

Translation

## **2018 Work Programme for Bureaucracy Reduction and Better Regulation**

[adopted by the Council of Ministers of the Federal Government of Germany  
12 December 2018]

When implementing the Government programme for bureaucracy reduction and better regulation launched in 2006, the Federal Government focused initially on reducing bureaucracy costs of business and on provisions which were no longer required.

The calculation and reassessment of the compliance costs of regulations improved the information base for political decision-making. The Federal Government has initiated numerous projects and steps to reduce the burden on citizens, business and the administration further, for example by introducing the bureaucracy brake based on the 'one in, one out' rule.

Whether regulations actually have the desired effect is assessed in particular using the systematic evaluations launched by the Federal Government in 2013. In addition, by means of the 'life events' survey, the Federal Government has since 2015 been finding out on a regular basis how citizens and businesses perceive the quality of legislation and administration. With the steps outlined in this Work Programme, the Federal Government is continuing its commitment to better regulation and bureaucracy reduction.

### **I. Better regulation tools**

Good legislation provides a stable foundation for living together in Germany and Europe. It helps increase prosperity and justice, solve problems, promote innovation and implement the United Nation's 2030 Agenda and the global Sustainable Development Goals. In order to guarantee the quality of our legislation in the face of future challenges, we need to develop it further both systematically and prudently.

Laws are to be simple, comprehensible and serve their intended purpose. Of key importance here is systematically evaluating existing regulatory provisions, as well as taking account of reliable empirical bases and engaging in dialogue with those affected. A careful balance always needs to be struck between the goals of better regulation on the one hand and other policy aims on the other. The Federal Government seeks to reduce bureaucracy by simplifying procedures whilst preserving existing standards of protection. Better regulation does not involve lowering standards. Developing legal initiatives, examining alternative regulations and drawing up concrete draft regulations requires a suitable amount of time to enable all concerned to perform their tasks successfully.

To further develop the legislative process systematically, the Federal Government has agreed the following additional overarching steps:

1. Since 2015, the Federal Government has been using the 'one in, one out' rule to ensure that the regular compliance costs for businesses do not increase. The Federal Government is upholding the bureaucracy brake. The aim is that at the end of the legislative term, the regular compliance costs of businesses do not exceed the level registered in March 2018. To achieve this, burdens resulting from regulatory proposals adopted by the new Federal Government will be offset by reducing burdens elsewhere.
2. Also at European level we advocate introducing the 'one in, one out' rule to effectively cap increases in compliance costs for businesses based on European law. We will evaluate and further strengthen the EU ex ante procedure which the Federal Government uses to assess the compliance costs of planned EU regulations in Germany at an early stage. When transposing EU regulations into national law, we will not introduce additional burdens. We will in particular use the German Presidency of the Council in the second half of 2020 to ensure even more importance is attached to the goals and principles of better regulation at EU level.
3. Alongside the 'one in, one out' rule governing regular compliance costs for businesses, new regulations usually generate oneoff compliance costs even if they are ultimately improving the situation for businesses. The Federal

Government also wants to limit these costs as far as possible. It is drawing up a blueprint on increasing transparency regarding oneoff compliance costs and limiting these in an effective and proportionate manner. The Federal Government is examining whether and indeed how to support this goal by applying indicators to elucidate both quality and quantity. When discussing regulatory proposals with the Länder, umbrella organisations of municipalities, experts and associations, the Federal Government will focus in particular on oneoff compliance costs. Those involved in discussing proposals are to be required to present information on the adjustment costs triggered when planned provisions are implemented.

