



The
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Zeit für das Wesentliche

Better Regulation 2014: Official – simple – tangible

2014 Federal Government Report pursuant to Section 7 of the Act
on the Establishment of a National Regulatory Control Council

April 2015



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Foreword

“Good legislation is one of the main pillars of freedom, justice, prosperity, competitiveness and political stability in Germany. Its quality must be demonstrated in practical application. For this reason the Federal Government, when preparing draft legislation, will henceforth give even greater consideration to the experiences of citizens, business and the administration.”

(Cabinet decision of 4 June 2014)



How citizens and businesses experience legislation, application of the law and public administration is now the subject of regular representative surveys conducted by the Federal Statistical Office. In this way the Federal Government opened a new chapter in 2014 in the quest for bureaucracy reduction and better regulation.

Besides the figures for compliance costs, measured in euros and/or hours, we now have the criterion of the experiences and impressions that we in Germany gather of our laws and their application by the administration. This is not simply a matter of satisfaction but also, for example, of whether laws and procedures are comprehensible and have the desired effect. Moreover, it is a meaningful addition to our perception of bureaucracy in Germany.

In general terms, we are on the right path. This is shown by the figures in the present report. In some areas, compliance costs are falling, particularly for citizens and the administration. Business was an exception in this respect in 2014, chiefly because of the impact of the minimum wage. In every instance, however, the public and politicians know what impact a law or regulation will have before it is enacted. Of that we can be proud, by both our own and international standards.

A handwritten signature in black ink that reads "Helge Braun".

Dr. Helge Braun
Minister of State to the Federal Chancellor
Federal Government Coordinator for
Bureaucracy Reduction and Better Regulation



Part 1

**2014 Work
Programme for
Better Regulation**

By adopting the 2014 Work Programme for Better Regulation, the Federal Government made a commitment to make simplifications more tangible, to further reduce compliance costs and to continue improving legislative processes. There will now be an even sharper focus on the experiences of citizens, business and administration.

What are compliance costs?

Since 2011, on the basis of the Guidelines on the Identification and Presentation of Compliance Costs in Legislative Proposals of the Federal Government,¹ government ministries have examined the entire measurable costs arising in any way from compliance with a regulatory instrument for all parties whom it affects. These extend beyond the cost of disclosure obligations imposed on businesses, referred to as 'bureaucracy costs', which had hitherto been the sole focus of attention. Further information on the identification and presentation of compliance costs can be found in section G, in Part 2 of this report.

¹ Federal Government and National Regulatory Control Council, Leitfaden zur Ermittlung und Darstellung des Erfüllungsaufwands von Regelungsvorhaben der Bundesregierung. Federal Statistical Office, 2012.

A The 'life events' approach

Making simplifications more tangible

How satisfied are citizens and businesses with administration and legislation in Germany?

Happy events such as the birth of a child or a wedding, but also sad occasions like the death of a close friend or relative or the loss of a job, involve contacts with public authorities and administrative departments. Businesses are also confronted with official forms and application processes in various situations, such as a start-up or insolvency. In these cases, bureaucracy is experienced locally at first hand. The Federal Government has set itself the aim of making dealings with the public administration appreciably better for citizens as well as businesses.

On behalf of the Federal Government, the Federal Statistical Office surveys citizens and businesses on their perceptions of dealings with public authorities and administrative departments. This approach, which has been pursued in France for some years, puts the human perspective in the spotlight. It is intended to ensure that measures taken by the Federal Government address the areas in which citizens and businesses consider that the most urgent action is needed.



For its study, the Federal Statistical Office targets contacts made with authorities in connection with special events in the lives of individuals or businesses. It examines a total of 20 significant events for citizens and 10 for businesses. The Federal Statistical Office began by asking 1,000 citizens how satisfied they were with the administration in the context of particular events. On the basis of its findings, it selected 20 out of 33 events for further examination. On the business side, representatives of business associations described the events they believed should come under scrutiny. Of the 21 types of event they cited, 10 were chosen. Examples in the case of citizens are the birth of a child, unemployment and the death of a close friend or relative. For businesses, start-ups and insolvencies exemplify the kinds of significant event that are considered.

For these selected events, the Federal Statistical Office produced summaries of the requisite official procedures. These identify the authorities with which people come into contact when one of the examined events occurs. The businesses was at the heart of the summaries were jointly had recently experienced the basis, the Statistical Office should be the focal point for the main survey in respect of each event. In the case of a marriage or the registration of a civil partnership, for example, it would be the registry office.



perspective of citizens and this process too, which is why drafted with individuals who event in question. On this determined which authorities

Since January 2015, the opinion-research institute TNS Infratest has surveyed a total of 7,125 citizens on their satisfaction with these selected authorities. During the spring of 2015, 1,625 businesses were also surveyed about their experiences. The respondents were asked to express their satisfaction with a number of aspects, such as the comprehensibility of the law, the scope for online administration and the accessibility and opening hours of public offices. The Federal Statistical Office will make the findings available in the summer of 2015. With the aid of this information, the Federal Government will then formulate improvement measures designed to be of appreciable benefit to those involved.

Further information can be accessed at www.amtlich-einfach.de.



B Projects and studies

Modernising taxation procedure / pre-completed tax return

“Simplify taxes” is one of the demands that are most frequently made in connection with cutting red tape. Modern and efficient procedures can make it easier to fulfil obligations to cooperate with the tax authorities. Accordingly, tangible improvement of the manageability of these obligations is right at the top of the Federal Government’s agenda. The federal and *Länder* authorities have produced a highly ambitious draft discussion paper on the modernisation of the taxation process with a view to comprehensive improvement and development of electronic communication between taxpayers and the administration. One of the aims is to improve the quality of the Elster online tax-return service. The requisite legislative process is due to begin in 2015, and organisational and technological measures will follow in stages.



Since January 2014, Elster has been offering all taxpayers a facility known as the pre-completed tax return, through which they can retrieve stored data relating to themselves. This means that taxpayers can inform themselves of the data that the tax office already possesses before submitting their tax return. This service, which the fiscal administration offers free of charge, also enables taxpayers to upload data automatically into the appropriate fields in their electronic tax return with the aid of a pre-completion tool. Besides general data, such as their tax identification number or religious confession, taxpayers can retrieve data relating to the income-tax deduction certificates submitted by their employer as well as statements of pension benefits received, health and care insurance contributions paid and retirement provisions, such as payments made to state-subsidised private pension schemes.

Since 1 January 2014, more than a million people have used the pre-completed tax return service in its first development phase.

Web-based vehicle licensing: i-Kfz

The existing procedure for licensing and deregistering a vehicle is time-consuming. As a rule, the vehicle keeper, or his or her authorised representative, must go in person to the licensing authority. The advantage of online procedures is that they considerably reduce the time and effort required of the keeper. Accordingly, the Federal Ministry of Transport and Digital Infrastructure has launched **Stage 1** of an online scheme by creating the conditions for Web-based deregistration of vehicles with the aid of the new-style personal identity card. The regulations establishing this facility entered into force on 1 January 2015.



For all vehicles registered from that date, the number plate and Part I of the registration certificate will carry a security code.

At the present time the legal requirements for **Stage 2** are being formulated. In this next phase, the same keeper will be able to re-register his or her vehicle online and to pay road tax by means of an electronic SEPA direct debit. In a parallel process, a detailed blueprint is being prepared for **Stage 3**, in which all registration operations, including licensing of new vehicles and transfers of ownership, will be fully processed online.

Electronic invoicing standard

Businesses and citizens have not yet felt the benefit of simplifications in electronic invoicing, which offer an estimated annual cost reduction of up to 18,6 billion euros. The Federal Government is therefore pressing for the adoption of a simple and inexpensive standard for electronic invoicing with a view to aiding the establishment of electronic invoicing.

To this end, a new uniform data format (ZUGFeRD 1.0) was introduced in June, with which invoices can be exchanged quickly, conveniently and simply by electronic means in future from business to business and between businesses and public administrative bodies.

It is now up to the relevant software providers to incorporate the data format into their products and so offer their business clients the option of fully automatic electronic invoicing and payment processing. Sixty software companies have already done this.

In the EU context too, electronic invoicing standards are being devised. This task has been entrusted to the European Committee for Standardization. The standards are to take account of the legacy of previous standardisation measures and of models used in the Member States.

Electronic archiving of business documentation

One major finding was that most businesses were willing to do more to reap the benefits of electronic storage and that large businesses tended to make more use of electronic archiving than small ones.

The following reasons were given for corporate reticence:

- the initial outlay and maintenance expenditure involved in the introduction of electronic archiving,
- uncertainty about designing electronic storage systems to guarantee a proper audit trail, and
- doubts as to whether financial authorities and courts of law would accept such systems.

More than half of the respondents continued to store their documentation in paper form, because it had always proved efficient; in other words, force of habit was another frequently cited obstacle. Examples of factors that might induce respondents to switch to electronic archiving were electronic invoice formats, certified software, a technical directive, an information platform for technical issues and information material provided by professional or trade associations. It was apparent from the wide range of proposed incentive mechanisms that it would take a varied package of measures to induce businesses to make greater use of electronic archiving facilities.

The participants in the project agreed on measures to promote the transition to electronic archiving. A letter dated 14 November 2014 from the Federal Ministry of Finance setting out principles for the proper maintenance and storage of ledgers, records and documents in electronic form and for data access (Federal Tax Gazette I, 2014, p. 1450) lays down requirements for electronic archiving that correspond to the principles of good bookkeeping.

The concluding report of the project designed to foster the electronic archiving of business documentation has been published on the Federal Ministry of Finance website at www.bundesfinanzministerium.de.



Optimisation of social-security registration procedures

The aim of the project *Optimiertes Meldeverfahren in der sozialen Sicherung* ('Optimised Social Security Registration Procedure') is to optimise registration, certification and application transactions between employers and the social-security administration. The project was implemented in 2012 and 2013. The report presenting the results of the project lists a number of potential improvements, most of which have been introduced through the Fifth Act amending Book Four of the German Social Code and through other legislation. These improvements are:

- enhancing the quality of data in registration procedures, for example by means of unambiguous means of identification and the specification of uniform time limits and of technical transfer procedures;
- establishing unambiguous legal definitions of procedural components such as communication servers and reception points;
- responding to suggestions from corporate users, such as more extensive application of provisions permitting the use of pay statements.

These quality-enhancing measures will reduce employers' routine compliance costs by some 182 million euros a year. They will also save about seven million euros a year for social insurers. This contrasts with a single conversion cost of some 51 million euros for employers and roughly 47 million euros for social insurers. These investments will already have been recouped by employers' within the first year, whereas the payback time for social insurers will be about seven years.

