

2025
ANNUAL PROGRESS REPORT

*Simplification,
Implementation
& Enforcement*

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1. Introduction

This report covers progress on key policy objectives, enforcement and implementation made in the field of **taxation** and **climate** during the period 1 January – 31 July 2025.

As Commissioner for **Climate**, Net Zero and Clean Growth, I want to ensure that the EU delivers on its climate commitments in a way that is fair, fosters economic growth, and supports industry. This year, the Commission proposed to enshrine the EU climate target for 2040 in the European Climate Law and simplified the registration rules for importers and exporters of products and equipment that contain fluorinated greenhouse gases as part of the fourth simplification omnibus package. I am also working with partners across the world to implement climate policies. In the area of **taxation**, I am working to ensure our tax system plays a crucial role in supporting Europe's competitiveness, prosperity and social fairness.

Overall, I instruct my services to focus on simplifying implementation and better enforcement. This entails supporting the implementation of the existing legal framework for 2030 and making sure that upcoming reviews support implementation in the simplest and most-cost-efficient way, in dialogue with stakeholders. In the first half of the year, my services notably contributed to the administrative burden reduction target with the proposed simplifications to the Carbon Border Adjustment Mechanism with an estimated annual administrative cost saving of EUR 1.12 billion for all the exempted importers.

2. Executive Summary

In the first half of 2025, substantial progress has been achieved towards the policy objectives in the domains of taxation and climate action. A notable political milestone was the proposal to enshrine the EU's 2040 climate target into law, reinforcing the Commission's long-term vision for sustainable development. Amid this, the fourth simplification omnibus package was introduced, easing registration requirements for importers and exporters dealing with fluorinated greenhouse gases, primarily benefitting small and medium-sized enterprises.

A major focus of the report is on the simplification of key mechanisms such as the Carbon Border Adjustment Mechanism (CBAM) and the VAT system, tailored to the digital age. These efforts are set to reduce administrative burdens and save an estimated €1,12 billion annually across the EU. The VAT in the Digital Age (ViDA) package, approved in March, modernizes EU VAT systems, improves resilience against fraud, and addresses challenges from the platform economy. The goal is to nurture an economically competitive yet environmentally responsible internal market.

Another significant area covered is the implementation and enforcement of EU laws across Member States. The report highlights proactive Member State engagement and comprehensive compliance support. Notably, the establishment of the Social Climate Fund (SCF) and extended EU Emissions Trading System (ETS) are critical tools for ensuring equitable climate transition and addressing socioeconomic disparities. Additionally, the EU took action against Member States lagging in the transposition of European directives, reaffirming the Commission's role as a steadfast custodian of EU laws. Moving forward, the Commission will continue simplifying climate and tax-related legislation and fostering stakeholder dialogue. The EU's ongoing efforts reflect its strategic, inclusive, and assertive approach to addressing climate change and improving tax systems to support net zero goals and strengthen the economy.

3. Delivering Results: Key Measures

A. Simplification and stress tests

The Commission simplified economic transactions in the internal market from a **taxation perspective**. In the area of **indirect taxation**, on 11 March 2025, the Council adopted the **VAT in the Digital Age (ViDA)** package proposed by the Commission in 2022 to modernise the EU's VAT system, make it work better for businesses, be more resilient to fraud, and address the VAT challenges raised by the platform economy. The package focuses on:

- Digital Reporting Requirements based on e-invoicing for cross-border transactions,
- Making platform operators in the passenger transportation and short-term accommodation sectors responsible for collecting VAT, and
- Single VAT Registration to reduce the need for multiple formalities in different Member States.

These actions are expected to bring in between EUR 172 billion and EUR 214 billion net benefits over a 10-year period **while** helping businesses, including SMEs, to grow. This results in annualised EUR 4.7 billion savings.

As part of the February 2025 simplification omnibus package, the Commission proposed **simplifications to the carbon border adjustment mechanism** (CBAM) adopted in 2023, following feedback received from stakeholders. In June 2025, the European Parliament and the Council reached a provisional agreement on the **proposed** new threshold for the exemption from CBAM obligations applicable to importers, as well as simplifications above the threshold concerning the authorisation procedures, the emission verification rules, the calculation of the financial liability during the year of imports and the claim for carbon prices in third countries where goods are produced. This initiative contributes to boosting EU's competitiveness by reduced administrative burden by over EUR 1.1 billion, **benefitting mostly SMEs**.

