



MINISTRY OF BUSINESS AND GROWTH DENMARK

PROPOSALS FOR SIMPLIFICATION OF EU- LEGISLATION

Developed jointly by the Danish Ministry of Business and Growth and the Danish Business Forum for Better Regulation

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I. FOREWORD

It is important to recognize that regulation is a necessary part of a well-functioning market. Regulation is necessary to ensure societal goals such as health and safety standards, environmental protection etc. Regulation can also help create a level playing field and boost competition in the European market. However, regulation that imposes *unnecessary costs* on European businesses is a barrier to growth and job creation in the EU.

As a consequence, many national governments, including the Danish, have a strong focus on simplifying national regulation for the business sector. However, businesses also face disproportionate and burdensome regulation that originates from the EU - it is therefore essential to also simplify regulation at EU-level.

In recent years Denmark has had success with close dialogue between the government and the business sector on how to reduce regulatory costs for businesses. The Business Forum for Better Regulation was established in 2012 by the Minister of Business and Growth with a mandate to act as an advisory body to the government regarding regulatory simplification for businesses. The focus of the Business Forum is to propose initiatives that do not compromise the underlying objectives of the regulation.

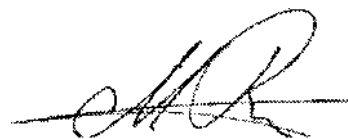
A central aspect of this set-up is the "comply-or-explain" principle according to which the government is obliged to give a public reply to all proposals from the Business Forum. This reply must state whether the government will comply with a given proposal or explain the reason why it chooses not to do so. So far the government has complied (fully or partly) with more than 80 percent of the proposals, which demonstrates the viability of the 'comply-or-explain'-principle.

It is very positive that the European Commission has a focus on better regulation. It is our belief that the lessons learned from the Danish approach can be used to further strengthen this work - in particular the "comply-or-explain" principle.

This catalogue illustrates the different kinds of proposals that can result from the Danish approach. The proposals have been prepared jointly by the Danish government and the Danish Business Forum for Better Regulation. In some cases the proposals represent a compromise between the original proposal from the Business Forum and what the government can support - following the "comply-or-explain" principle.

We hope that the European Commission will take these proposals into consideration in their important work to reduce unnecessary regulatory costs for European businesses to boost growth and job creation.

Henrik Sass Larsen
Minister of Business and Growth



Michael Ring
Chairman of the Business Forum for
Better Regulation and CEO of Stelton

2.

INTRODUCTION TO THE DANISH BUSINESS FORUM FOR BETTER REGULATION

2.1 THE DANISH BUSINESS FORUM FOR BETTER REGULATION

The Danish Business Forum for Better Regulation was established in 2012 by the Minister of Business and Growth as an advisory body to the government on reducing regulatory costs for businesses.

Since the establishment the Business Forum has been tasked with identifying specific regulatory burdens and suggesting how to reduce or remove them. It consists of 21 members representing enterprises, business organisations and labour unions as well as independent experts.

The overarching aim of the Business Forum is to focus better regulation efforts on the most burdensome pieces of legislation. The background of the Business Forum was a national 25 percent reduction target that was set in 2001. While desk estimations showed that the target was met, a more thorough examination concluded that the burden reductions were not perceived adequately by the businesses. Thus new measures were needed in order to focus efforts in the most burdensome areas. To achieve this, the Business Forum was established.

The Business Forum gathers three times a year with members of the Business Forum and anybody else able to submit proposals for the Business Forum to discuss. Prior to each meeting one or more working groups, consisting of members of the Business Forum supported by a secretariat, prepare a package of proposals to be discussed at the meeting. If the Business Forum agrees on a proposal for simplification it submits the proposal to the Danish government. The Business Forum is mandated to submit proposals on administrative burdens and (since 2015) compliance costs.

The Danish government has committed itself to a 'comply-or-explain'-principle and is obliged to either follow a proposal or publicly explain its reasons for not doing so. This principle is a cornerstone of the set-up of the Business Forum and vital to create sufficient incentive for stakeholders to become engaged with and committed to the process. All the proposals, government responses and status of implementations are accessible at the Business Forum's website (www.enklerleger.dk).