In order to tap into the potential for further improvement, the Federal Ministry of Labour and Social Affairs extended the project until the end of 2014 with the following objectives:

- to complete the feasibility assessment of 69 improvement proposals that had not been assessed by the end of 2013;
- to continue examining the possibility of widening the use of electronic certificates and application forms;
- to examine potential scope for reducing expenditure within the various stakeholders' processing structures on the basis of the identified compliance costs;
- to expedite the use and evaluation of the data dictionary as a means of standardising the data sets used in social-security procedures.

All of the activities required for these purposes were completed by the end of 2014. Besides further improvement proposals that are now being examined by the Federal Ministry of Labour and Social Affairs to establish whether and how they can be implemented, a number of technical models have

been developed which are being offered to practitioners for wider implementation. These include a process for the unequivocal description of data fields (the data dictionary), an online information and application gateway and apps for sending notifications by means of mobile devices.

Education and inclusion benefits (education package)

In order to improve the educational opportunities and social inclusion of children and young people from low-income families, the Federal Government introduced an extensive range of education and inclusion benefits, known as the education package, which took effect on 1 January 2011. Eligible children and young people receive state assistance in money or in kind, for example for personal school articles, membership subscriptions to sports clubs, instrument lessons or leisure activities. This assistance enables these children and young people to play a fuller part in social and cultural life.

In 2013 the Federal Ministry of Labour and Social Affairs commissioned a research project for a nationwide evaluation of the implementation of the education and inclusion benefits scheme and its uptake. Its purpose was to identify what encouraged or else inhibited recourse to the education and inclusion package. To this end, the Social Science Research Institute in Göttingen is conducting what is known as an implementation study. In addition, the Federal Statistical Office is assessing the compliance costs for applicants as well as for benefit providers and for the offices administering benefits under the education package. The assessment of all parties' compliance costs will shortly be concluded. The aim of the research, however, is not only to quantify the time and cost burdens but



also to ask the interested parties for their own ideas as to how the implementation of the education and inclusion package can be made less costly and time-consuming. Their simplification and improvement proposals will be collected and presented in an appropriate format.

The findings of the assessment of compliance costs and the simplification proposals will be published in the second interim report on the evaluation project in the spring of 2014.

Care project

The Federal Government also wishes to reduce bureaucracy in the documentation requirements in care establishments too. Time-consuming documentation is a major demotivating factor for nursing staff, who often perceive it as excessive and highly onerous. In practical trials, the simplified care-documentation model (the 'structural model') developed for the Federal Ministry of Health showed that it can save a great deal of red tape in care documentation without prejudicing professional standards, jeopardising quality or incurring liability risks.

Instead of nurses having to complete pages of checklists covering routine in-patient care tasks, the principle of the simplified model is that only deviations from basic routine care and treatment are documented. Care interventions such as the administration of injections or medicines must still be documented in the form of individual service records in both in-patient and out-patient facilities. More efficient documentation enables nursing staff to win back time for their primary duty of caring for patients. Care recipients, moreover, once again become more central to the documentation system.

For this reason, the Care Commissioner of the Federal Government established a project office, which opened in January 2015, to assist providers of care establishments, by means of training courses and advice, in the nationwide introduction of simplified care documentation. The Commissioner will continue to liaise closely with the bodies responsible for funding and operating establishments as well as with the federal states, the health insurers' medical service divisions and creators of documentation systems with a view to bringing about a lasting change of mentality in the country's 25,000 care establishments. The introduction of simplified care documentation is a voluntary corporate decision. The conditions for its nationwide introduction were created in July 2014 by a decision adopted under Book IX, section 113, of the German Social Code by the autonomous governing bodies of the healthcare system.

Information tool on family benefits for the online families guide

There are certain things that families need if they are to shape their lives as they see fit. Support resources must be tailored to the needs of each individual, which is why families in Germany can count on a wide range of state benefits. With its family benefits, the Federal Government assists families



in diverse circumstances. These benefits comprise not only material support but also assistance in childcare and education as well as the provision of information on legal matters.

One of the key concerns of the Federal Government is to provide citizens with practical, straightforward and targeted information on specific family benefits and to make it significantly easier for young parents to access them. With the families guide – www.familien-wegweiser.de – the Federal Ministry of Family Affairs offers a modern, broad-based online platform disseminating information on projects and services in the sphere of families policy. The contributions on this gateway cover all aspects of family life and all family circumstances. Frequent use is made of the families guide, and it is highly valued by young parents. To enable parents to access specific information on state benefits even more quickly in future, this service gateway is undergoing extensive upgrading. One of the key elements being developed is an interactive information tool on family benefits, which is built onto



the familiar structure of the families guide. Since the Internet and mobile devices have become part and parcel of everyday life for many families, this new service will also be available online for mobile users.

The new information tool is designed to enable families and expectant parents to find out, with the aid of a few search terms and a click or two, the main benefits for which they may be eligible and how, when and, if appropriate, where to apply for them. These search results are supplemented by other important information and more in-depth content in the online families guide, such as checklists or links to forms and major contacts. Consideration is also given to special challenges in family life, such as the birth of a first child and the situations of large families and of single parents. The main objective is to offer people an extended individual service and tangible time savings. Through this tool we intend to provide families with targeted assistance.

Fees prescribed by foreigners law

For quite some time, *Länder* and local authorities have criticised the inadequacy of the fees charged under foreigners law. In order to assess the actual administrative costs involved in the implementation of the individual measures arising from foreigners law, the federal and *Länder* authorities agreed on a project in which the Federal Statistical Office measured the cost of particular transactions under foreigners law in a representative sample of 109 Foreigners Offices in 2012 and 2013. For the remaining types of fees, actual costs were then ascertained in a representative sample of 40 Foreigners Offices. The studies were completed at the end of 2014. In the next phase, fees charged under foreigners law are to be adjusted, by means of amendments to the relevant legal bases, to reflect the actual cost of transactions. Although this will result in increases to the present fees in many cases, there will also be areas where fees will be cut. In this way, deficits in municipal budgets can be reduced on the one hand, and on the other hand a fairer scale of fees can be achieved.

In the context of its cost measurement, the Federal Statistical Office also collected detailed proposals from the surveyed offices for improvements in the areas of organisation, cooperation and coordination, seamless communication, registers and databases. The proposals cover general simplifications, such as the introduction or standardisation of electronic files and the consolidation of orders placed with the *Bundesdruckerei*, the federal printing office. Specific simplifications were also



proposed, such as a requirement for a standard attested level of linguistic competence, particularly among highly skilled immigrants, and the automatic insertion into forms of applicants' personal data that are already held. Whether and how these proposals can be implemented is currently being examined.

Business start-ups

The Federal Government, the *Länder* and the business community jointly examined ways of simplifying the process of starting a business in a project entitled *Erfüllungsaufwand im Bereich Betriebsgründung – Ablauf von der Geschäftsidee bis zum ersten Umsatz* ('Compliance costs for business start-ups – from business idea to first sales'), in which compliance costs arising during the process of starting a business were analysed from the conception of the business idea to the first sales receipts. The sectors under examination were construction, wholesale and retail trade, hotels and restaurants and other business services (such as ICT services), which collectively account for some two thirds of all start-ups. Concentration on typical start-up scenarios in these sectors ensured that the start-up process most commonly experienced by new businesses in Germany was covered and closely examined.

The analysis showed that the compliance costs incurred in the start-up phase are low by comparison with the overall start-up costs, which arise from the development of a sustainable business plan, the



acquisition of funding and the establishment of a customer base. They amount to an average of €95.15, or about two hours, per start-up, which corresponds to annual aggregate costs of €32.96 million for all start-ups. Because of the assumptions underlying the model calculation, however, this figure may be regarded as a minimum amount. It does not take account, for example, of applications for support funds or of fees. Nevertheless, since compliance costs are incurred by more than 300,000 business founders a year, there is scope for simplifications.

The study highlights areas where specific action can be taken to ease the burden on business founders. For example, the surveyed founders expressed the wish for more transparency regarding the available range of information as well as better access to support services. It is also possible to cut compliance costs significantly by concentrating administrative processes relating to business start-ups in a single contact point; in particular, this could reduce travelling and waiting times. Moreover, digital communication with and between public authorities can further simplify and accelerate the start-up process.



The results of the project provide important indicators concerning measures in the 2014 Programme of Work for Better Regulation (introduction of the Ordinance on Applications for Business Licences, realignment of points of single contact in accordance with the EU Services Directive) and can be accessed at www.bmwi.de/DE/Mediathek/publikationen,did=655844.html.



Electronic support system for the preparation of draft regulatory instruments

When drafting regulatory instruments, government ministries should receive comprehensive support that will enable them to ensure a uniform and continuous electronic workflow from the initial drafting through the deliberation and voting processes to their ultimate promulgation. The established eNorm software is intended to be a key module in this electronic system.

In 2014, work was begun on a comprehensive upgrade of eNorm. The purpose of this upgrade is to provide practitioners with a greatly improved version in terms of functionality and operability which dovetails with the electronic support system that is to be developed for the legislative process. The continuing development of eNorm is being pursued in close coordination with the Bundestag.

In addition, a central eNorm user-support service was successfully tested in 2014. A further test phase of several years' duration for this central service is now set to follow.

Symposium on comprehensible legal provisions

In the Federal Ministry of Justice and Consumer Protection, a symposium – the Second European Symposium on Improvement in the Understanding of Legal Provisions: Teaching and Practice – was held on 10 and 11 November 2014. This symposium, focusing primarily on legal language as a subject of training and factors influencing the linguistic quality of EU legislative acts, is one of the measures for improving legislative processes envisaged by the Federal Government in the 2014 Programme of Work for Better Regulation.

Under the first of the two main headings the participants discussed the role of the comprehensibility of legal language in the training of legal specialists. Contributors showed what public authorities could do to present legislation so that people would understand it. On the first day, the guest speakers on this subject presented interesting practices from their countries or universities.

The core topic on the second day was the role of comprehensibility in the legislative process of the European Union. The main focal point was the work of the European Commission on legislative proposals. Guest speakers on this topic from the Commission reported on the ways in which their respective units were able to influence the comprehensibility of EU legislative acts and on the limits of that influence.

The symposium was attended by a total of 90 representatives of the EU institutions, EU Member States, Switzerland, the German Government, the *Länder* and the academic world (legal experts and linguists).

More details are available (in German) at <http://www.bmjv.de/DE/Ministerium/Abteilungen/Oeffentliches-Recht/RechtspruefungSprachberatung/Allgemeines-Verwaltungsrecht/EUSymposium/node.html>



C Evaluation procedure

The systematic evaluation of all major regulatory instruments is one of the measures for the implementation of the 2014 Programme of Work for Better Regulation under the heading of improving legislative processes. It is an important means of improving regulation in Germany.

In March 2013 the Federal Government introduced a procedure for the systematic evaluation of regulatory proposals. Under this procedure, government ministries are to review major regulatory instruments once they have been in force for a reasonable length of time, chiefly with a view to establishing whether the objectives of the regulation have been achieved. It takes this review to complete the cycle of political action. Valuable indicators for future legislation can be derived from the findings of such reviews.