The Council adopted in December 2024, in the direct taxation area, the **FASTER Directive** encouraging and simplifying cross-border investment in financial assets in the internal market and helping fight tax fraud. Concretely, the Directive aims to make withholding tax procedures for cross-border investment for investors, national tax authorities and financial intermediaries, such as banks or investment platforms, more efficient, faster and simpler in the EU. It introduces a common digital tax residence certificate that tax paying investors would be able to use to benefit from the fast-track procedures to obtain relief from excess withholding taxes paid. My services are now engaging with Member States' administrations on the technical aspects.

My services also identified topics for simplification related to tax directives, i.e. the **Parent Subsidiary Directive**, the **Interest and Royalties Directive**, the tax **Merger Directive**, and the **Dispute Resolution Mechanism Directive** following a reality check. This one was carried out in the form of a mapping exercise and interviews and meetings with Member States and external stakeholders. A similar workstream will be launched on the Anti-Tax Avoidance Directive (ATAD). Following an inclusive dialogue with Member States and stakeholders, the Commission will consider further actions . In addition, based on the outcome of the stress tests, some aspects may be addressed through soft law or guidance. As for the **Directive on Administrative Cooperation** (DAC), my services **identified** a preliminary selection of topics for simplification of the directive. These are based on the results from its evaluation, a special report by the European Court of Auditors on combatting harmful tax regimes and corporate tax avoidance, and the outcomes of interviews with Member States and private stakeholders. Feedback to be gathered via meetings with Member States and key business stakeholders will help inform a possible proposal for the recast of DAC. The outcome of the stress tests may lead to simplification measures .

In the area of **Climate action**, the Commission proposed to **simplify the registration rules for importers and exporters of products and equipment that contain fluorinated greenhouse gases** as part of the fourth

simplification omnibus package adopted on 21 May 2025. This simplification is expected to reduce **administrative** burden, in particular for SMEs. The proposal is currently being discussed in the European Parliament and the Council.

In terms of reporting obligations generally, preparatory work has started on the revision of [Regulation 2018/1999](#) on the Governance of the Energy Union and Climate Action. Following last year's [report on the functioning of the Governance Regulation](#) and its [evaluation](#), the revision will streamline and simplify reporting obligations for **Member States** in the energy and climate field, as well as further align the EU framework with international requirements.

Stress-testing of the applicable climate-related legislation has started in 2025 identifying unnecessary complexities, overlaps and contradictions that may hinder effective and efficient **implementation**. The [evaluation of the car labelling directive](#) was published on 4 June 2025. It found that a lack of harmonisation results in significantly varied implementation across Member States. In addition, to find information on new cars, consumers increasingly rely on digital platforms, which are not sufficiently covered by the Directive. These findings will be taken up in the review of the Directive in 2026.

Other ongoing evaluations assessing the administrative burden and opportunities for simplification are:

- Evaluation of the Innovation fund,
- Evaluation of the Modernisation Fund,
- Evaluation of the Land use, land-use change and forestry (LULUCF) Regulation,
- Evaluation of the Regulation on setting CO2 emission standards for new cars and vans,
- Evaluation of the EU emissions trading system (ETS) for maritime, aviation and stationary installations, and market stability reserve,

Reality checks linked to the EU ETS and Innovation Fund evaluations are planned for autumn 2025. These will provide opportunity to stakeholders to flag their experience, for instance in terms of the usability of the systems or possible cases of duplication, as well as possibilities to further simplify implementation.

The **empowerments for delegated and implementing acts in the entire climate acquis were screened** in 2025. Over 150 empowerments were identified that were either still to be exercised, or expected to be used to amend already adopted delegated or implementing acts, or are exercised on a regular basis. These empowerments were further assessed to determine which are to be prioritised and which could be deprioritised. Nearly all empowerments were considered priority because they are legally required and/or essential to achieving climate policy objectives. Only a few empowerments were assessed as low priority. These acts can be further examined in upcoming reviews of the basic legislation, which will explore simplification opportunities and can also consider the removals of these empowerments if no longer needed.

B. Implementation

The rights and obligations in our acquis for climate and taxation are only as strong as their implementation in Member States. The Commission and Member States must work together to ensure EU law is correctly applied. Proper implementation and enforcement of rules support competitiveness and shortcomings in implementing climate and taxation policies can affect their effectiveness. Therefore, the Commission works closely with the Member States to assist with implementation, using a wide range of available tools.