2.2 INSPIRATION FOR THE EU SIMPLIFICATION AGENDA: THE STAKEHOLDER PLATFORM

The Business Forum has been a great success. Since 2012 it has submitted 460 proposals to the government and so far the government has replied to 386 of these and will comply fully or partly with 316 - more than 82 percent of the total. 23 proposals from the Business Forum were included in the government's growth package from June 2014.

It is recommended by the Danish government that the European Commission establishes a platform for stakeholder-generated proposals on how to make specific burden-reductions. Such a platform could enable Member States and Members of the European Parliament to submit specific proposals from stakeholders to the Commission.

The proposals should be subject to a 'comply-or-explain'-principle, i.e. the European Commission should publish its responses, clearly stating which proposals it intends to pursue, and explaining why some proposals will not be subject to further consideration. In this way the platform will ensure valuable input from the businesses by bringing the EU closer to the stakeholders and the stakeholders closer to the EU.

Such a platform will be beneficial to burden-reduction efforts at both European and Member State level and will better align these efforts. In a number of Member States there are various forums and programmes for stakeholder consultation regarding smarter regulation, which ensure a systematic flow of input and proposals from a broad-based range of stakeholders. A substantial part of the proposals from these stakeholders concern EU-legislation and needs to be addressed at a European level as well.

A large proportion of the proposals from the Business Forum concerns EU-legislation. Even though the Business Forum has dedicated its efforts to national legislation, as many as one in ten proposals relate to EU-legislation. The same seems to be the case in other Member States which systematically collect input from stakeholders. This illustrates the practical need for a platform where proposals from stakeholders in Member States can be submitted to the European Commission.

The European Commission has already established various mechanisms in order to include stakeholders in the full policy cycle. Stakeholders are invited to contribute through public consultations and the Commission meets with micro enterprises to learn from their experience. A platform for stakeholder generated proposals will complement these mechanisms by anchoring the voice of the stakeholders within the overall smarter regulation framework. Additionally, the platform will strengthen the dialogue between the European Commission and stakeholders by ensuring that the Commission has the opportunity to explain the reasons behind regulation, which is perceived as burdensome, and why in certain cases it believes it is necessary and proportionate.

Below you will find 24 proposals for simplification of EU-legislation prepared jointly by the Danish government and the Danish Business Forum for Better Regulation. Each proposal presents a given challenge and a suggested action.

3. PROPOSALS FOR SIMPLIFICATION

3.1 SIMPLIFICATION OF CONSUMER CONTRACTS IN ECOMMERCE

Challenge

Consumer contracts are generally very complex because of demands in legislation (for instance following the directive on consumer rights). Today, e-retailers must comply with about 100 information obligations. This is overly burdensome and makes it more difficult to start a business without professional help or specialist legal advice. In contrast, most agree that general "terms and conditions" should be easily understood and that consumers should be able to - in principle - accept them unread.

Proposal

Businesses should not be individually required to inform every consumer about the law or general statutory rights. Businesses should instead be allowed to focus on informing consumers about conditions that go beyond what is required by the law. A task force with participation of relevant stakeholders could look into how this would work in practice.

3.2 EUROPEAN RULES ON STORING COMPANY RECORDS ABROAD

Challenge

Rules on storing company records abroad vary across the EU, and there is no European-wide regulation in this area (apart from the VAT System Directive). This implies that a company from country A that wishes to set up a business in country B cannot automatically handle all accounting from country A and use their preferred accounting system.

Proposal

Common EU-rules regarding storage of accounting records in another EU country should be introduced. This will allow businesses to make full use of internet-based accounting. The final report from "EU Multi Stakeholder Forum on e-Invoicing" could serve as inspiration. It concludes that the lack of access to storing accounting records in other countries is a hindrance for the use of electronic accounting.

3.3 COMMON CRITERIA FOR CARRYING OUT "SWEEPS"

Challenge

The European Commission regularly organises so-called "sweeps" to check if businesses comply with the Consumer Acquis in their marketing. In practice, sweeps are carried out by national consumer authorities and the results are submitted to the European Commission. Unfortunately, the method used varies significantly between countries, which undermines the validity of the study.

