WIRTSCHAFTSKAMMER ÖSTERREICH

PROPOSALS TO REDUCE REPORTING OBLIGATIONS

EU-Commission President Von der Leyen recently announced her intention to reduce the bureaucratic burdens for companies by 25%. In itself, the goal is very much welcome and noble. However, if you look at the current legislative proposals of the Commission, it currently goes exactly into the opposite direction with the amount of reporting obligations: recent examples are the proposals on Deforestation, to ban products made using forced labour, on corporate responsibility along the entire supply chain for social and environmental standards, the new Ecodesign Regulation (e.g. information requirements for the digital product passport, reporting obligations in connection with the ban on unsold products), Single Market Emergence Instrument (SMEI), social and environmental due diligence in new trade agreements etc. All these upcoming legislative initiatives do not actually contribute to competitiveness and are rather a stumbling block for growth and competitiveness. In fact, companies, especially SMEs, are struggling with the increasing cumulative effects (which are sometimes even contradictory!) of these policies. Many of these reporting requirements, which are not primarily aimed at SMEs, have an impact on these same companies via taxonomy and supply chain, without them being prepared or aware of it.

In the context of how to strengthen the long-term competitiveness of the EU, we also very much support the announced introduction of a competitiveness check, including a methodology for assessing the cumulative impact of policies and a more innovation-friendly approach to regulations, as it is announced in the EC Communication on Competitiveness beyond 2030.

BETTER REGULATION PRINCIPLES

1. **"Think Small First" has to be the guiding principle**

   The business structure all over Europe and especially in Austria is dominated by SMEs. Therefore, we believe that it is necessary to increasingly focus on SMEs during the legislative process. "Think Small First" has to be the guiding principle and should be applied to all draft proposals. The SME-test is mandatory since 2015 and has to be carried out thoroughly and in a sound way.

2. **Case by case analysis, which legal instrument is more suitable (directive or regulation)**

   In situations where regulation at European level is needed, it should be analysed case by case which legal instrument (directive or regulation) is more suitable. Differing implementing measures in the different Member States should be avoided.

3. **Concentrate on subsidiarity and European Added Value**

   The European institutions should take the principle of subsidiarity better into account and concentrate on measures with a significant evidence of European Added Value. The task force subsidiarity shall start its work as soon as possible.

4. No simple deregulation, but focusing on Better Regulation

Better Regulation does not mean „more“ or „less“ legal acts and pure deregulation, but a more efficient regime. It means to make rules that deliver clear benefits while minimizing the regulatory costs necessary to achieve the desired policy goal. In the sector of environmental law simplification, burden reduction and even to some extent deregulation is necessary.

5. Compulsory application of the SME-test in the Impact Assessment

The SME-test is now a part of the Impact Assessment and should illustrate the effects of new legislation especially for small and medium-sized enterprises.

Especially in terms of creating legislation suitable for SMEs we think it is necessary to extend the application of the SME test even on mandated standards, because court will refer to them in case of legal disputes.

6. Sound consultation of stakeholders with early and comprehensive involvement of all important business representatives

An early and comprehensive involvement of all important business representatives as well as transparent procedures for well-arranged consultation processes will raise the acceptance of new legislative acts and will subsequently also facilitate their implementation.

Thus, it is important to ensure the consultation of representative national and European trade associations. Considering the opinion of the respective stakeholders in accordance with their representativity and acknowledging the important role that the representative trade associations play as “managers of change” because of their proximity to the affected businesses and their enormous expertise is the basis for good law-making.

7. Transparent procedures are necessary for good and thorough consultations within the Impact Asessment

The participation in the surveys requires obtaining expert opinions that are often hard to receive due to language barriers. For instance, in the area of secondary construction, consultations require information in the mother tongue. An internal translation and preparation of the most important information in German requires preparation time that is often not available due to the time limits for responses. Very often the translation of questionnaires is not or extremely late available, this causes a loss of time.

The complexity of European evaluations is frequently too high and the questions are not specific enough. In order to receive concrete input, in particular from SMEs with limited capacities, the posed questions have to be reformulated in a simpler way and at the same time be more precise.

8. Transparent consultation on draft delegated acts as well as implementing acts

Often technical rules resulting from EU directives or regulations are very important for daily business practice. Both delegated acts (art. 290 TFEU) and implementing acts (art. 291 TFEU) can have significant impacts on enterprises, in particular SMEs. Therefore the Austrian Federal Economic Chamber appreciates that the European Commission will involve member states and stakeholders, in particular business associations, in the preparation of delegated acts.