In **climate implementation support**, my services help Member States to transpose climate legislation, especially [Directive 2023/959](#) on the Emissions Trading System (ETS) and [Directive 2023/958](#) on ETS Aviation, correctly and on time. Member States also frequently reach out with transposition questions and policy units provide or request clarifications during completeness checks. Member States make good use of the explanatory document template developed in 2023 on the ETS Directives while notifying their transposition. My services also support shipping

companies, notably with the EU ETS extension to maritime emissions. Over the last two years, including in 2025, my services and the European Maritime Safety Agency have developed specific tools for them as well as for Member States, including [frequently asked questions](#), meetings¹, [webinars](#), [guidance documents](#), [tutorial videos](#) and a helpdesk for implementation support.

On 5 June, I held my first **Implementation Dialogue on Road Transport and Buildings Decarbonisation** in Brussels, with representatives from 20 diverse stakeholder groups, from heat pump, micromobility and automotive industries, to building renovation experts, fuel providers, and civil society organisations. We had an open exchange on the implementation of the EU Emissions Trading System for buildings and road transport (ETS2) and the Social Climate Fund (SCF). Most participants expressed strong support for the timely implementation of ETS2 without delay or revision. The need for predictability and for sending a strong market signal for decarbonisation were highlighted, while stressing the role of the SCF to protect vulnerable citizens and enterprises. Many advocated for earmarking ETS2 revenues to fund decarbonisation within the covered sectors. Some participants called for corrective measures to address the distortive impact of high electricity prices relative to gas due to different levels of taxation, in several Member States. All agreed that implementation of the ETS2 must be complemented by supportive policies and a clear regulatory framework, particularly through alignment with other key initiatives such as the Energy Performance of Buildings Directive, the Energy Efficiency Directive and the Innovation Fund.

My services offered **support for the implementation of the Social Climate Fund (SCF) and of the revised EU Emissions Trading System to Member States in form of the [Technical Support Instrument \(TSI\)](#)** to Belgium, Czech Republic, Denmark, Finland, Croatia, Lithuania, Latvia, Romania and Slovakia by providing assistance for stakeholders engagement, estimating price impacts, identifying vulnerable groups, proposing targeted measures, building administrative capacity and optimizing the use of auction revenues.

Furthermore, my services offered support to Member States as regards policies and measures to achieve the national targets set in the [Effort Sharing Regulation \(ESR\)](#) and [Land Use, Land Use Change and Forestry Regulation \(LULUCF\)](#). For instance, on 8 April 2025, DG CLIMA held a workshop with Member States to discuss procedures, steps and flexibilities for ESR and LULUCF compliance alongside guidance for the compliance checks due in 2027.

In the area of **taxation**, my services engage in the **enforcement and implementation work** premised on a combination of preventive engagement with Member States and enforcement actions covering both direct and indirect EU tax rules.

In the first half of 2025 my services monitored in the area of **indirect taxation** the implementation of the EU **[VAT rules for the special SMEs scheme](#)**, applicable as from 1 January 2025 and increasing the competitiveness of small enterprises (SMEs) across the single market by alleviating their VAT compliance obligations. The scheme puts SMEs on an equal footing across the internal market: small enterprises established in another Member State than where VAT is due may exempt their supplies from VAT in the same way as domestically established small enterprises can in their respective Member State. To ensure consistent application, the Commission provided advanced guidance to stakeholders on the dedicated web portal ([Explanatory Notes](#) on the functioning of the SME scheme and a [Guide to the SME scheme](#)) and worked together with the Member States in the VAT Committee to ensure uniform interpretation across the EU via [Guidelines on the special SMEs scheme](#) on the wide range of rules governing that scheme, including the means of legal redress for SMEs. My services implemented a [simulator](#) for small enterprises to check their eligibility for the special scheme and set up [SME-on-the-Web](#) allowing to check the validity of the number attributed to SMEs registered under the special scheme. The IT system, supporting the operation of the Scheme, enables the verification by national administrations of SMEs established within their territory and the transmission of information on the supplies by SMEs in each concerned Member State.

Following the adoption of the **ViDA package** in March 2025, the Commission actively supports Member States and economic operators in their implementation efforts. These efforts cover legislative, non-legislative and IT actions,

¹ [Expert Group on Climate Change Policy \(CECG\)](#) or [European Sustainable Shipping Forum](#)

each of which are inter-dependent on each other. The Commission will deploy various tools to support implementation, including adopting implementing acts on digital reporting requirements and Single VAT registration and drafting explanatory notes covering for instance the definition of e-invoices or the practical application of the deemed supplier regime for platforms. Regular engagement with national authorities and stakeholders will take place via expert groups and workshops. Specific communication campaigns will accompany the entry into application of each of the ViDA elements. On the IT side, the Commission will define the central VAT Information Exchange System, update the One Stop Shop and develop a solution for securing Import One Stop Shop registrations. Moreover, the implementation of digital reporting requirements based on e-invoicing has been flagged as a highly relevant reform to benefit from the 2026 Technical Support Instrument (TSI) round. To assist national transposition efforts, the Commission will provide explanatory document templates. Enforcement actions will be taken for failures to fully transpose the directive on time and for unjustified delays in the IT implementation. ViDA is a complex package of measures requiring strong commitment and political ownership for its implementation from all actors involved.

