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**NOTE**

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From: Presidency

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To: Permanent Representatives Committee/Council

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Subject: Economic consequences of EU legislation  
- Annex B: Methodology

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Delegations will find in annex the document in subject.

# Annex B: Methodology

5 December 2025

This note clarifies the methodology applied when collecting the data used to produce the overview table (Annex A). The methodological approach is summarised in *table 1*, including: 1) which legal acts are included; 2) when acts are considered relevant; 3) what economic consequences are included; 4) the types of economic consequences; 5) the legend used in Annex A to classify if proposals have a full, partial or no accompanying impact assessment.

Overall, it is worth highlighting that all data on administrative and adjustment costs, as well as direct benefits and (where available) cost-savings in the table are taken from the Commission's impact assessments accompanying legislative proposals. The table also indicates to which extent an impact assessment was carried out<sup>1</sup>.

Missing figures in the table are due either to incomplete impact assessments that do not list all relevant costs and benefits or to the fact that an impact assessment has not been carried out by the Commission. In addition, quantified estimates are not always provided or sometimes incomplete or lacking in a number of cases. In the case of no impact assessment, the table does not include figures from staff working documents or other similar internal documents as they have not been formally validated by the Regulatory Scrutiny Board.

For transparency reasons, the table follows a gross cost and benefits approach. All quantitative costs as well as qualitative and quantitative benefits or cost-savings in the Commission's impact assessments are included in the table. It is not possible to produce a single net figure using current impact assessments, as benefits are often qualitative in nature or quantified in a way that makes net calculations difficult without discrete choices that could be contested. All quantified cost-savings estimates found in the Commission's impact assessments are included in the table (in the 'benefits' column). If no cost-savings estimate is found for a particular file in the table it is because there is none in the Commission's impact assessment.

It should be highlighted that when recurrent costs are aggregated over a number of years in the Commission's impact assessments, these costs have been distributed across the relevant years by way of a simple average in the table, because 'recurrent' normally refers to an annual frequency in the Commission's impact assessments. However, this adjustment does not account for the fact that 'recurrent' can mean another defined interval depending on the specific impact assessment. The simple approach is chosen over a more case-specific approach to increase transparency.

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<sup>1</sup> As a rule, the Commission carries out impact assessments for proposals which are expected to have significant economic, environmental or social impacts. However, there are exceptions, mainly for reasons of urgency. In these cases, the Commission will instead produce a staff working document.

The Danish Presidency has refrained from further adjustments of figures taken from the Commission's impact assessments for transparency reasons, even if it could potentially increase accuracy. For example, all figures in the table are denoted in the current prices found in the impact assessments, not constant prices that take inflation into account, as that would require adjusting numbers on the basis of a range of assumptions which could be contested and questioned. Moreover, 'one-off costs' in the Commission's impact assessments are neither annualised nor discounted in the table, again because this would require adjusting the numbers on the basis of contestable assumptions, which would reduce transparency. It should be highlighted that both methodological choices will result in underestimation of costs.

Finally, it should be noted that figures in the overview table have limitations. The Commission's individual impact assessments rely on various assumptions, including baseline scenarios, methods, data and welfare measures. Individual figures may therefore not be directly comparable, and in some cases the quantification of various effects may be imprecise, uncertain or incomplete. In addition, the value of some categories of benefits may be sizable, yet quantification is not possible and has thus not been listed. Furthermore, there might be interaction effects between individual pieces of legislation. It should also be noted that national implementation ("gold plating") could introduce potentially higher costs as well as contribute to fragmentation. Despite these limitations, and while these figures cannot be viewed in isolation from benefits the relevant proposals would bring, they provide a rough overview of the cost implications of the flow of EU regulation currently in the pipeline.

**Table 1 Methodological approach used in Annex A**

Subject	Scope of the data work	Points for attention
<b>1. Applicable legal acts</b>	Regulations and directives.	All proposals under negotiation in the Council or with an adopted Council mandate adopted by Coreper for trilogues. Includes all active files up to 8/10 2025 (note <i>Soil monitoring law</i> agreed by EP 23/10 is removed).
	Does not cover decisions, recommendations, opinions, or delegated or implementing acts.	Delegated or implementing acts excluded as they are rarely accompanied by impact assessments (IA). 0.5 % of delegated acts subject to such evaluation, according to the Council's annual IA report for 2023. In some cases, delegated acts may add substantial costs/burdens.
<b>2. Relevance</b>	a) Legal acts under negotiation in the Council.	Proposals may not be adopted if there is insufficient support, even if the Commission does not withdraw the proposal.
	b) Legal acts with adopted Council mandate.	
<b>3. Economic consequences included</b>	a) Direct administrative and adjustment costs, both recurrent and one-off, as well as direct benefits and (where available) direct cost-savings.	Derived from the Commission's IA with minimal data adjustments. Hard to translate benefits, costs-savings, and costs into net economic consequences figure, as it is often not specified whether benefits, cost-savings, and costs are recurrent or one-off, or whether they affect businesses or public authorities.
	b) Estimates derived from IAs, typically prepared when proposals are submitted. IAs are sometimes updated later in light of amendments, but this is rare.	Actual figures may be different from those indicated in the original proposal. If a new method to account for substantial amendments is developed and used, the data can be adjusted accordingly.
	c) Based on the preferred (or only) option outlined in IAs.	The European Parliament and the Council may have negotiated towards one of the other solutions or an entirely different one.
	d) Data include only direct costs, cost-savings and benefits, not indirect figures. If estimates include a range, it is outlined in the data, see Annex A.	
<b>4. Types of costs</b>	a) For national budgets, total gross costs are used, meaning costs for all 27 Member States.	Member States will be affected differently depending on factors such as size or existing policies.
	b) Costs are aggregated for all EU Member States. If not specified that costs for 'service providers' concern public authorities, they are counted as costs for businesses.	
<b>5. Legend for Annex A</b>	0 = Assessment made, proposal is not expected to have economic consequences.	
	>0 = Assessment made, proposal is expected to have costs which are not quantified.	
	"-" = No assessment	
<b>General comment</b>	Costs cover minimum implementation. For directives, Member States may over-implement.	