Since the evaluation is also designed to identify scope for improvements and ways of achieving them, it is important that the assumptions underlying the original regulatory proposal are carefully compared with the actual impact of the instrument.



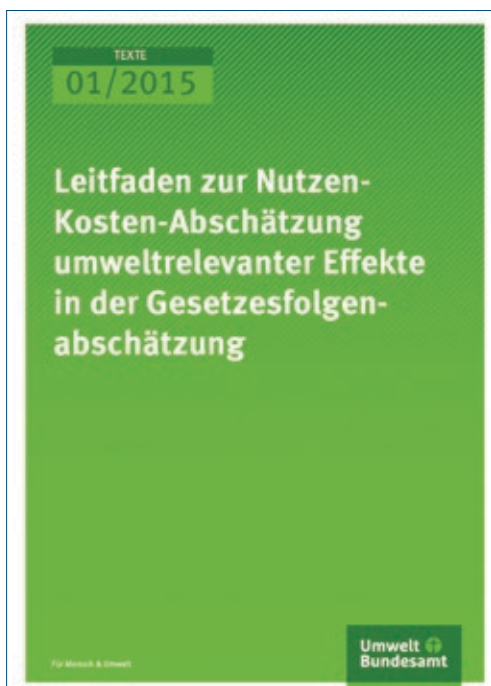
The systematic evaluation procedure, which has been introduced for federal legislation, was tested in a pilot phase that concluded at the end of 2014 and involved seven pilot projects conducted by various ministries. In February 2015, these ministries held an initial meeting to share their experiences of the evaluation process. It emerged from these exchanges that the approach had proved very workable. It is too early, however, to make a final assessment on the basis of the experience gathered during the pilot phase.

D Portrayal and assessment of benefit

Another objective of the 2014 Programme of Work for Better Regulation is to improve the quantification and portrayal of benefit, particularly in the spheres of environmental and building legislation. While the compliance costs generated by a new regulatory instrument for the parties it affects can be ascertained by means of the Standard Cost Model, it is considerably more difficult to portray and assess its benefits. This is especially evident with regard to the impact of environmental measures in terms of energy cost savings, reduction of environmental damage or of environment-related diseases, etc. These effects are often an indirect or delayed reaction. Many of them, moreover, cannot be priced in monetary terms. Estimates of the overall social benefit of environmental protection can be useful when it comes to providing a balanced portrayal of the impact of legislation.



Following intensive research into the estimation of environmental costs in recent years, activities for the assessment and calculation of benefit have been taking place in the sphere of competence of the Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety. Since 2012 the Federal Environment Agency has been having a manual and a working guide produced on the assessment and, where possible, costing of the environmental and economic impact of legislation. The latter is designed to enable desk officers, when assessing the impact of legislation, to express concisely the environmental effects of planned regulatory instruments in financial terms or in terms of other economic indicators. The working guide focuses on the types of impact that can be validly assessed with a foreseeable input of time and effort. These include emissions of air pollutants, greenhouse gases and noise. Accordingly, it is not intended as a guide to cost-benefit analysis, but is meant to support the political process by supplementing the analysis and assessment of economic impact. That is why it also focuses on the macroeconomic implications of environmental provisions – implications such as wealth creation and revenue from welfare contributions, taxes on products, etc. The working guide is therefore particularly suitable for specific policy measures with an easily estimable impact, such as those in the realms of energy (e.g. efficiency measures reducing electricity costs), transport, climate, air pollutants and noise. Since the start of 2015, the Federal Environment Agency has had the working guide reviewed and updated, which was likewise carried out in the framework of a research project. In order to make the guide more user-friendly, potential users are being involved in these reviews.

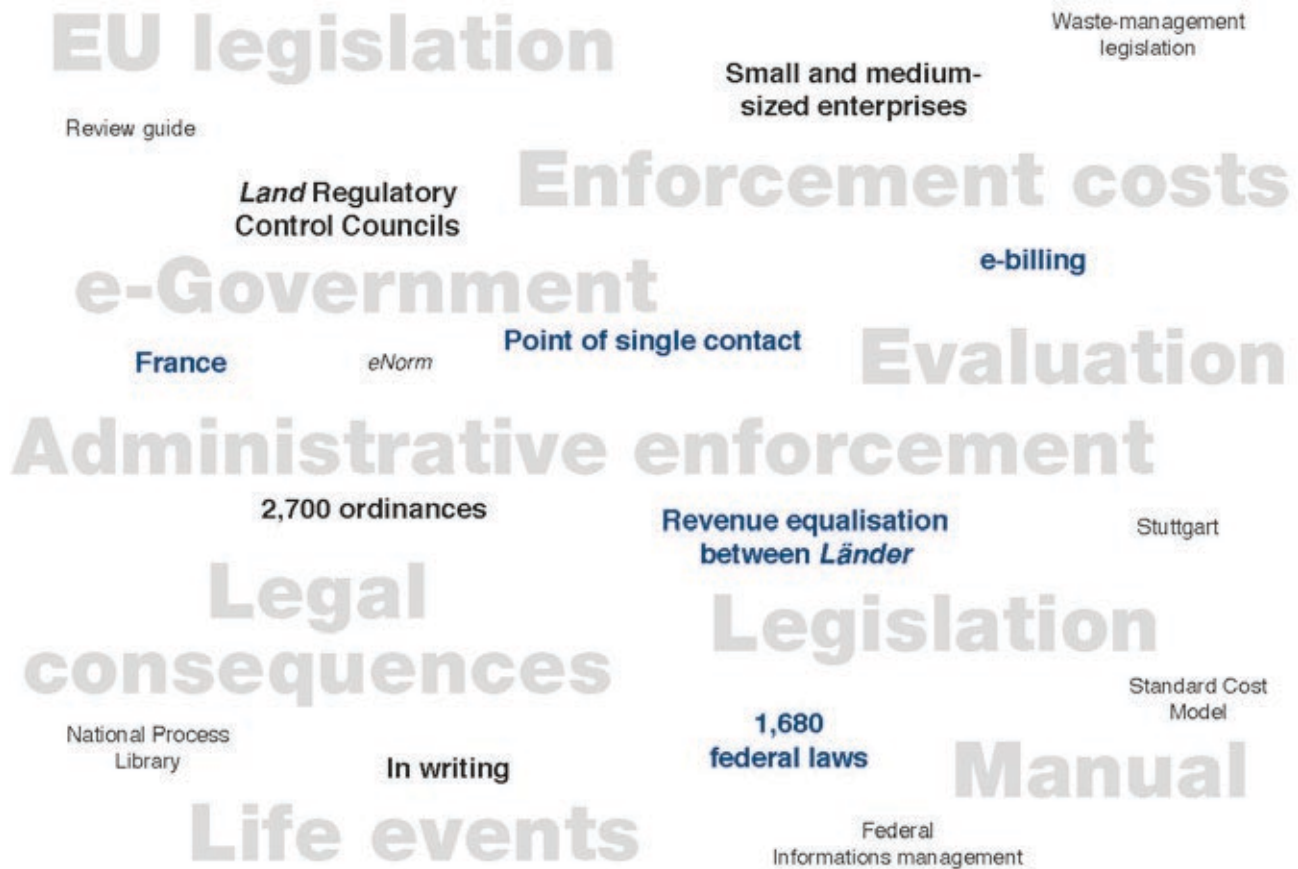


The working guide has been available since January 2015 on the Federal Environment Agency website at <http://www.umweltbundesamt.de/publikationen/leitfadenzurnutzen-kostenabschaetzung>



E Cooperation with *Länder* and local authorities

The working party of the federal and *Länder* governments and local authorities that has existed since 2007 met three times in 2014. The main topics of discussion were practical cooperation between the federal, *Länder* and local authorities in the preparation of federal legislation and sharing of experience among the *Länder*. In preparing the 2014 Programme of Work for Better Regulation, the working party also discussed the parts of the planned programme that would directly affect the *Länder* and local authorities. Federal ministries also presented many of their simplification projects and invited the *Länder* and local authorities to participate in them.





The Federal Government welcomes the establishment of an independent Regulatory Control Council in the Free State of Saxony. At the beginning of 2014, the President of the Parliament (*Landtag*) of North Rhine-Westphalia, together with the German Legislation Society (*Deutsche Gesellschaft für Gesetzgebung*), had hosted a conference on the same subject. In general terms, however, it may be said that the priority attached to better regulation and its implementation varies between *Länder*. In the view of the Federal Government, the agreed procedures for cooperation in the preparation of legislative bills have generally stood the test. Nevertheless, talks involving the Federal Government, heads of State and Senate Chancelleries and the National Regulatory Control Council were launched with a view to identifying ways of enhancing the quality of transmitted data.

F International cooperation

F.1 European Union

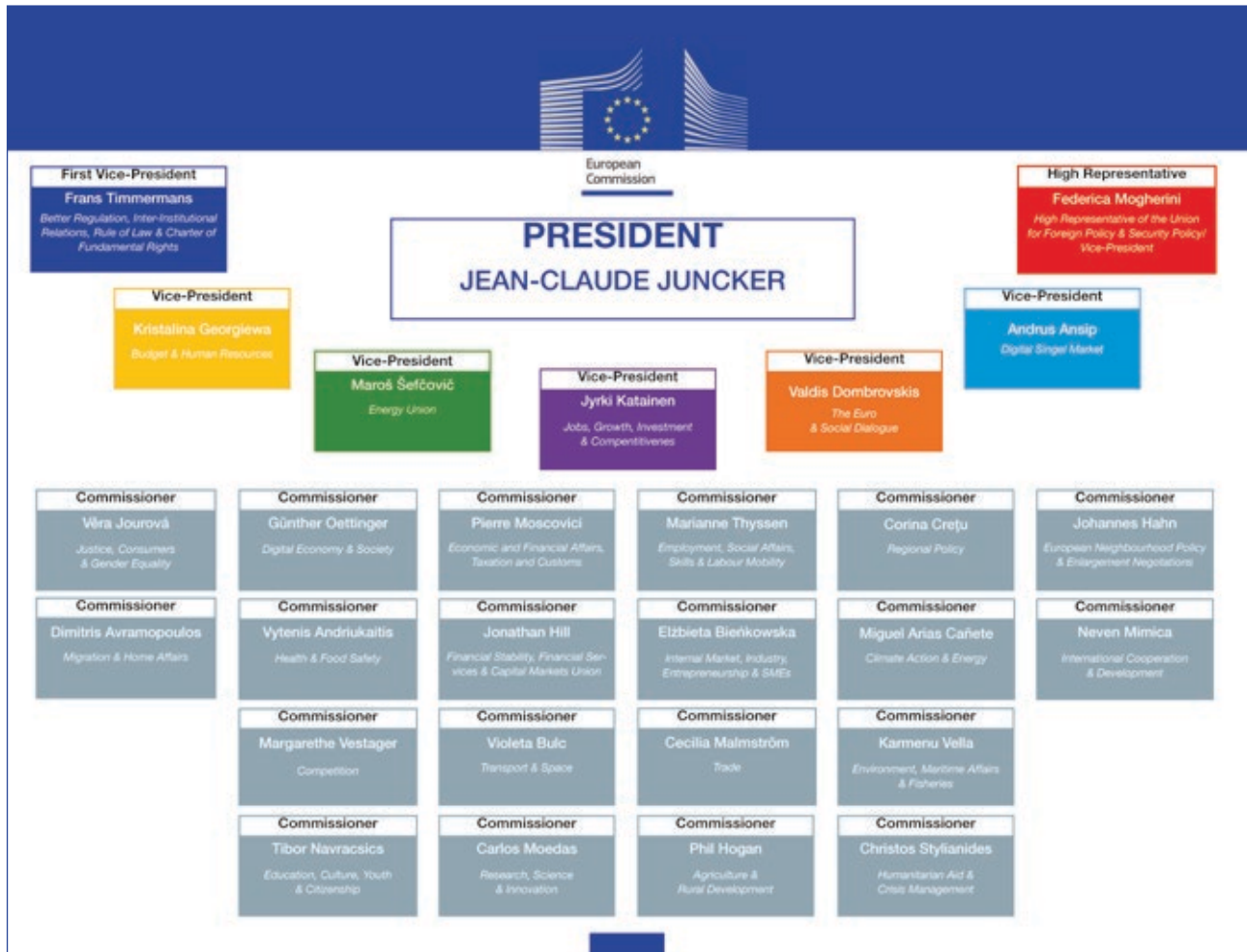
Better regulation and bureaucracy reduction