In the area of **direct taxation**, my services assessed in 2025 the complete and conform implementation by Member States of the Pillar 2 [Directive \(EU\) 2022/2523](#) which intends to ensure a global minimum level of effective taxation for multinational groups and large-scale domestic groups in the EU. This process is well-advanced and will continue going forward. Similarly, they continued to check the completeness and conformity of the implementation of the 7th amendment of the DAC [Directive \(EU\) 2021/514](#) laying down reporting rules for digital platform operators to ensure that tax authorities in the EU can tax properly the transactions on these platforms. Moreover, DG TAXUD regularly engaged with Member States and stakeholders and their input will be duly reflected when developing the implementing acts, IT solutions and guidance for the application of the most recent amendments of the administrative cooperation and FASTER Directives.

C. Enforcement

As the guardian of the Treaties, the Commission ensures that the agreed rules are implemented by pursuing resolute enforcement action when the cooperation with Member States fails.

In the area of **taxation**, timely transposition of new tax directives into national legislation remains a challenge for Member States. Although Member States benefitted from support in transposing and implementing the new rules, the Commission still had to resort to corrective actions in the first half of 2025.

In the **VAT** field, the Commission launched in January 2025 infringements against [8 Member States](#) (Bulgaria, Ireland, Greece, Spain, Cyprus, Lithuania, Portugal and Romania) for failing to communicate the full transposition of [Directive 2020/285](#) on the special SME scheme. Against [4 Member States](#) (Bulgaria, Greece, Spain and Romania), these procedures had to be continued in July. Similarly for [Directive 2022/542](#) on VAT rates which allows for a wider use by Member States of reduced rates, including the use of zero rates for essential products such as food, pharmaceuticals and products intended for medical use. In January and July, the Commission called on [8 Member States](#) (Belgium, Bulgaria, Greece, Spain, Cyprus, Lithuania, Portugal and Romania) to fully transpose the directive. The Commission acted swiftly by taking the next step in the infringement procedure in July against [5 Member States](#) (Belgium, Bulgaria, Greece, Spain and Romania).

In the area of **excise duties**, the Commission referred [Portugal](#) twice to the Court of Justice for failing to fully transpose [Directive 2020/262](#) revising the general rules for excise products and [Directive 2020/1151](#) on the structures of the excise duties on alcohol almost four years after the transposition deadlines elapsed. The decision includes a request to the Court of Justice to impose financial sanctions.

Applying EU directives correctly matters as much as their timely transposition. The Commission sent a reasoned opinion to [Portugal](#) for incorrectly applying a zero rate of excise duty on stronger wines with an alcoholic strength increased in breach of the [alcohol structures directive](#). By a reasoned opinion, the Commission called on [Greece](#) to remove the excise duty exemption for tax-free shops located at its land borders with non-EU countries.

Enforcement action was also successful in relation to direct tax directives. Effective infringement procedures meant that Member States completed or corrected the transposition of the **DAC** - Directive 2021/514 on administrative cooperation (reporting rules for digital platforms) ([Cyprus](#), [Germany](#), [Poland](#), [Romania](#)) and cases could be closed. Similarly, four Member States ([Portugal](#), [Poland](#), [Spain](#), [Cyprus](#)) declared complete transposition of the **Pillar 2 Directive** (EU) 2022/2523 on minimum effective taxation of multinational and large domestic groups which is why the earlier referrals decided, have been suspended until the completeness and conformity checks are finalised.

Compliance with the EU Treaties is also essential to allow both citizens and businesses to enjoy the fundamental freedoms in the Internal Market in non-harmonised areas such as **direct taxes** and **taxes on vehicle registration**. The areas of direct taxation and car taxation remain concerns for many of our citizens and businesses as evidenced by the number of complaints received every year.