Proposal

A set of common criteria for carrying out sweeps should be introduced so sweeps are done in a consistent way and are representative. National enforcement agencies and the

European Commission should refrain from publishing names of companies or refer to websites or other sources of information as long as sweeps are not done on equal terms.

3.4 REVISION OF THE COOKIE RULES

Challenge

The current rules on collection of data (following the e-privacy directive) are meant to enhance privacy protection. However, the regulation is very burdensome to businesses given that cookie information and consent mechanisms must be implemented on almost all websites. In addition, the current rules are likely to be counterproductive as the constant stream of "cookie pop-up-boxes" that users are faced with completely eclipses the general goal of privacy protection as the result is that users blindly accept cookies.

Proposal

The "cookie regulation" should be amended in a manner, which will both decrease industry costs of implementation and raise privacy awareness among users. Less intrusive types of cookies (for instance cookies used for website statistics) should be exempted and regulation should be reserved for websites using cookies that pose genuine risks of privacy intrusion. The benefits will be fewer burdens to businesses, more alertness to privacy issues among users, and the possibility of more effective and targeted enforcement.

3.5 CONSEQUENCES OF NATIONAL TECHNICAL RULES **Challenge**

Every year Member States notify 600-800 new national rules regarding technical standards and regulations under directive 98/34. These technical rules may cover both harmonized and non-harmonized areas, where the principle of mutual recognition should apply. Directive 98/34 requires that Member States immediately send any draft technical regulation to the European Commission with the justification that it is necessary to introduce such a technical regulation. However, the justifications given are often very general and brief (e.g. protection of persons, animals, the environment, or consumer information) rather than being specific on how conditions might differ from those of other Member States (which could justify the introduction of national regulation).

Proposal

There should be greater clarity regarding national technical rules. This can be achieved through the following steps:

Clarification of documentation requirements: The European Commission should develop additional guidelines with the aim of guiding Member States to justify the need for new national technical regulations in the notification process under e.g. directive 98/34. These guidelines could help Member States to provide more detailed and accurate assessments of proportionality under directive 98/34.

Increased transparency in the TRIS database: There should be public access to the comments given regarding notifications on goods under directive 98/34. This access could inform businesses about parts of the national legislation that may constitute an obstacle to the free movement of goods.

Evaluation similar to the peer review under the Services Directive: The Commission should launch an evaluation of the notification procedure under directive 98/34 and follow up on the findings.

3.6 ESTABLISHMENT OF NATIONAL BUSINESS PORTALS IN EU

Challenge

Much has been done to make relevant information accessible to businesses that wish to engage in cross-border activity. However, there is still a lot of important information that is not covered by the existing portals, websites, etc. The Points of Single Contact (PSC) Charter has already identified information to be included in the PSCs.

The lack of information as well as the limited possibility to communicate online with national authorities is a barrier to cross-border activity.

Proposal

A consistent approach should be adopted so that businesses have only one contact point in each Member State if they wish to establish themselves in another country or have problems operating - regardless of sector.

The portal should relate to and describe procedures for both establishment and operation (PSC only deals with establishment). The portal should, for example, both contain information on how to establish a shop or a hotel, and on how to get the necessary permits to sell food products (in a store or at a hotel). At the same time, permits, certificates, registrations, information about tax and employment and other governmental approvals and reporting obligations could be made here, and the procedures should be fully digitised. Everything should be available in English.

The intention is to create a single legal base for contact with authorities and information (one business portal per Member State). Other areas of legislation (the services directive, the VAT directive etc.) could refer to this database instead of establishing separate portals - making it easier and more accessible for businesses. The intention is not to provide advice on specific issues to businesses.

3.7 ESTABLISHMENT OF A NOTIFICATION PROCEDURE FOR THE INTRODUCTION OF NATIONAL TECHNICAL RULES REGARDING SERVICE PROVISION

Challenge

The TRIS database based on the 98/34 notification procedure gives the European Commission and Member States the possibility of reviewing the technical regulation that Member States propose to introduce on goods (in the areas of industry, agriculture and fisheries) and services related to the information society prior to their adoption. The goal is to make sure that national regulation is compatible with EU-legislation and the principles of the internal market.