Major changes have taken place in the European institutions in the course of the past year. In May 2014 the European Parliament was elected for a new legislative term, with 96 Members from Germany. On 1 November 2014, the new European Commission, headed by Jean-Claude Juncker, took office. Its structure, with seven vice-presidents, is designed to ensure that its work is focused on the major issues, as envisaged in President Juncker's Political Guidelines, and that it will play a more modest role in minor matters.

The new Commission announced that better regulation and bureaucracy reduction would be one of its main priorities, which the Federal Government emphatically welcomes. Responsibility for this task has been assigned to First Vice-President Frans Timmermans; this is the first time in the history of the EU that this remit has been given to such a senior Commissioner. It is his duty to ensure that EU legislative proposals are consistent with the principles of subsidiarity and proportionality. In addition, more red tape is to be removed in cooperation with the other EU institutions and Member States. The Commission also announced the intention to continue developing its blueprint for better regulation in 2015 and to lend it fresh impetus. To this end, Vice-President Timmermans is to take stock of the present situation and present his findings and proposals in a report.

The Commission has already identified the following initial measures, which it adopted in a decision of 18 December 2014:

- The present Impact Assessment Board is to be transformed into a Regulatory Scrutiny Board; it will have two external members in future, and its members will work exclusively for the Board.
- Dr Edmund Stoiber was appointed by President Juncker as Special Adviser on Better Regulation. In particular, he will highlight ways in which small and medium-sized enterprises can be further relieved of bureaucratic red tape.



The Federal Government regards these institutional measures as an important step forward. It emphatically advocates truly independent reviews of impact assessments in the EU framework, like those conducted in Germany by the National Regulatory Control Council. The key factors now are who serves on the Board, what its remit is and how much scope it has to influence both new and existing legislation.

The Federal Government also welcomes the appointment of Dr Edmund Stoiber as Special Adviser on Better Regulation. The High-Level Group on Administrative Burdens, commonly known as the 'Stoiber Group', which he chaired from 2007 to 2014, made a vital contribution to the success of the Barroso Commission's Action Programme for reducing administrative burdens. The Group's final report was presented to the former Commission President, José Manuel Barroso, on 14 October 2014. It reviews the work of the Group and makes twelve recommendations for the future of administrative burden reduction in Europe, which are largely supported by the Federal Government.

Concentration on essentials – the Strategic Agenda

Another of the Federal Government’s objectives is that the European Union should focus more sharply in future on key strategic issues and achieve tangible benefits in those areas for Europe and its citizens. To this end, at the meeting of the European Council in June 2014, the 28 EU Heads of State or Government adopted a Strategic Agenda, which sets clear political priorities for the next five years. These are also reflected in the political priorities of the new President of the Commission, Jean-Claude Juncker. The next task is to put this agreement on sharper prioritisation into practice. The European Council invited the EU institutions and the Member States to fully implement the priorities of the Strategic Agenda in their work. Accordingly, a more intensive dialogue should be conducted in future on the initiatives planned by the Commission. One of the implications of such a development is the need to involve the Council more fully in the preparation of the Commission’s annual work programme. The European Council will ensure that the implementation of the Strategic Agenda is regularly reviewed.

Reinforcing the REFIT programme

In December 2012, the Commission, which was then under the presidency of José Manuel Barroso, adopted the Regulatory Fitness and Performance Programme (REFIT). Its aim is to achieve simpler EU legislation generating lower costs for its addressees, particularly by means of:

- proposals designed to simplify legislation and cut red tape;
- reviews of existing legislation to assess its efficiency and effectiveness, comprising evaluations and overarching ‘aptitude tests’;
- repealing of existing provisions that are no longer needed;
- withdrawal of proposals that are making no headway in the legislative process.

This programme is continuously updated. In its work programme for 2015, for instance, the Commission announced a total of 79 REFIT actions. The Federal Government supports the continuation of this programme. It must, however, be implemented in a more ambitious manner, and its results must be presented more transparently. For the same reason, back in December 2014, the Competitiveness Council urged the Commission in particular to set itself specific reduction targets for compliance costs in areas in which bureaucracy costs are especially high, particularly for SMEs. In the view of the Federal Government, reduction targets must be a key element in the Commission’s continuing efforts to cut red tape. At the same time, due consideration must always be given to adequate protection of consumers, health, the environment and employees.

Early intervention in the EU framework to prevent unnecessary costs

European laws are the fruit of a process involving the European Parliament and the Council of the EU, the European institution in which the 28 national governments of the Member States, and hence the German Government too, are represented.










Who does what? Law-making in Germany and the EU

		
Right of initiative Legislative proposals	Bundestag, Bundesrat, Federal Government	European Commission (Right of initiative*)
Legislature	Bundestag, Bundesrat	Council of the EU, including  European Parliament
Executive	Federal Government Administration	European Commission Institutions

* The right of initiative rests with the European Commission, which is responsible for most legislative proposals.

It is therefore important, even at the drafting stage, to endeavour systematically and in good time to ensure that EU instruments generate no more costs than are absolutely essential. To achieve this, the Federal Government will consolidate and streamline the existing procedure once the current evaluation has been completed but no later than 1 January 2016. In future, selected suitable legislative proposals from the Commission will be subjected to quantified examination to identify the likely compliance costs for Germany. This is prescribed in a paper entitled *Eckpunkte zur weiteren Entlastung der mittelständischen Wirtschaft* ('Keys to further reduction of burdens on small and medium-sized businesses'). The paper is based in turn on the Federal Government's 2014 Programme of Work for Better Regulation.

European Union – useful links, sources and information:

Political Guidelines of the European Commission	http://ec.europa.eu/priorities/docs/pg_en.pdf	
The Commissioners – the European Commission’s political leadership	http://ec.europa.eu/commission/2014-2019_en	
2015 Work Programme of the Commission	http://ec.europa.eu/priorities/work-programme/index_en.htm	
Communication of 26 November 2014 from the Commission on an investment plan for Europe	http://ec.europa.eu/priorities/jobs-growth-investment/plan/index_en.htm Page 14: “The Commission has made better regulation one of the main priorities of this mandate.”	
REFIT (European Commission’s Regulatory Fitness and Performance programme)	http://ec.europa.eu/smart-regulation/refit/index_en.htm	
Conclusions of the Competitiveness Council meeting of 4 December 2014	http://italia2014.eu/media/3884/council-conclusions-on-smart-regulation.pdf	
German Members of the European Parliament	http://www.europarl.europa.eu/meps/en/search.html	
National sources: 2014 Programme of Work for Better Regulation	http://www.bundesregierung.de/Content/DE/Artikel/Buerokratieabbau/2014/04-06/2014-06-04-arbeitsprogramm-bessere-rechtsetzung.html?nn=392426%20 (in German)	
Keys to further reduction of bureaucratic burdens on small and medium-sized businesses	http://www.bundesregierung.de/Content/DE/Artikel/2014/12/2014-12-11-buerokratieabbau.html?nn=392426 (in German)	



