

Ms  
Ursula von der Leyen  
President of the European Commission  
Rue de la Loi 200  
1040, Brussels  
Belgium

Brussels, 28 June 2023

**Subject: Eurochambres calls for a balanced European regulatory framework and an ambitious burden reduction programme**

Dear President von der Leyen,

Chambers of commerce and industry across Europe are in close contact with businesses of all sizes and across all sectors. The message that we are receiving from European chamber network is that more and more of our businesses are reaching regulatory saturation point. Smaller businesses in particular cannot typically identify the origins of reporting or compliance burdens, but they are acutely aware of and directly exposed to the consequences of policies that have been designed without adequately taking into account the impact on their activities or the broader regulatory context.

You recently committed to conduct competitiveness checks systematically when assessing the impact of new EU legislation. This is welcomed by Eurochambres, but its effect will be limited if it is not combined with both a rigorous analysis of the growing stockpile of existing and pending EU legislation, and measures to address the cumulative regulatory burden imposed on European businesses.

The 25% reduction in reporting requirements goes some way to addressing this, but it cannot be a one-off exercise. Furthermore, this analysis should also take into account the cumulative burden and the unintended consequences on the business community of initiatives that invariably have commendable goals, but often overlook broader implications. This effort should represent the first step of a broader and systematic European regulatory burden reduction programme.

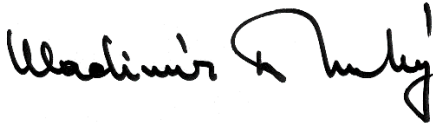
With the objective of achieving an exhaustive and SME-targeted reduction in reporting obligations, Eurochambres is actively supporting the Commission services in the identification of the most burdensome and urgent areas of intervention. Our list of the twenty most pressing areas is provided in annex to this letter.

While we would be interested to understand the approach that the European Commission intends to use to calculate the regulatory burden, we also invite you to pay close attention to the legal acts that are in the process of emerging, as they will inevitably impose new compliance obligations on European businesses.

Eurochambres has worked with other business organisations to analyse the application of the SME test during the impact assessment and contributes regularly to consultations on specific new proposals. Performing high-quality evaluations during the impact assessment phase remains a crucial aspect to guaranteeing that legislative proposals respect the “think small first” principle and avoid unintended trickle-down effects on SMEs. For this reason, the Regulatory Scrutiny Board must ensure that the SME angle is fully considered and that competitiveness checks are applied consistently.

The EU rightly wishes to drive the digital and green transition. It can only do so if it ensures that our business community has the right tools and a balanced regulatory framework. Otherwise, Europe risks getting left behind compared to other economies, not just in terms of competitiveness, but also environmentally and digitally.

Yours sincerely,



Vladimír Dlouhý

## **Eurochambres' list of the top 20 most burdensome areas for regulatory intervention:**

- 1. Directive 96/71/EC concerning the posting of workers in the framework of the provision of services**
  - Business trips of employees to other European countries require - in addition to the A1 certificate - additional country-specific notifications to different authorities in the countries. Sometimes it is possible to make these notifications in a web portal, whilst sometimes they are to be done by e-mail or even by mail. The information required for a proper notification varies greatly. In addition, different data must be provided in the notifications, creating "unnecessary" bureaucracy.
  
- 2. Regulation (EC) No 883/2004 on the coordination of social security systems and Regulation (EC) No 987/2009 laying down the procedure for implementing Regulation (EC) No 883/2004**
  - The preparation of the A1 certificate (Certificate of applicable law) is an additional task during preparations for a cross-border assignment of an employee, generally taking up more than 20 minutes per employee.  
In the case of business trips of personnel managers, this processing time increases additionally. Also, the certificate must be issued for each business trip and for all traveling employees.  
Specifically, a separate A1 certificate must be provided for each employee on assignment. Necessary data points include the complete address of all customers or suppliers. This information must be transmitted to the health insurance companies and retrieved again from the respective health insurance company, printed, and handed out to the employee in paper form.
  