The Austrian Federal Economic Chamber welcomes that Impact Assessments are required for a delegated act with expected significant economic, environmental or social impacts. However, we point out that in the case of significant impacts the Commission also has to check whether the planned measure is an essential amendment to or change of the basic legal act. In that case the delegated act would be the wrong instrument, the basic legal act should be changed instead.

9. Infringement procedures must be quicker, less bureaucratic and more transparent

Average time from reception of a complaint and the launch of an infringement procedure by the Commission is between 6 and 12 month. Average duration of infringement cases open against Member States is 36,2 month (not yet sent to court). The average duration is calculated in month from the sending of the letter of formal notice.

Infringement procedures are complicated and lengthy and they last many years. Therefore, Infringement procedures have to become quicker, less bureaucratic and more transparent.

10. Strengthening of SOLVIT

SOLVIT is an excellent tool to improve the functioning of the Single Market and has to be strengthened. As a concrete measure, SOLVIT cases which have not been solved but which are apparently in conflict with EU law should be prioritized and sped up by the Commission. Unsuccessful but well-founded SOLVIT complaints should be subject to accelerated infringement procedures.

11. Ensure sufficient time for preparation and transposition of European and national legal acts

Appraisal and implementation periods should take complex specific transposition requirements in different sectors into account e.g. the current transposition of the general data protection regulation.

ENVIRONMENTAL LAW	Remarks	Concrete Proposal to reduce reporting obligation?
12. EU chemicals legislation (biocidal products regulation & REACH regulation) – Achieve more fairness for SME	We achieved a lot in terms of fairness for SME. For example, we got clearer rules for mandatory data- and cost-sharing in various chemical approval processes. For the biocidal product legislation, these were specific SME guidelines. For the REACH-regulation we even got a separate implementing regulation. These measures provide the basis that SME are not over-charged in these processes, what could endanger their existence. However, these rules need to be further developed and well monitored.	
13. **SCIP-notification acc. art. 9, WFD (Waste Framework Directive) in combination of art. 33 REACH-regulation:**	This obligation requires every supplier of an article to makes certain information available to ECHA. Consequently, there is an enormous duplication of this duty in individual supply chains.	A threshold should be introduced below which an enterprise is exempted from this obligation. We suggest the annual turnover for a medium-sized enterprise (€ 50 million) as defined in the SME-recommendation.
14. Simplification of the EU chemicals regulation REACH - Availability of raw materials	The final phase of the REACH-registration, which ended on June 1st, 2018, and the gradual entry into force of the even more demanding REACH-authorisation, for many sectors does determine, which raw materials are still available to our enterprises – no matter if big or small - in future. Without a REACH-registration or authorisation, a chemical raw material is neither usable nor marketable. This fact affects virtually all our manufacturing enterprises and by no means solely the chemical industry. These processes require an urgent removal of the existing bureaucratic-overkill. Simplifications in data-requirements, which reduce authorisation- and registration-costs are urgently needed.	

15. Downstream user (DU) notification acc. art. 66 REACH-regulation:	The authorisation holder is aware of his customers and the added value of this obligation is questionable.	This request for notification could be deleted.
16. Downstream user (DU) notification prepared for the revision of REACH-regulation:	A new general obligation for the submission of data on substance on the REACH candidate list is being prepared. Some crucial data requirements, e.g. available alternatives to the used substance, are not realistically collectable by SMEs. Furthermore, there are existing legal instrument within the REACH-regulation to improve the data-basis for substances, e.g. articles 37, 38 and 39, which are now not properly implemented and enforced.	This obligation should not be a general obligation. It should be triggered when the information is needed on a specific substance.
17. EU Biocidal Products Regulation - SME urgently need more substantial support	Even though some relevant support was realised, the biocidal product legislation is a very potent SME killer. Therefore, all possible options need to be exploited to the utmost to make this legal area SME-fair. In particular, these include national and EU fees that are right now anything but SME-friendly. Furthermore, the instrument of the biocidal-product-family-authorisation needs to be implemented as flexible and cost-effective as possible in practice.	
18. EU chemicals law - Eliminate drag on innovation and production	The REACH-regulation already poses a massive threat to the availability of raw materials. In addition, the effects are even more far-reaching. The bureaucracy introduced by the chemicals legislation drags valuable human resources from research and development. Hundreds of highly qualified employees have to roll through legal texts instead of concentrating on the development of new products and solutions. Even if legal requirements have their rightfulness, they must not mutate into an end-in-themselves. Only with the help of a healthy, innovative corporate landscape will we be able to master future challenges such as optimizing our use of resources and energy or developing efficient drugs against infectious diseases.	
19. EU chemicals regulation REACH - Gruelling unclear rules need to be	The REACH-regulation provides for articles - ie finished goods such as chairs, laptops, microphones - obligations. These obligations are unworldly and unworkable. No one - neither companies nor public authorities - can clearly say what an article in the regulatory-sense really is. That means, is it a	