F.2 OECD

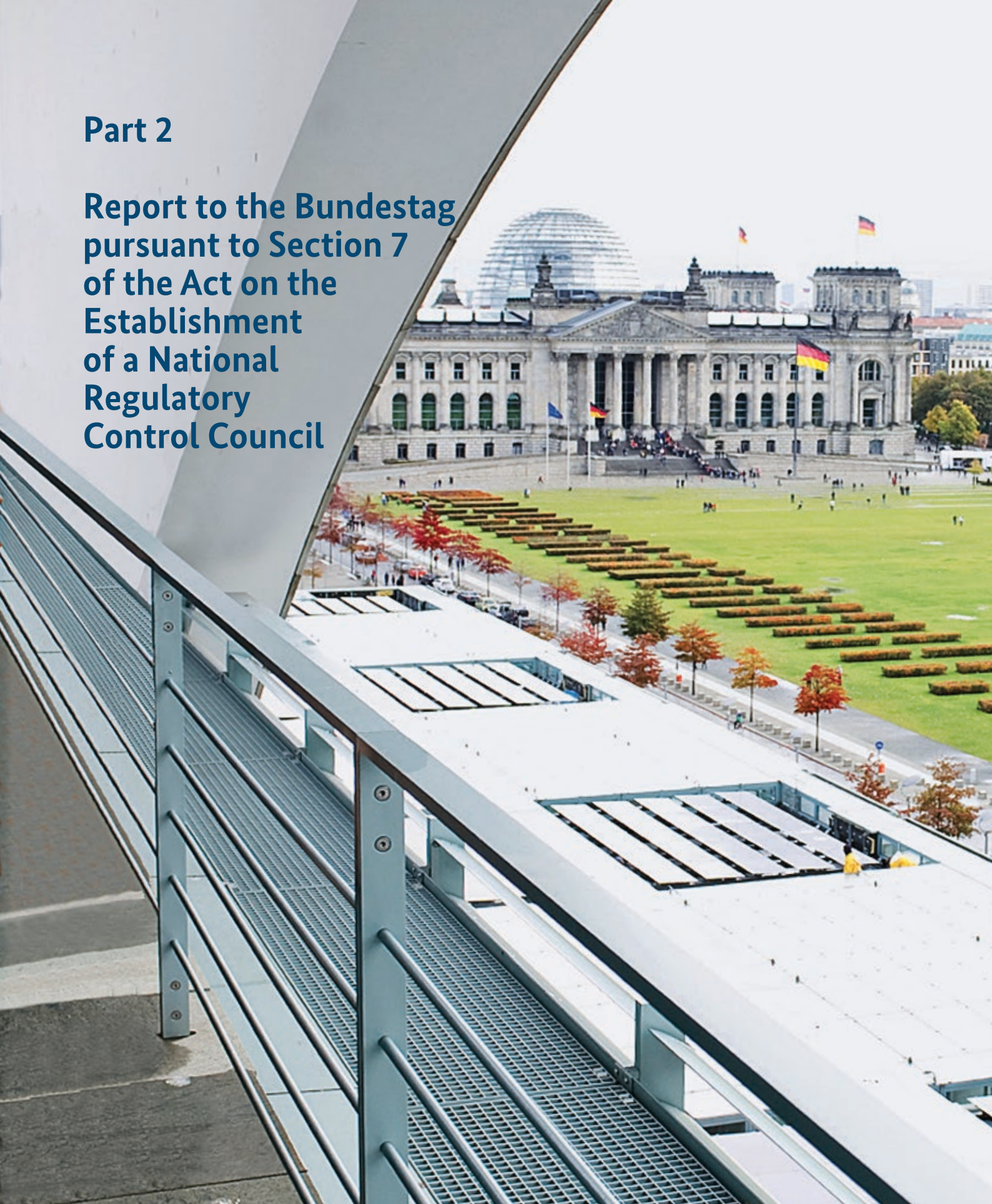
In 2014, as in previous years, the Federal Government played an active part in the work of the OECD Regulatory Policy Committee. Once again, the main focal point was the harmonisation of instruments and procedures that serve to ensure better regulation. The OECD and its member countries also collected extensive data and case studies as a basis for comparison between OECD countries. The aims of these efforts are to promote exchanges of information and international standardisation. Among the publications on better regulation were a guide to the measurement of compliance costs and a guidance framework for the assessment of regulatory policies. Of the ten instruments currently recommended by the OECD, eight are already in use in Germany to assess the quality of the Federal Government's regulation policy and develop it further.

Other OECD publications in 2014 dealt with matters such as the use of findings from the field of behavioural science for the purposes of regulation, effective administrative enforcement and inspections, the establishment and governance of regulatory agencies, international cooperation in

the field of regulatory policy and regional regulation and administrative enforcement. In addition, the OECD working parties expressly invite various players in the field of state regulation, such as the *Länder* and local authorities, the Federal Network Agency for Electricity, Gas, Telecommunications, Post and Railways and the Federal Financial Supervisory Authority, to come and share experience internationally. The Federal Government, in the continuing development of its government programme on bureaucracy reduction and better regulation, has been guided by the recommendations of the OECD Council on Regulatory Policy and Governance dating from 2012 and by current examples and experiences of other OECD countries.

Part 2

Report to the Bundestag pursuant to Section 7 of the Act on the Establishment of a National Regulatory Control Council



G Identification and presentation of compliance costs

G.1 General

Under section 7 of the Act on the Establishment of a National Regulatory Control Council, the Federal Government presents the Bundestag annually with a progress report on bureaucracy reduction and better regulation. One of the main elements of this communication is the presentation of:

- experience gained with the method applied to estimate compliance costs, and
- the development of compliance costs in the individual federal ministries.

The basis of this report is the presentation of compliance costs in the explanatory memoranda accompanying draft regulatory instruments. The federal ministries establish the compliance costs by applying the procedure introduced in 2011 for the identification and presentation of compliance costs in the Federal Government's regulation proposals.

The aim is to provide decision-makers with maximum transparency and a realistic portrayal of the expected impact of a regulatory instrument on citizens, businesses and the administration. Special attention is focused on bureaucracy cost trends for businesses.

Details of the methodology for identifying compliance costs are set out in section G.2 below, while section G.3 describes the development of those costs. Changes in the bureaucracy cost index are explained in subsection G.3.3.

The development of compliance costs in the areas of responsibility of the individual ministries is shown in the tables attached in Annexes 1 to 3.

G.2 Experience of the identification method

By the end of the 2014 reporting year, more than three years of experience had been amassed in the identification of compliance costs, using the methodology laid down in the *Guidelines on the Identification and Presentation of Compliance Costs in Legislative Proposals of the Federal Government*.

Compliance costs are shown separately for three groups of addressees of regulatory instruments, namely citizens, businesses and the administration. In the case of businesses, bureaucracy costs arising from information obligations are presented as a separate element of compliance costs. The methodology also distinguishes between recurring and one-off costs. In this way compliance costs are broken down into nine categories, which cannot be set off against each other on account of their diversity (Figure 1). This method is now firmly established.

Figure 1: Categories of compliance costs

Regular compliance costs (annual)		
... for citizens <ul style="list-style-type: none"> • time input in hours • expenditure in euros 	... for businesses <ul style="list-style-type: none"> • expenditure in euros <hr style="border-top: 1px dashed black;"/> Information obligations <ul style="list-style-type: none"> • expenditure in euros 	... for the administration <ul style="list-style-type: none"> • expenditure in euros
One-off compliance costs (adjustment costs)		
... for citizens <ul style="list-style-type: none"> • time input in hours • expenditure in euros 	... for businesses <ul style="list-style-type: none"> • expenditure in euros 	... for the administration <ul style="list-style-type: none"> • expenditure in euros

The first sentence of section 8 of the Act on the Establishment of a National Regulatory Control Council stipulates that the Federal Statistical Office is to support the Federal Government, the Bundestag and the Bundesrat in the tasks deriving from the Act. In particular, these tasks include assisting government ministries in identifying the compliance costs that are expected to arise from proposed regulatory instruments. Moreover, under the second sentence of section 8, the Federal Statistical Office is responsible for maintaining a publicly consultable database, which is needed for the reporting and performance monitoring within the meaning of the Act.

Assisting government ministries in identifying likely compliance costs

The Federal Statistical Office offers government ministries a wide spectrum of support services to assist them in administering the ex ante procedure introduced on 1 September 2011 for the identification of compliance costs. These range from providing information from databases to checking the ministry's estimates and even to assuming full responsibility for identifying compliance costs. Building up and maintaining databases required for reporting and performance monitoring within the meaning of section 8 of the Act on the Establishment of the Regulatory Control Council is thus another major task of the Federal Statistical Office. The data from the ministries are registered in the WebSKM online database of the Federal Statistical Office. This database is available to interested members of the public. On a quarterly basis, the Federal Statistical Offices uses the stored data to take stock of changes in compliance costs for all addressees and in bureaucracy costs for businesses in the spheres of responsibility of the individual federal ministries.

The federal ministries continue to make extensive use of the range of support services offered by the Federal Statistical Office. The Office, for example, has so far been involved in some 170 assessments of compliance costs, 50 of them within the current legislative term. In about a third of these cases, the Federal Statistical Office has undertaken the full assessment of the expected impact of a proposed instrument on compliance costs. Besides simple requests that could be processed quickly, the statisticians in Wiesbaden and Bonn have also had to undertake complex estimations which lasted several weeks. More and more frequently, the Federal Statistical Office is brought into the process of estimating compliance costs at an early stage. This was the case, for instance, when the bill was drafted to implement the European Directive on credit agreements for consumers relating to residential immovable property (Mortgage Credit Directive).

Reassessment of compliance costs by the Federal Statistical Office

About two years after a regulatory instrument enters into force, the Federal Statistical Office assesses the compliance costs that have actually been generated by that instrument. Until 2013, this review covered only bureaucracy costs incurred by businesses. Since 2014, the Federal Statistical Office has been reassessing the full compliance costs for all addressees.

Past experience of ex ante estimates has shown how difficult it is to arrive at reliable figures when estimating the compliance costs arising from a new instrument, particularly for the administration. Especially in the case of new instruments, there are often no historical data on which an estimate can be based, whereas such data do exist for businesses. It is precisely in this situation that reassessment is expected to furnish precedents in the realm of administrative enforcement that can be useful for future ex ante estimates.

Reassessment of compliance costs required extensive preliminary work on the part of the Federal Statistical Office, from producing appropriate questionnaire forms to programming the data-processing system and then compiling the report. This work was completed by the end of 2014, which meant that the first findings could then be communicated to the federal ministries. An initial appraisal of these reassessments can be made in the next annual report.

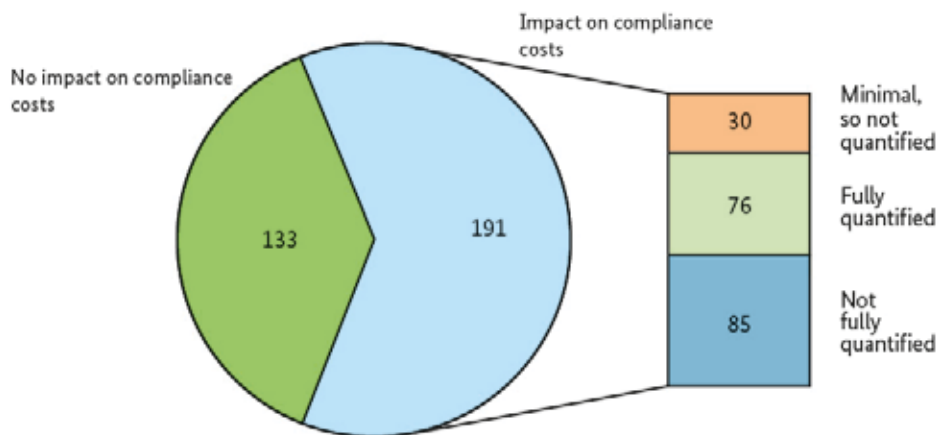
G.3 Development of compliance costs

G.3.1 Interministerial development

Comprehensive ministerial data were received for 76 regulatory proposals with an impact on compliance costs, indicating how the proposals would affect compliance costs. For 85 proposals the compliance costs could not be ascertained or else it was decided not to undertake a detailed quantification in view of the likely impact. In the cases of 30 other regulatory proposals, after an initial rough estimate the likely impact on compliance costs was considered to be minimal, and it was decided not to undertake a specific quantification in order to avoid a disproportionate input of time and effort. The reasons for this are documented in the explanatory memoranda accompanying each of the relevant legislative bills (Figure 2).