4. Similarly, interconnected regulatory proposals are, where appropriate, to be presented in packages to increase user-friendliness. Where possible and appropriate, the legal framework for interrelated spheres of life is not to be amended several times in a calendar year. Provided that other factors do not necessitate alternative action in individual cases, the Federal Government will in its draft regulations propose entry into force on the first day of a quarter. When discussing legislative procedures at EU level, the Federal Government advocates implementation timeframes that facilitate such an approach.
5. Based on its decision of 22 June 2016 on establishing a Centre for Regulation, the Federal Government is drawing up a further-training strategy for employees involved in preparing legislative or political initiatives. The strategy will focus on increasing competence and skills in ministries, in particular when it comes to analysing complex problems, foresight, citizen involvement, devising legal provisions geared to those affected and to practice, evaluation, collation and use of reliable data, and on dealing with the legal and practical challenges resulting from the digital transformation.
6. In suitable cases, the Federal Government discusses actions needed, its understanding of the problems to be dealt with and possible solutions with those affected before detailed drafts are drawn up and finalised. The focus here is on the practical aspects of implementation and enforcement as well as on checking that the measures envisaged meet the needs of the target group. The Federal Government assesses its experience with various approaches to participation of those affected in the early stages of political and regulatory proposals. The aim

is to identify examples of good practice demonstrating timely cooperation with those affected in order to increase effectiveness and acceptance of the legislation. Based on good practice, standards for the Federal Government can be drawn up for suitable cases.

7. To better gauge the practicability and effectiveness of regulatory alternatives, the Federal Government will in suitable cases test such alternatives with affected citizens and businesses as well as with the authorities involved or self-administrative bodies (for example by carrying out simulation games, pilot projects or test runs). To this end, it also uses current methodology and findings of social and behavioural sciences (qualitative survey methods, scientific field studies etc.) for example to examine the comprehensibility and effectiveness of legislation, user-friendliness and process optimisation. Only when this has been completed are draft regulations to be adopted by the Federal Government. Key findings of the real-life test-phase are to be outlined in explanatory memoranda on the law.
8. A 'Handbuch Reallabore' (handbook on living labs) is being developed to combine testing innovation actively with regulatory learning in test spaces (living labs) which are limited in both time and space. The aim is to give decision-makers in public administration the orientation and support they need. The handbook is to be supplemented by a communication platform for project ideas and examples of good practice.
9. Good legislation is based, among others, on a comprehensive and balanced presentation of regulatory impacts. Alongside costs and burdens, this includes the advantages and benefits of a regulation. We will thus examine and amend current practice with a view to presenting positive effects (benefits and advantages) alongside the relevant negative impacts (costs and burdens). Experience from pilot projects is feeding as appropriate into further consultations on impact assessment.
10. Citizens as well as businesses and the administration require clearly worded legislation. More account is to be taken of this in the intensive deliberations at expert and political level. Because the comprehensibility of the first draft of a legal text has a decisive impact on the discussions on and the ultimate quality of legislation passed, the federal ministries will where possible cooperate closely

with the Unit for Legal Drafting Support at the Federal Ministry of Justice and Consumer Protection, an independent body, prior to forwarding a draft to other ministries or to the Länder, municipal umbrella organisations, expert bodies and associations.

11. We will create a participation platform for all the Federal Government's legal proposals that are published to further the transparent participation of citizens and associations. In the time needed to create this online platform, the federal ministries will publish draft laws on their respective websites. Links are available in the 'Gesetzesvorhaben der Bundesregierung' section of the Federal Government website at [www.bundesregierung.de](http://www.bundesregierung.de) (in German). Position papers submitted by associations involved will also be published provided the association does not object.
12. The eLegislation project is designed to create a completely digital, interoperable and accessible process to develop regulatory proposals at federal level. Building on positive steps already taken, innovative, needs-based solutions, for example electronic coordination of texts and user-friendly digitalisation of auxiliary documents are to provide continued support in the legislative process.
13. We are resolutely continuing the further development of and user support for the text processing program eNorm. This program is used for text processing by all constitutional organs in the legislative procedure, thereby helping to further increase user acceptance and user numbers and making a major contribution to better regulation.
14. As part of the electronic promulgation project, the Federal Law Gazette is to be published electronically in future. This is to replace the paper version of the Federal Law Gazette which to date has been the only binding form. Electronic promulgation means the text is available more quickly. In turn, this step means the official version of the Federal Law Gazette is being made available to a broader audience – free of charge and accessible.
15. Evaluating regulatory proposals is a routine task of federal ministries. We will assess experience made with the first evaluations carried out in accordance with the procedures agreed by the Federal Government in 2013 and improve and further develop the systematic evaluation of laws. When legislation is still at draft stage, we seek to ensure that the purpose and aim of the proposed