However, this does not apply to services. As a result, the internal market for services is fragmented and businesses that operate in several member states are faced with additional burdens.

Proposal

A register similar to the TRIS database should be established. All national rules with potential influence on the internal market for services should be reported to the register with the purpose of consulting stakeholders and getting approval from the European Commission. The goal should be to limit the amount of national technical rules that hinder the internal market for services and cause unnecessary burdens, so only valid justifications are accepted.

If possible, the best solution would be to integrate services in the existing TRIS database. In the long term a common notification procedure for technical rules on goods and services would be favourable to ensure uniform rules and increased transparency.

3.8 MORE UNIFORM IMPLEMENTATION AND ENFORCEMENT OF EU-LEGISLATION

Challenge

Implementation and enforcement of EU-legislation often varies across Member States. These variations concern the volume of obligations as well as the manner in which the legislative requirements are interpreted. Some Member States choose stricter requirements than prescribed by the EU-legislation while others choose a less burdensome implementation. There are also differences when it comes to enforcement.

Also, EU-directives are often implemented at different points in time across Member States, which, although temporary, creates variations in the legislative framework in the single market. This leads to significant burdens on businesses as they have to comply with different rules in different Member States.

Proposal

As part of the REFIT programme the European Commission should promote a timely, efficient and correct implementation of EU-legislation. This could be achieved through better implementation guidelines, more use of implementation groups and more frequent and enhanced benchmarking exercises. More specifically, the European Commission should undertake a study of the extent to which the fragmented implementation of EU- legislation results in barriers to trade and reduced competitiveness for the European economy as a whole.

In order to promote a more coherent enforcement of EU-legislation the cooperation between national enforcement authorities should be strengthened. The Commission should bring together national authorities with the aim of developing best practices such as common interpretations and definitions of rules and requirements in a legal act.

3.9 WITHDRAWAL FORMS AND CONSUMERS' OBJECTIONS AGAINST DETERMINATION OF VALUE LOSS

Challenge

The directive on consumer rights requires that in cases of "at distance" or "off-premises" contracts (primarily online business), the trader must provide the consumer with a withdrawal form set out in Annex I (B). Given that it is optional for the consumer - but mandatory for the trader - to use the form it is perceived by traders as unnecessarily bureaucratic.

Additionally, the wording used in the withdrawal form can be confusing to consumers because it concerns both services and goods causing consumers to doubt whether the withdrawal form is relevant to them.

Also, the directive on consumer rights gives consumers the right to return goods after having used them. In these cases the consumer is liable for any diminished value of the goods resulting from handling the good. The consumer has the right to object to the trader's determination of the value of the goods. However, there is no time limit on how

long the consumer can claim the right to object (presumably up to 3 years) which may impose costs on businesses (e.g. for storage of returned goods).

The directive on consumer rights was recently adopted and implemented nationally. The directive states that the European Commission must conduct an evaluation of the directive by December 2016,

Proposal

The evaluation should look into the challenge described above in order to make sure that the directive - and especially the requirement to provide a standardised withdrawal form and the right to return used goods etc. - does not impose unnecessary burdens for businesses.

3.10 REDUCE OVERLAP AND STREAMLINE METHODS RELATED TO REQUIREMENTS FOR CONSTRUCTION MATERIALS ACROSS EU INITIATIVES

Challenge

Manufacturers of construction materials have to live up to requirements regarding energy performance, environmental impact, safety, health, etc. These requirements stem from various pieces of EU regulation, EU labelling schemes etc. that sometimes overlap (e.g. Eco Design Directive, Directive on the energy performance of buildings, Construction Product Regulation, Directive on energy efficiency, Communication on resource efficiency opportunities in the building sector, and the Product Environmental Footprint).

As a consequence of overlap, manufacturers of construction materials are experiencing two major challenges when trying to comply with the legislation: Manufacturers must calculate and document the same characteristics several times using different methods and the sheer amount of regulation is burdensome for businesses.

Both challenges lead to unnecessarily high compliance costs.

