



Problem identification

Approach and experience at the European Commission

Better Regulation Network meeting
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PAST and PRESENT

***Administrative
Burden
Reduction***

costs on
business
from
information
obligations



***REgulatory
FITness and Performance
Programme***



Problem identification

- *What is the problem?*
- *Who is affected?*
 - **All or only one stakeholder group?**
- *What is the extent of the problem?*
 - **Do we have anecdotal evidence?**
 - **Can we quantify?**
- *What is the source of the problem?*
 - **Wording of the legislation?**
 - **Implementation of the legislation?**
- *What are the drivers?*
- *Who needs to act?*

Information sources

- *How do we become aware?*
 - **Implementing and monitoring reports**
 - **Complaints**
 - **Court cases**
 - **Stakeholders inform us**
 - Emails, letters, expert groups, committees, conferences
 - **We ask stakeholders to tell us – official channels**
 - Lighten the load website

Information sources

- *How do we gather further information?*
 - **Evaluate first**
 - Surveys
 - European Enterprise Network
 - Interviews
 - Public consultation

Analysis

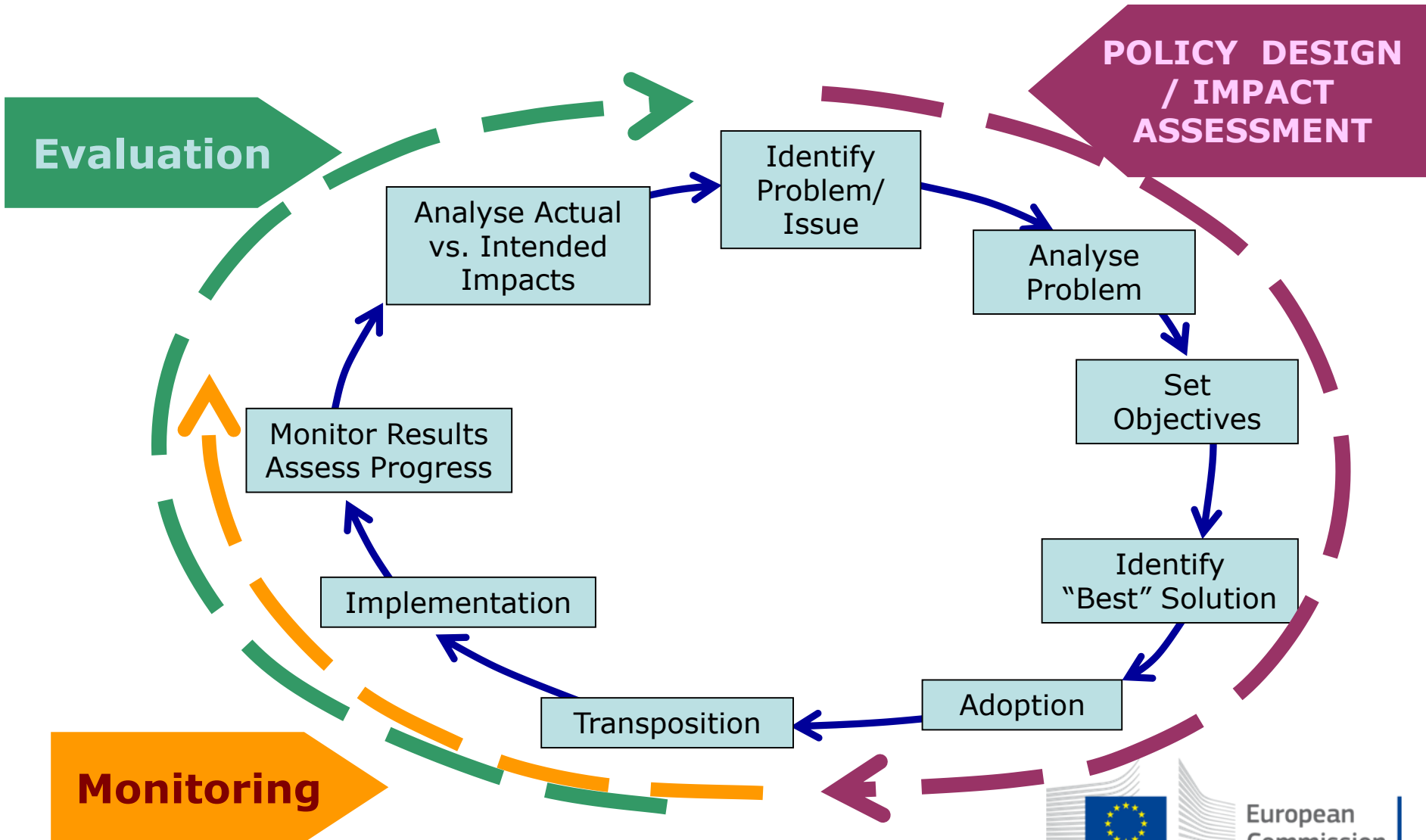
- *How do we assess the information?*
 - **REFIT Platform**
 - **Cumulative cost assessment**
 - **What is the burden and what is the benefit?**
 - **Can the burden be reduced without undermining the objectives of the legislation?**