Figure 2:

Number of regulatory proposals adopted in 2014 with an impact on compliance costs

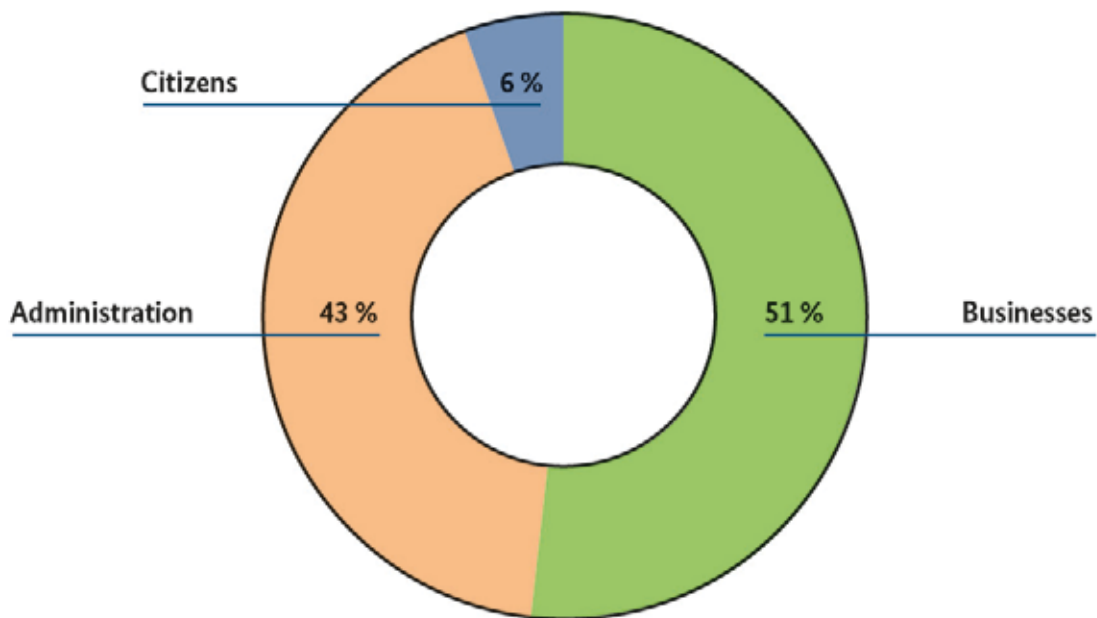


Source: Monitoring of compliance costs, 1 Jan. to 31 Dec. 2014, Federal Statistical Office

Most of the requirements – about 51% – are addressed to businesses, 43% to the administration and only 6% to citizens. This breakdown is essentially the same as in 2013. There has, however, been a shift within the business category, in that the percentage of information obligations for businesses fell by almost a quarter in relation to other requirements. Information obligations are nevertheless the dominant type of requirement imposed on the business world, accounting for some 57% of all requirements for businesses, but they have a minor impact on costs compared with other requirements.

Figure 3:

Percentages of requirements imposed on each group of addressees



G.3.2 Compliance-cost trends for each group of addressees

Compliance costs for businesses

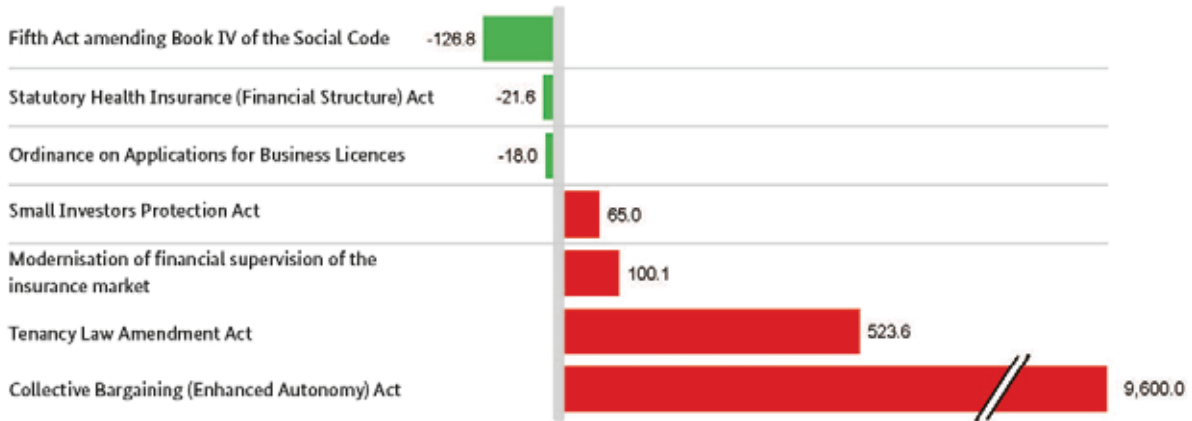
Regular compliance costs for businesses in 2014 showed a net increase of about €10,3 billion per annum. This net figure results from increases in regular compliance costs totalling €10,5 billion a year less decreases of some €200 million. A total of 47 regulatory proposals generated a net increase in compliance costs, while 25 proposals involved a net reduction of compliance costs. The previous year had seen a rise of about €1,6 billion per annum in regular compliance costs for businesses (see Annex 4).

The changes in the regular compliance costs for businesses are essentially attributable to the following regulatory proposals made in 2014:

Figure 4:

Compliance costs for businesses

Changes in regular annual compliance costs in millions of euros

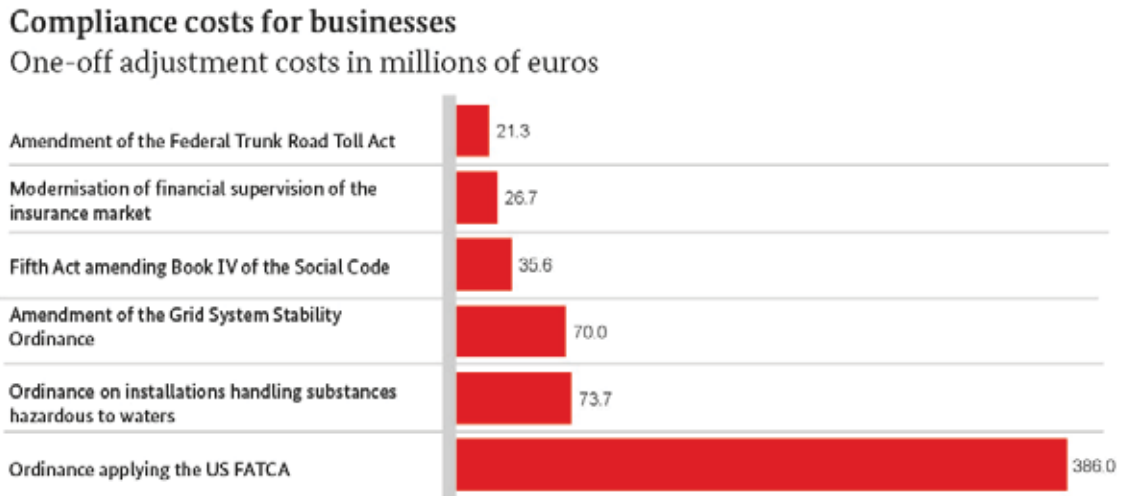


The Collective Bargaining (Enhanced Autonomy) Act (*Gesetz zur Stärkung der Tarifautonomie*) provides for the introduction of a statutory minimum wage of €8.50 an hour from 2015. According to the model calculations of the Federal Ministry of Labour and Social Affairs, the introduction of the minimum wage will increase the wages of 3.7 million employees. If social-security contributions are included, the Act will entail an estimated increase of 9,600 billion euros in business labour costs. This burden on businesses, however, has turned out to be lower than was originally assessed, since individual industries are making use of the right to set, through collective bargaining, an industry-wide minimum wage of less than €8.50 an hour.

In the case of the Tenancy Law Amendment Act, the Federal Ministry of Justice and Consumer Protection has identified annual costs of €523.6 million for landlords, because in future landlords themselves will either remunerate any estate agents whose services they use or seek their own tenants and because there will be a cap on rent increases in overstretched housing markets.

A third of the regulatory proposals that affect businesses will generate one-off adjustment costs amounting to €691 million. This represents a far lower one-off burden on business than in previous years (see Annex 5). The bulk of this amount is due to the adjustment costs arising from the Ordinance applying the US Foreign Accounts Tax Compliance Act (FACTA). The Ordinance requires German financial institutions to transmit financial data relating to persons who are taxable in the United States. The implementation of the requisite procedures will cost German financial institutions about €386 million in the period up to 2017 (Figure 5).

Figure 5:

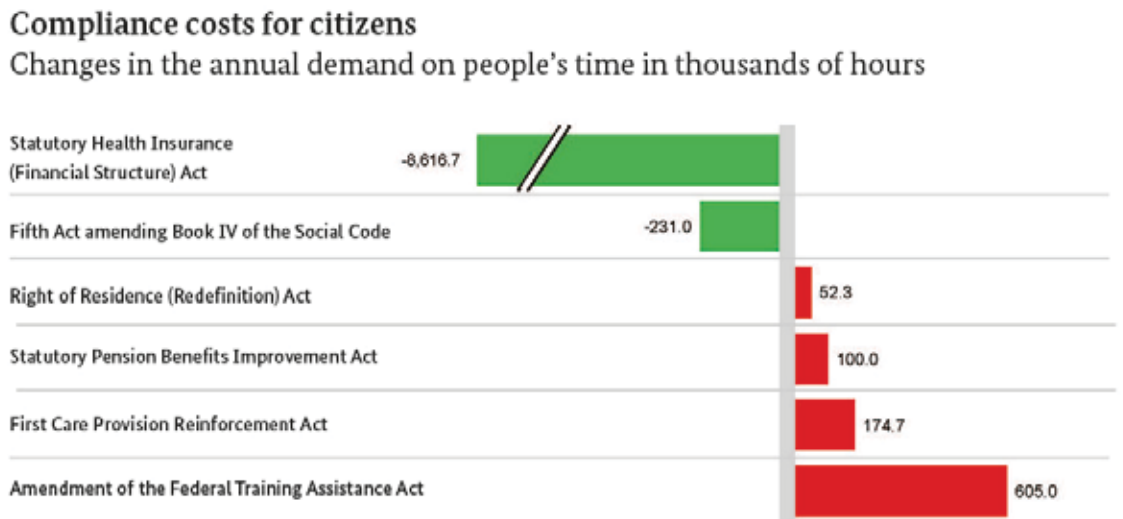


Compliance costs for citizens

A total of 28 regulatory proposals introduced in 2014 alter the regular compliance costs imposed on citizens. Their net impact is a total time saving of some 7.9 million hours and a net annual reduction of about €887 million in compliance costs. In this way the Federal Government has been able to continue systematically easing burdens on people in Germany and has once again registered greater successes in this quest than in the preceding years (see Annexes 6 and 7).