- 3. Regulation (EU) 2016/679 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation)**
  - Recital 13 takes the specific needs of SMEs into account regarding the application of the GDPR. However, this has not yet materialized in practice.  
The exception regulated in Article 30 (5) of the GDPR, according to which companies with less than 250 employees do not have to keep an inventory of their processing activities, does not show any effect in practice. The therein mentioned term "only occasionally" is too broad in this respect and probably also includes the writing of e-mails or salary statements. Thus, in many cases this exception does not apply.
  
- 4. Regulation (EU) 2017/745 of the European Parliament and of the Council of 5 April 2017 on medical devices, amending Directive 2001/83/EC, Regulation (EC) No 178/2002 and Regulation (EC) No 1223/2009 and repealing Council Directives 90/385/EEC and 93/42/EEC (Text with EEA relevance), Regulation (EU) 2017/746 on in vitro diagnostic medical devices and repealing Directive 98/79/EC and Commission Decision 2010/227/EU**
  - The agreed extension of the transition periods gives all stakeholders more time. However, further problems persist. Overall, companies are confronted with high bureaucratic and cost burdens as well as planning uncertainties.

## **5. Simplification of the European VAT system / Legislation package of the EU Commission “VAT in the Digital Age”**

- Simplification must represent an essential requirement within the reform of the current European VAT system, which would benefit all companies and especially SMEs. Simple and clear rules can be comprehended and followed more easily. Thus, a simple VAT system leads to a reduction of the European VAT gap automatically.

## **6. Taxonomy Regulation**

- Companies, which are obliged to reporting according to NFRD or CSRD also have to disclose whether their activities are sustainable (taxonomy aligned). However, this obligation could concern further business within the value-chain of obliged larger companies. Tighter reporting and disclosure requirements lead to significant additional work for companies. This is especially true for the EU taxonomy as it covers many different economic activities. Proportionality must be considered to ensure that the value for the consumer is not counteracted by the high administrative workload for the concerned companies. Currently, those burdens seem too high. For example, due to additional taxonomy requirements, the volume of the taxonomy reporting section of one company’s report more than doubled from the financial year 2021 to the one of the year 2022 without much more useful information for an informed reader.

## **7. Directive (EU) 2022/2464 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting**

- Companies subject to the CSRD will have to prepare very extensive reports and have to report according to European Sustainability Reporting Standards (ESRS), drafted by the EFRAG and to be adopted by mid-2023 (first set). The formal reporting requirements do not come into effect until the financial year 2024 for companies, so it is not possible to know how its application will be interpreted by auditors and users of the information. Furthermore, the draft ESRS will not only overburden large non-listed companies that have to prepare to fill out a sustainability report for the very first time, but also large listed companies that already have experience in reporting.
- This obligation could also concern further business within the value-chain of obliged larger companies (trickle down-effect).
- However, we would request in advance that care is taken to ensure that the ESRS / CSRD regime remains focused on its core principles and purpose and is not allowed to evolve into an excessively detailed, prescriptive or burdensome compliance and information overloaded regime.

## **8. Open Data-Principle in Horizon 2020**

- Degree of openness concerning the handling of data and the connected risks and advantages at different levels must be more balanced.

## **9. Establish a horizontal Common Research, Technology and Innovation Policy (CRTIP) within the EU**

- The Common Research, Technology and Innovation Policy (CRTIP) should be closely interconnected and coordinated with the sectorial policies of the relevant DGs. The CRTIP would not only be the responsibility of a sole Commissioner but would integrate the objectives and contents of all relevant partial EU strategies for research and innovation. Appropriate governance structures for its operationalization have to be established, which enable an efficient and aligned action for achieving the objectives of European sectoral policies. In addition, these structures have to guarantee an integration of the member states as well as the European business community, which accounts for more than 60% of the pan-European investments, also in the area of research in the programming process.