In 2025, the Commission referred [Greece](#) to the Court of Justice for its discriminatory legislation on car registration and taxation. At the same time, because of the efforts of the Commission, [Malta](#) brought its rules on the higher annual circulation tax on cars registered in other Member States before 1 January 2009 in line with EU law. After informal exchanges with the Commission, Poland agreed to fully refund the tax paid for the temporary registration of cars in its territory for 30 days followed by their export to another EU country. The pre-infringement dialogue with Portugal resulted in the change of the national legislation to remove the discrimination of used cars brought from other Member States by associating the reduction of the environmental component of the registration tax with the actual depreciation of the car.

In 2025, the Commission also took key enforcement actions to address tax barriers impeding on the free movement of services (Article 56 TFEU) in the internal market by referring [Sweden](#) to the Court of Justice for a discriminatory preliminary income tax withholding system for foreign service providers (without permanent establishment) which are active in Sweden. Enforcement action was also taken to uphold the right of establishment (Article 49 TFEU) for a discriminatory retail tax which imposes a higher tax burden on retailers of other EU Member States active in [Hungary](#). Also [Italy](#) was addressed for its discriminatory tax legislation of EU/EEA citizens because they cannot benefit from a flat tax regime for economic activity undertaken in Italy. Additional enforcement steps were also taken to uphold the free movement of capital (Article 63 TFEU) against the [Netherlands](#) for its discriminatory withholding tax regime for EU/EEA investment funds which wish to invest in the country but cannot get paid withholding taxes refunded.

In the area of **climate action**, the Commission sent in May 2025 reasoned opinions to **12 Member States for non-communication or partial communication of transposition in case of [Directive 2023/959](#) on ETS1 and [Directive 2023/958](#) on ETS Aviation**. All the non-communication ETS infringement cases were closed for Austria, Denmark, Greece, Ireland, Sweden for complete transposition of the ETS and ETS Aviation Directives.

In June 2025, the Commission **opened an** infringement procedure against [Hungary](#) by sending a **letter of formal notice** regarding Hungary's new 'ETS tax' and 'ETS transaction fee' on free allocation of ETS allowances compatibility with EU law.

Due to the **non-submission of the final updated National Energy and Climate Plans (NECPs)** by the 30 June 2024 deadline, as required under the Governance Regulation, pre-infringement dialogues had been launched with 20 Member States in 2024. Since then, 15 Member States submitted their plans. For the remaining [5 Member States](#), reasoned opinions have been adopted in 2025.

Active involvement of citizens in the form of **petitions** is one of the key instruments to check the effective implementation of legislation. In 2025, my services have addressed seven petitions in the area of climate and six in the area of taxation.

More information about the enforcement tools of the Commission can be found [here](#). The Commission also publishes information on its enforcement activities on a [webpage](#), where the public can perform targeted searches and customise graphs.

4. Way forward

On 28 October 2025, I will organise my **second implementation dialogue** on VAT in the Digital Age (ViDA).

In the coming 12 months, in the **taxation** area, my services will develop implementation and simplification activities on:

- the **implementation** of the simplification measures adopted in the field of VAT (ViDA package) and the Carbon border adjustment mechanism.
- the potential **simplification** of **excise** rules. DG TAXUD will organise several reality checks to gather hand-on feedback from economic operators on the application of the current rules on movements of excise goods, notably/like tax exemptions for ethyl alcohol.
- identification of topics for **simplifying the Anti-Tax Avoidance and corporate taxation directives**, administrative cooperation (DAC) and [dispute resolution](#) directive. These workstreams are intended to feed into potential future legislative proposals.
- the planned **implementation of the legislation** on a global minimum effective taxation for multinational groups and large-scale domestic groups to ensure a level playing field for companies across the internal market (*Pillar 2 Directive*).
- **implementation checks** in the area of administrative cooperation, namely for reporting rules on digital platforms, tax transparency for crypto assets and the filing obligations under Pillar 2 Directive. The latter is key to simplify tax filing for MNEs by allowing them to submit a single top-up tax return instead of filing separate returns in each country where they do business.

In the area of **climate**, my services will:

- assess opportunities and suggestions for simplification and to minimise administrative burden, when revising existing legislation and preparing legal proposals for the climate policy architecture beyond 2030, as well as in its work on implementing and delegated acts.
- continue to engage with stakeholders to exchange views on effective implementation through broad [stakeholder events](#) and more targeted actions, and to assist stakeholders in implementing specific aspects of climate legislation.
- also continue to assist Member States as much as possible in fully transposing and implementing the ETS Directives.
- the available support tools and cooperation should allow for full and correct implementation, but if insufficient, I will not hesitate to propose swift and resolute enforcement action.