regulations are stated clearly and as verifiably as possible, as this will facilitate subsequent evaluation. We are examining how we can standardise the quality assurance of evaluations and increase the transparency of evaluation processes as well as participation opportunities for those affected.

16. Alongside the federal ministries, the subordinate federal authorities also play an important role in improving legislation as a whole and its enforcement. Based on federal law, they are responsible for many different administrative services and in part actually contribute to the legislative process. It is the competent federal ministries who have the task of steering and monitoring their work while paying due attention to legal, budgetary, personnel and organisational aspects. The federal ministries will establish an exchange of experience on steering subordinate authorities, identify examples of good practice, strengthen the divisions involved and draw up criteria for the effectiveness of administrative action, the use of reliable data and facts, resilience, the level of use of digital services offered, the transparency of work performed by the authorities and the linguistic comprehensibility of measures developed by the authorities.

## **II. Simplification steps**

Efforts to simplify legislation and procedures and digitalise administrative processes offer huge potential for further tangible reductions in the burdens borne by citizens, businesses and the administration. With this in mind, we will launch the following individual steps in particular. The standards of protection and performance required by the legislator shall be upheld in each case.

1. We are promoting the transparency of family benefits, more straightforward application processes and quicker processing of applications using digital services and procedures. Before the end of this legislative term, online applications are to be possible for more family benefits.
2. We will reduce the bureaucracy involved when applying for the supplementary child allowance.
3. We will improve benefits to promote education and participation, work to overcome reluctance to claim such benefits, examine their impact and increase them in targeted fashion. We will abolish parental contributions to finance

lunchtime meals in schools, kindergartens and childcare establishments and transport to school.

4. By reforming the Victims Compensation Act, we will make emergency/urgent assistance available quickly and easily by cutting bureaucracy.
5. In a Bureaucracy Reduction Act III (Bürokratieentlastungsgesetz III), we will present a set of steps to reduce the burden on businesses. We will in particular reduce obligations to provide statistics and aim to standardise thresholds and ceilings in various legal areas, for example by examining thresholds above all in tax and social law as well as those pertaining to reporting obligations. Furthermore, we will harmonise provisions governing trade and tax law and avoid double reporting requirements to employers' liability insurance associations. Similarly, we plan to exempt businesses from the need to submit monthly provisional tax returns in the first two years after set-up.
6. An Interministerial Federation-Länder Working Group will reduce obligations to provide statistics, thereby helping to abolish non-essential statistics. The Working Group will also agree ways of modernising business statistics through digitalisation, thus reducing the bureaucracy faced by businesses. Interconnecting statistics and using them for more than one purpose is another way of helping reduce burdens.
7. We are promoting the start-up culture in Germany by for example cutting the bureaucracy burden to a minimum for a year after set-up. We want to create more transparency concerning the assistance programmes available. We will simplify application, authorisation and taxation procedures, the aim should be a one-stop-shop. We will remove obstacles to start-ups and consider making changes to bankruptcy law.
8. At EU level, we are working to ensure due account is taken of the interests of SMEs. Larger SMEs with up to 500 employees are also to be targeted directly in order to reduce the burden of European reporting obligations for more businesses.
9. We want to simplify the procedure for identifying employment status in such a way that it can be used successfully by the various branches of social insurance.

10. We will optimise the procedure for collecting and reimbursing import VAT in cooperation with the Länder.

11. As part of an enhanced screening process, the Federal Government will examine the digital compatibility of current and future laws in the Federation's administrative law (for example with regard to script requirements, obligations to present documentation or the need to appear in person). This is to be done when current legal provisions are being examined with a view to the digital transformation when implementing the Online Access Act and by systematic assessments.

