of error and administrative burdens would also be diminished, since all documentation for closed projects does not have to be actively kept and stored anymore up until three years after the programming period.</p> <p>Partial closure will not be an attractive instrument when money is lost for the programme. There is no logic to make financial corrections net corrections. It is absolutely clear that:</p> <ol style="list-style-type: none"> <li>1. Expenditure in projects offered for partial closure should be free from irregularities.</li> <li>2. Financial corrections should be made where necessary.</li> <li>3. All expenditure in the partial closure projects should be regular and legal.</li> <li>4. Projects which are in the partial closure are closed.</li> </ol> <p>There is no logic that the financial correction should be net and the money is lost for the programme.</p>

<p><b>Expected results/benefits for the involved Dutch businesses</b></p> <p>What is the impact of the reduction proposal?</p>	<p><b>Proposal C: administrative burden reduction</b>  <b>€162,000 to €324,000</b></p> <ul style="list-style-type: none"> <li>• If the phrase “<i>These periods shall be interrupted or curtailed under specific circumstances either in the case of legal proceedings or at the duly request of the Commission or the Member State</i>” would be added to article 90,1, (b), the potential administrative burdens reduction would be estimated between € 162,000 to € 324,000 (reduction range 10% - 20%).</li> <li>• The main benefit lies in the fact that organizations don’t need to keep documents regarding expenditure and audits on the operational programme available for the Court of Auditors.</li> </ul> <p><b>Proposal A: positive effect on annoyance reduction</b></p> <ul style="list-style-type: none"> <li>• The proposal indicates that within a period of one year (on a regular and timely basis) Member States gain insight in the potential identified irregularities and necessary corrective actions. The Commission can’t control the documentation after the partial closure procedure of one year.</li> <li>• It is expected this will have a positive effect on the perception of the Member States as normally partial closure can take several years.</li> </ul> <p><b>Proposal B: impact on Member States</b></p> <p>This proposal is only relevant for Member States. Normally financial corrections on projects can be re-used for other projects, but financial corrections during the partial closure are net corrections. This means that Member States experience a financial risk due to partial closure, because money is lost for the programme.</p>
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<p><b>Reference to legislation</b></p> <p>Legal act and the article(s)/paragraph(s) concerned</p>	<p><b>Article 17 Sampling, Regulation (EC) 1828/2006</b></p> <p><i>“1. The sample of operations to be audited each year shall in the first instance be based on a random statistical sampling method as set out in paragraphs 2, 3 and 4. Additional operations may be selected as a complementary sample as set out in paragraphs 5 and 6.”</i></p>
<p><b>Reduction proposal</b></p> <p>What should be done?</p>	<p>Following this article the audit should be based on a statistical sampling method. The proposal is to make an exception in article 17 for the smaller programmes and to</p>

	allow the use of a non-statistical sampling method, based on international audit standards for programmes that have less than 800 projects a year.
<b>Justification of the proposal</b>  Why should it be done?	<p>The second level checks will increase substantially for smaller programmes in the new programming period because of this new obligation to apply a <i>statistical</i> sampling method. The Commission is advised to give Member States the possibility to use their own method based on international standards. This idea is already proposed by the Commission in the “draft guidance note on sampling methods for audit authorities”.</p> <p>The total administrative burden stemming from regulation 1828/2006/EC is estimated to be € 19,300,000.</p>
<b>Expected results/benefits for the involved Dutch businesses</b>  What is the impact of the reduction proposal?	<p><b>Administrative burden reduction €400,000 to €800,000</b></p> <ul style="list-style-type: none"> <li>• Based on the Dutch administrative burden baseline measurement of 2008, total burdens are calculated at € 19,300,000. In the same measurement the accountability and control are calculated at € 3,200,000. The savings stemming from this proposal must be sought partly within those costs.</li> <li>• Assuming that small programmes and programmes with less than 800 projects are half of the total, the administrative burdens on the second level can be saved. The first level is maintained as a control. Therefore, the net savings are estimated at € 400,000 to 800,000.</li> </ul> <p><b>Positive impact on annoyance reduction</b></p> <p>No more controls on the second level to the involved organizations will have a substantial positive impact in qualitative terms.</p>

<b>Reference to legislation</b>  Legal act and the article(s)/paragraph(s) concerned	<p><b>Pending amendment of Regulation (EC) No 1081/2006 on the European Social Fund to extend the types of costs eligible for a contribution from the ESF</b></p> <p>Regulation 1081/2006 is in the process of being amended. Paragraph 3 of Article 11 of Regulation (EC) No 1081/2006 will be amended as follows:</p> <p>(1) Point (b) is replaced by the following:</p> <p>"(b) in the case of grants:</p> <ul style="list-style-type: none"> <li>(i) indirect costs declared on a flat-rate basis, up to 20 % of the direct costs of an operation;</li> <li>(ii) flat-rate costs calculated by application of</li> </ul>
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	<p>standard scales of unit cost as defined by the Member State;</p> <p>(iii) lump sums to cover all or part of the costs of an operation. "</p>
<p><b>Reduction proposal</b></p> <p>What should be done?</p>	<p>The introduction of lump sum and flat-rate costs calculated by application of standard scales of unit have the potential of greatly reducing administrative burdens for both the beneficiaries and the managing and audit authorities.</p>
<p><b>Justification of the proposal</b></p> <p>Why should it be done?</p>	<p>These proposals will greatly reduce the administrative burdens on the condition that the Commission keeps the interpretation of these two instruments as simple as possible. Flat rate and lump sum will only be effective when rules are simple and easily applicable for Member States.</p> <p>The total administrative burden stemming from regulation 1081/2006/EC is estimated to be € 15,673,098 - € 20,897,466.</p>
<p><b>Expected results/benefits for the involved Dutch businesses</b></p> <p>What is the impact of the reduction proposal?</p>	<p><b>Administrative burden reduction (based on the sum of the two categories)</b> <b>€187,003 - €385,396</b></p> <ul style="list-style-type: none"> <li>• If lump sum and flat-rate costs would be implemented in Regulation 1081/2006, the potential administrative burden reduction for subsidy requests would be estimated between € 141,444 to € 282,888.</li> <li>• The main benefit lies in the fact that the use of lump sum and flat-rate costs are expected to require between 3% - 6% less time in determining the budget (subsidy request).</li> <li>• If the introduction of lump sum and flat-rate costs would be implemented in Regulation 1081/2006, the potential administrative burden reduction for subsidy justification would be estimated between € 45,559 to € 102,508.</li> <li>• The main benefit lies in the fact that the use of lump sum and flat-rate costs are expected to require between 4% - 9% less time in determining the final declaration (subsidy justification).</li> </ul> <p><b>Effect on Member States</b></p> <p>It is expected that the implementation of lump sum and flat-rate costs will have impact on the administrative burden reduction of Member States. The main gain lies in the fact that Member States are expected to spend less time in judging and verifying the budget and final declaration.</p>

⇒ **SUPPORT FOR THE FOLLOWING PROPOSAL BY EUROCHAMBRES/  
SME UNION**

- **Regulation (EC) No 1080/2006 of the European Parliament and of the Council of 5 July 2006 on the European Regional Development Fund and repealing Regulation (EC) No 1783/1999; Regulation (EC) No 1081/2006 of the European Parliament and of the Council of 5 July 2006 on the European Social Fund and repealing Regulation (EC) No 1784/1999; Regulation (EC) No 1082/2006 of the European Parliament and of the Council of 5 July 2006 on a European grouping of territorial cooperation (EGTC); Council Regulation (EC) No 1083/2006 of 11 July 2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Regulation (EC) No 1260/1999; Council Regulation (EC) No 1084/2006 of 11 July 2006 establishing a Cohesion Fund and repealing Regulation (EC) No 1164/94; Council Regulation (EC) No 1085/2006 of 17 July 2006 establishing an Instrument for Pre-Accession Assistance (IPA)**

The need to prevent the misuse of EU funds requires a certain level of information relating to the administration of EU funds. However, this does not excuse unnecessary bureaucracy.

Highly complex administrative and control systems on national levels have been designed for the management of EU structural funds, compliance with which is often difficult even for national and regional public bodies. The bureaucratic management of EU funds represents a serious obstacle to meeting the policy objectives of the programmes. As a result, smaller projects are often not cofinanced using EU funds, because administrative burdens impact too heavily on the responsible authority. Companies supported by structural funds often have to comply with exaggerated documentation requirements. In addition, audits and ex-post controls of smaller projects are often very time-consuming.

The administrative burdens connected to the participation in co-financed EU projects are often very time-consuming. In some cases, the involvement of accountants (e.g. for the “first-level-control” in Objective 3 projects) or of external consultants is necessary. The complicated documentation requirements imply an increased risk of delays in the payment of EU funds or, in the worst case, denial or repayment of the funds even when the idea behind the project is a very good one and in line with the programme’s objective.

The Structural Funds are increasingly targeted towards the objectives of the Lisbon Strategy for Jobs and Growth, yet their procedures prohibit the involvement of SMEs, key stakeholders in the strategy. An ex-post audit of a project can be time consuming and labour intensive, especially for a small company. Therefore important for the Commission to review its procedures for the management of the Structural Funds. Taking into account the need to engage SMEs, the proportionality principle could be applied: the smaller the project funded or co-financed by the EU, the less administrative burdens should be involved.

## 4. COMPANY LAW

<p><b>Reference to legislation</b></p> <p>Legal act and the article(s)/paragraph(s) concerned</p>	<p><b>Second Council Directive of 13 December 1976 on coordination of safeguards which, for the protection of the interests of members and others, are required by Member States of companies (77/91/EEC) (2006/68/EC)</b></p>
<p><b>Reduction proposal</b></p> <p>What should be done?</p>	<p>The creditor protection system in the Second Company Law directive should be revised fundamentally on the basis of the KPMG research performed by Commission order. The Commission should develop proposals for an alternative system without a mandatory minimum capital.</p>
<p><b>Justification of the proposal</b></p> <p>Why should it be done?</p>	<p>Companies have been arguing since quite some time that rules related to the Second Company Law directive - implying a mandatory minimum capital - should be modernised, as they lead to redundant administrative burdens. This is as well one of the main conclusions of the abovementioned extensive KPMG research: companies and creditors pay most attention to financial indicators such as cash-flow and liquidity, instead of the presence of a minimum capital.</p>
<p><b>Expected results/benefits for the involved Dutch businesses</b></p> <p>What is the impact of the reduction proposal?</p>	<p><b>Administrative burden reduction</b>  <b>€17,400 - €900,000</b></p> <ul style="list-style-type: none"> <li>• The main gain is that companies need less capital at the start of business as well as the fact that the proposal reflects the usage of other indicators (cash-flow, etc.) rather than (minimum) subscribed capital by companies in their operations.</li> <li>• If no minimum subscribed capital of € 45,000 is required to incorporate a company or to obtain an authorization to start a business, it is no longer necessary to make costs for obtaining that capital. Moreover, other burdensome formalities in the directive, like the expert valuation and the rules on financial assistance, reduction of capital and mandatory reserves, can be abolished. The potential administrative burden reduction is estimated between € 17,400 and € 900,000.</li> <li>• This reduction depends on the decisions by individual entities on their capitalization. Many will have a larger subscribed capital (for example multinationals, financial institutions, etc).</li> </ul> <p><b>Impact on annoyance reduction</b></p> <ul style="list-style-type: none"> <li>• The main impact of the proposal is that it reflects current business practices.</li> <li>• Secondary gain is a further harmonization in Dutch company law because it reflects changes proposed</li> </ul>

	in pending legislation for other types of company.
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⇒ **SUPPORT FOR THE FOLLOWING DANISH PROPOSALS**

**2nd Council Directive 77/91/EEC of 13th December 1976**

If a company, within a time limit laid down by national law of at least two years from the time the company is incorporated or is authorized to commence business, acquires any asset belonging to a founder of the company etc. for a consideration of not less than one-tenth of the subscribed capital, Art. 11 of the 2nd Directive requires, that the acquisition shall be examined and details of it published and it shall be submitted for the approval of the general meeting.