Annex: examples

1. **Simplifying and strengthening CBAM**

The CBAM transitional period revealed that there was a scope to simplify the regime while preserving its environmental integrity. The revised legislation will reduce the administrative burden for all importers, and in particular for small importers falling below the new de-minimis threshold exemption. The new 50 tonnes mass-based threshold will exempt an estimated 90% of importers of CBAM goods (the vast majority of those being SMEs) from CBAM obligations while maintaining more than 99% of embedded emissions in the scope of the CBAM.

This will result in reduction of administrative costs for importers of more than EUR 1.1 billion per year, of which more than EUR 800 million per year are cost savings for SMEs. Importers for which the CBAM obligation applies will also face a reduced administrative burden, with measures to simplify and streamline the authorisation of declarants, the use of default values for the calculation of embedded emissions, the deduction of the carbon price effectively paid in third countries and the reporting via the CBAM declaration.

2. New VAT rules for SMEs

Before 2025, a small enterprise could be VAT exempt only in a Member State where it was established. For example, a small enterprise established in Germany and VAT exempt there as an SME, that was also selling goods in Poland and Austria had to register in those Member States and to pay VAT there.

From 1 January 2025, the special VAT scheme for SMEs puts all small enterprises established within the EU on equal footing. Small enterprises with a total annual turnover of no more than EUR 100 000 in all Member States, can therefore also be VAT exempt when selling goods or services in other Member States.

Thanks to the digital solutions implemented, small enterprises can enjoy VAT exemption in other Member States and at the same time fulfil their obligations in a simplified manner in the Member State where they are established. There is only one point for registration and for sending one quarterly report informing about all the supplies performed in all concerned Member States.

3. Elimination of discriminatory inheritance taxation for foreign civil partnerships

As a follow-up to a petition of a citizen to the European Parliament (PETI 2020-964), the Commission managed to successfully solve in 2025 the discriminatory taxation of inheritances of citizens living in Spain who are in a civil partnership being entered into in another Member State of the EU or a third country. The issue presented itself originally in Andalusia, where civil partnerships are treated as a marriage for inheritance tax purposes and may enjoy tax reductions provided for the latter. However, the same tax treatment was not applicable to civil partnerships registered in other Member States or in third countries. DG TAXUD engaged in a horizontal exercise with Spain to assess the existence of a similar discriminatory tax treatment across the various Spanish regions with a view to seek legislative change at regional level because the non-availability of a tax reduction regarding inheritances for such citizens in civil partnerships registered outside Spain violates the free movement of capital (Article 63 TFEU).

4. Simplification of the F-gas Regulation

As part of the fourth omnibus package, the proposed amendment of the F-gas Regulation aims to better target a registration requirement, for importers and exporters of products and equipment that contain fluorinated greenhouse gases (F-gases), to those imports and exports where such a registration requirement can enhance the enforcement of the Regulation. This implies that for some importers and exporters a registration should no longer be required. The F-gas Regulation that entered into force in 2024 expands the registration requirement in the F-gas Portal to all imports of products and equipment, including those not subject to any reporting requirements. Furthermore, it adds a registration requirement for exporters of products and equipment containing F-gases, including for goods that are not subject to any export limitations. The registration is a trade licence, and the expansion of this requirement has resulted in a new administrative burden for a significant number of traders, particularly small enterprises, like those trading in used cars with an F-gas air conditioning system. The Commission's simplification proposal is limiting the registration to importers that place the goods on the market and for which the annual F-gas amounts are above certain thresholds identical to those thresholds that exist for a reporting obligation. For exporters of products and equipment the registration requirement will be limited to those that export goods that normally would be prohibited and for which an exemption apply allowing the export. This proposed change is reducing the burden for traders, in particular SMEs, without compromising the objectives of the regulation. The current registration requirements have led to new costs for traders, particularly for those that were unaware of the requirement and had their goods blocked at customs until they could obtain a valid registration from the Commission. At the time of the proposal the Commission received approximately 2000 new registration requests monthly. As they were mostly from within one Member State, the Commission expected that such requests would also start to come from the other Member States. Nevertheless, the Commission conservatively predicted that there would be around 24 000 new registration requests in 2025, declining to 12 000 in 2026 and 1 200 in 2027. The simplification was considered to avoid up to 80% of these, saving 9 600 working days and EUR 3.4 million in 2025, escalating to EUR 5.1 million in 2026. Beyond 2027 initial registrations will decrease and only costs for updating will remain.