Proposal

Requirements for construction materials should be based on the same standards and the many different EU policies should be reduced and combined. Future regulation of construction materials should be based on the harmonised product standards and the standard for environmental product declaration (EDP).

The standard for environmental product declaration for construction products (EN 15804) should be the foundation for future environmental product declarations used for CE marking of construction products and the future system should be based on an already developed system.

3.11 STREAMLINING OF THE NATIONAL REGISTRATION SYSTEMS FOR PRODUCER RESPONSIBILITY FOR ELECTRIC AND ELECTRONIC PRODUCTS

Challenge

The producer responsibility for electric and electronic products is regulated through the WEEE directive. The directive requires that all producers and importers of electric products must register the quantity they place on the market in any given Member State.

The implementation of the directive varies from Member State to Member State. As a consequence businesses are faced with systems for registration and data requirements that vary from Member State to Member State.

Proposal

The Commission should define a standard format that should be used for registration and collection of data.

3.12 ENVIRONMENTAL ZONES AT EUROPEAN LEVEL

Challenge

City environmental zones are not harmonised across the EU. Member States have different requirements and different labelling, which creates problems for businesses in the transportation sector because trucks and busses need several different labels to enter environmental zones if they operate internationally.

Proposal

The European Commission should introduce common labelling or a system for mutual recognition of labels associated with environmental zones. This should ensure that environmental zones in all countries are based on the same requirements. The objective is that companies can simply use one authorisation when driving in European environmental zones.

3.13 RESOURCE PRODUCTIVITY THROUGH MODERNISED WASTE TRANSPORT RULES IN EU

Challenge

The current regulation of cross-border transport of waste makes transport of secondary resources expensive and there is no clear distinction between the different types of waste disposal. Furthermore, resources for oversight and control are not spent effectively. Consequently, waste that could be reused is sent to incineration instead, which goes against the EU's priorities for a resource-efficient, greener and more competitive economy.

Proposal

More types of waste should be added to the "green list" of Regulation 1013/2006 on shipments of waste. This can be done without actually changing the regulation and it would allow for increased reuse of these types of waste.

3.14 ARTICLES INTENDED TO COME INTO CONTACT WITH FOOD - DECLARATION OF COMPLIANCE

Challenge

EU Regulation 1831/2003 allows Member States to adopt national provisions on so-called declarations of compliance concerning materials and articles intended to come into contact with food. Some Member States such as Denmark requires a declaration on all types of materials and articles intended to come into contact with food whereas other Member States such as Germany only require a declaration of compliance for certain types of material.

From a food safety perspective the Danish model makes sense. However, it does come with a price for manufacturers and importers in e.g. Denmark that have to provide these declarations. Often suppliers from other EU countries and countries overseas do not understand why Danish importers demand to see declarations of compliance when they are not met with the same demand from importers from other EU countries.

Proposal

Common requirements in relation to declarations of compliance should be established. In order to secure a high level of food safety, it is suggested that the Danish model of declaration of compliance is supported by pre-defined declarations of compliance in the EU legislation on all the various types of materials and articles intended to come into contact with food. The pre-defined declarations should be possible to use in all situations, even if the materials are covered by more specific measures.

**3.15 REDUCTION OF MARKETING STANDARDS FOR FRESH FRUIT AND VEGETABLES
(PROPOSAL FOR QUALITY STANDARDS)**

Challenge

Businesses may only present, offer, deliver or sell fruit and vegetables within the EU in ways that live up to the so-called marketing standards. For example, a bag of oranges that has one or more mouldy oranges can no longer be sold (or even be given away) unless the mouldy oranges are removed from the bag. These marketing standards are time-consuming and consequently lead to increased food waste as the bag of oranges is likely to simply be thrown out.

Instead the company could contribute to reducing the food waste by for example giving away the fresh fruit and vegetables that for various reasons cannot be sold in its existing form.

Proposal

It is proposed to drop the EU regulatory framework on marketing standards for fresh fruit and vegetables and leave it to the industry to agree on standards in this area. In this regard, the UN-ECE standards are a possible reference. Alternatively, there could be a modernisation and simplification of the rules in order to prevent food waste. Furthermore, it could be made possible under specific conditions and for specific purposes to supply products, which do not comply with the standards or specify that sorting of fresh fruit and vegetables only has to take place before it is issued for direct human consumption.