The paragraph should be repealed.

The paragraph creates administrative burdens which are not sufficiently justifiable compared to the low degree of protection offered by the paragraph (to creditors and minority shareholders).

Anyone who can control a company's acquisition of an asset on terms that are not fair for the company can do so regardless of the protection offered by the paragraph. For example they could make arrangements so to acquire the asset from a person or company or firm different from those referred to in Article 3 (i), or they could make the acquisition through a shell company older than two years.

Moreover, in any case the board of directors and others involved in the transaction will be responsible, if the company incur losses due to the terms of the acquisition. The degree of protection added by the obligations in the paragraph is doubtful.

Finally, surprisingly few examinations are received by the authority for publication. It is assumed that some companies, who generally want to comply with the law, do not comply with this provision, because it is complicated to understand the obligations in the provision.

**3rd Council Directive 78/855/EEC of 9th October 1978 and 6th Council Directive 82/891/EEC of 17th December 1982**

Denmark does not support that the directives shall be repealed, but supports additional simplifications to these directives. Harmonisation of this area to a certain level, increases transparency and is thereby facilitating companies' decision making process.

## 5. ENVIRONMENT

<p><b>Reference to legislation</b></p> <p>Legal act and the article(s)/paragraph(s) concerned</p>	<p><b>Directive 2008/1/EC on the Integrated Pollution Prevention and Control (IPPC Directive)</b>  <b>Proposal for a Directive on Industrial Emissions, COM (2007) 843</b></p>
<p><b>Reduction proposal</b></p> <p>What should be done?</p>	<p>The Netherlands identifies two ways in which the Directive's administrative and regulatory burden could be reduced and its practical feasibility improved without diminishing the level of environmental protection.</p> <p>A. Reporting requirements should be risk-based in order to prevent unnecessary bureaucracy.  The proposed obligation to report on compliance (articles 8 and 24) would have a disproportionate impact on the administrative and regulatory burden. The burden could easily be reduced by introducing a risk-based requirement. For instance, obligatory reporting could be limited to operators who are also subject to a reporting requirement under the European Pollutant Release and Transfer Register Regulation (E-PRTR). This would place the emphasis on major emitters, reduce the reporting frequency, and promote the development and use of ICT based reporting tools. The administrative burden could be further reduced by replacing environmental permitting with generally binding rules wherever possible. The permitting process poses a heavy administrative and regulatory burden on fairly simple and uniform industrial activities in particular and also generates unnecessary uncertainty. This could be resolved by replacing permits with generally binding rules, provided they ensure an integrated approach and offer the same level of environmental protection.</p> <p>B. The emphasis in Annex I, which identifies categories of industrial activities covered by the Directive, should be on activities with the largest environmental impact where implementation of the Directive is most likely to have greatest effect.  In the proposal for the new Directive on industrial emissions, annex I, which identifies categories of industrial activities covered by this Directive, has been expanded to include, for instance, smaller combustion installations of 20-50 MW, intensive poultry rearing on a smaller scale and certain waste management activities. This further limits Member States' scope to reduce emissions using other instruments (such as voluntary agreements, emissions trading, and generally binding rules) which could have more direct environmental benefits than integral permits.  Furthermore, some of the activities identified in the new Annex I have a low environmental impact (e.g. waste storage, treatment of scrap metal, and biological waste</p>

	<p>treatment). Finally, we believe the current wording of the proposal on the intensive rearing of poultry and pigs and the spreading of manure presents practical problems.</p>
<p><b>Justification of the proposal</b></p> <p>Why should it be done?</p>	<p>The Netherlands welcomes the new proposal for a Directive on Industrial Emissions. The Netherlands supports the proposal to streamline the IPPC Directive with sectoral directives on industrial emissions and introduce generally binding rules. The proposal will clarify and simplify European legislation on industrial emissions.</p> <p>The Netherlands, however, expresses its concerns as regards the proposal's scope and the proposed reporting requirements.</p> <p>The Netherlands is concerned that the proposal will increase the administrative burden for the involved businesses (SMEs in particular) in a disproportional way and may at the same time prove to be impracticable on some points, without convincing environmental benefits. The proposal for a Directive on Industrial Emissions has been identified in the context of the Commission's 'Better Regulation' programme, but the underlying principles have not been fully implemented.</p> <p>The total administrative burden stemming from the current IPPC Directive is estimated to be €30,000,000 or on average €12,500 per installation per year. The proposal for a Directive on Industrial Emission adds around 10%. The simplification proposals of the Netherlands would prevent most of this increase.</p>
<p><b>Expected results/benefits for the involved Dutch businesses</b></p> <p>What is the impact of the reduction proposal?</p>	<p><b>Through this proposal an increase in administrative burdens is prevented</b></p> <ul style="list-style-type: none"> <li>• The proposal by the Commission to further decrease the threshold values as mentioned in Annex I of the IPPC directive in combination with new monitoring and reporting obligations will increase the administrative burden for all businesses in a disproportional way. Because of this the Netherlands proposes to limit these obligations to the E-PRTR companies.</li> <li>• The main reason for this is that these companies have the highest environmental impact. When new monitoring and reporting obligations are to be streamlined and / or to be implemented in accordance with E-PRTR, then both the real and the perceived increase of administrative burdens for businesses will be zero.</li> </ul>

<p><b>Reference to legislation</b></p> <p>Legal act and the article(s)/paragraph(s) concerned</p>	<p><b>Directive 2004/42/EC of the European Parliament and of the Council of 21 April 2004 on the limitation of emissions of volatile organic compounds due to the use of organic solvents in certain paints and varnishes and vehicle refinishing products and amending Directive 1999/13/EC (OJ L 143) (VOC Directive)</b></p>
<p><b>Reduction proposal</b></p> <p>What should be done?</p>	<p>A 'not applicable' statement will suffice for historical vehicles (more than 25 years old) because the VOC emissions in this category are negligible and limiting them would do little or nothing to reduce overall VOC emissions.</p>
<p><b>Justification of the proposal</b></p> <p>Why should it be done?</p>	<p>The VOC Directive lays down several very detailed and particularly burdensome obligations.</p> <p>The abovementioned exemption is unnecessary because in practice the paints and varnishes referred to in the directive are used.</p> <p>The total administrative burden stemming from directive 1999/13/EC is estimated to be € 22,208,500 - € 25,112,800.</p>
<p><b>Expected results/benefits for the involved Dutch businesses</b></p> <p>What is the impact of the reduction proposal?</p>	<p><b>Administrative burden reduction</b></p> <p>During 1 year, 14 end-users (in theory, suppliers need to ask for exemptions) of paints and varnishes of historical vehicles have applied for an exemption. Replacing the exemption by a 'not applicable' statement will reduce the administrative burden for those companies needing to ask for an exemption.</p>

<p><b>Reference to legislation</b></p> <p>Legal act and the article(s)/paragraph(s) concerned</p>	<p><b>Regulation (EC) No. 1013/2006 of the European Parliament and of the Council of 14 June 2006 on shipments of waste (Waste Shipment Regulation)</b></p>
<p><b>Reduction proposal</b></p> <p>What should be done?</p>	<p>A) Simplification of the notification procedure in the short term, by means of a corresponding directive. In anticipation of the possible amendment of WSR (will take some time), a corresponding directive could be adopted to reduce the administrative burden (informally) in the meantime. The Netherlands is of the opinion that WSR paperwork could, and should, be simplified.</p> <p>B) Fast completion of the list containing mixed cargo qualified for a short procedure.</p>
<p><b>Justification of the proposal</b></p> <p>Why should it be done?</p>	<p>A) The WSR lays out procedures for the shipment of waste. These procedures increase companies' administrative burden. For example, the notification procedure for businesses involves filling in a detailed notification</p>

	<p>document and appending several documents (e.g. copy of the contract, financial guarantee (article 6 WSR), description of (recovery or disposal) treatment processes. Companies are also expected to ensure that their waste shipments are accompanied by movement documents. If a (written) consent (article 9 WSR) is issued, various documents must be drawn up: a notification of shipment, movement document (three working days prior to transport the completed movement document shall be send to the competent authorities), written confirmation of receipt and certification (confirmation) that the waste has been recovered or disposed (processed ) (Article 16 WSR).</p> <p>B) Cross the border cargo of mixed harmless waste has to follow the heavy procedure. In the new regulation there is a list containing mixed cargo, qualified for a shorter procedure. Nevertheless the list is almost empty and should be completed on the short term. In January 2009 Member States reached an agreement on 4 mixed cargos which are to be placed on the list (Annex IIIA).</p>
<p><b>Expected results/benefits for the involved Dutch businesses</b></p> <p>What is the impact of the reduction proposal?</p>	<p><b>Administrative burden reduction between €520,000 - €725,000</b></p> <p><i>Proposal A: estimated administrative burden reduction € 120,000 to € 225,000.</i></p> <ul style="list-style-type: none"> <li>• The implementing body, SenterNovem, issues written consents on approximately 3,000 notifications a year.</li> <li>• Businesses spend most time on work prior to filling out the notification document. This work includes gathering and producing copies of appending documentation.</li> <li>• By simplifying the notification procedure concerning the detailed notification document and appending documents, businesses are expected to spend between 10 - 15% less time in gathering and producing relevant documentation. Or a range of € 120,000 to € 225,000.</li> </ul> <p><i>Proposal B: estimated administrative burden reduction € 400,000 to € 500,000.</i></p> <ul style="list-style-type: none"> <li>• A movement document applies to the intended total number of shipments indicated in advance for which consent has been given. Each shipment must be notified three working days in advance. Approximately 150,000 shipments are carried out each year. Every shipment of green listed waste (usually non hazardous and with a positive value) must be accompanied by a document contained in Annex VII WSR containing sensitive business information. There are tens of thousands of</li> </ul>