clarified or - even better - deleted	microphone or is it its individual components and if it is the components, then also the components of the components? This unclear situation is a burden for companies that try to act in line with legal requirements. Such rules should be deleted without replacement.	
20. Classification and labelling inventory notification (CLI) acc. art. 40 CLP-regulation:	This notification has no threshold and consequently every substance placed on the market needs to be notified to ECHA. This includes very small quantities of few grams, e.g. for R&D, analytical standards, test material.	We suggest to set a threshold of 50 kg below which a substance does not have to be notified.
21. Poison center notification (PCN) acc. art. 45 CLP-regulation:	This notification has no threshold and consequently every mixture placed on the market needs to be notified. This includes very small quantities, e.g. for R&D, analytical standards, test material.	We suggest to set a threshold of 50 kg below which a mixture does not have to be notified.
22. **Deforestation Regulation (not yet in OJ) EC proposal and procedure in EUR-Lex** (Link),	Article 12 Establishment and maintenance of due diligence systems, reporting and record keeping Para 3 first part ***Operators*** who ***do*** not ***fall within the categories of SMEs, including microenterprises, or natural persons*** shall, on an annual basis, publicly report as widely as possible, including via the internet, on their due diligence system, including on the steps taken by them to fulfil their obligations as set out in Article 8. "	It is an unnecessary bureaucratic burden for operators to publish in detail their due diligence systems and does not help consistently to reach the objectives of the regulation to combat deforestation.
23. Natura 2000: Merging of both Natura directives into one modern Nature Protection Directive is necessary, annexes should become more flexible	A modern EU nature protection policy should establish synergies between consistent nature protection and promoting an attractive business location. Already designated Natura 2000 areas remain protected under a new EU Nature Protection Directive according to the new rules. The annexes of the Birds Directive and the Habitats Directive should be more flexible for adaption, if protected species are increasing massively and disturbing the ecologic and economic balance.	

24. Natura 2000: The process of designating protected areas has to fulfil economic and social requirements, the landowners have to be included into the process	Ignoring economic and social aspects when designating new protected areas is not the right way to take account of all society´s requirements. The land users are severely restricted in their management options or have to invest inappropriately high efforts for that. Therefore, the proper involvement of affected landowners before designating protected areas should be foreseen in the Directive following the EU Charter of Fundamental Rights. In nature conservation the basic principle "protection and use" should be taken into account and be harmonized with economic interests of the affected stakeholders.	
25. Natura 2000: Protection of species outside representative areas to be eliminated	The Habitats Directive-based species protection, independent of designated areas, is a heavy burden undermining legal certainty and planning security. In terms of proportionality it is not sustainable to allow such an excessive priority for the protection of species.	
26. Natura 2000: Enable take-back and change of protected areas	A new right of affected landowners to take back a designated protected area should be established, if the area is not suitable any more to fulfil the protection purpose of the Directives. Existing protected areas must be modifiable in terms of their borders, their extension and their protective provisions, if they are also economically and socially necessary.	
27. Natura 2000: Requirements of nature impact assessment are to be simplified	The requirements of the nature impact assessment of projects within or at the immediate borders of designated protection areas are to be simplified. Social and economic aspects as well as compensation concepts must be taken into account during the impact assessment.	
28. Circular Economy Package: Priority for the implementation of existing waste standards in all member states	Within Europe, there is a big gap between the Member States when it comes to the implementation of existing waste standards. It is a fact, that ambitious EU waste targets have been established in EU legislation for decades. However, only a small number of Member States has implemented them adequately. The costs and the administrative burden of waste management lead to competitive disadvantages in these countries.	

