A Simpler Europe: Reducing Regulatory Burden and Improving EU Law-Making

Position Paper

bitkom

At a glance

A Simpler Europe

Europe's long-term competitiveness is increasingly under pressure. In a rapidly evolving global economy, the ability of companies to innovate, scale and invest is becoming a decisive factor for economic strength, one that Europe can no longer take for granted. The Draghi report delivered a stark warning: the European Union's decision-making process is too slow, its rules too complex and fragmented, and the regulatory framework meant to govern the world's largest single market is increasingly becoming an obstacle to its full potential.

Europe's digital economy is entering a decisive phase in the global race to build the companies and innovations that will define the AI era. Yet this momentum is increasingly being constrained by the rapid expansion of regulatory obligations and compliance requirements. In the tech sector alone, EU digital regulation has grown rapidly, increasing from around 45 regulations and directives in 2019 to 98 in 2024.[1] This illustrates a broader structural dynamic in which regulatory requirements are expanding faster than businesses are able to adapt. Instead of focusing on innovation and scaling, many businesses are diverting resources into compliance.

The European Commission has recognized this through the introduction of various Omnibus packages across different policy areas, including digital. While the Omnibus initiatives present a welcome step in simplifying Europe's rulebook, they remain primarily focused on *ex post* simplification. As such, they address complexity after it has already emerged, without preventing the introduction of new rules in the first place. Attempts to rethink how legislation is designed, implemented, and enforced are also reflected in the Commission's most recent Communication «A Simpler, Clearer and Better EU Rulebook".[2] This presents a welcome acknowledgement of the need to improve regulatory quality but does not yet deliver the structural shift needed to safeguard Europe's long-term competitiveness.

Against this background, a more fundamental change is required that goes beyond *ex post* simplification. The objective should not be limited to simplifying existing rules but must extend to fundamentally rethinking how legislation is designed, implemented and enforced in order to safeguard Europe's capacity to innovate and compete in a rapidly changing global order.

[1] Disruptive Competition Project, ↗ Balancing EU Regulation: How the Now Commission Can Boost Tech Competitiveness, 2024.
[2] European Commission, ↗ A Simpler, Clearer and Better EU Rulebook, 2026.

Content

1 Reducing bureaucracy

The need to reinforce European competitiveness has become one of the defining political imperatives of the current Commission mandate placing it at the heart of its political agenda. Yet, this commitment remains incomplete so long as it is not reflected in the institutional rules and processes that govern the law-making process. What is needed is a clear prioritization of competitiveness, ensuring that it is systematically reflected in the design, evaluation, and implementation of all legislative initiatives.

Introduce a temporary moratorium on EU reporting obligations to reduce administrative burden on European businesses

More than 60% of EU companies cite regulation as an obstacle to investment, while 55% of SMEs identify regulatory requirements and administrative burden as their most significant challenge.[3] As a result, businesses are increasingly allocating time and resources to compliance that could otherwise be directed towards innovation, investment and growth. We therefore call for a temporary moratorium on European reporting obligations. Examples of ambitious burden reduction already exist at national level. The German state of North Rhine-Westphalia has committed to abolishing state-level reporting and documentation obligations as of 1 January 2027, with the aim of reducing administrative requirements for businesses.[4] Similar approaches should also be adopted at European level, including the temporary suspension of reporting obligations unless their necessity can be clearly justified. Requirements that fail to meet this standard should automatically lapse, reducing unnecessary administrative costs and strengthening businesses' capacity to invest in economic activity. This would reduce unnecessary administrative costs and strengthen the capacity of businesses to invest in economic activity.

Prohibit Gold-Plating

Gold-plating remains one of the most persistent barriers to the completion of the European Single Market, consistently undermining regulatory harmonization across Member States. In practice, it too often results in unnecessary bureaucracy, longer approval processes and higher costs for businesses, without delivering meaningful added value for consumers. Therefore, we call for an explicit prohibition on gold-plating to prevent such practices from arising in the first place. At the same time, existing cases of gold-plating should be actively addressed and rolled back. In concrete terms, EU directives should be transposed into national law on a one-to-one basis, without the addition of further national requirements. Such measures are not only essential to completing the European Single Market, but also to reducing unnecessary regulatory burden and delivering on the EU's broader simplification agenda.

[3] European Commission, ↗ The Future of European Competitiveness – A Competitiveness Strategy for Europe, 2024, p 18.
[4] Landesregierung Nordrhein-Westfalen, ↗ Landesregierung entlastet Bürgerinnen und Bürger, Kommunen und Unternehmen, 2026.

Establish an Annual Burden Report tracking the cumulative administrative burden on EU level

An Annual Burden Report must be more than a mere communication exercise. It should function as a structured accountability tool that tracks the cumulative administrative burden created and alleviated annually through new and existing EU legislation. It should provide a clear overview of the current cost of regulation as experienced by businesses, include an assessment of the expected costs of upcoming legislative initiatives, and require a formal response by the Commission to ensure that concerns are actively addressed. While the April 2026 Commission Communication commits to annual simplification reporting and regular reviews of the Regulatory Deep Cleaning Action Plan, this does not yet go far enough. What is needed is a more structured and transparent instrument that goes beyond process reporting and delivers a clear, measurable account of regulatory burden over time as outlined above.

2 Getting Ahead of Regulatory Burden

Despite repeated political commitments to reduce the «flow" of regulation, the overall volume of EU legislation remains high and continues to grow. During the Von der Leyen I Commission (2019-2024) a staggering 13.000 acts were adopted, while by comparison, around 3.500 pieces of legislation and roughly 2.000 resolutions were passed at the US federal level over the same period.[5] The result is a regulatory environment that is increasingly complex and difficult to navigate, where new obligations are added before existing ones have taken full effect. While the Omnibus initiatives represent an important step, they remain primarily focused on simplification after rules have already been adopted. The priority must now shift towards preventing unnecessary regulatory burden from entering the legislative pipeline in the first place.