	<p>shipments a year (Article 18 WSR). Expected benefit: € 400,000 - € 500,000.</p> <ul style="list-style-type: none"> <li>• Potential massive administrative burden reduction, dependent on the number of mixed cargos on the list. It is expected to reduce the amount of cross the border cargo of mixed harmless waste that has to follow the heavy procedure between 20 - 25%.</li> </ul>
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<p><b>Reference to legislation</b></p> <p>Legal act and the article(s)/paragraph(s) concerned</p>	<p><b>Council Directive 70/156/EEC of 6 February 1970 on the approximation of the laws of the Member States relating to the type-approval of motor vehicles and their trailers and changed through Directive 2005/64</b></p>
<p><b>Reduction proposal</b></p> <p>What should be done?</p>	<p>The obligation to prove that cars are re-usable and/or recoverable to a minimum of 95% by weight per vehicle can be omitted from the Directive for type-approval [It was introduced via Directive 2005/64/EC of the European Parliament and of the Council of 26 October 2005 on the type-approval of motor vehicles with regard to their reusability, recyclability and recoverability and amending Council Directive 70/156/EEC. It includes the obligation in question, which also applies to 70/156 via the annex thereto]. Conformity with Directive 2000/53 on end-of-life vehicles is unnecessary and leads to an increase in the administrative burden.</p>
<p><b>Justification of the proposal</b></p> <p>Why should it be done?</p>	<p>Article 7, paragraph 4 of Directive 2000/53 states that Directive 70/156/EEC must be amended and brought in into line with the Directive 2000/53. This has been done and the effect is that in the procedure for type-approval the manufacturer must prove that vehicles are re-usable and/or recyclable to a minimum of 85% by weight per vehicle and are re-usable and/or recoverable to a minimum of 95% by weight per vehicle. Those are the targets for 2015 in Directive 2000/53.</p> <p>The Road Transport Agency (RDW), the type-approval organisation, does not have the expertise to judge the statements of the manufacturers. And it is difficult for manufacturers to prove that they can achieve the percentages (the technology needed to achieve the 2015 targets is not available). The cars will be dismantled after 14-15 years and by then technology will have advanced. Directive 2000/53 also has targets.</p> <p>So there are rules applying before the car is put on the market and afterwards. The rules that apply afterwards are more important because end-of-life vehicles are hazardous waste.</p>

<p><b>Expected results/benefits for the involved Dutch businesses</b></p> <p>What is the impact of the reduction proposal?</p>	<p><b>Administrative burden reduction €400,000 - €600,000</b></p> <p>The number of type approvals per year is considerable (+/- 30,000 per year, based on annual report RDW). During the type approval, recyclability (must be &gt; 95%) is checked. If the obligation to prove that 95% of motor vehicles material is recyclable will be omitted the type approval will take less time, which decreases the administrative burden for the involved businesses.</p>
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## 6. FINANCIAL SERVICES

<p><b>Reference to legislation</b></p> <p>Legal act and the article(s)/paragraph(s) concerned</p>	<p><b>MiFID Level 1 Directive 2004/39 art 25(2)</b></p> <p><b>MiFID Level 2 Directive 2006/73 art 51(1) (1st)</b></p> <p>25(2) Member States shall require investment firms to keep at the disposal of the competent authority, for at least five years, the relevant data relating to all transactions in financial instruments which they have carried out, whether on own account or on behalf of a client. In the case of transactions carried out on behalf of clients, the records shall contain all the information and details of the identity of the client, and the information required under Council Directive 91/308/EEC of 10 June 1991 on prevention of the use of the financial system for the purpose of money.</p> <p>51 (1) (1<sup>st</sup>) Member States shall require investment firms to retain all the records required under Directive 2004/39/EC and its implementing measures for a period of at least five years.</p>
<p><b>Reduction proposal</b></p> <p>What should be done?</p>	<p>Replace five years by three years.</p>
<p><b>Justification of the proposal</b></p> <p>Why should it be done?</p>	<p>Recordkeeping: term can be shortened from five years to three years without negatively affecting the quality of supervision. It should be made exactly clear which data need to be kept.</p>
<p><b>Expected results/benefits for the involved Dutch businesses</b></p> <p>What is the impact of the reduction proposal?</p>	<p><b>Administrative burden reduction</b>  <b>€1,200,000 - €3,500,000</b></p> <ul style="list-style-type: none"> <li>• The proposed provision would lead to a decrease in regulatory costs for investment firms.</li> <li>• The administrative burden reduction is estimated to be between €1,200,000 and €3,500,000. This is a reduction of 10-30% of the costs of retaining records (€11,700,000).</li> <li>• This estimated range is based on the following factors: less volume of data kept, less transition costs (in case of new software) and less maintenance costs.</li> <li>• Other factors, like fiscal legislation, might also temper the administrative burden reduction. On the basis of fiscal legislation businesses are required to retain data of their administration for 7 years.</li> </ul>

<p><b>Reference to legislation</b></p> <p>Legal act and the article(s)/paragraph(s) concerned</p>	<p><b>MiFID Level 2 Directive 2006/73 art 51(1) (3rd)</b></p> <p>However, competent authorities may, in exceptional circumstances, require investment firms to retain any or all of those records for such longer period as is justified by the nature of the instrument or transaction, if that is necessary to enable the authority to exercise its supervisory functions under Directive 2004/39/EC.</p>
<p><b>Reduction proposal</b></p> <p>What should be done?</p>	<p>Delete this obligation.</p>
<p><b>Justification of the proposal</b></p> <p>Why should it be done?</p>	<p>Three years is long enough for the competent authorities to properly perform their tasks.</p>
<p><b>Expected results/benefits for the involved Dutch businesses</b></p> <p>What is the impact of the reduction proposal?</p>	<p><b>Positive contribution to level playing field across Europe</b></p> <p>This proposal will contribute to a level playing field throughout Europe for investment firms and will prevent future administrative burdens.</p>

<p><b>Reference to legislation</b></p> <p>Legal act and the article(s)/paragraph(s) concerned</p>	<p><b>MiFID Level 2 Directive 2006/73 art 51(1) (4th)</b></p> <p>Following the termination of the authorisation of an investment firm, Member States or competent authorities may require the firm to retain records for the outstanding term of the five year period required under the first subparagraph.</p>
<p><b>Reduction proposal</b></p> <p>What should be done?</p>	<p>Delete this obligation.</p>
<p><b>Justification of the proposal</b></p> <p>Why should it be done?</p>	<p>Even if an investment firm loses its authorisation, it is under a duty to keep records.</p>
<p><b>Expected results/benefits for the involved Dutch businesses</b></p> <p>What is the impact of the reduction proposal?</p>	<p>This proposal must be seen in the context of the abovementioned first and second proposals.</p>

<p><b>Reference to legislation</b></p> <p>Legal act and the article(s)/paragraph(s) concerned</p>	<p><b>MiFID Level 2 Directive 2006/73 art 51(4)</b></p> <p>Record-keeping obligations under Directive 2004/39/EC and in this Directive are without prejudice to the right of Member States to impose obligations on investment firms relating to the recording of telephone conversations or electronic communications involving client orders.</p>
<p><b>Reduction proposal</b></p> <p>What should be done?</p>	<p>Delete this obligation.</p>
<p><b>Justification of the proposal</b></p> <p>Why should it be done?</p>	<p>An obligation to record telephone and email conversations is not necessary.</p>
<p><b>Expected results/benefits for the involved Dutch businesses</b></p> <p>What is the impact of the reduction proposal?</p>	<p><b>Possibly high administrative burden impact in Europe</b></p> <p>The expectation is that this proposal will lead to a level playing field and significant less administrative burdens on an European level. It also will prevent future administrative burdens.</p>

<p><b>Reference to legislation</b></p> <p>Legal act and the article(s)/paragraph(s) concerned</p>	<p><b>Prospectus Directive 2003/71 art 10(1)</b></p> <p>Issuers whose securities are admitted to trading on a regulated market shall at least annually provide a document that contains or refers to all information that they have published or made available to the public over the preceding 12 months in one or more Member States and in third countries in compliance with their obligations under Community and national laws and rules dealing with the regulation of securities, issuers of securities and securities markets. Issuers shall refer at least to the information required pursuant to company law directives, Directive 2001/34/EC and Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards.</p>
<p><b>Reduction proposal</b></p> <p>What should be done?</p>	<p>Delete the not strictly necessary obligations to provide documents and information on paper.</p>
<p><b>Justification of the proposal</b></p> <p>Why should it be done?</p>	<p>The abovementioned obligations have no added value. Electronic provision of information is sufficient for effective supervision.</p> <p>The total administrative burden stemming from this directive is estimated at € 18,000,000.</p>

<p><b>Expected results/benefits for the involved Dutch businesses</b></p> <p>What is the impact of the reduction proposal?</p>	<p><b>Administrative burden reduction</b>  <b>€3,000,000 to €5,000,000</b></p> <p>The estimated costs of making this document public via newspaper are between € 3,000,000 and € 5,000,000 in total for around 120 businesses.</p> <p><b>High impact on annoyance reduction</b></p> <p>Removing this obligation will have a positive impact in terms of annoyance reduction.</p>
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<p><b>Reference to legislation</b></p> <p>Legal act and the article(s)/paragraph(s) concerned</p>	<p><b>Prospectus Directive 2003/71 art 14(7)</b></p> <p>Where the prospectus is made available by publication in electronic form, a paper copy must nevertheless be delivered to the investor, upon his request and free of charge, by the issuer, the offeror, the person asking for admission to trading or the financial intermediaries placing or selling the securities.</p>
<p><b>Reduction proposal</b></p> <p>What should be done?</p>	<p>Delete obligations to provide documents and information on paper.</p> <p>The total administrative burden stemming from this directive is estimated at € 18,000,000.</p>
<p><b>Justification of the proposal</b></p> <p>Why should it be done?</p>	<p>The abovementioned obligations have no added value. Electronic provision of information is sufficient for effective supervision.</p>
<p><b>Expected results/benefits for the involved Dutch businesses</b></p> <p>What is the impact of the reduction proposal?</p>	<p><b>Administrative burden reduction €100,000</b></p> <p>Due to a limited annual number of prospectuses and a relative low percentage of investors asking for paper copies in practice the costs of this obligation are relatively low (€ 100,000).</p> <p><b>Positive impact on annoyance reduction</b></p> <p>Nevertheless the obligation produces uncertainty and high irritation for issuers. Removing this obligation will have a positive impact in terms of annoyance reduction.</p>

<p><b>Reference to legislation</b></p> <p>Legal act and the article(s)/paragraph(s) concerned</p>	<p><b>Prospectus Directive 2003/71 art 18</b></p> <p>1. The competent authority of the home Member State shall, at the request of the issuer or the person responsible for drawing up the prospectus and within three working days following that request or, if the request is submitted together with the draft prospectus, within one working day after the approval of the prospectus provide the competent authority of the host Member State with a certificate of approval attesting that the prospectus has been drawn up in accordance with this Directive and with a copy of the said prospectus. If applicable, this notification shall be accompanied by a translation of the summary produced under the responsibility of the issuer or person responsible for drawing up the prospectus. The same procedure shall be followed for any supplement to the prospectus.</p> <p>2. The application of the provisions of Article 8(2) and (3) shall be stated in the certificate, as well as its justification.</p>
<p><b>Reduction proposal</b></p> <p>What should be done?</p>	<p>These obligations should be deleted, including the prospectus summary translation. Language regime should be harmonised for the whole internal market.</p>
<p><b>Justification of the proposal</b></p> <p>Why should it be done?</p>	<p>The abovementioned obligations are unnecessary.</p> <p>The total administrative burden stemming from this directive is estimated at € 18,000,000.</p>
<p><b>Expected results/benefits for the involved Dutch businesses</b></p> <p>What is the impact of the reduction proposal?</p>	<p><b>Administrative burden reduction €100,000</b></p> <p>Due to a limited annual number of prospectuses the costs of this obligation are relatively low in practice (€ 100,000).</p> <p><b>Positive impact on annoyance reduction</b></p> <p>Nevertheless the obligation produces high irritation for issuers. Removing this obligation will have a positive impact in terms of annoyance reduction.</p>

