



Feedback to a Call for Evidence Upcoming Communication on Better Regulation

February 2026

GENERAL COMMENTS

The complex regulatory landscape in Europe is one of the biggest hurdles for competitiveness, growth, investment and innovation, in particular for SMEs. Therefore, the Austrian Federal Economic Chamber (WKÖ) welcomes the simplification agenda and the target of the European Commission to reduce administrative costs for businesses by at least 25% (for SMEs by at least 35%) by the end of 2029. Considering the challenging geopolitical environment, the European Commission and the EU co-legislators need to swiftly deliver tangible simplifications for businesses.

WKÖ therefore welcomes the European Commission's efforts to improve the Better Regulation framework. However, it should be recalled that for more than two decades the Commission has repeatedly consulted on "Better Regulation", adopted related initiatives and commissioned high-level reports addressing this issue (most recently the Draghi and Letta reports, previously the report of the Task Force on Subsidiarity and Proportionality and the Stoiber report). Stakeholders have already provided extensive input, and the Commission itself identified the key elements of better regulation as early as 2005.¹ Nevertheless, EU competitiveness has declined rather than improved.

Instead of launching further consultations, priority should be given to implementing previously identified key measures regarding better regulation, including stronger impact assessments, simplification, avoidance of gold-plating and greater discipline in the legislative process. In particular, prior to the drafting of any new legislative measure, a rigorous assessment should be conducted to determine its necessity and to explore whether the intended policy objectives could be achieved through alternative approaches ('regulatory restraint'). The European Commission rightly stated in the Competitiveness Compass² that "*simplification must be informed by an understanding of the practical operation of value chains and with a regulatory system based on trust and incentives rather than detailed control in mind*". Such a regulatory environment which is built on trust rather than excessive reporting obligations is essential to enhance competitiveness and reduce unnecessary administrative burdens.

If new EU legislation is indeed needed, businesses must be provided with simple, clear and practical legislation. WKÖ strongly supports the 'simplicity by design' approach to drafting new EU legislation, which should take into account the 'Think Small First' principle. If EU legislation is designed from the outset to be as practically applicable as possible for the smallest enterprises, it is also feasible for larger companies.

¹ See [COM\(2005\) 97](#) Better Regulation for Growth and Jobs in the European Union, 16.3.2005

² See [COM\(2025\) 30](#) A Competitiveness Compass for the EU, 29.1.2025

Less, but high-quality rules, practical relevance and ease of implementation are essential for sound legislation. While recent omnibus packages attempt to correct major flaws in existing legal acts, we must avoid repeating these mistakes in future EU law-making. It is essential that Better Regulation tools serve as early warning signs in the legislative process, signaling when proposals are impractical or unworkable for businesses, in particular SMEs.

Ensuring better legislative quality is essential for strengthening Europe's competitiveness and requires a strong, joint commitment from the European Commission, the European Parliament and all Member States along the following guiding principles:

- **Simplification and clarity:** Legislation must be less complex, clearer, and designed with a cross-cutting perspective.
- **'Less is more' and quality over quantity:** It would be preferable to have a smaller number of legal acts which are of high quality. Only those measures that are strictly necessary to achieve the clearly defined objectives should be adopted, in line with the principle of proportionality.
- **Legal certainty and consistent implementation:** Legislation should provide sufficient precision to ensure legal certainty. Furthermore, a uniform implementation and enforcement of EU rules across all Member States should be ensured.
- **Business-friendly framework:** Rules should foster a business-friendly environment and respect the principle of proportionality, avoiding unnecessary burdens on companies.
- **Reduction of bureaucracy:** Measures that increase administrative complexity should be reduced, including considering a temporary halt on new bureaucratic initiatives.
- **Systematic evaluation and streamlining:** Existing legal acts should be regularly assessed, with a view to eliminating redundant, disproportionate, overlapping or contradictory provisions where appropriate.
- **Strategic prioritisation:** Legislative efforts shall focus on matters of strategic importance that enhance the EU's position in global markets.
- **Respect for subsidiarity:** The principle of subsidiarity must be further strengthened by ensuring that new legal acts are only proposed if the impact assessment demonstrates a clear European added value.