3.16 WEIGHTING FACTORS FOR ECOLOGICAL FOCUS AREAS

Challenge

The newly reformed Common Agricultural Policy includes new rules on so-called weighting factors and ecological focus areas. When defining so-called ecological focus areas the European Commission sets a weighting factor for each of the different categories of ecological focus areas. By multiplying the weighting factor with the size of the particular area in question it is calculated how much that area contributes to fulfilling the requirement of an ecological focus area.

Short rotation coppice, nitrogen-fixing crops and catch crops were originally all set to a weighting factor of 0.3. Subsequently, the European Commission has raised the

weighting factor for nitrogen-fixing crops to 0.7. There is no environmental or biodiversity gains to be made from favouring nitrogen-fixing crops. Contrastingly, diversity of weighting factor leads to unnecessary confusion, uncertainty and unnecessary administrative work.

Proposal

It is proposed to work toward a simplification of the rules; including setting a uniform weighting factor for short rotation coppice, nitrogen-fixing crops and catch crops.

3.17 WINDBREAKS AS ECOLOGICAL FOCUS AREAS

Challenge

The newly reformed Common Agricultural Policy includes new requirements for windbreaks. On farms with more than 15 hectares of farm land (area, which is part of a natural rotation) there has to be an ecological focus area equivalent to 5 percent. Only certain types of areas can be considered as ecological focus areas.

The regulation allows windbreaks to count as ecological focus areas. However, the rules in the delegated act for the use of such windbreaks as ecological focus areas are now so complex that when implementing, Denmark chose not to include the confusing and complex rules. Consequently, it is not possible to use windbreaks as ecological focus areas in Denmark.

Proposal

The way in which windbreaks are considered as ecological focus areas should be simplified. The objective being that the original intention to use windbreaks as ecological focus areas can be carried out in practice by the Member States.

3.18 CLEARER EU FRAMEWORK FOR FARMERS IN RELATION TO CROSS COMPLIANCE

Challenge

Farmers receiving direct aid or subsidy from the Rural Development Programmes must meet a number of requirements regarding e.g. the environment, health, and animal welfare (so-called cross compliance). The purpose of cross compliance is to promote sustainable agricultural production. However, cross compliance is administered in different ways in the Member States creating an unlevel playing field and disproportionate penalties, unclear rules, and disproportionately large aid reductions make it difficult for farmers to organise their operation appropriately.

Proposal

A revision of the CC-rules should be conducted in order to create greater transparency and proportionality of the regulatory framework and to minimise the risk of differing interpretations in the Member States. Furthermore, the European Commission should ease the possibility for the Member States to learn from each other's implementation of EU rules on cross compliance by for example having tables of comparison.

3.19 RISK-BASED ANALYSIS AND TESTING ON FOOD (RESIDUES AND MICROBIOLOGY ETC.)

Challenge

The Directive on residues, which regulates veterinary medicinal products in relation to foodstuffs of animal origin (directive 1996/23/EC), sets out a very detailed level of sampling in order to avoid residues of veterinary medical products in foodstuffs. The directive specifies which substances have to be examined in relation to species and products, as well as the method, scope and frequency of sampling. However, the directive is outdated and consequently food production oversight includes analysis of substances that are no longer used in food production. Furthermore, some Member States charge businesses with the cost of oversight whereas others do not, which distorts cross-border competition.

Proposal

The directive should be modernised in order to promote risk-based sampling for residues. Furthermore, as a general rule Member States should collect fees that cover the full cost of the inspections to level the playing field.

3.20 COMBATING VAT FRAUD WITHOUT APPLYING REVERSE LIABILITY OR IMPOSING ADMINISTRATIVE BURDENS

Challenge

Today Member States apply reverse liability as a means to combat VAT fraud. However, the use of reverse liability implies that businesses must, in the short term, change sales and accounting systems, as well as instruct their customers accordingly, which constitutes an administrative burden.