<p><b>Reference to legislation</b></p> <p>Legal act and the article(s)/paragraph(s) concerned</p>	<p><b>Reinsurance 2005/68 art 12,19</b></p> <p>12. Shareholders and members with qualifying holdings</p> <p>The competent authorities of the home Member State shall not grant to an undertaking an authorisation to take up the business of reinsurance before they have been informed of the identities of the shareholders or members, direct or indirect, whether natural or legal persons, who have qualifying holdings in that undertaking and of the amounts of those holdings.</p> <p>The same authorities shall refuse authorisation if, taking into account the need to ensure the sound and prudent management of a reinsurance undertaking, they are not satisfied as to the qualifications of the shareholders or members.</p> <p>19. Acquisitions</p> <p>Member States shall require any natural or legal person who proposes to hold, directly or indirectly, a qualifying holding in a reinsurance undertaking first to inform the competent authorities of the home Member State, indicating the size of his intended holding. That person must likewise inform the competent authorities of the home Member State if he proposes to increase his qualifying holding so that the proportion of the voting rights or of the capital he holds would reach or exceed 20 %, 33 % or 50 % or so that the reinsurance undertaking would become his subsidiary.</p> <p>The competent authorities of the home Member State shall have up to three months from the date of the notification provided for in the first paragraph to oppose such a plan if, in view of the need to ensure sound and prudent management of the reinsurance undertaking in question, they are not satisfied as to the qualifications of the person referred to in the first paragraph. If they do not oppose the plan in question, they may fix a maximum period for its implementation.</p>
<p><b>Reduction proposal</b></p> <p>What should be done?</p>	<p>Exclude captives from the scope of articles 12 and 19.</p>
<p><b>Justification of the proposal</b></p> <p>Why should it be done?</p>	<p>Shareholders and holders of a qualifying holding in reinsurance companies must be sound and prudent. The definition of 'reinsurance company' includes 'captive'. The consequence of that is that articles 12 and 19 apply to captives as well. However, in case of captives, persons who are insured and the shareholders/holders of a qualifying holding are often the same persons. There is no good reason to apply articles 12 and 19 to captives.</p>

<p><b>Expected results/benefits for the involved Dutch businesses</b></p> <p>What is the impact of the reduction proposal?</p>	<p><b>Positive impact on annoyance reduction</b></p> <p>This obligation leads to a lot of irritation for the shareholders of the captive. Removing this obligation will have a positive impact in terms of annoyance reduction.</p>
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<p><b>Reference to legislation</b></p> <p>Legal act and the article(s)/paragraph(s) concerned</p>	<p><b>Third money laundering directive 2005/60 art 13(4)(c)(d)</b></p> <p>In respect of transactions or business relationships with politically exposed persons residing in another Member State or in a third country, Member States shall require those institutions and persons covered by this Directive to:</p> <p>(a) (...);</p> <p>(b) (...);</p> <p>(c) take adequate measures to establish the source of wealth and source of funds that are involved in the business relationship or transaction;</p> <p>(d) conduct enhanced ongoing monitoring of the business relationship.</p>
<p><b>Reduction proposal</b></p> <p>What should be done?</p>	<p>Make these obligations more risk based.</p>
<p><b>Justification of the proposal</b></p> <p>Why should it be done?</p>	<p>Not every PEP poses the same risk (they request different services, come from different countries etc). The EU could specify in the directive that institutions should be able to determine whether a customer is a politically exposed person in situations where there is an enhanced risk of corruption.</p>
<p><b>Expected results/benefits for the involved Dutch businesses</b></p> <p>What is the impact of the reduction proposal?</p>	<p><b>Administrative burden reduction</b>  <b>€36,000,000 - €75,000,000 (35 - 72%)</b></p> <ul style="list-style-type: none"> <li>• The PEP check leads to high administrative burdens and compliance costs for financial institutions. In the Netherlands the identity (including PEP) check is performed 350,000 times every year by financial institutions for new clients; furthermore institutions monitor whether existing clients have become a PEP.</li> <li>• Estimated costs of the performed checks (check, procedures, education, registers) amount to €104,000,000. A substantial part of these costs are specific related to the PEP check.</li> </ul>

	<ul style="list-style-type: none"> <li>It is estimated that with a more risk based (product) approach and exclusion of for example EU PEPs, these costs could be reduced by € 36,000,000 - € 75,000,000 (35 - 72%).</li> </ul>
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<p><b>Reference to legislation</b></p> <p>Legal act and the article(s)/paragraph(s) concerned</p>	<p><b>Pre-contractual information to consumers/retail investors/policy holders: information on essential characteristics of financial services or products (nature of the service or the product, costs, risks, possible revenues) should always be offered to consumers/investors/policyholders <u>before the conclusion of a contract</u>, other relevant information should be available (for example through the internet) and offered <u>on request of the retail client</u>.</b></p> <ul style="list-style-type: none"> <li>Payment services directive (2007/64)</li> <li>Distance marketing of financial services directive (2002/65)</li> <li>Ucits-directive (2001/107)</li> <li>Insurance mediation directive (2002/92)</li> <li>Markets in financial instruments directive (2004/39) &amp; (2006/73)</li> <li>Draft consumer credit directive</li> </ul> <p>And two directives that do not explicitly mention the provision of information by electronic means:</p> <ul style="list-style-type: none"> <li>Life assurance directive (2002/83)</li> <li>Third - non life insurance directive (1992/49)</li> </ul>
<p><b>Reduction proposal</b></p> <p>What should be done?</p>	<p>Information requirements in the above mentioned directives should be divided into two categories. The <i>essential</i> information should be offered and <i>other relevant information</i> should only be made available to the consumer/retail investor/ policy holder. This requires amendments to the directives whereby two articles are introduced regarding the dissemination of information. Information on the essential characteristics should be disseminated according to the following article:  'The information referred to in articles ... , shall be offered to consumers.</p> <p>The non-essential information should be disseminated according to the following article':  'The information referred to in articles ... , shall be available to consumers and offered to the retail client upon request'.</p>

<p><b>Justification of the proposal</b></p> <p>Why should it be done?</p>	<p>Financial services directives contain many requirements regarding the provision of information to retail clients. The fulfilment of all these requirements constitutes high administrative burdens for financial institutions. This, combined with the knowledge that retail clients are better served with a limited amount of essential information, leads to the proposal to limit the amount of information offered to the retail client.</p> <p>The total administrative burden stemming from directive 1992/49 in particular is estimated at € 24,000,000.</p>
<p><b>Expected results/benefits for the involved Dutch businesses</b></p> <p>What is the impact of the reduction proposal?</p>	<p><b>Administrative burden reduction</b>  <b>€3,000,000 to €5,000,000</b></p> <ul style="list-style-type: none"> <li>• The total structural administrative burdens in 2007 are approximately € 10,000,000.</li> <li>• Under the assumption that 1/3 to 1/2 of the information is “non-essential” and could be abolished a reduction of € 3,000,000 to € 5,000,000 could be achieved.</li> </ul> <p><b>Positive effect on annoyance reduction</b></p> <p>Abolishing the provision of "non-essential" information will have a substantial positive impact on the involved businesses in qualitative terms.</p>

<p><b>Reference to legislation</b></p> <p>Legal act and the article(s)/paragraph(s) concerned</p>	<p><b>Transfer of portfolio:</b></p> <ul style="list-style-type: none"> <li>• <b>to facilitate a portfolio transfer between credit institutions and investment firms</b></li> <li>• <b>to create a level playing field between insurance companies, credit institutions and investment firms</b></li> <li>• Directive 2006/48/EC relating to the taking up and pursuit of the business of credit institutions (recast)</li> <li>• Directive 2004/39/EC on markets in financial instruments amending Council Directives 85/611/EEC and 93/6EEC and Directive 2000/12/EC of the European Parliament and of the Council and repealing Council Directive 93/22/EEC.</li> </ul>
<p><b>Reduction proposal</b></p> <p>What should be done?</p>	<p>Replace the obligations in the above articles by</p> <p>Article X  Transfer of portfolio</p> <p>Under the conditions laid down by national law, each</p>

	Member State shall authorise credit institutions and investment firms with head offices within its territory to transfer all or part of their portfolios of contracts, including those concluded either under the right of establishment or the freedom to provide services, to an accepting office established within the Community, if the competent authorities of the home Member State of the accepting office certify that, after taking the transfer into account, the latter possesses the necessary own funds referred to in Chapter 2 of Title IV.
<b>Justification of the proposal</b> Why should it be done?	Credit institutions and investment firms would no longer be required to ask permission from every retail client.
<b>Expected results/benefits for the involved Dutch businesses</b> What is the impact of the reduction proposal?	<b>Positive contribution to level playing field across Europe</b>  The proposal will lead to a level playing field between insurance companies on the one hand and credit institutions and investment firms on the other hand. The expectation is that portfolios can be managed more efficiently.

<b>Reference to legislation</b>  Legal act and the article(s)/paragraph(s) concerned	<b>Outsourcing in financial services:</b>  <b>to allow outsourcing (‘delegation’) in financial services if the criteria in the commonly applied definition of outsourcing are met.</b>  <ul style="list-style-type: none"> <li>• Payment services directive (2007/64)</li> <li>• Markets in financial instruments directive (2004/39) &amp; (2006/73)</li> </ul> And directives that do not explicitly mention the provision of outsourcing: <ul style="list-style-type: none"> <li>• Life assurance directive (2002/83)</li> <li>• Third - non life insurance directive (1992/49)</li> <li>• Insurance mediation directive (2002/92)</li> <li>• Distance marketing of financial services directive (2002/65)</li> <li>• Ucits-directive (2001/107)</li> <li>• Coordinated banking directive (recast) (2006/48)</li> <li>• Reinsurance directive (2005/68)</li> </ul>
<b>Reduction proposal</b> What should be done?	In the above mentioned directives it should be stipulated that firms are allowed to outsource activities that would normally be undertaken by the authorized entity now or in the future if the outsourcing arrangements established by the firm comply with the general - fully harmonized and

	<p>principle based - conditions for outsourcing in a directive and without detriment to the continuity and quality of the provision of services. Member states and the competent authorities should not impose any additional outsourcing arrangements requirements other than the general conditions for outsourcing laid down in a directive.</p>
<p><b>Justification of the proposal</b></p> <p>Why should it be done?</p>	<p>Outsourcing provides companies with the flexibility to customize a solution that helps to optimize their conduct of business with regard to operational functions or any other services or activities.</p>
<p><b>Expected results/benefits for the involved Dutch businesses</b></p> <p>What is the impact of the reduction proposal?</p>	<p><b>Administrative burden reduction</b></p> <p>A commonly applied definition of outsourcing would substantially reduce regulatory costs of financial institutions and supervisors.</p> <p><b>Positive contribution to a level playing field across Europe</b></p> <p>The proposal will contribute to a European level playing field for financial services suppliers.</p>

## 7. FISHERIES

<p><b>Reference to legislation</b></p> <p>Legal act and the article(s)/paragraph(s) concerned</p>	<p><b>New Control Regulation to replace Regulation (EEC) 2847/93 establishing a control system applicable to the common fisheries policy</b></p>
<p><b>Reduction proposal</b></p> <p>What should be done?</p>	<p>Integrate all control measures from different regulations (e.g. multiannual management and recovery plans) in the new Control Regulation.</p>
<p><b>Justification of the proposal</b></p> <p>Why should it be done?</p>	<p>Several multiannual management and recovery plans concerning different fish species contain paragraphs about controls. Control measures are spread over different regulations and differ from each other.</p> <p>The present control regime provides fishermen and their trade associations with substantial administrative burdens: keeping a logbook, quota registration, reporting for control when bringing the fish on shore, registration of percentages of other fish caught and other reporting obligations. The new EC proposal to the Council might even increase the burden, according to legal experts.</p>
<p><b>Expected results/benefits for the involved Dutch businesses</b></p> <p>What is the impact of the reduction proposal?</p>	<p><b>Administrative burden reduction</b></p> <p>Harmonizing control measures is expected to produce administrative burden reductions provided the burden of the underlying regulations with respect to different species is reduced as well.</p> <p><b>Impact on annoyance reduction</b></p> <p>Reducing the number of controls will have effect on the perceived burden reduction by Dutch fishermen.</p>