before creating new targets and obligations	The implementation of the already existing EU waste legislation in all Member States should therefore be given priority before adopting new targets and obligations which again only a small number of Member States would implement properly. Otherwise the gap between Member States in the field of waste policy continues to become wider. Therefore, in the coming years, the focus should be placed on creating incentives for the implementation of the already existing law and on checking compliance without red tape.	
29. Circular Economy: Recycling or prevention targets must be based on solid data	Recycling or prevention targets should be based on solid data and should be technically and economically feasible in all Member States. Furthermore, implementation gaps between Member States should not become bigger.	
30. Environmental Liability Directive (ELD): No extension of the scope of ELD	No unreflected extension of scope: A possible extension of the scope of ELD would lead to additional burden especially, for SMEs, with a very questionable benefit.	
31. Environmental Liability Directive (ELD): severity thresholds necessary for SMEs	Severity thresholds important for SMEs: The severity thresholds are necessary especially for SMEs. Furthermore, the competent authorities would suffer of the high number of cases to be expected, where the ELD provisions would have to apply. It must be ensured, that only severe damages will be handled under the ELD regime. There is no need for extending this regime for light damages, this would impose huge bureaucratic burdens, especially on SMEs.	
32. Environmental Liability Directive (ELD): Optional provisions such as permit defense & state-of-the-art defense to be maintained	The permit defense and the state-of-the-art defense are very helpful to comply with the ELD. They are fundamental to a system of environmental liability, which promotes prevention by emphasizing the need to show compliance with existing permits and should not be questioned.	

33. Environmental Liability Directive (ELD): No fund to cover ELD liabilities	A fund to cover the risks is strictly opposed. This would undermine both the polluter-pays principle as well as the precautionary principle. If there was a fund to cover the risks, the operator would not be as motivated to stick to the highest security levels. Why should operators, who have implemented and maintain high security standards, pay twice? Furthermore, no mandatory financial security should be implemented. This would lead to high costs for SMEs, which, under realistic presumptions, will hardly be up to any ELD case. It should remain in the competence of the MS to choose a practicable system on covering possible future damages.	
34. EU Noise Directive: No binding national limit values at EU level	„Noise happens in the head“ – only 15 to 30% of noise exposure are due to real acoustic parameters, many other aspects have not been understood until now. Mandatory EU-wide noise limit values would not take sufficient account of regional, cultural or society habits. There is no unified science-based dose-effect relationship. Therefore, we are not in favour of EU-wide limit values.	
35. Better coordination of EU policies on water, renewable energy and nature protection	The EU water acquis is currently counteracting the push-forward on renewable energy. Hydropower can induce enormous economic effects. Synergies between water policy and the renewables have to be found and exploited: • The development of hydropower is an important economic factor for example for the construction sector, which is very labour and material intensive. Compared to other renewable energies the economic effect is substantially higher. • European Added Value could be much more developed where know-how is being established in leading water technology companies. This is a contribution on further growth within the dynamic sector of environmental technologies. • Hydropower is also quite convincing through its cost-effective production of electricity.	

	• Therefore, it would be suitable to use REFIT to develop better financing options for better coordination of water and energy policy to induce positive economic effects. Furthermore, REFIT can contribute to accelerate and simplify water-related licences for industrial installations – especially by eliminating contradictions between EU legislation on water, nature protection and energy. That would have positive effects on affected parties such as industry, energy producers and communities without any loss of water quality, biodiversity or security of energy supply.	
36. Fluorinated gases: reduction of burden for SME urgently needed	The quota-system of the EU-f-gases-regulation effects a concentration of f-gas-suppliers to only few companies. The consequence of that are growing prices for resources and a growing trade with quotas. Small handcraft-enterprises in the cooling- and heatpump-sector are suffering to a very high extent due to these massively growing prices and supply-shortcuts. This imbalance needs an urgent fix. Furthermore, suppliers of pre-filled equipment/articles are effected of the same situation comparable. It is that fore important that the existing exemption for 100 t CO2-equivalents stays in force as a modest relief.	
37. Emissions Trading Directive: Radical simplification of bureaucratic procedures and increased transparency necessary	The application of the cross-sectoral correction factor (CSCF) should be avoided through system adaptations. Not only is this necessary to create a fair and level playing field within Europe, doing away with the CSCF would also dramatically increase the planning and investment security for businesses. Currently, the CSCF punishes the best performers with a reduction of their free certificates by up to one fifth. Scrapping the CSCF would furthermore ease the carbon leakage problem. By making the allocation system more dynamic and fair, the CSCF could become redundant without jeopardising the long-term climate objective (i.e. the overall EU greenhouse gas cap). In emissions trading, there are numerous reporting, documentation and approval obligations like monitoring concept, methodology, annual activity	