Enshrine "Competitiveness by design"as a standalone principle in the EU's law-making framework

The EU's law-making process relies on a set of key principles and concepts that complement those in the Treaties and the EU Charter of Fundamental Rights and are meant to guide the institutions throughout the legislative process. The Better Regulation Toolbox published in 2025 identifies 13 key dimensions expected to be applied across the entire policy cycle, including:

- Embedded in the planning and policy cycle
- Of high quality
- Evidence-based
- Strategic/forward looking
- Participatory/open to stakeholder's views
- Respect for principles of subsidiarity and proportionality
- Comprehensive
- Current/conducted collectively
- Proportionate
- Transparent
- Independent
- Appropriately resources and organised
- Sustainable[6]

Notably, competitiveness is not included as a standalone principle, despite being referenced across various frameworks and in the preamble of the Interinstitutional Agreement on Better Law-Making.[7]

[5] European Commission, ↗ The Future of European Competitiveness – A Competitiveness Strategy for Europe, 2024, p 69.
[6] European Commission, ↗ Better Regulation Toolbox, 2025, pp 8-9.
[7] Interinstitutional Agreement between the European Parliament, the Council of the European Union and the European Commission on Better Law-Making, 2016, recital 1.

The April 2026 Commission Communication introduces «simplicity by design" as a new key concept, aiming to avoid regulatory complexity and fragmentation from the outset.[8] Bitkom welcomes this as a meaningful step in the right direction, however, simplicity alone is not sufficient. A rule can be simple and still impose costs that undermine the competitive position of European businesses. Instead, the principle of «competitiveness by design" should be introduced as a complementary, standalone principle. In practice, this means ensuring that all legislative initiatives are designed from the outset to safeguard and strengthen Europe's competitiveness, placing it at the core of the legislative process.

Ensure that existing rules are fully implemented across the Member States before new legislation is proposed

Legislating in response to poor or incomplete implementation by Member States does not resolve regulatory gaps, it compounds them. New obligations are layered on top of existing ones before previous frameworks have taken full effect. The current discussions on including algorithmic management in the workplace in the upcoming Quality Jobs Act illustrate this concern particularly well.[9] The AI Act, the General Data Protection Regulation and the Platform Work Directive already provide comprehensive rules for the deployment and use of AI in the workplace.[10] The AI Act's obligations for high-risk workplace systems will not apply until December 2027, and the Platform Work Directive has yet to be transposed by Member States. Introducing further legislation before these frameworks have been fully implemented and evaluated, risks creating the kind of regulatory duplication, fragmentation and legal uncertainty that should be avoided. We therefore call on the Commission to legislate only where existing rules have been fully implemented and evaluated.

Limit the introduction of delegated and implementing acts to what is strictly necessary

Despite their technical character, delegated and implementing acts form a growing share of the regulatory burden European businesses face, yet are subject to far less scrutiny than primary legislation. The April 2026 Commission Communication takes a step in this direction, committing to proposing only well-designed, strictly necessary empowerments, and noting that around 30% of planned acts have already been deprioritized following an initial review.[11] These measures are a welcome acknowledgement of the need to limit unnecessary secondary legislation. However, the objective should not be to deprioritize delegated and implementing acts after they have already been passed, but to ensure from the outset that they are drafted narrowly, proportionately and only where strictly necessary. This must require earlier and more systematic scrutiny during the drafting process to prevent unnecessary complexity from arising in the first place.

[8] European Commission, ↗ A Simpler, Clearer and Better EU Rulebook, 2026, p 2.
[9] European Commission, ↗ First-Phase Consultation Quality Jobs Act, 2025, p 3.
[10] Bitkom Position Paper, ↗ Algorithmic Management in the Workplace, 2025.
[11] European Commission, ↗ A Simpler, Clearer and Better EU Rulebook, 2026, p 2.

Require a formal impact assessment after a final trilogue agreement before any final vote

A commitment to evidence-based lawmaking must apply at every stage of the legislative process, not just at Commission level. Once a trilogue agreement is reached, and before the consolidated text proceeds to a formal vote, a mandatory impact assessment of the final text must be required. This would ensure that political compromises are grounded in a clear understanding of their regulatory and economic impact, including potential administrative burden and unintended consequences. While the Interinstitutional Agreement on Better-Lawmaking already foresees that both the European Parliament and the Council may carry out their own impact assessments on substantial amendments, this provision is rarely used in practice.[12] As the final agreement can significantly differ from the original Commission proposal, the compromise text should be subject to the same scrutiny as the initial text.

[12] Interinstitutional Agreement between the European Parliament, the Council of the European Union and the European Commission on Better Law-Making, 2016, point 19.

Bitkom represents more than 2,300 companies from the digital economy. They generate an annual turnover of 200 billion euros in Germany and employ more than 2 million people. Among the members are 1,000 small and medium-sized businesses, over 700 start-ups and almost all global players. These companies provide services in software, IT, telecommunications or the internet, produce hardware and consumer electronics, work in digital media, create content, operate platforms or are in other ways affiliated with the digital economy. 82 percent of the members' headquarters are in Germany, 8 percent in the rest of the EU and 7 percent in the US. 3 percent are from other regions of the world. Bitkom promotes and drives the digital transformation of the German economy and advocates for citizens to participate in and benefit from digitalisation. At the heart of Bitkom's concerns are ensuring a strong European digital policy and a fully integrated digital single market, as well as making Germany a key driver of digital change in Europe and the world.

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