<p><b>Reference to legislation</b></p> <p>Legal act and the article(s)/paragraph(s) concerned</p>	<p><b>Multiannual recovery or management plans concerning certain fish stocks, e.g. Regulation (EC) 676/2007 establishing a multiannual plan for fisheries exploiting stocks of plaice and sole in the North Sea</b></p>
<p><b>Reduction proposal</b></p> <p>What should be done?</p>	<p>Develop one effort management regime which contains all the effort regimes for the different species, which are now spread over different management and recovery plans.</p>
<p><b>Justification of the proposal</b></p> <p>Why should it be done?</p>	<p>Several multiannual recovery or management plans concerning certain fish stocks (e.g. the management plan for plaice and sole and the cod recovery plan) contain regimes for the management of fishing effort. These plans together create a very complex basis for a complete effort management.</p>
<p><b>Expected results/benefits for the involved Dutch businesses</b></p> <p>What is the impact of the reduction proposal?</p>	<p><b>Impact on annoyance reduction</b></p> <p>A major irritation factor to Dutch fishermen is the lack of flexibility in present legislation on management and recovery plans.</p>

⇒ **SUPPORT FOR THE FOLLOWING DANISH PROPOSAL**

**Commission Regulation (EEC) 2807/83 laying down detailed rules for recording information on Member States' catches of fish, Council Regulation (EC) 423/2004 establishing measures for the recovery of cod stocks, Council Regulation (EC) 1098/2007 establishing a multiannual plan for the cod stocks in the Baltic Sea and the fisheries exploiting those stocks Council Regulation (EC) 676/2007 establishing a multiannual plan for fisheries exploiting stocks of plaice and sole in the North Sea – and other multiannual plans.**

Harmonisation of rules about margin of tolerance in the logbook, for example Article 5(2) in Commission Regulation, Article 11, in Council Regulation 676/2007, etc.

It would ease administrative burdens, if the same rule about margin of tolerance applied in all situations, and it would be easier to control one single rule than many different rules.

## 8. FOOD SAFETY

<p><b>Reference to legislation</b></p> <p>Legal act and the article(s)/paragraph(s) concerned</p>	<p><b>Directive 2000/13/EC of the European Parliament and of the Council of 20 March 2000 on the approximation of the laws of the Member States relating to the labelling, presentation and advertising of foodstuffs</b></p>
<p><b>Simplification proposal</b></p> <p>What should be done?</p>	<p>The requirements in the directive should be made less detailed.</p> <p>A) Introduction of Common Commencement dates once a year. Any changes should be co-ordinated and take place at few occasions to allow producers to change all their labelling at once and there should be a suitable transition period.</p> <p>B) Digitalise the information on ingredients and track of the products in shops.</p>
<p><b>Justification of the proposal</b></p> <p>Why should it be done?</p>	<p>A) By this means the food industry does not have to change its labels every time regulation changes.</p> <p>B) Labelling on the packaging of foodstuffs is one of the most important ways that producers communicate with their customers. However, the current legislation is detailed and requires producers to provide more information than is necessary on food labels. The information that producers are required to provide on packaging should be limited to what is necessary for the majority of consumers. Producers who sell prepacked products for direct sale, should be able to provide additional information through other channels, for example through their website and customer contact points. By creating the possibility of providing information in shops (f.i. computer screen) the information on the product itself can be minimalized.</p>
<p><b>Expected results/benefits for the involved Dutch businesses</b></p> <p>What is the impact of the reduction proposal?</p>	<p><b>Administrative burden reduction</b>  <b>€74,000,000 – €111,000,000</b></p> <p>The total administrative burden concerning labelling amounts to approximately €370,000,000. The abovementioned proposals would mean a significant administrative burden reduction for the involved businesses. Rough estimates are in the range of 20% to 30%.</p> <p><b>High impact on annoyance reduction</b></p> <p>It is expected that the reduction of annoyance caused by the present requirements regarding the labelling of prepacked products will even have a higher impact than the reduction of costs. A recent Dutch study from 2007 among traditional businesses shows that the obligations to apply and change labelling bear heavily on this kind of businesses. The amount of specific ingredients of products changes frequently and is not</p>

	<p>standard due to the fact that traditional businesses are associated with original and creative selection of products. With alternative options (e.g. digitalized) to present the product information a company is much more flexible and can still deliver the same level of information regarding its consumers without re-labelling all of their products.</p>
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<p><b>Reference to legislation</b></p> <p>Legal act and the article(s)/paragraph(s) concerned</p>	<p><b>Regulation 21/2004 establishing a system for the identification and registration of ovine and caprine animals</b></p> <p>Article 7(2), second sentence: If the keeper keeps animals permanently, he shall make an inventory of the animals kept at regular intervals fixed by the competent authority of the Member State and in any case at least annually.</p> <p>Annex D(1): The computer database must contain at least for each holding: - the result of the inventory of animals mentioned in Article 7(2), and the date when the inventory was carried out.</p>
<p><b>Reduction proposal</b></p> <p>What should be done?</p>	<p>The obligation to count the animals and to inform the central government (computer database) is irrelevant if all animals are individually in the database and can be counted there.</p>
<p><b>Justification of the proposal</b></p> <p>Why should it be done?</p>	<p>The obligation should be made optional in any Member State in which this information can be extracted automatically and at any time from the national database. Comparable situations are to be found in Article 5(4) and Article 6(4), in which the farm register and the movement document are made optional in case this information is part of the central computer database.</p>
<p><b>Expected results/benefits for the involved Dutch businesses</b></p> <p>What is the impact of the reduction proposal?</p>	<p><b>Administrative burden reduction €250,000 to €350,000</b></p> <p>The keepers of sheep and goats no longer have to send in information already available in their computer database.</p> <p><b>Reduction potential for national administrations</b></p> <p>A reduction potential is expected for the national administration between € 100.000 and € 200.000</p> <p><b>Considerable impact on annoyance reduction</b></p> <p>The chance of irritation among the target group will decrease considerably.</p>

<p><b>Reference to legislation</b></p> <p>Legal act and the article(s)/paragraph(s) concerned</p>	<p><b>Regulation 1/2005 on the protection of animals during transport and related operations</b></p> <p>Article 4(1): No person shall transport animals without carrying documentation in the means of transport stating: (a) their origin and their ownership; (b) their place of departure; (c) the date and time of departure; (d) their intended place of destination; (e) the expected duration of the intended journey.</p> <p><b>Council Regulation (EC) 21/2004 on the identification and registration of sheep and goats</b></p> <p>Article 6(1): As from 9 July 2005 whenever an animal is moved within the national territory between two separate holdings, it shall be accompanied by a movement document.</p> <p>Article 6(4): By way of derogation from paragraph 1, the movement document shall be optional in any Member State where a centralised computer database containing at least the information required by Section C of the Annex, except for the keeper's signature, is operational.</p>
<p><b>Reduction proposal</b></p> <p>What should be done?</p>	<p>Both regulations require more or less the same information. The exception in Article 6(4) of Regulation 21/2005 is meant as a reduction of administrative burden. If then Article 4(1) of Regulation 1/2005 still requires a paper document, this reduction of administrative burden is undone.</p>
<p><b>Justification of the proposal</b></p> <p>Why should it be done?</p>	<p>Regulation 1/2005 requires the transport documentation to be carried in the means of transport during the transport. Regulation 21/2004 allows the transport information to be optional if the information is available in a central computer database. Allow that information, available in an electronic reader or available in a central computer database from the start of the transport, is sufficient to fulfil the requirements of Regulation 1/2005 in case of movements within the national territory.</p>
<p><b>Expected results/benefits for the involved Dutch businesses</b></p> <p>What is impact of the reduction proposal?</p>	<p><b>Positive impact on annoyance reduction</b></p> <ul style="list-style-type: none"> <li>• Making use of the electronic database instead of paper journey logs will reduce irritation.</li> <li>• Information concerning the transportation of animals can be viewed electronically by the national authority. They can keep track of all transports and for example identify the origin of animal diseases more easily.</li> </ul>

<p><b>Reference to legislation</b></p> <p>Legal act and the article(s)/paragraph(s) concerned</p>	<p><b>Regulation 1774/2002 laying down health rules concerning animal by-products not intended for human consumption</b></p> <p><b>Annex II, chapter X: commercial document</b></p>
<p><b>Reduction proposal</b></p> <p>What should be done?</p>	<p>One of the shared goals of the European Commission and the Netherlands is the reduction of administrative burden for operators. We feel that a reduction of the size of the trade document to one page only would be a major step. This would mean a huge advantage for all companies involved in the trade of animal by-products. Of course, it should also become possible to use an electronic version of this document in TRACES.</p>
<p><b>Justification of the proposal</b></p> <p>Why should it be done?</p>	<p>In our letter VD 08.2697/SVW of 22 December 2008, we have presented an <b>amendment</b> of the trade document. This is an amendment to the draft implementing regulation on animal by-products (rev 1). This includes removal of 'declaration of the transporter', which is already a requirement that transporters have to fulfil. We feel that this amended document contains all necessary information with regard to identification and traceability. The amendment has the support of a large part of the Dutch industry.</p>
<p><b>Expected results/benefits for the involved Dutch businesses</b></p> <p>What is the impact of the reduction proposal?</p>	<p><b>Administrative burden reduction € 1,250,000 to € 6,000,000</b></p> <ul style="list-style-type: none"> <li>• Reducing the size of the trade document is expected to lead to a reduction of the average handling time by 25%.</li> <li>• The number of trade documents is enormous (1,000,000 to 5,000,000 a year).</li> </ul> <p><b>Positive impact on annoyance reduction</b></p> <p>The perceived burden is high, because the form has to be filled up for every transport of animal by-products not intended for human consumption. Reducing the length of the document will reduce the irritation considerably.</p>

## 9. PHARMACEUTICAL LEGISLATION

<p><b>Reference to legislation</b></p> <p>Legal act and the article(s)/paragraph(s) concerned</p>	<p><b>Directive 2001/83 (Pharmaceuticals) and Directive 93/42 as amended by Directive 2007/47 (Medical Devices)</b></p>
<p><b>Reduction proposal</b></p> <p>What should be done?</p>	<p>A. The coherence between the definition of medical devices and of medicinal products should be improved.</p> <p>B. The coherence between the requirements for quality, safety and efficacy/functionality of medicinal products and medical devices should be improved.</p>
<p><b>Justification of the proposal</b></p> <p>Why should it be done?</p>	<p>A. Because of the complex definitions of medicinal product and medical device, there is an increasing amount of products of which it isn't clear whether it is a medical device or a medicinal product. For these products, it can take a lot of time and effort to reach a decision which legislation should be applicable to a particular product.</p> <p>B. The underlying and preliminary issue is the technological and scientific developments, which lead to a growing convergence and coherence between medical devices and medicinal products. The legislation for the 2 types of products, and consequently the data that have to be generated in those legal frameworks are quite different. The legislation should contain the best of both worlds. There should be more coherence between these requirements. Additionally, these requirements for both medical devices and medicinal products could be based more on an extensive risk analysis of the product. This would lead to a less labour-intensive market access for new products while maintaining the same level of quality and safety.</p>
<p><b>Expected results/benefits for the involved Dutch businesses</b></p> <p>What is the impact of the reduction proposal?</p>	<p><b>Proposal A: administrative burden reduction range: 25% - 50% = € 237,563 to € 475,127</b></p> <ul style="list-style-type: none"> <li>• If the coherence between the definition of medical devices and of medicinal products would be improved as suggested, the potential administrative burdens reduction is estimated between € 237,563 to € 475,127.</li> <li>• The main gain lies in the fact that businesses are expected to spend between 25- 50% less time in determining which obligations they need to fulfill.</li> </ul>

**Proposal B: administrative burden reduction range (medicinal products): 5% - 10% = €1,547,304 to €3,094,606**

**Administrative burden reduction range (medical devices): €1,018,063 to €2,036,127**

- If the legislation concerning medical devices and medicinal products was harmonized to achieve more coherence between requirements and the legislation was to be applied based on a risk analysis of the product, the expected gain for Dutch businesses would be expected to be around 5- 10 % of total administrative burdens.
- For medicinal products this would lead to a reduction between € 1,547,304 to €3,094,606.
- For medical devices this would lead to a reduction between € 1,018,063 to €2,036,127.