1. ENABLE EVIDENCE-BASED, SWIFT AND DECISIVE EU ACTION

How could the Commission better reconcile the need for evidence-based policies and urgent action in the conduct of its better regulation activities?

A high-quality impact assessment could prevent a later need for simplification. Therefore, in the case of an urgent EU initiative with substantial impacts on businesses, a systematic examination of the impacts on SMEs and competitiveness is still needed. Even in a more focused assessment of the impacts of a planned initiative, the SME test and competitiveness check should be carried out, taking into consideration for example the indirect impacts on SME as well as impacts on international competitiveness. In addition, the impact on the whole supply chain including possible effects/negative consequences on prices and security of supply should be taken into account.

The European Commission should define in advance the objectives - and non-objectives - of any planned EU legal act. At this early stage, businesses and business associations should be consulted more extensively (in a kind of 'sounding board') to assess the plausibility and realism of these assumptions and to identify potential gaps or collateral effects.

Furthermore, business associations and social partners need to be consulted in a timely manner. In case of urgency, the Call for Evidence could be skipped and a public/targeted consultation be carried out straight away.

2. MAKE THE CONSULTATION SYSTEM SMARTER

How could the Commission ensure a holistic approach to stakeholder consultations with a view to implementing a more efficient and effective manner to gathering essential information, including possibly across policy fields?

WKÖ welcomes the increased use of ‘reality checks’ and ‘implementation dialogues’ by the European Commission in order to gain feedback from business associations as well as directly affected companies. It gives businesses the possibility to point out concrete problems in practice and to propose possible solutions. In the same spirit, more direct exchanges with businesses from affected sectors including SMEs should take place when the Commission is preparing a new proposal. We recommend to organise such dialogues also in the Member States to enable a better participation of businesses. If carried out in Brussels, travel and accommodation costs for participating SMEs/businesses should be covered and translation should be provided. Also the increased possibility of online participation should be considered. The involvement of cross-sectoral and cross-regional stakeholder networks by the Commission can provide a broader perspective while also highlighting regional differences and potential implementation challenges.

As the quality of feedback from businesses is declining linearly with the increasing number of new initiatives and stakeholder consultations, the Commission should reduce the total number of planned legal acts and focus on a better coordination and balancing of interests among all DGs concerned. Not only SMEs, but also large companies lack the time for in-depth analyses for quite some time.

Early and effective stakeholder involvement in the EU legislative process (for ex. the Have Your Say-Website, the Agreement on Better Law-Making) must be ensured. Submissions should not only be collected formally but also duly taken into account. However, in practice, stakeholder input is not always sufficiently considered, and the process can appear largely formalistic, with limited transparency on how submissions are evaluated by the European Commission.

Companies expect that well-founded contributions are appropriately taken into account. A specific example raised by our members concerns Article 29 PPWR (Packaging and Packaging Waste Regulation): it sets reuse targets without allowing companies the flexibility to choose the most suitable pathway to achieve circularity. High-quality recycling should complement reuse targets. Although this point was submitted by industry stakeholders at EU level, it was not considered, nor was its rejection explained.

Moreover, we recommend revising the European Commission’s current system of consultations and surveys. When questionnaires and draft legislative texts are available only in English, SMEs face significant barriers in providing feedback, even where their input is explicitly sought. Multilingual formats would facilitate participation and lead to more representative outcomes.

In addition, data submission to the European Food Safety Authority (EFSA) should be made significantly simpler and more accessible. Recently, it was not possible to upload the required data without substantial support from EFSA. Very tight deadlines further hinder stakeholders from submitting high-quality data on time. Adequate, realistic submission periods are therefore essential. Simplifying and harmonising data-submission systems, combined with multilingual and user-friendly consultation formats and sufficiently long deadlines, would enable more efficient, broader and higher-quality data collection.

3. 'SIMPLICITY BY DESIGN'

What practical steps could be undertaken to make EU laws simpler and easier to implement in practice (for example as regards the legal instruments, the use of delegated and implementing acts, or the application of digital tools, etc.)?

Simplicity should become the central design element of every new piece of EU legislation, aiming at a clear legal framework which ensures legal certainty, applies the 'Think Small First' principle and supports companies in the implementation.

