

# Simplification and Implementation

Making Europe simpler and faster

(1.) On behalf of the European Commission, it's a great chance for me, to update you, on the Commission's work for simplifying EU rules, that will make our Single Market economy more prosperous and competitive.

(2.) It's a resolute effort across the entire Commission to:

- reduce unnecessary bureaucracy
- and create a regulatory environment that drives innovation, growth and investment.

By **bringing our competitiveness and climate goals together**, we are creating a more favourable business environment that

- will help EU businesses thrive,
- attract investment,
- unlock our full economic potential,
- and achieve our shared goals - incl the European Green Deal objectives.

(3.) This unprecedented simplification effort has a clear 3-fold target to deliver until 2029:

(a) an **overall minimum reduction in administrative burdens** of 25% total (and of 35% for SMEs), (b) **reporting costs savings** of at least €37.5 billion annually, (c) while without undermining related **policy objectives**.

For this, the Commission will follow a holistic approach to simplification, by looking at all administrative burdens.

(4.) **How? The policy pillars** of this simplification exercise are:

1. Reducing unnecessary bureaucracy by: (a) setting targets, (b) reaching to stakeholders, (c) proposing simplification/omnibus packages and (d) screening continuously.

2. Improving how we make new rules by: (a) better impact assessments (enhanced SME and competitiveness checks); (b) smarter delivery ("digital by default" and "once-only" principles).

3. Improving how **rules are implemented** by: (a) Implementation strategies helping MSs, (b) Technical Support, (c) Implementation dialogues.

4. **Partnership** with co-legislations (Parliament and Council)

(5.) **Focusing on reducing unnecessary bureaucracy:** This will be done through simplification proposal packages, tools and recurrence assessments and proposals from implementation dialogues.

**Regarding the simplification Packages:**

(A). The simplification packages published on 26 February, covered a far-reaching simplification in the fields of (a) sustainability reporting, (b) sustainability due diligence, (c) carbon border adjustment and (d) taxonomy – reducing complexity, while fostering the (e) sustainable finance framework to mobilise investment in the clean transition.

(B). Several more simplification packages are scheduled in 2025.

(C): **The next** simplification packages (1) for including small mid-caps (definition) and (2) removing paper requirements (digital simplification), are planned for mid-April 2025. Also, (3) the Common Agricultural Policy simplification package is expected in May.

Later this year, in the Commission annual plan, there are also initiatives that will support Making Europe Simpler and Faster. Specifically, there will be:

1. the revision of the sustainable finance disclosure regulation,
2. the European Business Wallet
3. the Industrial Decarbonisation Accelerator Act
4. the Review of the Securitisation Framework
5. the revision of the REACH regulation on chemicals

During the entire mandate 2024-2029, there will be simplification packages for 11/18 initiatives.

(6.) Thus, the effort is holistic and the **stakeholders** will have an important role in all those steps.

At this point, **I want like to thank stakeholders from Cyprus**, and particularly the Chamber of Commerce and Industry, for its input to several simplification proposals, which helped the development of the package of proposals. Much of the input of the CCCI was taken on board, observable already in the published packages. This shows that simplification is a collective effort and it will continue to be so.

(7.) On the **roadmap and recurrence of the effort**: Every Commissioner will systematically work to reduce administrative burdens and align rules with the realities

on the ground, under the coordination of Valdis Dombrovskis, Commissioner for Implementation and Simplification.

There is the new obligation of each Commissioner to perform implementation dialogues to its sectoral legislation and to present annual reports of proposals for simplification.

These dialogues with stakeholders will help the Commission identify what works and what does not, ensuring that EU rules become easier to implement and that simplification measures deliver tangible benefits for businesses in every sector.

(8.) Also, there are **other new tools** introduced, for continuous simplification actions.

- There will be the introduction of 37 reality checks, to see the implementation problems on the ground.
- Also, there will be the methodology to be proposed (within 2025) to other European institutions for assessing the administrative burden impact of significant changes in the Commission's proposals.