**High impact on annoyance reduction (proposals A and B)**

- It is expected that the reduction of annoyance caused by the time spent on deciding which legislation is applicable, will have a much larger impact on the perception of the Dutch pharmaceutical and medical technical industry than the reduction of real costs in euros.
- For instance it may occur that authorities cause (additional) annoyance by rejecting a company's application. In that scenario the manufacturer has to start the procedure of submitting the application all over again.

## 10. PRIVACY (additional area)

<p><b>Reference to legislation</b></p> <p>Legal act and the article(s)/paragraph(s) concerned</p>	<p><b>Directive 95/46/EC: reporting the elaboration of personal data by inspection authorities in several Member States (article 19)</b></p>
<p><b>Reduction proposal</b></p> <p>What should be done?</p>	<p>A) Harmonisation of data that need to be reported.</p> <p>Article 19 of directive 95/46/EC lays down that Member States determine which information has to be included in the registration. Apart from certain data, Member States are free to determine what needs to be reported. By using a limitative list with compulsory information, it would be possible for companies to report in all Member States in the same way. This proposal implies an amendment of directive 95/46/EC.</p> <p>B) Mutual recognition of reports in another Member State.</p> <p>If a company carries out the same handling of data in several Member States, it would not be necessary to report this elaboration in all Member States. Under certain conditions reporting in one Member State would do. This proposal implies an amendment of directive 95/46/EC.</p>
<p><b>Justification of the proposal</b></p> <p>Why should it be done?</p>	<p>A company with offices in several Member States is confronted with the obligation to report handling of data in all these Member States. The requirements related to the content of the report can differ per Member State.</p> <p>The total administrative burden stemming from this directive is estimated to be € 4,353,478.</p>
<p><b>Expected results/benefits for the involved Dutch businesses</b></p> <p>What is the impact of the reduction proposal?</p>	<p><b>Administrative burden reduction</b>  <b>€147,285 - €3,976,695</b></p> <ul style="list-style-type: none"> <li>• If Member States recognize / accept notification requirements in a single Member State, the potential administrative burden reduction is estimated between € 147,285 (notification in 1 additional Member State) and € 3,976,695 (notification in all Member States).</li> <li>• The main gain lies in the fact that organizations with operations in multiple Member States are expected to spend less time and effort in the notification process in each Member State.</li> </ul>

	<p><b>Positive impact on annoyance reduction</b></p> <p>It is expected that the reduction of annoyance caused by the time and effort spent towards determining notification requirements in each Member State as well as the need for multiple notifications in different Member States will have a significant impact on organizations operating in more than one Member State.</p>
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<p><b>Reference to legislation</b></p> <p>Legal act and the article(s)/paragraph(s) concerned</p>	<p><b>Directive 95/46/EC: providing data to the person concerned on the initiative of the person concerned (article 12)</b></p>
<p><b>Reduction proposal</b></p> <p>What should be done?</p>	<p>A limitation of cases in which the person concerned has to be informed.</p> <p>The data provision can be left undone if it appears to be impossible or disproportionately burdensome for the person responsible to inform the person concerned.</p> <p>This proposal implies an amendment of directive 95/46/EC.</p>
<p><b>Justification of the proposal</b></p> <p>Why should it be done?</p>	<p>If personal data are being processed, the person responsible has to inform the person concerned at his/her request. In some cases this can produce disproportional administrative burdens.</p> <p>The total administrative burden stemming from this directive is estimated to be € 4,353,478.</p>
<p><b>Expected results/benefits for the involved Dutch businesses</b></p> <p>What is the impact of the reduction proposal?</p>	<p><b>Administrative burden reduction</b> <b>€118,242 to €591,210</b></p> <ul style="list-style-type: none"> <li>• The percentage of requests with high costs / large efforts related to the interests of individual data will and should be low. The potential administrative burden reduction is estimated between € 118,242 and €591,210.</li> <li>• The main gain lies in the fact that organizations are expected to focus more on rights of access to individual data in general terms and will spend less time in determining how to fulfil complex requests.</li> <li>• The monetary effects are limited and are proportional to the number of cases where (legitimate) requests cannot be (easily) met.</li> </ul> <p><b>Positive impact on annoyance reduction</b></p> <p>The proposal is directed towards limiting annoyance effects (requests with high costs in relation to fulfilling rights of access to individual data).</p>

## 11. PUBLIC PROCUREMENT

<p><b>Reference to legislation</b></p> <p>Legal act and the article(s)/paragraph(s) concerned</p>	<p><b>Directive 2004/18/EC, article 33</b></p>
<p><b>Reduction proposal</b></p> <p>What should be done?</p>	<p>Removal of the obligation for contracting authorities, to publish a simplified contract notice before they can issue an invitation to tender, inviting all interested economic operators to submit an indicative tender within a time limit that may not be less than 15 days from the date on which the simplified notice was sent.</p>
<p><b>Justification of the proposal</b></p> <p>Why should it be done?</p>	<p>The dynamic purchasing system is an ideal system to reduce costs and time for economic operators to tender for a contract. However, this system is barely used by contracting authorities because there is hardly an advantage compared to other procedures.</p> <p>Removing the abovementioned obligation will increase the use of the dynamic purchasing system and by that will lower the costs for economic operators to tender for a contract.</p>
<p><b>Expected results/benefits for the involved Dutch businesses</b></p> <p>What is the impact of the reduction proposal?</p>	<p><b>Administrative burden reduction (based on the sum of the ranges of the three categories)</b>  <b>€3,657,500 to €6,038,000</b></p> <p>The reduction is divided into three categories:</p> <ul style="list-style-type: none"> <li>• Construction 1% - 5% = €60,000 tot €300,500</li> <li>• Services 5% - 10% = €682,000 to €1,364,000</li> <li>• Delivery 50% - 75% = €2,915,500 to €4,373,500</li> </ul> <p>By using a dynamic purchasing system the average administrative burdens can be reduced by €9,900 per procedure.</p> <p><b>Impact on contracting authorities</b></p> <p>It is expected that this reduction proposal is also relevant for contracting authorities, because the tender procedure will be shortened by 15 days. A contracting authority does not need to invite all the interested economic operators to submit an indicative tender.</p>

<p><b>Reference to legislation</b></p> <p>Legal act and the article(s)/paragraph(s) concerned</p>	<p><b>Directive 2004/18/EC, article 28</b></p>
<p><b>Reduction proposal</b></p> <p>What should be done?</p>	<p>Insert an option into the restricted procedure to allow contracting authorities to let the procedure be conducted in successive phases, on the basis of previously indicated contract award criteria, in order to gradually reduce the limit the number of candidates to a minimum of three. This option will only be possible on the basis of the most economically advantageous tender.</p>
<p><b>Justification of the proposal</b></p> <p>Why should it be done?</p>	<p>The time and costs for an economic operator to tender for a contract can be very high. Especially when the contracting authority uses functional requirements the cost for a tender can be extremely high. Gradual reduction of the number of suitable candidates will reduce the costs and time for economic operators to make a tender.</p> <p>This option can (also) be used for tenders for which the competitive dialogue or a negotiated procedure gives no solace, because they are not considered as particularly complex contracts.</p>
<p><b>Expected results/benefits for the involved Dutch businesses</b></p> <p>What is the impact of the reduction proposal?</p>	<p><b>Regulatory burden reduction</b>  <b>€1,000,000 to €1,700,000</b></p> <p>The main benefit lies in the fact that due to the successive phases, the number of candidates having to submit full proposals is reduced by 50%.</p>

⇒ **SUPPORT FOR THE FOLLOWING PROPOSAL BY BUSINESS EUROPE**

**Directive 2004/17/EC of the European Parliament and of the Council of 31 March 2004 coordinating the procurement procedures of entities operating in the water, energy, transport and postal services sectors**

Article 67 of this directive sets out statistical obligations that bring along considerable survey expenses for companies.

Either the elimination of the above-mentioned article or at least a significant simplification should be the required action.

## 12. STATISTICS

<p><b>Reference to legislation</b></p> <p>Legal act and the article(s)/paragraph(s) concerned</p>	<p><b>Regulation (EC) No 638/2004 of the European Parliament and of the Council of 31 March 2004 on Community statistics relating to the trading of goods between Member States and repealing Council Regulation (EEC) No 3330/91, in particular article 10 paragraph 3 Simplification within the Intrastat system</b></p> <p><b>Regulation of the European Parliament and of the Council amending Regulation (EC) No 638/2004 on Community statistics relating to the trading of goods between Member States<sup>1</sup> (not yet published in the Official Journal)</b></p>																														
<p><b>Reduction proposal</b></p> <p>What should be done?</p>	<p>The Netherlands proposes a reduction of the compulsory minimum coverage rates of total dispatches and total arrivals to 90%.</p> <p>In addition - for the long term efficiency - the Netherlands supports the possible future introduction of a single flow system.</p> <p>Other possibilities, like a reform of the statistics on foreign trade, need to be investigated at the same time.</p>																														
<p><b>Justification of the proposal</b></p> <p>Why should it be done?</p>	<p>In order to reduce the administrative burden in the short run, the Netherlands proposes a further reduction of the compulsory minimum coverage rates of total dispatches and total arrivals of goods to 90%.</p> <p>The minimum trade coverage rate can be lowered further, in order to exempt additional small and medium-sized enterprises (SMEs) from the obligation to report to Intrastat.</p> <table border="1" data-bbox="595 1384 1401 1541"> <tr> <td>Coverage</td> <td>97%</td> <td>95%</td> <td>93%</td> <td>90%</td> </tr> <tr> <td><b>NL</b></td> <td><b>0%</b></td> <td><b>-22%</b></td> <td><b>-35%</b></td> <td><b>-47%</b></td> </tr> <tr> <td><b>EU 25</b></td> <td><b>0%</b></td> <td><b>-31%</b></td> <td><b>-47%</b></td> <td><b>-60%</b></td> </tr> </table> <table border="1" data-bbox="595 1574 1401 1731"> <tr> <td># Companies</td> <td>97%</td> <td>95%</td> <td>93%</td> <td>90%</td> </tr> <tr> <td><b>NL</b></td> <td><b>23.000</b></td> <td><b>17.940</b></td> <td><b>14.950</b></td> <td><b>12.190</b></td> </tr> <tr> <td><b>EU 25</b></td> <td><b>539.309</b></td> <td><b>372.123</b></td> <td><b>285.833</b></td> <td><b>215.723</b></td> </tr> </table> <p>97% reflects the current situation.</p> <p>In general the Netherlands supports the proposal to simplify Intrastat. However, further study is necessary because it is not yet clear what the net effects of the introduction of single</p>	Coverage	97%	95%	93%	90%	<b>NL</b>	<b>0%</b>	<b>-22%</b>	<b>-35%</b>	<b>-47%</b>	<b>EU 25</b>	<b>0%</b>	<b>-31%</b>	<b>-47%</b>	<b>-60%</b>	# Companies	97%	95%	93%	90%	<b>NL</b>	<b>23.000</b>	<b>17.940</b>	<b>14.950</b>	<b>12.190</b>	<b>EU 25</b>	<b>539.309</b>	<b>372.123</b>	<b>285.833</b>	<b>215.723</b>
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<sup>1</sup> In this proposal the Commission puts forward a revision of the minimum coverage rate for arrivals of goods from 97% to 95%. The minimum coverage rate for dispatches of goods remains unchanged (97%).