The changes in the demand on people’s time are largely attributable to the following regulatory proposals:

Figure 6:



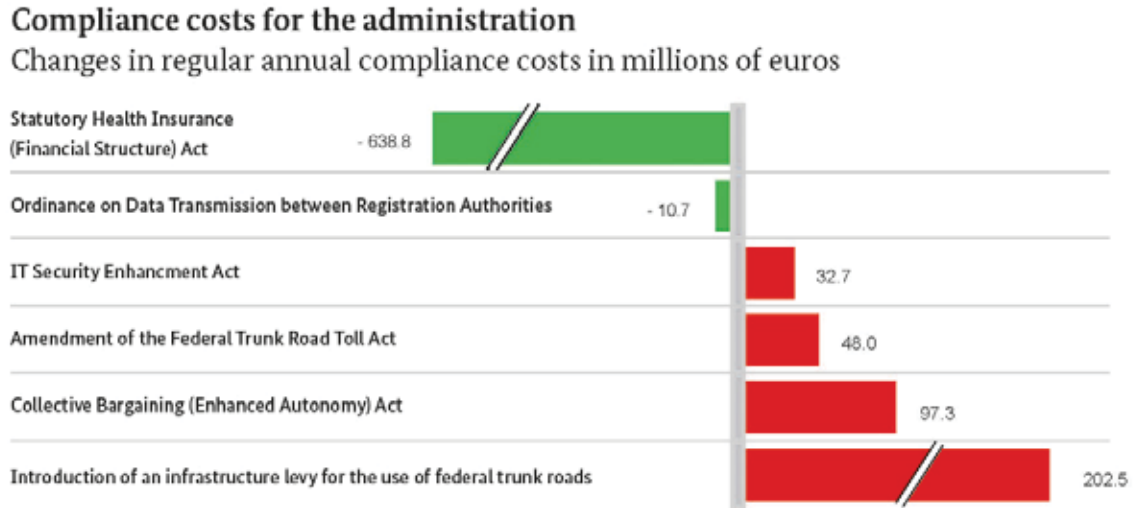
Compliance costs for citizens arising from the amendment of the Federal Training Assistance Act are almost exclusively ascribable to the time taken to complete applications for the predicted additional 110,000 or so grants that will be available under the amended Act following the significant extension of the eligibility criteria.

The greatest reduction of burdens was achieved through the Act Developing the Financial Structure of the Statutory Health Insurance Scheme and its Quality. The regulatory proposal abolishes the non-income-related supplementary contribution to the statutory health insurance scheme and the associated social compensation mechanism. Since 1 January 2015, health funds have been able to levy income-related supplementary contributions. These supplementary contributions will henceforth be collected directly from employers, which means that the onus will no longer be on employees. Under the previous rules, employees had to pay their own supplementary contributions to the health fund by direct debit and had to provide the fund with evidence of their total income. That cost each insured person about 11 minutes' processing time and 60 euro cents in postage. Since the funds have 47 million members, the annual demand on people's time amounted to 8.6 million hours, and a total of 28 million euros was spent on postage.

The main monetary relief for citizens from the aforementioned changes resulted from the Tenancy Law Amendment Act. According to figures from the Federal Ministry of Justice and Consumer Protection, the Act will cut tenants' annual aggregate expenditure by about 857.7 million euros. It is estimated that the cap on rent increases will reduce annual rent bills by a total of 284.1 million euros. The remaining savings of about 573.5 million euros will result from the fact that tenants no longer have to pay the brokerage fees of estate agents engaged by the landlord.

A total of 77 regulatory proposals impact on the regular compliance costs for the administration. Sixteen of them entail a reduction in these costs, while 61 generate increased costs. The total compliance costs borne by the administration have been reduced by an annual amount of €199 million. In contrast to the two previous years, the burden on the administration was thus eased in 2014 (see Annex 8). The main regulatory proposals impacting on regular compliance costs for the administration are shown in Figure 7 below.

Figure 7:

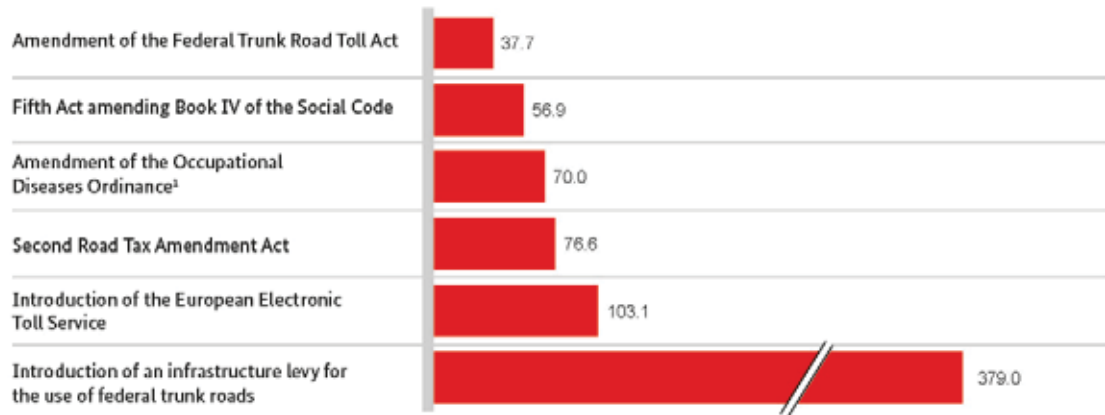


The Statutory Health Insurance (Financial Structure) Act reduces compliance costs for the administration. When collecting supplementary contributions, health funds no longer need to seek income figures from their members and can thus dispense with time-consuming calculations and communications. New compliance costs for administrative bodies are generated by the introduction of an infrastructure levy for the use of federal trunk roads. The cost of overseeing this ‘road toll for cars’ amounts to some €200 million a year. This compares with annual revenue of about €700 million.

A total of 53 regulatory proposals in 2014 generate adjustment costs totalling €809 million for the administration. These one-off compliance costs are higher than those incurred in 2013 (see Annex 9). Some of these adjustment costs are due to the radical switch from a tax-funded road system to a user-funded system through the introduction of the infrastructure levy. An amount of approximately €379 million is needed, for example, to set up the systems with which the car toll can be collected, and tax notices showing the reassessed rate of road tax will cost about €77 million. The change in adjustment costs results mainly from the regulatory proposals shown in Figure 8 below.

Figure 8:

Compliance costs for the administration One-off adjustment costs in millions of euros



¹ The adjustment costs of €70 million incurred by the administration as a result of the Third Ordinance amending the Occupational Diseases Ordinance are spread over a period of five years.

G.3.3 Development of the bureaucracy cost index

The Federal Government has set itself the aim of sustaining the progress made in reducing bureaucracy costs for businesses. To this end, on 28 March 2012, in the context of the Programme of Work for Better Regulation, the Federal Government decided to use a bureaucracy cost index to portray changes in the bureaucracy costs imposed on businesses. It is an indicator of changes in the bureaucracy costs incurred by companies in Germany.

The baseline is the total amount of bureaucracy costs borne by businesses as of 1 January 2012, to which the bureaucracy cost index 100 is assigned. Federal Government decisions that impact on the total bureaucracy costs borne by business influence the value of the index. The latest value of the index is published on a quarterly basis on the Federal Statistical Office website at www.destatis.de.

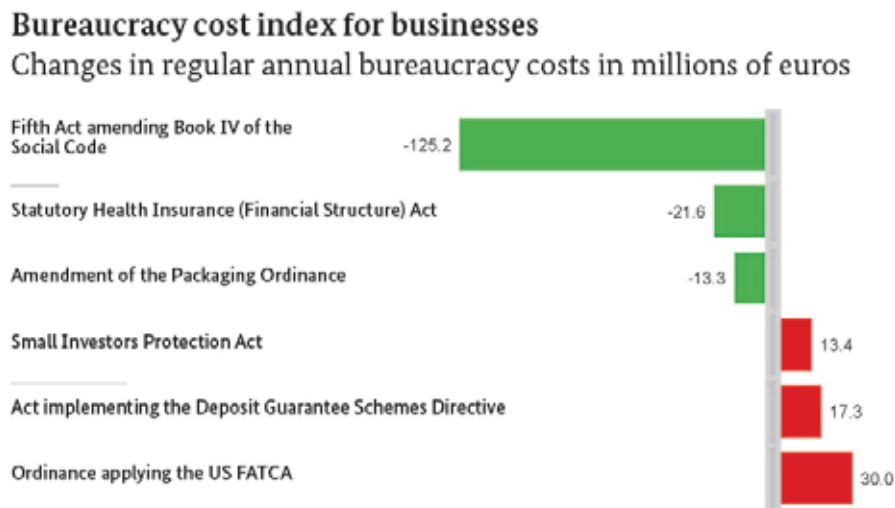
Figure 9:



In the 2014 reporting year the bureaucracy cost index fell by 0.18 of a percentage point to 100.13 (Figure 9). The index thus reflects a reduction in the burden of red tape on businesses in the course of 2014, a reduction that largely offset necessary increases dating from the preceding two years.

The following regulatory proposals were primarily responsible for the change in the bureaucracy cost index in 2014:

Figure 10:



H Outlook

On 11 December 2014, the Federal Government adopted a set of keys to further reduction of bureaucratic burdens on small and medium-sized enterprises. These keys comprise 21 measures in areas such as taxation and accountancy law, facilitating start-ups, assisting young business founders and reducing statistical and information obligations. Where the implementation of measures requires legislative amendments, those measures are consolidated into a composite amending act. Where measures have budgetary implications, they are funded from existing allocations to departmental budgets. The composite amendment bill will be introduced in the Bundestag in the first quarter of 2015 and should be adopted before the summer recess in 2015. With these keys, which build on the existing 2014 Programme of Work for Better Regulation, the Federal Government seeks to make more rapid and consistent progress in cutting red tape and to inject fresh impetus for growth and investment in Germany.

One of the main measures from these keys is the introduction by the Federal Government, no later than 30 June 2015, of a bureaucracy cap based on the 'one in, one out' principle. Where future regulatory proposals impose new burdens, existing burdens must be pruned by an equivalent amount. The basis of this measure is the methodology for the assessment and presentation of compliance costs. Other countries' experiences are being taken into account. The aim is to put permanent limits on the growth of bureaucratic burdens without obstructing politically desirable measures.

In addition, there are welcome developments on the horizon with regard to bureaucracy costs, which could lead to a further reduction of the bureaucracy cost index. On 7 January 2015, for example, the Federal Cabinet adopted a bill for the implementation of Accounting Directive 2013/34/EU, which will cut about €87 million from the annual bureaucracy costs incurred by businesses. The application of the aforementioned keys to further reduction of bureaucratic burdens is also likely to have beneficial effects.

