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**NOTE**

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From: General Secretariat of the Council  
To: Permanent Representatives Committee/Council

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Subject: Economic consequences of EU legislation  
- Presidency issues note

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In view of the Economic and Financial Affairs Council on 5 May 2026, delegations will find attached a revised Presidency issues note on the above-mentioned subject.

PUBLIC



**5<sup>th</sup> of May 2026**

**Economic consequences of EU legislation**

## Economic consequences of EU legislation

Following the Draghi report, the European Council in its conclusions of October 2025, stressed ‘the need to advance an ambitious and horizontally-driven simplification and better regulation agenda [...] to ensure Europe’s competitiveness’. It also recalled ‘the commitment to drastically reduce, as a matter of urgency, administrative, regulatory and reporting burdens for businesses, including SMEs, and public administrations’. The Commission work programmes for 2025 and 2026 include an implementation and simplification agenda which focuses *inter alia* on simplifying existing EU legislation through a series of Omnibus legislative proposals in an effort to boost the EU’s competitiveness.

In this context, the Council approved conclusions on simplification and better regulation<sup>1</sup> in December 2025 where it stressed ‘the need to complement the Omnibus simplification efforts with an effort to monitor and reduce unjustified burdens from the flow of new EU legislation, making the design of new legislation more targeted and effective, while maximising its clear benefits’. Therefore, with a view to better monitoring administrative and adjustment costs from the flow of new EU legislation, the Council agreed that ‘the Presidency once per semester provides an updated overview of the economic, social, regulatory and other benefits as well as administrative and adjustment costs for businesses and public administrations from proposals currently under negotiation’.

At the December 2025 ECOFIN Council meeting, the Danish Presidency presented an issues note and a table<sup>2</sup> compiling the costs and benefits of all Commission proposals that had not yet been adopted, based on of the Commission’s available Impact Assessments. The Cyprus Presidency has now updated this overview, adding all new Commission proposals received between then and the end of March, and removing those that have been adopted in the meantime.

The updated overview set out in the annex to this note shows that 49% of proposals are accompanied by a Commission impact assessment and that, if adopted as proposed by the Commission, these proposals will, in addition to one-off costs, add new recurrent administrative costs of around EUR 1.5-1.6 billion and recurrent adjustment costs of roughly EUR 16.9-25.7 billion for European businesses. It also shows that these proposals will add around EUR 145 million in recurrent administrative costs and EUR 2.8-10.1 billion in recurrent adjustment costs for public authorities. It should be noted that costs could be underestimated as estimates are sometimes only partial.

Since the last update by the Danish Presidency, 20 proposals have been removed from the overview because they have been either adopted or withdrawn. At the same time, a total of 51 new legislative proposals were adopted by the Commission and added to the table, 13 of which were accompanied by a Commission impact assessment. These 13 new proposals, if adopted as proposed by the Commission, would generate additional recurrent administrative costs of roughly EUR 123–158 million and recurrent adjustment costs of roughly EUR 5.1–6.4 billion for European businesses. For public authorities, these proposals would generate additional recurrent administrative costs of roughly EUR 30 million and recurrent adjustment costs of roughly EUR 751–994 million.

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<sup>1</sup> ST 16201/25

<sup>2</sup> ST 16234/25 + ADD 1-2

At the same time, while more difficult to quantify, the benefits are equally important. Impact assessments accompanying these proposals typically point to improvements in market functioning, including reduced fragmentation and a more level playing field across Member States, as well as enhanced legal certainty for economic operators. They also identify efficiency gains and potential cost savings over time, notably through simplification and digitalisation measures embedded in certain proposals. In addition, many initiatives support broader Union policy objectives, including the green and digital transitions, which are expected to contribute to the resilience, productivity and long-term competitiveness of the EU economy. It is therefore difficult to weigh the costs against the benefits in purely quantitative terms, as many of these benefits are structural and will materialise over the medium to long term.

Despite the lack of quantified estimates for benefits, this monitoring of the administrative burden arising from the flow of new regulation should be taken into consideration in our efforts to reduce regulatory and administrative burdens that weaken EU competitiveness.

### **Issues for discussion**

- *How do Ministers assess the overall economic impact of the proposals under negotiation, taking into account both the estimated costs and the expected benefits?*
- *How can we ensure that future EU legislation better supports competitiveness while limiting unnecessary administrative and adjustment costs?*
- *What improvements could be made to better assess the economic impact of EU legislation, both in terms of costs and benefits?*

### **Next steps**

The Council (COMPET) will discuss simplification and better regulation on 28 May. Following the ECOFIN and COMPET discussions, the ministers chairing these two Council configurations plan to co-sign a joint letter to the minister chairing the General Affairs Council configuration, which will take these discussions into consideration, in particular in its discussion on simplification and on legislative programming.