12. Using a digital portal for both citizens and businesses, we will provide for simple, secure and mobile access to all administrative services.

The option of applying for administrative services electronically is to become the rule and the use of paper documentation and appearance in person is to be replaced as far as possible and desirable by digital solutions of equal status (digital first).

13. In 2019, the portal for citizens and businesses of the customs administration is to go live. This portal is to provide citizens and businesses with seamless, digital and efficient access to services of the customs administration. After the binding decision on customs tariffs in 2019, applications from the field of energy tax are to follow in 2020.

14. With a view to strengthening the European internal market, we will work together with other EU member states to ensure that data only have to be submitted once where possible (Once Only Principle (OOP)). Citizens and businesses will have the possibility of agreeing on a case-by-case basis that data they have submitted to the administration can be forwarded automatically if required from one authority to another and, possibly even across borders within the EU, exchanged between authorities. Administrative procedures can thus be made more user-friendly, transparent and efficient. To implement European law on OOP, we will examine how to modernise public registers in line with data protection legislation and in this context also examine the proposals presented by the National Regulatory Control Council.



15. We will consider how to speed up procedures and reduce bureaucracy for the entire planning and approval law in the transport sector. We will also advocate reducing bureaucracy in planning and approval procedures at EU level.
16. We are using the expansion of telematics infrastructure to work on cutting bureaucracy in the health and care sectors.
17. In regulatory law, we will cut bureaucracy and simplify procedures, consolidating the provisions of the Energy Saving Ordinance, the Energy Conservation Act and the Renewable Energies Heat Act in one modern piece of legislation on energy in buildings making it easier for those affected to work with the legal requirements.
18. We will upgrade the Central Register of Foreigners so it can provide reliable information, grant all relevant authorities simple access and be used to steer repatriation and voluntary returns more successfully. In cooperation with the Länder, we will develop it further to create a central register of foreigners to meet current demands. As part of this upgrade, we will improve the way in which we determine the number of persons where repatriation is pending.
19. To avoid unnecessary bureaucracy in the planning stages, a set of preventive measures will be established in the Federal Ministry of Defence and then extended to cover the Ministry's entire portfolio. This includes, inter alia, the fundamental application of the so-called 'one in, one out' rule also to lower-level regulatory provisions and the limiting of reporting obligations to a minimum.
20. The Federal Ministry of Food and Agriculture is continuing its network of 100 practitioners from agriculture, horticulture and forestry including agriculture advisors (practitioners network) in order to benefit from fresh ideas for better and practical legislation and the reduction of bureaucracy at the development stage of appropriate regulatory proposals.
21. In cooperation with the Federal Statistical Office, the Länder, municipalities and the agriculture sector, we will examine the bureaucratic burdens faced by agricultural businesses due to current information obligations with a view to reducing bureaucracy and increasing efficiency in the interests of competitive and sustainable agriculture.

22. As part of the planned evaluation of the Flexi-Pensions Act ('Flexirentengesetz'), the Federal Statistical Office will examine the effects of its amendment for businesses, employees and the public administration and identify potential bureaucratic problems and hurdles regarding pension claims.

### **III. Follow-up steps based on the 'life events' survey**

On behalf of the Federal Government, the Federal Statistical Office in 2017 surveyed citizens and businesses for a second time to find out about their experiences relating to the quality of legislation and administration regarding different life events. After assessing and thoroughly analysing results with experts and practitioners, the Federal Government will take targeted steps to eliminate flaws and implement improvements developed together with those affected. Here, too, the standards of protection and performance demanded by the legislator will be upheld.