Proposal

The application of reverse liability on internal purchase as a means of combating fraud should be limited in the EU. The EU should work toward a long-term and sustainable solution: a simpler, more efficient, neutral, and robust VAT system that is secured against fraud (see Council conclusions of May 15, 2012).

3.21 AN EU VAT INFORMATION PORTAL - EASY ACCESS TO INFORMATION ON VAT IN OTHER EU COUNTRIES

Challenge

In the Internal Market it should in principle be just as easy to do business with a customer in Poland and Germany as with a customer in Denmark. However, because VAT rules are not harmonised the consequence is that companies that begin to trade within the internal market often encounter difficulties.

Not only are there major differences between the documentation requirements, requirements of signatures, invoice requirements and texts on the invoices, but the challenges are growing with the introduction of rules on reverse liability, various distinctions and definitions of delivery point and different rates of VAT.

An older study from the Confederation of Danish Industry that focused on SMEs showed that approximately 9 out of 10 companies had little or no knowledge of VAT regulation in other EU countries.

Proposal

In order to facilitate and support trade in the internal market an EU VAT information portal should be established. This will both reduce the companies' administrative burdens and make it easier to communicate subsequent changes or other information relevant to businesses. Firstly, an information portal should contain information on VAT rates and numbers, invoice requirements and on the requirements of the contents of an invoice. Secondly, the information portal should contain information on the requirements for registration as well as procedures in order to get VAT registered, report VAT, etc.

3.22 INTRODUCTION OF A WIDE ONE-STOP-SHOP FOR EU VAT DECLARATIONS

Challenge

A company that trades within the internal market often has to be VAT registered in more than one Member State. This is the case if a company, for example, has a stock in country A and from this stock sells to country B. As a consequence, that company must satisfy local demands in relation to VAT registration, local language requirements, etc. It is expensive, since there is only a limited harmonisation of the rules and administration of VAT in the EU. The continued use and expansion of reverse liability on selected commodity groups further increases the risk of being met by a VAT registration requirement.

Proposal

The European Commission should build and extend on the mini One-Stop-Shop (mOSS). A successful mOSS could be the basis for a broad One-Stop-Shop (bOSS), where companies can handle VAT registration, payment and other VAT obligations from their home country. This will reduce the companies' administrative burdens significantly, provided that the bOSS will also facilitate a simplification and harmonisation of VAT rules in key areas.

This is an ambitious goal, but the potential for Danish and European companies is very big - not least in view of the fact that VAT in principle should not be a cost or administrative burden on companies, since the VAT-registered companies in this area effectively act as unpaid tax collectors.

3.23 REFORM STATISTICS FOR ENVIRONMENTAL PROTECTION INVESTMENTS

Challenge

Companies are obligated by EU regulation to report what percentage of an investment that has an environmental focus. When companies buy new equipment this will most often be characterised by using less energy and producing less waste than the equipment that is being replaced. That is why the vast majority of investments typically in one way or another have an environmental aim. However, it is difficult - if not impossible - to estimate how big a part of an investment that has an environmental aim. This weakens the validity of the collected data.

Proposal

In the short term, statistics for environmental protection investments should be abolished. The abolition will with no doubt reduce the companies' frustrations at having to report data of very limited value. In the longer term, the European Commission should

work on developing a valid method for the collection of statistics for the environmental protection investments.

3.24 HARMONISATION OF NOMENCLATURE AND INCOMPATIBILITY IN EXTRASTAT, INTRASTAT AND PRODCOM

Challenge

There are three detailed product nomenclatures; Extrastat, Intrastat and Prodcum, which all are based in the customs tariff. Naturally, these nomenclatures are reviewed; there will be new products, and scales may prove to be inappropriate (for example suits measured in kilos). However, these revisions of the three classifications are not coordinated in full and not carried out at the same time. Thus, classifications and the corresponding amounts may vary and the same product can, in the worst case scenario, be classified under three different codes with three different scales.

Proposal

The European Commission should ensure that there is a continuous harmonisation of nomenclature and scale in Extrastat, Intrastat and Prodcum. With the use of identical methods further information about the three product nomenclatures can be shared across the board.

**Proposals for simplification of
EU-legislation**
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Better Regulation

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