Adopt less, but clear and practical legal acts ensuring legal certainty

Quality over quantity needs to be the guiding principle for the European Commission and the co-legislators. In this regard, a smaller number of high-quality legal acts would be preferable, while ensuring that the necessity and proportionality of each provision is carefully considered. At the same time, recent updates of EU legislation show also a huge increase in volume. For example, the Urban Wastewater Treatment Directive now has eight times the number of pages of the previous directive which has still not been fully implemented by all Member States. WKÖ is concerned that even Member States are finding it increasingly difficult to understand and implement legal acts correctly. Fewer EU directives and less volume would also make timely implementation by the Member States easier. The choice of legal instrument (for ex. regulation or directive) has to be decided on a case-by-case basis.

Regarding the quality of EU legislation, WKÖ underlines the necessity of clear legislation providing legal certainty for businesses. Many EU legal acts include requirements that are not further specified, which makes implementation more challenging and overall increases administrative costs. Key terms and provisions in EU legal acts are often drafted so vaguely that they allow a broad scope of interpretation. This results in an increasing need to compensate binding legal acts with FAQs, guidelines and other non-binding interpretative tools by the European Commission. In the financial sector, the supervisory authorities on EU and national level interpret legal acts in areas where the wording is not entirely clear, for example through guidelines or circulars. These non-binding tools do not provide the necessary legal certainty needed by businesses. In addition, such non-specific provisions are in some cases linked to high potential penalties (for ex. CSRD where reporting details are determined in the ESRS and VSME). Early involvement of affected stakeholders in the legislative process could help to improve the quality of EU legislation.

The EU Deforestation Regulation (EUDR) is another example of implementation challenges. FAQs and guidelines were announced long before they were eventually published, and they included elements that, for legal certainty, should have been embedded directly in the legislative text. In addition, the IT system required for uploading due-diligence statements did not function reliably. This was a key reason for postponing the application date. While companies were expected to ensure full EUDR compliance, the Commission was unable to provide the necessary technical infrastructure, but also the necessary FAQs and guidelines, in a timely and legally secure manner. As a result, companies faced substantial - in part unnecessary - investments and significant additional efforts. This led to considerable economic uncertainty and, in some cases, even existential concerns, as it remained unclear which requirements ultimately applied and how they could be met in a legally sound manner in practice. Due to short-notice shifts of the EUDR application date, planning for companies became extremely difficult. Even if welcomed simplifications of the EUDR were adopted at the end of 2025, the above mentioned problems are still the same. The new legal text is again in some points unclear (for ex. how to deal with reimports into the EU), and the urgently needed FAQs, guidelines and delegated acts are pending without a clear timeline by the European Commission. This makes it very difficult for companies to prepare for the application of the EUDR in a timely manner.

Duplications, overlaps with existing EU legislation and contradictory requirements need to be strictly avoided, and coherence with existing legislation needs to be ensured. For example, the legal framework of the European financial market is shaped by a large number of EU legal acts. As a result, factual situations are often governed not by a single legal act, but simultaneously by several EU legal acts. In many cases, this is reflected in numerous and often complex cross-references from one EU legal act to another. It can also be observed that overlapping EU legal acts are frequently not aligned with one another and lack coherence. In extreme cases, this may lead to individual provisions of different EU legal acts contradicting one another. This, in turn, results not only in inefficiencies at various levels, but also in legal uncertainty for the companies governed by the law. It is therefore strongly recommended that thematically overlapping EU legal acts be closely coordinated with one another or, ideally, that the number of individual EU legal acts be reduced and preference be given instead to the adoption of a single, comprehensive, and internally coherent EU legal act.

Simple and concise factsheets which summarize the concrete obligations for businesses in a comprehensible way should be added as annex to proposals for new EU legal acts. This would make the cumulative amount of legal obligations more visible and tangible for the Commission as well as the EU legislators. Each obligation should be truly needed and justified.

Businesses should only have to submit information and data once ('Once Only'). Digitalisation and AI can help with reporting through automated data transfer, provided that companies can actually make this data available. The difficulty for businesses in practice often lies in obtaining or calculating the required data points. Only such information should be demanded that can be submitted with reasonable efforts and costs.

