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Subject:	Simplification: Annual Progress Report on Implementation and Enforcement – progress towards the 25% reduction of burdens for businesses - Presidency discussion paper

DISCUSSION PAPER

Meeting of the Competitiveness Council

Brussels, 29 September 2025

Simplification: Annual Progress Report on Implementation and Enforcement – progress towards the 25% reduction of burdens for businesses

In the Budapest Declaration of 8 November 2024, the Heads of State and Government called for "a simplification revolution" to create a clear, simple and smart regulatory framework for businesses and drastically reduce administrative, regulatory and reporting burdens. In its conclusions of 26 June 2025, the European Council urged the co-legislators to maintain the momentum on the simplification agenda and to swiftly adopt the simplification packages. The conclusions included a call for the Commission and the co-legislators to avoid over-regulation and the introduction of administrative burdens throughout the policy and legislation cycle.

To strengthen our businesses and enhance competitiveness, action is needed across the full policy cycle: from developing new policy and legislation, to delivering effective implementation and enforcement, and to simplifying or reducing burdens from existing rules. The Trio Presidency has committed to delivering long- and short-term burden reductions. The aim is to make Better Regulation a reality through thorough assessments of the impact of legislation, progressing the negotiations of simplification proposals and maintaining a joined focus on burden reductions between the Council and the Commission. In light of this commitment, the Competitiveness Council will hold a policy session on simplification and burden reductions.

Simplifying existing rules and avoiding unnecessary burdens in the future

The Commission has set a target of reducing administrative burdens by at least 25% for all companies and 35% for SMEs[1]. To deliver on this target, as of early September 2025, the Commission has put forward six Omnibus packages with a view to simplifying and reducing administrative burdens for businesses. <u>These proposals alone are expected to bring at least EUR 8.6 billion in annual administrative savings </u>and further packages are expected.

To truly deliver on the Commission's burden reduction targets, simplification of existing rules will not be enough. To supplement this, it is essential to maintain proper implementation and enforcement to minimise burdens introduced at those stages of the policy cycle. To support this discussion, Executive Vice-President for Prosperity and Industrial Strategy, Stéphane Séjourné, will present his Annual Progress Report on Implementation and Enforcement.

At the same time, it is of utmost importance to simultaneously avoid introducing new unnecessary burdens. In this context, the Competitiveness Council can take an active role as the responsible Council for improving the business environment and better regulation.

In parallel with the simplification efforts, new – and in some cases burdensome – legislation continues to be drafted. From the proposals accompanied by an impact assessment, between 71 and 86 billion

[1] A simpler and faster Europe: Communication on implementation and simplification, pp. 6-7 (ST 6198/25).

euro in *recurrent annual* burdens and around 65 billion in *one-off costs* are expected from current legislative proposals under discussion across Council formations. It is important to emphasize that these estimates have limitations, as individual impact assessments may rely on different assumptions, including baseline scenarios, methods (inducing models), data, measures of welfare changes and there are still a number of proposals without impact assessments. Despite these limitations, the numbers provide a rough overview of the cost implications of the flow of EU regulation currently in the pipeline – especially in light of the efforts to reduce burdens.

For the proposals under the Competitiveness Council with accompanying impact assessments this amounts to around 4 billion euro in *recurrent annual* burdens and around 2.5 billion in *one-off costs*.

While many of these burdens are justified, as a single set of common rules helps reduce barriers for businesses, their cumulative effect nonetheless poses a challenge to our overall competitiveness.

The Presidency will invite Executive Vice President Commissioner Séjourné to reflect on this and to present the Commission's vision going forward within the Competitiveness Council policy area.

Member States are invited to engage in discussions on two key issues:

- *Which tools enable us to best strike the right balance between introducing necessary new legislation and avoiding the creation of unnecessary administrative burdens for businesses?*
- *What can the Competitiveness Council itself do to ensure that new rules are appropriate and proportionate to the objectives of the legislation?*