

Four suggestions for Better Regulation within the EU

The Confederation of Swedish Enterprise calls on the European Commission and the co-legislators to act on the four concrete proposals outlined below to improve the EU law making process.

These recommendations represent low-hanging fruit that can make a real difference for businesses navigating the EU's regulatory landscape. Leveraging the Better Regulation toolbox, fostering active stakeholder dialogue and reality checks, modernizing the Interinstitutional Agreement on Better Law-Making, and taking targeted measures to reduce the regulatory burden on businesses will significantly support the Better Regulation agenda.

The Confederation of Swedish Enterprise welcomes the EU's increased focus on competitiveness and Better Regulation. The growing volume and complexity of regulations in the EU have contributed to increasing regulatory challenges, extensive costs, and administrative burdens for businesses. [40% of Swedish companies](#) consider regulatory burdens a barrier to growth. Clearly, it is time to ease these regulatory burdens, secure competitiveness and facilitate growth, innovation and investments.

The Competitiveness Compass, the accompanying simplification agenda and the EU Omnibus packages are important steps in this endeavour. Even though reopening legislation through Omnibus packages for the purpose of simplification is a useful tool, there is a risk that this distracts attention from the underlying problem, i.e. that EU legislation is too often not developed in line with the European Commission's own guidelines and

toolbox. This problem needs to be addressed head on to fulfil the European Commission's aims to create legislation that achieves its objectives, legislation that is targeted, effective and easy to comply with and that adds the least burden possible.

Good law-making must be transparent, predictable, proportional and evidence based. The Confederation of Swedish Enterprise calls on the European Commission to focus on the following four areas to secure better regulation. We are convinced that these proposals can contribute to fulfilling the promise of good law-making and avoid excessive regulatory burdens for companies.

1. Use the existing toolbox for better regulation

The EU-Commission's Better Regulation Toolbox provides specific and operational guidance on the practical application of the Better Regulation Guidelines and advice for using Better Regulation in practice. The key instruments for Better Regulation are **consultations, impact assessments, evaluations and fitness checks**. These tools are today not used to the extent necessary to guarantee good law making.

The increased regulatory burden is not only the result of an increased number of new regulations, directives etc but is also caused by that new rules are being finalized under time pressure, where the necessity and impact of new rules has not been properly assessed, and that new rules often address adjacent and overlapping areas or even matters already regulated in other legal acts. Sometimes new law is produced even though there is no legal gap and no need for an area to be regulated.

Hasty processes have also led to incomplete legislation with a large amount of implementing and delegated acts. Delegated acts often make the regulatory frameworks less certain, increasing the uncertainty for businesses on how to apply new rules and making the business environment less predictable.

The Better Regulation Toolbox includes the necessary tools for good law making and should be used accordingly.

2. Conduct implementation dialogues and reality checks

We acknowledge the commitment of every Member of the European Commission to organise at least two **implementation dialogues** per year to gather input and feedback from stakeholders. We call on the organizers to seize this opportunity, invite relevant stakeholders, including businesses affected by potential legislation, listen carefully to their feedback and act accordingly with an aim to reduce regulatory burdens for businesses.

The European Commission's outreach to business practitioners through **reality checks** is essential for understanding on the ground experience and assessing the possible impact of EU law on businesses. The reality checks make it possible for the lawmakers to develop well-designed new rules and can also be an excellent tool to ensure that rules are understandable and easy to implement in practice. A reality check accompanies the implementation of regulation and systematically examines it for effectiveness, coherence, and adequacy. Involvement of business experts early in the lawmaking process can help identifying potential challenges for implementation, costs or other conflicting interests and allows the Commission to proactively deal with those.

3. Revise the Interinstitutional Agreement on Better Law-Making (IIA)

In the Interinstitutional Agreement on Better Law-Making from 2016 (the IIA), the European Parliament, the Council and the Commission recognize their joint responsibility to deliver high-quality legislation. The IIA states that impact assessments are a tool to help the three institutions reach well-informed decisions. Still, there is a lack of impact assessments for several key legislative files and the Commission – despite it should – does not always carry out impact assessments for proposals with significant impacts, and while the Parliament has done so a few times, the Council has never done it. It must be reviewed whether the IIA is still adequately designed to ensure continuity, stability and good law making - key for business to develop and stay competitive - in a rapidly changing world. Today, the three institutions differ in their methodology and do not always contribute as they should.

Therefore, a revitalization and targeted revision of the IIA is needed to emphasize and ensure good law making independently of the political environment. This will be an opportunity for the three institutions to – together – ensure a legislative environment that improves conditions for businesses. We propose three priorities for revising the IIA:

- Secure a commitment by the co-legislators to conduct impact assessments on all their substantial amendments to the Commission's original proposal
- Establish stable and reliable fast-track procedures for any burden reduction measures independently if they are omnibus-packages or other measures from the Commission, the European Parliament or the Council
- Introduce rules on transparency of informal trilogues between the three institutions

4. Take targeted action and best practice based on concrete examples to reduce regulatory burden for business

Targeted initiatives will be key to reduce the regulatory burden for businesses, and we do not lack concrete examples of where to start. Both national and European business organizations have through close contact with their member companies presented concrete examples on how to ease regulatory burden. BusinessEurope has during the last year published [140+ concrete proposals](#) to significantly reduce the burdens that hold back European businesses.

Several national governments actively focus on better regulation. The use of best practices should be introduced to a larger extent. Both to avoid “inventing the wheel” again and to make it easy for others to take stock of what has been successful. For example, the Swedish government has established [Implementation and Simplification Councils](#) preparing specific proposals and guidance on how to prevent and reduce regulatory burdens. The Swedish government has also invited stakeholders, including the Confederation of Swedish Enterprise to gather proposals for regulatory burden reduction which resulted in the Swedish government sending [63 proposals](#) to the EU Commission.

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