	<p>flow system are on the reduction of the response burden for the companies involved. Nor is it clear what the effects are on the quality of the statistical information in the short and medium term. The single flow approach is therefore seen as a possible option for the long term.</p>
<p><b>Expected results/benefits for the involved Dutch businesses</b></p> <p>What is the impact of the reduction proposal?</p>	<p><b>Administrative burdens reduction</b>  <b>€3,000,000 to €6,000,000</b></p> <ul style="list-style-type: none"> <li>• Thanks to this proposal the number of businesses receiving the Intrastat survey of the Netherlands Statistical Office (CBS) can be decreased by approximately 47%.</li> <li>• By lowering the minimum threshold a saving in administrative expenses of € 3,000,000 to € 6,000,000 can be expected.</li> </ul> <p><b>Positive impact on annoyance reduction</b></p> <p>Various measurements have shown that businesses are annoyed by surveys. The policy of CBS is to diminish surveys imposed on businesses to a minimum. Increasingly, information is derived from and recycled by existing material. A reduction of the population of firms with about a half for Intrastat (as aimed for in this proposal) will have a very positive impact on the way the involved businesses perceive CBS.</p>

⇒ **SUPPORT FOR THE FOLLOWING DANISH PROPOSALS**

- **Council Regulation (EEC) No 530/1999 of 9th March 1999**

The proposal is to cut back on the analysis of coherence to a much more aggregated level. There is definitely a need to control coherence between statistics produced in different domains. A number of the differences are due to the definitions and concepts of the statistical products. It is burdensome for Member States to explain these differences, which occur in each country and in many cases they are similar. When analysis of coherence is needed, our proposal is that Eurostat conducts it and Member States only comment on substantial differences not related to definitions or concepts.

The quality reports are based on a common template with six quality dimensions where one of the quality dimensions is coherence with other statistical areas with identical or similar variables. Documentation regarding Structural Statistics on Earnings and Labour Costs for coherence in data related to: The Labour Force Survey (LFS), Structure of Business Statistics (SBS), Labour Cost Index (LCI) and National Accounts (NA) have to be delivered on NACE sections and reasons have to be indicated if differences occur.

- **Council Regulation (EEC) No 3330/91 and Commission Regulation (EC) No 1901/2000 laying down certain provisions for the implementation of Council Regulation (EEC) No 3330/91 (Intrastat)**

Denmark supports the work that has been done to introduce a single-flow system, but several conditions have to be fulfilled:

- The quality of the resulting statistics for each individual Member State (i.e. both flows) must be maintained.
- Timeliness in connection with the collection and dissemination of data has to be guaranteed and for some Member States must be improved significantly compared with the situation today.
- The inclusion of new Member States in the European Union must be taken into account in respect of the above-mentioned conditions.

Danish studies have revealed that Intrastat statistics accounts for 3/4 of the total statistical burden on companies (AMVAB, sep. 2004). The total burden caused by Intrastat on Danish companies has been estimated to 17 mill. Euro/year. Especially Intrastat Import is burdensome, accounting for totally 2/3 of the total statistic burdens in Denmark.

## 13. TRANSPORT

<p><b>Reference to legislation</b></p> <p>Legal act and the article(s)/paragraph(s) concerned</p>	<p><b>Regulation (EC) No 561/2006 of the European Parliament and of the Council of 15 March 2006 on the harmonisation of certain social legislation relating to road transport and amending Council Regulations (EEC) No 3821/85 and (EC) No 2135/98 and repealing Council Regulation (EEC) No 3820/85 (digital tachograph)</b></p>
<p><b>Reduction proposal</b></p> <p>What should be done?</p>	<p>Reduce the number of requirements.</p> <p>1. Restrict the monitoring period en route to 7 days. So only check whether the driver has observed the driving and rest periods en route for the previous week. Check the two weekly driving time and compensation for weekly rest periods at the company. This eases the pressure of the administrative burden for drivers en route and avoids administrative fines.</p> <p>2. A) Design a new digital tachograph that is more user-friendly for companies and in doing so avoid companies have to acquire all sorts of peripheral equipment in order to be able to work with the tachograph. Allow remote reading of the tachograph and driver card. Change the current EU means legislation (with detailed technical specifications) into goal legislation. This will foster more innovation and a more user-friendly digital tachograph. B) Eliminate the compulsory EU form to prove (private) activities.</p> <p>3. Finally, give Member States more freedom to exempt national transport from these rules, provided it is not competitive-sensitive and does not pose a danger to road safety.</p>
<p><b>Justification of the proposal</b></p> <p>Why should it be done?</p>	<p>The European Council decided that with effect from 1 May 2006 all new buses and new heavy goods vehicles have to be equipped with a digital tachograph. The object of this decision is to harmonise enforcement and to promote safety and working conditions. The introduction of this has however, resulted in a number of bottlenecks:</p> <p>1. In addition to driver cards and company cards, companies also have to acquire reading devices and software programmes totalling a cost of some thousands of euros. The system is, however, very outdated and extremely user-unfriendly.</p> <p>2. A) This means that the driver has to be able to prove what he has done en route for 21 days (later 28 days) on penalty of high fines if information is lacking. The monitoring period was always 7 days. This means that the driver is encumbered en route with a considerable administrative burden that does not contribute to road safety.</p>

	<p>B) Drivers have to prove (private) activities through a fixed EU form. This costs a lot of time and efforts, whereas a properly filled form does not provide any guarantee for the fact that violations have not taken place. In other words: a paper reality. Moreover, the digital tachograph already registers working times.</p> <p>3. In addition to this extra obligation, a number of exemption categories have been restricted or deleted whereby branches that had been previously exempted are still bound by the tachograph obligation. And that requires an investment of thousands of euros for the acquisition and installation of tachographs and the auxiliary equipment.</p>
<p><b>Expected results/benefits for the involved Dutch businesses</b></p> <p>What is the impact of the reduction proposal?</p>	<p><b>+/- 10% reduction in administrative burdens</b></p> <p>The proposal has a considerable effect on the time spent on different information obligations. For example 'request replacement tachograph card', 'applications workshop card', 'keeping certificate data', 'submitting tachograph card', etc. It is estimated that the proposal will lead to a decrease in administrative burdens with approximately 10%. If individual Member States get the opportunity to increase the amount of branches excluded from using the digital tachograph, the decrease in administrative burdens will be higher.</p> <p><b>+/- 20% compliance cost reduction of almost €20,000,000 a year</b></p> <p>At the moment the Dutch transport sector estimates they have to spend approximately €100,000,000 on reading devices and software programmes to use the digital tachograph. With a new more user-friendly tachograph they estimate that handling costs could be reduced by € 250 per vehicle. For the total Dutch transport sector this would mean a compliance cost reduction of almost €20,000,000 a year.</p> <p><b>Huge impact on annoyance reduction</b></p> <p>The proposal has a significant impact on the reduction of annoyance in the sector. A couple of transport representatives have described this as the no.1 annoyance in the transport sector, especially the following aspects: the reading speed of tachograph is poor, link to on-board computer is not possible, speed of sending data to the office is limited, available hardware and software is not standardized, short distances or many stop times lead to data loss, registration driving time differs from reality.</p>

<p><b>Reference to legislation</b></p> <p>Legal act and the article(s)/paragraph(s) concerned</p>	<p><b>Directive 2000/56 and directive 2003/59 (2006/126/EC in 2011)</b>  <b>(double requirements with regard to driving licences and professional competence of drivers)</b></p>
<p><b>Reduction proposal</b></p> <p>What should be done?</p>	<p>1. Withdraw the supplementary professional competence requirements for obtaining driving licence C and D the moment that EC directive 2003/59 is implemented. This way a logical division will be re-established between professional competence requirements for professional drivers and the standard driving training for private individuals and drivers in the business sector to which no supplementary professional competence requirements apply.</p> <p>2. With regard to the medical examination for extending the driving licence: this should be replaced by a duty to report.</p>
<p><b>Justification of the proposal</b></p> <p>Why should it be done?</p>	<p>Directive 2000/56 concerns the driving licence and is the most recent revision of this directive. With this revision, the European Commission has considerably stiffened the requirements for obtaining driving licence category C and D by adding additional professional competence requirements.</p> <p>Directive 2003/59 will, however, come into force for freight traffic in 2009. This directive prescribes regulations for the Member States for setting up a professional competence certification and five-yearly compulsory refresher training of professional drivers in goods and passenger transport by road.</p> <p>The co-existence of these directives means that drivers have to deal with double training requirements and the 3<sup>rd</sup> driving licence directive results in a considerable curtailment of the validity period of the C and D driving licences (this is ten years in the Netherlands, and will therefore be reduced to five years). This is a substantial increase in driving test costs, etc.</p>
<p><b>Expected results/benefits for the involved Dutch businesses</b></p> <p>What is the impact of the reduction proposal?</p>	<p><b>Administrative burden reduction +/- €850,000</b></p> <ul style="list-style-type: none"> <li>The duplication of the competence requirements in obtaining the drivers license (category C and D) and the compulsory professional competence requirements imply that drivers are trained twice. Annually, in the Netherlands approximately 17.000 people obtain their drivers license (category C and D), of whom 9,000 will face the supplementary professional competence requirements (the remaining 8.000 will not use their drivers license for professional purposes). One should take under consideration that if the regular exams are changed, because of an integration with the professional requirements training, it is likely the training and exams will take approximately 15 minutes longer.</li> </ul>