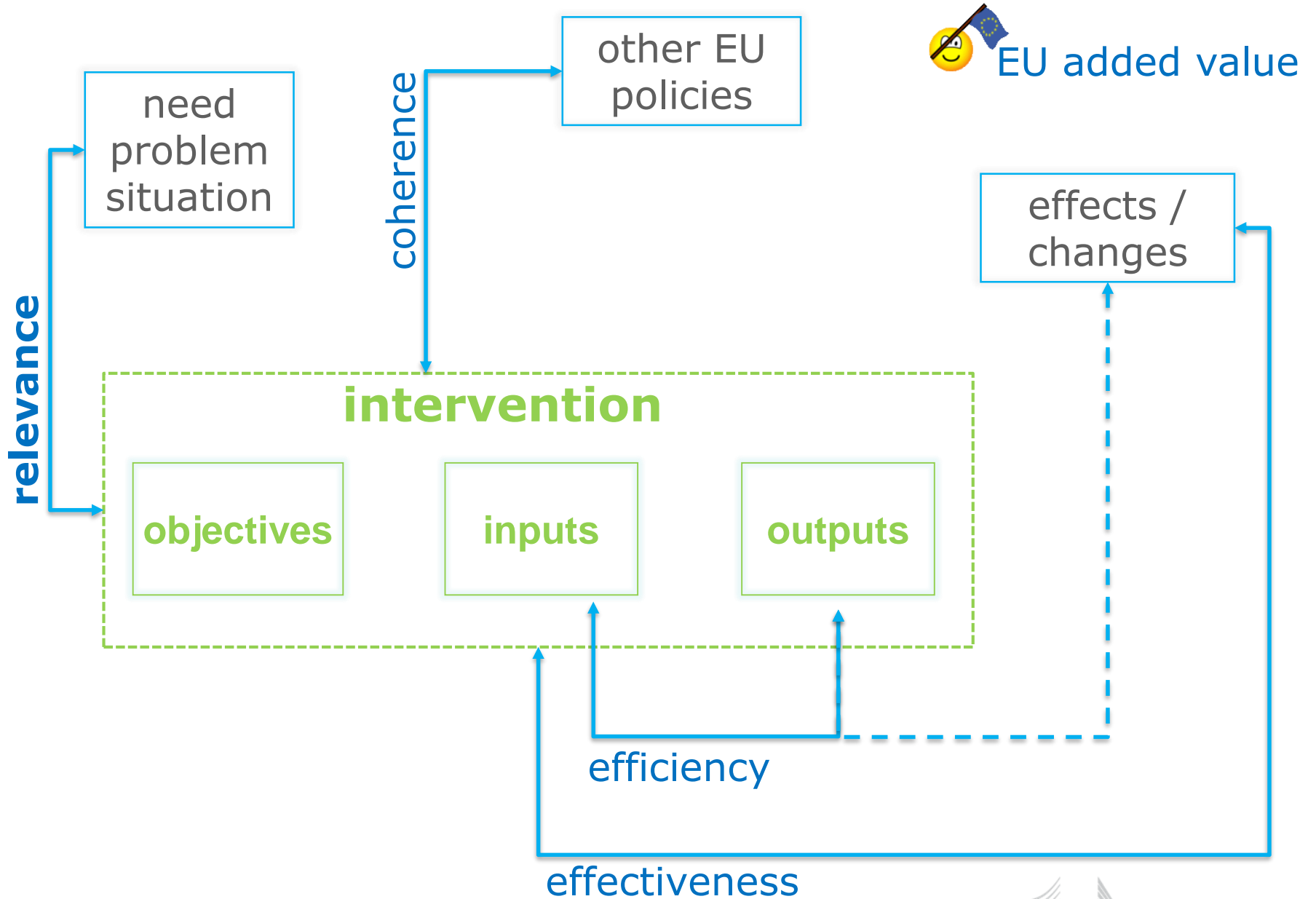
A PRACTICAL EXAMPLE

Policy Cycle

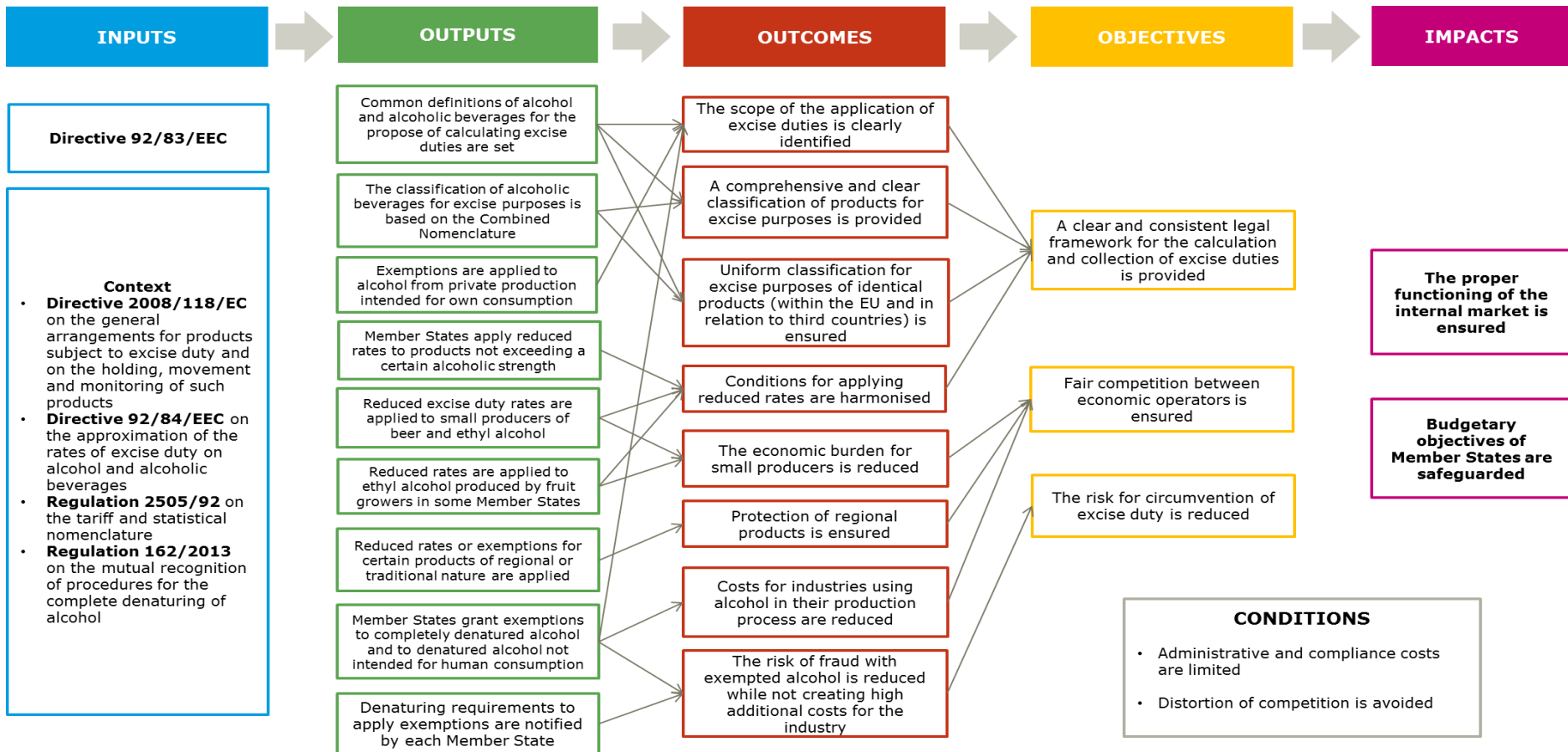


Policy Cycle





Council Directive 92/83/EEC (Alcohol structures)



OUTPUTS

Common definitions of alcohol and alcoholic beverages for the propose of calculating excise duties are set

The classification of alcoholic beverages for excise purposes is based on the Combined Nomenclature

Exemptions are applied to alcohol from private production intended for own consumption

Member States apply reduced rates to products not exceeding a certain alcoholic strength

Reduced excise duty rates are applied to small producers of beer and ethyl alcohol

Reduced rates are applied to ethyl alcohol produced by fruit growers in some Member States

OUTCOMES

The scope of the application of excise duties is clearly identified

A comprehensive and clear classification of products for excise purposes is provided

Uniform classification for excise purposes of identical products (within the EU and in relation to third countries) is ensured

Conditions for applying reduced rates are harmonised

The economic burden for small producers is reduced

Protection of regional

OBJECTIVES

A clear and consistent legal framework for the calculation and collection of excise duties is provided

Fair competition between economic operators is ensured

The risk for circumvention of excise duty is reduced

Findings regarding "classification"

- *Classifications don't capture all existing products*
- *Insufficient degree of legal certainty and clarity*

This leads to:

- *Lost revenue*
- *Unfair taxation*
- *Unnecessary administrative costs and burden*
- *Competitive distortions*

→ Systemic flaws in legislative environment

Operational process

- *Political validation, internal steering, transparency*
- *External evaluation,
followed by further external study*
- *Stakeholder involvement:*
 - Targeted consultations/surveys
 - >150 in depth interviews
 - Open public consultation
- *Follow up by Impact Assessment*

Lessons of another kind

- *Administration's perception of burden or flaws do not necessarily correspond with stakeholders'*
Example: Fiscal Marking of gas oil/kerosene
- *Reluctance to change, even if procedures are known to be burdensome*
Example: VAT declaration forms