All these are on top of what currently exists for better regulation, for which there will be enhancement of the SMEs and competitiveness checks.

**(9.) Going now to the published simplification packages (on Sustainability and Investment):** They cover a far-reaching simplification in the **fields of:**

1. sustainable finance reporting,
2. sustainability due diligence,
3. carbon border adjustment mechanism,
4. taxonomy, and
5. European investment programmes.

They:

1. **reduce complexity** of EU requirements **for all** businesses,
2. **focus our regulatory framework on the largest companies** which are likely to have a bigger impact on the climate and the environment,
3. enhancing **access to sustainable finance** to companies for clean transition.

If implemented as proposed, **they would impact** into:

- **savings in annual administrative costs** of about €6.3 billion and
- **mobilise additional public and private investment** capacity of €50 billion to support policy priorities.

The proposals focus on the largest companies the sustainability reporting obligations, as they are **more likely to have the biggest impacts** on people and the environment, and make sure they do not burden smaller companies. Thus, they:

- Make sustainability reporting more accessible and efficient
- Simplify due diligence to support responsible business practices

- Strengthen the carbon border adjustment mechanism for a fairer trade
- Unlock opportunities in European investment programmes

These proposals were submitted to the European Parliament and the Council for their consideration and adoption.

A. In **sustainability reporting** (CSRD and EU Taxonomy), changes will:

- Remove around 80% of companies from the CSRD scope, focus on largest
- Ensure the reporting requirements on large do not burden smaller ones
- Postpone by 2 years the reporting requirement of those in current scope
- Reduce obligations of the EU Taxonomy reporting and limit it to largest.
- Introduce a financial materiality threshold for the Taxonomy reporting and reduce the reporting templates by around 70%.
- Simplify the most complex criteria of “Do no Significant harm” for pollution prevention and chemicals control.

B. In **sustainability due diligence**, the main changes will:

- Simplify requirements of sustainability due diligence so that companies in scope avoid unnecessary complexities and costs.
- Further increase the harmonisation of due diligence requirements to ensure a level playing field across the EU;
- Give companies more time to prepare to comply with the new requirements.

C. In **simplifying the carbon border adjustment mechanism** for a fairer trade, the main changes on CBAM will:

- **Exempt small importers** from CBAM obligations, mostly SMEs and individuals.
- **Simplify the rules** for companies that remain in CBAM scope.
- **Strengthen the rules** to avoid circumvention and abuse.

D. In **unlocking investment opportunities**, the simplification and optimisation proposals of several investment programs (including InvestEU, EFSI, and legacy financial instruments) will:

- **Increase the EU's investment capacity** through the use of returns from past investments, optimised use of funds still available (to mobilise extra about **€50 billion**).
- **Make it easier for Member States to contribute** to the programme and support their own businesses and mobilise private investments.
- **Simplify administrative requirements** for all (expected to save **€350 million**).

(10.) **As a conclusion,**

- I would like to reiterate that the Commission is working on simplifying its rules, as part of the support to **competitiveness**.

- Today, with **concrete** data from the published simplification packages, I pointed to solid benefits every company would have, in terms of cost and burden.
- I want to **reassure you** that the Commission is working consistently to make doing business in Europe simpler and to help European companies thrive and compete successfully with partners and rivals in the world.
- The Commission is **open to engages and dialogue** with a view to updating regularly our regulations to business needs, while keeping our overall goals.
- Simplification is not de-regulation nor rolling-back, but **recalibration of EU rules in a friendlier manner, while maintaining our policy objectives and while keeping course.**
- We exactly **need** simplification to reach our Green Deal goals as a better competitiveness position would allow us to finance the green transition.

Thus, in this speech, I described the roadmap for the holistic simplification effort, I gave information and targets from the simplification packages of 26 February. Also, I explained the holistic simplification approach, which will involve simplification **packages**, but also revisions of **individual Directives**.

**For all of these, your input is welcome, at any stage of the process.** I would be happy to assist you channelling it to colleagues in Brussels.

**Thank you** very much for your attention to my intervention. -----