Public limited liability companies: mergers and divisions

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The Commission presents a communication on an Action Plan for reducing administrative burdens in the European Union.

The Action Plan is an immediate response to the June 2006 European Council conclusions and the November 2006 Better Regulation Package. Cutting red tape by a quarter in the entire EU could increase EU GDP by EUR 150 billion according to the Commission. The Action Plan also calls on all Member States to embark on similar exercises at national level as the majority of the administrative burdens still originate in national legislation.

In the short term action will be taken in the **ten following concrete fields**, reducing paperwork for amongst others farmers and transport companies:

1. making information requirements voluntary for stockholders in case of merger and division;
2. reducing the reporting obligations for farmers, collectors or processors of energy crops in order to receive support;
3. easing the requirements of proof for receiving export funds for agricultural produce;
4. reducing the frequency of certain agricultural statistics to once a year;
5. lowering the number of statistical questions posed to businesses in the information society;
6. removing outdated documentation obligations for transport companies within the EU;
7. introducing electronic registers for the exchange of data in the transport sector, thereby reducing administrative burdens;
8. simplifying administrative procedures and information obligations in the maritime sector;
9. exempting small businesses like local butchers and bakers from certain hazard analyses in the field of food hygiene, without lowering standards, by taking a more proportionate approach and applying less burdensome requirements on small butchers, bakers etc compared to large supermarkets, without affecting the safety and health considerations imposed by the regulation;
10. simplifying administrative requirements for certain fishing vessels.

This Action Plan is not aimed at undermining the policy objectives or the level of ambition which have been set in EU legislation. It rather represents an important effort to streamline, modernise and make less burdensome the way in which policy objectives are implemented. In close cooperation with Member States, the Commission will thoroughly analyse information obligationsthat constitute the source of red tape. The analysis will cover obligations in EC legislation as well as the national measures used to implement them. All obligations will be attributed a price tag indicating how much time and money businesses spend complying with them, with a view to reducing requirements that are obsolete, contradictory etc.

The Commission is encouraged by the fact that in 2006 seventeen Member States, up from eleven the previous year, have decided to measure and reduce administrative burdens and that a further two are testing the methodology. The action plan would foresee that by 2009 all Member States would have completed the measurements in the key national and regional priority areas. The Commission has identified the following **13 priority areas** concerning Community legislation which should be addressed:

1. company law
2. pharmaceutical legislation

3. working environment/ employment relations
4. tax law/VAT
5. statistics
6. agriculture and agricultural subsidies
7. food Safety
8. transport
9. fisheries
10. financial services
11. environment
12. cohesion policy
13. public procurement

The Action Plan will require strong commitment from Member States and the colegislator. The Spring 2007 European Council is, therefore, requested to:

- endorse the Action Programme for Reducing Administrative burdens set out in this Communication, including the priority areas chosen, the proposed methodology, principles for reducing burdens, the list of fast track actions and the organisational structure;

- invite Member States to support the Commission with the measurement of administrative burdens associated with Community legislation and transposition as set out in this Communication;

- set a joint reduction target for administrative burdens, caused by EC and national legislation of 25% overall, to be achieved by 2012. To facilitate the attainment of this objective a 25% reduction target should also be set specifically for administrative burdens related to EC legislation and its transposition. This target will subsequently be differentiated across the priority areas on the basis of the results of the Action Programme;

- invite Member States to set administrative burden reduction targets at national level by October 2008, at the latest, and to report on the measurement and reduction of administrative burdens annually in their national Growth and Jobs Strategy progress reports, starting in October 2007;

- call upon the Council and the European Parliament to give special priority to the measures set out in Annex III once the Commission has made the corresponding proposals, with a view to adoption as soon as possible, in 2007.

The overall 25 % reduction target is a joint objective, which can only be attained on the basis of a shared responsibility and a common endeavour by the Member States and the European Institutions. It is important that all parties involved in this process take appropriate and quick action, so that the political objective can be translated into operational measures.