Apply the 'Think Small First' principle

EU legislation should be designed in such a way that it is SME-friendly and practical ('Think Small First'). SME-friendly provisions should be included in legislation, such as the 'once only' principle, longer transition periods, 'advise first - sanction later' approach, along with mitigating and implementation support measures for all small and medium-sized companies.

To facilitate the implementation of EU legislation, exemptions are in some cases applied for SMEs so as to avoid disproportionate administrative burdens. At the same time, it should be recognised that such exemptions may generate practical challenges within supply chains (so-called trickle-down effect). Where larger economic operators remain subject to extensive information-gathering obligations, smaller enterprises may face de facto requests for the same data, notwithstanding their formal exemption. This dynamic often shifts into the contractual sphere, with larger operators seeking additional assurances or documentation, which may - whether intentionally or not - result in the exclusion of smaller partners unable to comply.

Facilitate implementation for companies

Regarding the application of EU legislation, sufficiently long implementation periods are needed to allow companies to prepare for the new conditions in the best possible way. Furthermore, the relevant delegated acts and implementing acts, Commission Guidelines, Help Desks and other support measures must be in place in due time to provide enough time for preparation. Moreover, the Commission should promote the Enterprise Europe Network (EEN) as central contact point assisting SMEs in complying with EU legislation.

Implementation timelines should be extended when certain parts of the legal acts remain undefined or unclear, for example due to the delayed publication of delegated or implementing acts or guidelines. This could help avoid unnecessary costs and is particularly relevant for the Battery Regulation and the EU Packaging and Packaging Waste Regulation (PPWR). In the case of PPWR, for example, the PFAS limits under Article 5 PPWR will apply from 12 August 2026 - at the time of the general entry into force. However, there is still no harmonised methodology available for measuring these limits.

In the financial sector, under the Lamfalussy process key details of EU legal acts are only defined at Level II (and sometimes Level III). To facilitate implementation for the financial sector and increase legal certainty, future EU legal acts should specify that they can only be applied at least 12 months after the publication of all Level I, II, and III legal acts in the Official Journal of the European Union. Article 74 of Regulation (EU) 2019/1238 on a Pan-European Personal Pension Product (PEPP Regulation) already provides for such a dynamic application period.

The Empowering Consumers Directive is also problematic due to the absence of transition periods. No prohibition of retroactive effect has been introduced. According to the directive, all new rules will apply from 27 September 2026 - including for goods already produced and for advertising already placed in communication channels. The Commission proposes two solutions: covering non-compliant claims with stickers or adding a point-of-sale disclaimer. The first option generates significant costs disproportionate to the product value, while the second is only meaningful for future-oriented environmental claims (and not for general claims, which will require clarification directly on the packaging itself going forward).

Adopt less, but high-quality delegated and implementing acts

The increasing use of delegated and implementing acts adds another layer of complexity. Therefore, the necessity and proportionality of delegated acts and implementing acts should be scrutinized more strictly by the European Commission and the EU co-legislators. In 2025, a record number of implementing acts was adopted by the European Commission or the Council (1,199 in 2025 compared to 1,050 in 2024). In the future, significantly fewer delegations of power should be provided for in legal acts. Where regulation is necessary, it should preferably be specified in the basic legal act. Furthermore, it is urgently recommended that secondary EU legislation be drafted in a significantly clearer and more precise manner.

Regarding the financial services sector, the European Banking Authority (EBA) should only be involved in clearly defined and limited cases in order to avoid unnecessary bureaucracy and economic burdens without clear added value. Mandates for the development of regulatory and implementing technical standards (RTS/ITS) should provide for stricter requirements, compliance with which should also be checked much more strictly than before by the European Commission prior to adoption. In future, authorities should no longer be able to demand compliance with new requirements that were not provided for in the legal text at level 1.

In the financial services sector in particular, it is not only the high number of regulatory technical standards (RTS) and implementing technical standards (ITS) that is challenging. RTS and ITS are often not published within the deadline specified in the framework act, which means that those subject to the law have to work with drafts that are usually adopted in amended form. This problem of excessive Level II and III acts particularly affects the financial sector and has been observed in recent years in many cases, for example, in relation to the Capital Requirements Regulation/Directive (CRR/CRD) or the Digital Operational Resilience Act (DORA).

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