## **10. Regulation (EU) 2019/2152 on European business statistics, repealing 10 legal acts in the field of business statistics**

- The adjustments to intra-trade statistics have only led to a considerable additional effort for businesses due to additional required data fields in the dispatch reports.
- The promised simplifications of the so-called "single flow procedure" should be implemented quickly. In general, statistics should be designed to allow for digitalization and automation. Mainly data that is digitally available to the companies should be used. This promotes fast and efficient reporting and reduces the number of queries by statistics offices. Reporting thresholds should be raised, also taking inflation into account.
- To support the quicker implementation of the Single Flow System, Eurostat should give priority to the installation of the "Intrastat Data Exchange Hub".

## **11. Directive (EU) 2021/2101 amending Directive 2013/34/EU (Accounting Directive)**

- Evaluation of the disclosure requirements; reduction of data points, simplification, streamlining, and harmonization of the submission process; more member state options at the EU level (currently only to allow delayed publication and exemption from website publication); less severe penalties and more legal safeguards (at the national level)

## **12. Directive 2008/98/EC on waste and repealing certain Directives**

- Registration obligations should be made easier for companies, especially for companies that manufacture customized products.

## **13. Art 10 Regulation (EU) No 517/2014 – Abolition of the certification for air-conditioning equipment in motor vehicles**

- A special certification for air-conditioning equipment in motor vehicles is neither necessary nor does it imply a particular benefit. Virtually all employees working in this realm are sufficiently qualified. Imposing the requirement of another certificate (besides the final apprenticeship examination and the examination for the master craftsman's certificate) on the enterprises is, thus, incomprehensible.

## **14. DSCIP-notification acc. art. 9, WFD (Waste Framework Directive) in combination of art. 33 REACH-regulation**

- A threshold should be introduced below which an enterprise is exempted from this obligation. We suggest the annual turnover for a medium-sized enterprise (EUR 50 million) as defined in the SME recommendation.

## **15. Classification and labelling inventory notification (CLI) acc. art. 40 CLP-regulation and Poison center notification (PCN) acc. art. 45 CLP-regulation**

- These notifications have no threshold and consequently every substance/mixture placed on the market needs to be notified to ECHA. This includes very small quantities of a few grams, e.g. for R&D, analytical standards, and test material. We suggest setting a threshold of 50 kg below which a substance/mixture does not have to be notified.

## **16. Circular Economy Package**

- Priority for the implementation of existing waste standards in all member states before creating new targets and obligations.
- Recycling or prevention targets must be based on solid data and should be technically and economically feasible in all member states.

## **17. Directive 2004/35/CE of the European Parliament and of the Council of 21 April 2004 on environmental liability with regard to the prevention and remedying of environmental damage – Environment Liability Directive (ELD)**

- No extension of the scope of ELD
- Severity thresholds are necessary for SMEs.
- Optional provisions such as permit defense & state-of-the-art defense to be maintained.
- No fund to cover ELD liabilities

## **18. Emissions Trading Directive**

- Radical simplification of bureaucratic procedures and increased transparency are necessary. In emissions trading, there are numerous reporting, documentation and approval obligations like monitoring concept, methodology, annual activity rate report, 4-year improvement report, certification of sustainable biomass, which mean a lot of bureaucracy and bring little or no benefit from an operational point of view. At a minimum, the account confirmations and improvement reports should be eliminated.

## **19. EPREL – European Product Registry for Energy Labelling**

- Provide exemptions for SMEs offering a small number/certain number of units per year.

## **20. Natura 2000**

- Merging of both Natura directives into one modern Nature Protection Directive is necessary, annexes should become more flexible.
- The process of designating protected areas has to fulfill economic and social requirements, the landowners have to be included into the process.
- Protection of species outside representative areas to be eliminated.
- Enable take-back and change of protected areas.
- Requirements of nature impact assessment are to be simplified.