



renew europe.

Valérie Hayer

Member of the European Parliament

President of the Renew Europe Group

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Dear President von der Leyen, Dear Executive Vice-President Séjourné,

We need to accelerate our simplification efforts. Your Commission adopted two first Omnibus packages, which laid the groundwork for reducing burdens and improving legislation on sustainability and investment. Some groups want to abuse this simplification effort to undo the Green Deal and others want to ignore the legitimate calls of our entrepreneurs for simpler rules. Renew Europe agrees with your simplification agenda as long as it is European, bold and innovative.

We believe that further momentum is needed. We are eager to work hand in hand with the Commission to accelerate the next wave of proposals and reduce unnecessary burdens. As we continue our consultation process with stakeholders and national experts, we will refine and consolidate concrete measures to be put forward.

Below, you will find our guiding principles in that exercise and, attached, an annex with a list of 50 measures and areas to be looked at. They offer initial examples of how we believe each of these principles can translate into practical initiatives. We remain at your disposal to discuss how these ideas might best dovetail with the Commission's ongoing efforts, and we stand ready to offer our full political support in ensuring that new proposals can command a broad majority.

Yours sincerely,

Valérie Hayer

Member of the European Parliament

President of the Renew Europe Group in the European Parliament

Morten Løkkegaard

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15 Guiding Principles for Simplification, Enforcement and Burden Reduction

Renew Europe Task force on Enforcement and Simplification

The following principles and recommendations covering simplification, burden reduction and enforcement should serve as guidelines for this and coming legislative terms. The newly published reports from Enrico Letta and Mario Draghi warn that the EU's international competitiveness is at risk, and we are in danger of falling behind global rivals such as China and the United States. Therefore, a new regime and modus operandi regarding European legislation and bureaucracy is needed to strengthen the European competitiveness significantly.

The EU does not need excessive regulation but rather smarter and better legislation, which we believe can be achieved by adhering to the principles and recommendations outlined below. The principles and recommendations have been structured to cover both existing legislation, future legislation as well as the governance covering the EU-institutions. They should serve as guidelines for the current and coming legislative terms.

Recommendations for existing legislation

1. Clear Burden Reduction Targets

- Establish a concrete plan to achieve a **25% overall reduction** in regulatory burden and a **35% reduction** for SMEs.
- Reduction in regulatory burdens for at least EUR 37.5 billion
- This means simplifying the number of regulations at the most foundational (level 1) and detailed (level 2) stages of regulation.
- The plan should include clear milestones and be politically anchored with the Commissioner for Simplification and Implementation.

2. Systematic Review of EU Legislation

- Include a **mandatory review clause** in all EU regulations and directives. Within three to five years after implementation, legislation must be assessed to determine whether it proportionally fulfils its purpose and in order to make sure the legislation is enforceable. If not, it should be re-visited.

Recommendations for future legislation

1. Regulatory Sandboxes

- Ensure that regulatory sandboxes are included in all future regulations that have the potential to hinder innovation, with a particular focus on benefiting SMEs

2. Design future regulations with innovation in mind

- Removing unnecessary burdens and ensuring a flexible, proportionate approach that fosters growth and competitiveness. Ensuring that rules focus on the desired outcome of the product or service rather than restricting innovation itself.
- The Commission should help Member States by **assessing the necessity, proportionality, and feasibility of additional national measures**. Proposing regulations instead of directives would avoid internal market fragmentation.

3. A 28th Regime for EU Companies

- Establish an **EU-wide corporate framework** (e.g., "EU Inc.") to provide businesses with a unified legal and operational status across all Member States.
- The "Think Small First" principle should be a standard approach in the framework, ensuring that the needs of SMEs are prioritised from the outset rather than as an afterthought.

4. Stronger Competitiveness Checks

- Ensure that competitiveness checks **include a full assessment of regulatory burdens** and that delegated acts with significant impact are properly scrutinized.

5. Strive for clarity

- Avoid vague definitions in EU legislation and systematically review existing terms based on practical feedback, for instance by setting clear thresholds for compliance across legislation addressing similar topics to ensure that regulations are both effective and easily understood by businesses and implementing authorities.

6. Ensuring proper use of regulation process

- It is a growing concern that Level 2 legislation and delegated acts are increasingly used to introduce sweeping regulatory changes, which goes beyond their intended purpose. Moving forward, delegated and implementing acts should be reserved for deciding on non-essential elements, refining technical details and ensuring the effective implementation of Level 1 legislation, rather than broad regulatory shifts. The Commission should aim at publishing delegated acts in packages to ensure a better coherence with each other.

7. A One-Stop-Shop for Businesses

- Create a delivery entity within the Commission. Its role would be to engage with Member States, authorities and companies to help them implement regulations, fulfil reporting obligations, as well as to identify and resolve bottlenecks.
- Create an **EU-wide e-wallet system** to simplify market entry for businesses by removing bureaucratic barriers such as:
 - When a company complies with EU law in one Member State, it should easily be able to comply with the same EU law, as implemented, in another Member State.
 - Language requirements
 - Differing national legal frameworks and documentation requirements.

Recommendations for governance

1. Assess restructuring of DG's

- Evaluate the benefits of establishing a dedicated DG for simplification and burden reduction, ensuring the Commissioner has the necessary administrative power.

2. Timely Implementation of New Regulations

- The European Commission must publish guidelines and level 2 legislation **at least six months before** a regulation takes effect, whenever possible.

3. Streamlined Authorization Procedures

- Shorten and streamline approval and authorization processes with sufficient capacities to align with those of **international competitors**, ensuring European businesses remain competitive, while maintaining the standards that protect our citizens

4. Harmonized and Practical Implementation

- Ensure **consistent, harmonized, and practical enforcement and implementation** of EU legislation across Member States to avoid regulatory silos and gold-plating and promote best practice sharing. The regions within the EU should play a key role in securing cohesion in implementation, as markets within these regions often share similar characteristics and challenges.

5. Closer Collaboration with Enforcers

- Involve national enforcement authorities and relevant stakeholders throughout the law-making and budgetary process to ensure regulations are practical,

enforceable, and aligned with real-world needs, with a designated national authority overseeing each new act.

6. Equip the Commissioner for Implementation and Simplification with the Right Tools

- Ensure that the Commissioner for Implementation and Simplification has sufficient resources to oversee and ensure proper implementation of EU legislation. This should include access to dedicated personnel, financial resources, a clear mandate for enforcement activities and the right tools to guide and reprimand member states.