1. The portal 'Sozialversicherung für Arbeitgeber' (Social Insurance for Employers) is to be further developed step by step: More information is to be provided on income tax law and more topics are considered to be included in the future. There are also considerations to add productive elements, thus taking in the possibility of extending the portal to include the facility of applying for social insurance. The Federal Government's aim is to provide particularly businesses with only a small number of employees with a user-friendly set of information and services in one portal.
2. Together with the collecting agencies, moves will be made to examine whether and to what extent improvements are necessary to ensure uniform application of the law based on health insurance funds providing employers with high-quality information.
3. The submission of reports on people in marginal employment will be made more user-friendly for employers and private households for example by:
  - improving support in ascertaining marginal employment status;
  - examining the electronic transfer of data from the household cheque procedure ('Haushaltsscheckverfahren') to the fiscal administration;

- introducing the end of the period of employment as an additional submission date for rapid completion of the household cheque procedure.
4. The Federal Statistical Office will examine possible ways of simplifying procedures in social insurance and tax law in the case of short-term employment.
  5. We will examine how to reduce the burden on businesses in terms of income tax law relating to the collection and recording of information on remunerations in kind received by employees.
  6. Paper certificates issued by private health insurance schemes indicating amounts to be deducted from wages are to be digitalised. This will reduce the burden for employers who pay subsidies to their employees' private health insurance contributions. When it comes to wages tax deductions, the actual contributions are to be included in the ELStAM process.
  7. Efforts are to be made to examine the processes for issuing ELSTER certificates when a tax declaration is submitted for the first time with a view to improving these processes.
  8. The taxation procedure relating to turnover tax is being simplified for example by:
    - examining electronic transmission of VAT identification numbers by the Federal Central Tax Office;
    - aligning numbers for provisional tax returns and declarations where possible;
    - examining creating a link in the tax declaration to enable the Tax Office to call up required documentation where necessary.
  9. Procedures to set and collect trade tax are to be simplified for example by:
    - supporting the municipalities in efforts to harmonise trade tax notices (by municipal umbrella organisations);
    - supporting the municipalities in efforts to introduce electronic transmission of trade tax notices to businesses (by municipal umbrella organisations);

- introducing risk management for business taxation parallel to income tax;
  - examining user-friendly design for trade tax forms;
  - examining ways of improving the 'e-Bilanz' (ebalance) and possible linking to trade tax declarations;
  - examining alternative methods for trade tax reallocation and steps to resolve municipal trade tax claims which necessitate a correction of reallocation notices;
  - examining whether the six-month minimum timelag for the registration as a building or assembly firm can be extended.
10. Based on the coalition agreement, we will durably improve the conditions for promoting and strengthening voluntary service, civic engagement and other measures for non-profit engagement. The aims are to reduce the bureaucracy of current regulations, strengthen digital skills and provide assistance for the relevant organisational development of associations, clubs and foundations.
11. Drawing housing benefit is to be simplified by:
- regularly examining the criteria for adjusting housing benefit;
  - discussing with the Länder and the Federal Employment Agency on whether and, where applicable, how to achieve improved advisory services on the interface between housing benefit and unemployment benefit II;
  - examining with the Länder whether and, where applicable, how to simplify application procedures for continuation or increase of benefits.
12. When it comes to applications pursuant to the Federal Training Assistance Act, we aim for a seamless process leading to a completely electronic administrative procedure. This is to be done by linking the administrative service portals of the Länder in a joint portal by 31 December 2022 pursuant to Article 1 of the Online Access Act. Included in the process are the development of uniform identification procedures for accessing administrative services as well as the gradual introduction of electronic records. The Federal Training Assistance Act online application procedure ('BAföG-Online-

Antragsverfahren') has been included as a number one priority in the federal digitalisation programme of the IT Planning Council.

13. User-friendly language in the fiscal administration: The results of the 'life events' survey 2017 reveal huge potential for improving the comprehensibility of tax declaration forms and correspondence. The Federal Government is working to create a user-friendly digital administration. As a first step, it is together with the Länder examining how to promote user-friendly language in the fiscal administration.
14. Improved support in granting benefits for the basic income support for jobseekers pursuant to the Social Code II for example by further developing the IT procedure ALLEGRO.