Appendix

Annex 1

Development of compliance costs in the period from 1 January to 31 December 2014*
 Net annual change in regular compliance costs for businesses in € million**

Source: Federal Statistical Office database
 - Last updated: 30 January 2015 -

	Annual compliance costs for businesses in € million			of which bureaucracy costs arising from information obligations in € million		
	Burden	Reduction	Balance	Burden	Reduction	Balance
Federal Foreign Office						
Federal Ministry of the Interior	9.2		9.2	9.2		9.2
Federal Ministry of Justice and Consumer Protection	523.9		523.9	2.9		2.9
Federal Ministry of Finance	241.2	-0.2	241.0	75.5	-0.1	75.3
Federal Ministry for Economic Affairs and Energy	56.1	-18.8	37.4	0.9	-0.8	0.2
Federal Ministry of Labour and Social Affairs	9,600.9	-148.4	9,452.5	0.4	-146.6	-146.2
Federal Ministry of Food and Agriculture	0.7	-12.2	-11.5	0.7		0.7
Federal Ministry of Defence						
Federal Ministry of Family Affairs, Senior Citizens, Women and Youth	0.5	-8.3	-7.8	0.5		0.5
Federal Ministry of Health	22.7	-1.0	21.7	22.4		22.4
Federal Ministry of Transport and Digital Infrastructure	6.3	-1.0	5.3	1.7	-0.1	1.6
Federal Ministry for the Environment, Nature Conservation and Nuclear Safety	20.7	-13.4	7.3	7.1	-13.4	-6.3
Federal Ministry of Education and Research						
Federal Ministry for Economic Cooperation and Development						
Federal Government Commissioner for Culture and the Media						
total	10,482.2	-203.3	10,279.0	121.3	-161.0	-39.7

*) Covers proposals dealt with by the Federal Cabinet between 1 January and 31 December 2013 or regulatory proposals that are not referred to the Cabinet, such as ministerial regulations, for which the process of interministerial coordination was completed during that period.

**) Totals may diverge as a result of rounding.

Annex 2

Development of compliance costs in the period from 1 January to 31 December 2014*

Source: Federal Statistical Office database

Net annual change in regular compliance costs for citizens and the administration**

- Last updated: 30 January 2015 -

	Annual compliance costs for citizens						Annual compliance costs for the administration					
	Time input in 1,000s of hours			Cost in € million			in € million					
	Burden	Reduction	Balance	Burden	Reduction	Balance	Burden	Reduction	Balance	Burden	Reduction	Balance
Federal Foreign Office												
Federal Ministry of the Interior	52.3		52.3							36.9	-10.7	26.2
Federal Ministry of Justice and Consumer Protection						-857.7						
Federal Ministry of Finance	0.4		0.4							29.1	-0.7	28.5
Federal Ministry for Economic Affairs and Energy		-23.7	-23.7							9.1	-3.5	5.6
Federal Ministry of Labour and Social Affairs	100.0	-231.0	-131.0			-2.0				120.1	-33.5	86.6
Federal Ministry of Food and Agriculture	3.7		3.7							1.1		1.1
Federal Ministry of Defence	0.2		0.2								-2.7	-2.7
Federal Ministry of Family Affairs, Senior Citizens, Women and Youth	36.1		36.1			0.3				10.3	-9.7	0.6
Federal Ministry of Health	174.7	-8,616.7	-8,442.0			0.6				5.9	-613.1	-607.2
Federal Ministry of Transport and Digital Infrastructure	29.9		29.9			0.1				259.5	-0.9	258.5
Federal Ministry for the Environment, Nature Conservation and Nuclear Safety										0.6		0.6
Federal Ministry of Education and Research	619.5		619.5			0.4				3.7		3.7
Federal Ministry for Economic Cooperation and Development												
Federal Government Commissioner for Culture and the Media												
total	1,016.8	-8,871.4	-7,854.6	1.3	-888.0	-886.7	476.2	-674.8	-198.6			

*) Covers proposals dealt with by the Federal Cabinet between 1 January and 31 December 2013 or regulatory proposals that are not referred to the Cabinet, such as ministerial regulations, for which the process of interministerial coordination was completed during that period.

**) Totals may diverge as a result of rounding.

Annex 3

Development of compliance costs in the period from 1 January to 31 December 2014*

Source: Federal Statistical Office database

One-off adjustment costs for citizens, businesses and the administration** - Last updated: 30 January 2015 -

	Adjustment costs for citizens		Adjustment costs for businesses	Adjustment costs for the administration
	Time input in 1000s of hours	Cost in € million		
Federal Foreign Office				
Federal Ministry of the Interior				12.8
Federal Ministry of Justice and Consumer Protection				
Federal Ministry of Finance			435.2	96.4
Federal Ministry for Economic Affairs and Energy			83.6	2.2
Federal Ministry of Labour and Social Affairs			35.6	155.6
Federal Ministry of Food and Agriculture			1.3	0.7
Federal Ministry of Defence	0.2			2.3
Federal Ministry of Family Affairs, Senior Citizens, Women and Youth			0.1	1.7
Federal Ministry of Health			24.9	4.7
Federal Ministry of Transport and Digital Infrastructure	9.0	0.3	28.0	532.1
Federal Ministry for the Environment, Nature Conservation and Nuclear Safety			82.5	
Federal Ministry of Education and Research				0.8
Federal Ministry for Economic Cooperation and Development				
Federal Government Commissioner for Culture and the Media				
total	9.2	0.3	691.2	809.2

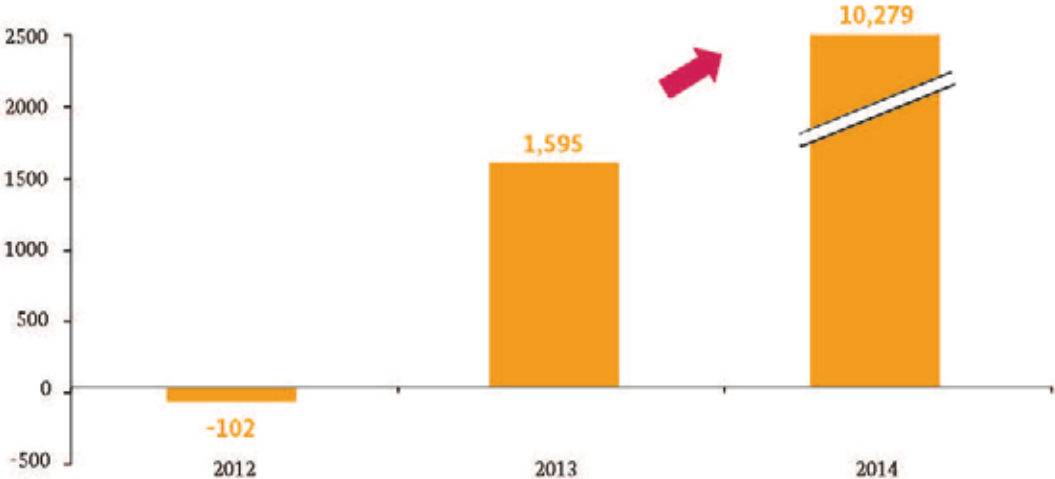
*) Covers proposals dealt with by the Federal Cabinet between 1 January and 31 December 2013 or regulatory proposals that are not referred to the Cabinet, such as ministerial regulations, for which the process of interministerial coordination was completed during that period.

**) Totals may diverge as a result of rounding.

Annex 4

Regular compliance costs for businesses

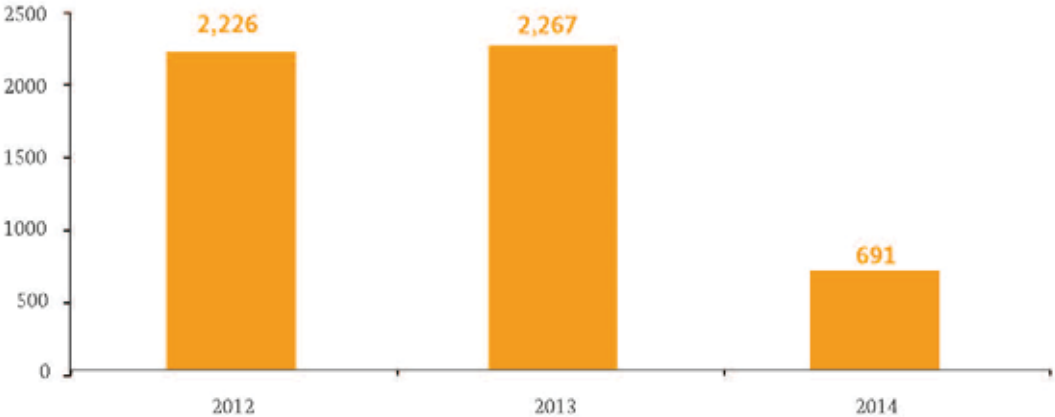
Annual balance in years 2012 to 2014 in millions of euros



Annex 5

Adjustment costs for businesses

One-off compliance costs in 2012 to 2014 in millions of euros



Annex 6

Regular demands on citizens' time

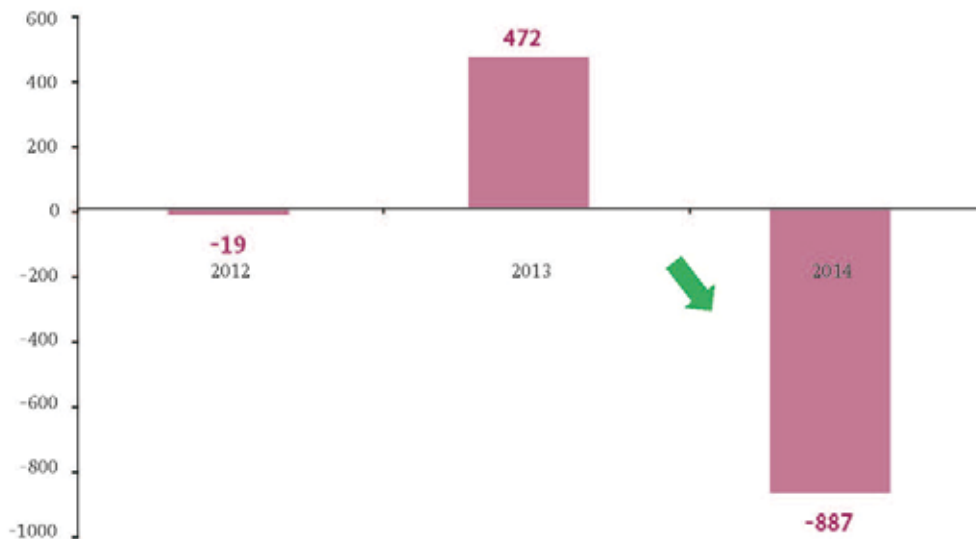
Annual balance in years 2012 to 2014 in thousands of hours



Annex 7

Regular costs for citizens

Annual balance in years 2012 to 2014 in millions of euros



Annex 8

Regular compliance costs for the administration

Annual balance in years 2012 to 2014 in millions of euros



Annex 9

Adjustment costs for the administration

One-off compliance costs in years 2012 to 2014 in millions of euros