	<p>The net reduction will be € 461,475.</p> <ul style="list-style-type: none"> <li>• At the same time the total costs related to providing training for people will change. Taking into account the extra costs for changing the curriculum, the net reduction will be € 382,500.</li> </ul> <p><b>Less annoyance</b></p> <p>Professional drivers are annoyed by the fact that they are trained/tested twice on the same subject. This feeling is reinforced by the fact that this segment of the population is often practice and not theory oriented. This proposal will solve this problem. Moreover potential candidates will not have to face such extended exams to become a professional driver, which can help to fill up the shortage of professional drivers in the Netherlands. By combining the competence requirements with the professional competence requirements the distribution of new regulation and safety will be guaranteed.</p>
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<p><b>Reference to legislation</b></p> <p>Legal act and the article(s)/paragraph(s) concerned</p>	<p><b>Directive 96/53 phase out transport of 45 feet containers by road transport</b></p>
<p><b>Reduction proposal</b></p> <p>What should be done?</p>	<p>Change the maximum vehicle length of 16,50 meter to 17,3 meter in directive 96/53. In this way the transport of 45 feet containers is possible in the EU.</p>
<p><b>Justification of the proposal</b></p> <p>Why should it be done?</p>	<p>There is an increase of transport with 45 feet containers in transport with ships these days.  The demand of transport with 45 feet containers by road transport remains to exist.  The EU forbid cross border transport with these containers by road transport. Home transport is allowed under certain circumstances.  In this way road transport of a 45 feet container from the harbour of Anvers to the Netherlands is not allowed.  Effects: cargo split, more costs and transport miles.</p> <p>EU directive 96/53 allows a maximum vehicle length of 16,5 meter for international transport of containers by road transport.  This length is not enough for the transport of 45 feet containers on a normal chassis and a truck with 2 axles.  Therefore in the Netherlands the maximum vehicle length for home transport is 17,5 meter now.</p>

<p><b>Expected results/benefits for the involved Dutch businesses</b></p> <p>What is the impact of the reduction proposal?</p>	<p><b>Lower transport costs</b></p> <p>To comply with the 96/53 directive, goods are transported to smaller or adjusted containers. This form of transport is more expensive than regular 45 ft containers. Goods that do not have to be transferred to different containers can be moved quicker. The volumes that can be moved in one full truck load increase and could theoretically require fewer vehicles to move the goods.</p> <p><b>Less annoyance</b></p> <p>Business experience annoyance due to the fact that the containers can be moved within the Netherlands, but not internationally. The throughput time is decreased when exemptions have to be requested or cargo unloaded. Many Dutch businesses have faced high fines and forced unloading due to failing to comply with the regulations.</p> <p><b>Administrative burden reduction</b></p> <p>In order to transport 45 ft containers to/through for example Germany, specific exemptions have to be requested. These exemptions cost money and take time. The proposal will lead to a saving of time and money as exemptions will no longer have to be requested. According to Sira Consulting and the University of Leuven these cost reductions make the transport industry more efficient and increase competition within the EU. Since this example implies a specific German regulation the associated costs are not known at this moment in time.</p>
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<p><b>Reference to legislation</b> Legal act and the article(s)/paragraph(s) concerned</p>	<p><b>2000/532/EC: Commission Decision of 3 May 2000 replacing Decision 94/3/EC establishing a list of wastes pursuant to Article 1(a) of Council Directive 75/442/EEC on waste and Council Decision 94/904/EC establishing a list of hazardous waste pursuant to Article 1(4) of Council Directive 91/689/EEC on hazardous waste (European Waste Catalogue)</b></p>
<p><b>Reduction proposal</b></p> <p>What should be done?</p>	<p>A. At European and international level, steps should be taken to harmonize the existing differing EU waste classification codes. This concerns in particular the codes for waste shipments pursuant to the Basel Convention and the European Waste Catalogue. European legislation should provide for a harmonized and binding application only of the European Waste Codes. The European Waste Catalogue should be reviewed in a more SME-friendly way.</p> <p>B. Harmonize registration demands and create a central EU register. A notification obligation will do when working with harmless waste.</p>

<p><b>Justification of the proposal</b></p> <p>Why should it be done?</p>	<p>A. According to current practice, several waste classification codes are used at European and national level. That creates additional burden for the businesses concerned, e.g. in waste shipment or other foreign trade related procedures, or in statistical reporting. The requirement to deliver data referring to different classification codes concerns many SMEs.</p> <p>B. Transporters, collectors, traders and intermediaries, who are working with waste, have to register themselves separately in every member state. Companies working with harmless (“green list”) waste have to register themselves as well, including for instance the severe demands regarding professional ability.</p>
<p><b>Expected results/benefits for the involved Dutch businesses</b></p> <p>What is the impact of the reduction proposal?</p>	<p><b>Proposal A: high impact on annoyance reduction</b></p> <p>The impact on perceived benefits will be very significant. Hundred thousands of codes are assigned each year. Working with only one register would make the process of assigning much more friendly. Especially because the nature of the two codes is different.</p> <p><b>Proposal B: administrative burden reduction estimated at €2,500,000</b></p> <ul style="list-style-type: none"> <li>• The total expected benefits as a result of harmonizing registration demands and the creation of a central EU register are estimated at €2,500,000.</li> <li>• About 9,300 Dutch businesses working with waste are registered in the Netherlands. There are no data available on how many of these businesses sell or transport waste in other Member States. Almost 20% of Dutch businesses are expected to have at least one registration in another Member State. This would mean about 1,820 businesses in total. An average of two registrations per business is assumed, based on an expert opinion (source: SIRA).</li> </ul>

## 14. WORKING ENVIRONMENT / EMPLOYMENT RELATIONS

<p><b>Reference to legislation</b></p> <p>Legal act and the article(s)/paragraph(s) concerned</p>	<p><b>Framework Directive (89/391/EEC) of 12 June 1989 on the introduction of measures to encourage improvements in the safety and health of workers at work</b></p>
<p><b>Reduction proposal</b></p> <p>What should be done?</p>	<p>The European Commission is asked to forward a proposal to amend the Framework Directive in such a way that flexibility is (re)introduced (room for Member States to manoeuvre and formulate their national prevention policies).</p>
<p><b>Justification of the proposal</b></p> <p>Why should it be done?</p>	<p>This Framework directive sets out a number of principles for the organisation of Occupational Health and Safety in Member States.</p> <p>As in most Member States there were already functioning Occupational Safety and Health Systems, it was important that these (functioning) national structures could be maintained. Additionally the idea was that Member States would be able to take into account the specific national context in formulating an effective prevention policy. In general the Framework directive has had a favourable impact on the prevention policy in Member States. However there are also some complications. One of them relates to the issue that although the Framework directive does provide some flexibility with respect to its implementation, in practice this flexibility has been limited considerably by the European Court (subsequent court rulings).</p> <p>Another issue relates to a very strict interpretation with respect to the documented risk assessment. Although in general (written) risk assessments and setting up prevention plans are often useful and desirable, there can be situations in which the added value will be limited or absent. In the development of this Framework directive the notion to exempt certain categories of companies was an important guideline for implementing it in Member States.</p>
<p><b>Expected results/benefits for the involved Dutch businesses</b></p> <p>What is the impact of the reduction proposal?</p>	<p><b>Administrative burden reduction</b>  <b>€48,000,000 - €73,000,000 (33% - 50%)</b></p> <ul style="list-style-type: none"> <li>• The underlying assumption is that all Dutch firms up to 10 employees are exempted from the obligation to produce a Risk Assessment and Evaluation (RAE) in writing.</li> <li>• Preparing RAEs and related improvement proposals remains an obligation, but no longer in writing. The RAE obligations to small firms account for:             <ul style="list-style-type: none"> <li>- Preparing RAE: € 54,000,000.</li> <li>- Preparing RAE plan: € 55,000,000.</li> </ul> </li> </ul>

	- Adjusting RAE: € 36,000,000.
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<p><b>Reference to legislation</b></p> <p>Legal act and the article(s)/paragraph(s) concerned</p>	<p><b>Council directive safety signs (92/58)</b></p>
<p><b>Reduction proposal</b></p> <p>What should be done?</p>	<p>Obtainance of clarity in the production and use of safety signs.</p> <p>This Directive harmonises requirements for safety signs in the EU with the purpose that safety signs, used throughout Member States, have the same meaning. Safety signs include illuminated signs, hand and acoustic signals, spoken communication and marking of pipe work.</p>
<p><b>Justification of the proposal</b></p> <p>Why should it be done?</p>	<p>There have been quite a number of complaints by for instance internationally operating enterprises, airports as well as manufacturers of safety signs about differences between the requirements of the directive and the rules of International standards (ISO) for illuminated signs. These differences hinder a worldwide harmonisation. They oblige manufacturers and companies to produce and use more signs than necessary.</p>
<p><b>Expected results/benefits for the involved Dutch businesses</b></p> <p>What is the impact of the reduction proposal?</p>	<p><b>Impact on compliance costs</b></p> <ul style="list-style-type: none"> <li>• This directive lays down minimum requirements for the provision of safety and health signs to be used at places at work. Requirements from the directive cause compliance costs like providing safety and/or health signs (art. 3), informing workers and/or their representatives and giving suitable instruction (art. 7).</li> <li>• Differences between international standards (ISO) and Directive 92/58 specifications seem to be the problem here. The reduction proposal means worldwide harmonization of safety signs and obligations related to using them.</li> <li>• Compliance costs are effective in the case of safety signs legislation, and harmonization will no doubt effectuate a reduction.</li> <li>• The actual volume of the reduction cannot be estimated based on desk research, as the field involved is too large and too complex. This would require establishing: <ul style="list-style-type: none"> <li>- obligations with respect to safety signs in Directive 92/58 and ISO</li> <li>- number of firms dealing with these obligations. Probably these obligations are mainly relevant for companies in the industry</li> </ul> </li> </ul>

	<p>and the transport sector.</p> <ul style="list-style-type: none"> <li>- problems with these firms in applying different standards causing compliance costs</li> <li>- best practice in harmonizing the obligations involved</li> <li>- the effect of harmonization for compliance costs.</li> </ul>
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⇒ **SUPPORT FOR THE FOLLOWING PROPOSALS BY BUSINESS EUROPE**

- **Council Directive 90/270/EEC on the minimum safety and health requirements for work with display screen equipment**

The Directive does not reflect current technological standards and the modern work environment. Some detailed provisions are, for example, based on completely outdated technical specifications for computer equipment. The Directive should be brought up-to-date. Any detailed provisions should be replaced with more general guidelines to avoid the Directive having to be constantly updated to reflect technological developments. Guidelines would allow companies to make provisions that are suitable to their sector and size. These guidelines should be accompanied by clear and concise guidance to assist companies in complying with the rules.

- **Council Directive 92/57/EEC of 24 June 1992 on the implementation of minimum safety and health requirements at temporary or mobile construction sites (eighth individual Directive within the meaning of Article 16 (1) of Directive 89/391/EEC)**

The Directive provides in Art. 6 lit.c) that during the preparation phase the coordinator has to “prepare a file appropriate to the characteristics of the project containing relevant safety and health information to be taken into account during any subsequent works.” According to Art. 6 lit. c) this file has to be updated “to take account of the progress of the work and any changes which have occurred”. This provision may help to reduce costs for any other enterprise carrying out future work on the building, but it places an additional burden on the enterprise currently working on it.

Many SMEs work on temporary or mobile construction sites as coordinators. These provisions greatly impact on them.

The provision should be deleted.

- **Directive 97/23/EC of the European Parliament and of the Council of 29 May 1997 on the approximation of the laws of the Member States concerning pressure equipment**

The Directive imposes large administrative costs on business. The legislation is extensive and complicated. These factors taken together result in high compliance costs for companies that generate district heating. The Directive needs to be simplified and adjusted to match the overall situation for district heating. This would reduce compliance costs for business and improve general understanding of this legislation.