	rate report, 4-year improvement report, certification of sustainable biomass, which mean a lot of bureaucracy and bring little or no benefit from an operational point of view. At a minimum, the account confirmations and improvement reports should be eliminated.	
38. The European Pollutant Release and Transfer Register (E-PRTR)	The reporting obligations for the E-PRTR are unnecessarily burdensome for the mining sector (especially in the light of the CSRD and CSDDD).	
39. Mining Waste Directive	The Mining Waste Directive's approach of misinterpretation when using one system for all mining waste creates a long list of bureaucratic endeavors especially if the mining waste in question is low risk (like iron ore).	
40. EPREL - European Product Registry for Energy Labelling	Since January 1, 2019 manufacturers, importers and authorized representatives have to register and enter their products, affected by the Energy Label Regulation, before they can be sold on the EU market in the European Product Registry for Energy Labelling (EPREL). This has become very complex and bureaucratic. Especially for SMEs this leads to enormous burdens, as the data transfer requires increased manpower and is associated with technical challenges.	There should be exemptions for SMEs offering a small number/certain number of units per year.

TRANSPORT LAW	Remarks
41. Social legislation in road transport: establish sector-specific working time regimes for bus drivers	• an extension of the application of the 12 days-scheme • the application for international bus transports only • weekly rest periods of 45 hours before and after the application • more flexibility with regards to the daily rest periods: between two weekly rest periods, it should be allowed to reduce the daily rest period twice to eight hours and once to nine hours (currently: three times to nine hours) • extension of the compensation period for reduced weekly rest periods from three to 13 weeks
42. Social legislation in road transport: re-introduce flexible breaks	More flexible division of breaks to 3 x 15 minutes, instead of the rigid division of the applicable directive of 1 x 30 and 1 x 15 minutes.
43. Tachograph in road transport: just in exceptional cases, authorisation for Member States to establish different national rules	In order to ensure legal security and a level playing field within the EU, social legislation has to be applied identically in all Member States. Thus, the law should not allow for various national exceptions.
44. RTachograph in road transport: EU wide harmonised rules on tolerances for minor infringements	The penalties for infringements of the recording equipment obligations is regulated by Member States. This not only leads to different levels of penalties, but - according to different administrative practices in the Member States – to arbitrary and disproportionate fines for minimum infringements (for example minute violation). Key provisions should therefore be included in EU-law directly.
45. Professional driver directive: trainee driver without qualification (on sole basis of driving licence) should be able to practice the profession for	The transport sector already faces the challenge to find and recruit new drivers. Access to his profession should not be made unduly difficult. In this regard we propose that the trainee driver may first take up the profession without qualification or basic training (only equipped with a driving licence) for one year

one year if the initial qualification may be completed within the first year	and then the initial qualification may be completed within this first year. This would encourage more people to engage in the driver's profession and facilitate their access to the driver's profession.
46. Professional driver directive: extended possibilities for the combination between driving licence and initial qualification	As the majority of truck and bus drivers are obliged to fulfil the requirements of initial qualification it only makes sense to combine the initial qualification with education and testing for driving licences. We propose to create in the future the explicit possibility to further integrate education for driving licence and initial qualification in the future. A strict distinction between initial qualification and the education for driving licence would increase the expenditure of time and the costs for the candidates. This may influence their choice of occupation to the disadvantage of the driver´s profession.
47. Professional driver directive: Make better use of e-learning in periodic training	EU Directive 2018/645 has explicitly included the possibility to complete part of the periodic training by means of e-learning, which we generally see as a positive step. Unfortunately, the legal framework has not been adapted to the specifics of e-learning, so that now, an e-learning training unit – same as with face-to-face training - must be completed within 2 days. Rather, it would make sense to complete the e-learning training units over a somewhat longer period of time (e.g. weeks to a few months). This would result in more flexibility for the driver, or in the case of combined periodic training units (e-learning and presence) to allow better preparation or follow-up of the presence part by means of e-learning. Furthermore, the stipulated maximum of 12 hours e-learning in periodic training seems low and outdated in view of the positive experiences had with e-learning during pandemic.

SOCIAL LAW	Remarks
48. Working Time Directive: Priority to the revision of the working time directive to ensure applicability, clarification and legal certainty regarding on-call time and compensatory rest	The revision of the working time directive was already scheduled for 2016. This is why it should be given a priority, particularly to ensure applicability, clarification and legal certainty for example regarding on-call time and compensatory rest.

CONSUMER LAW	Remarks
49. Evaluation of the Package Travel Directive	As already stated during the European legislative process as well as during the implementation processes within Austria, the massively extended specifications by the new EU Directive on Package Travel and Linked Travel Arrangements pose many legal questions and problems. The directive's text and the clauses that have been implemented practically verbatim on national level not only lead to excessive bureaucracy but also to considerable legal uncertainties due to the numerous imprecise clauses and definitions. It is necessary to amend the directive, particularly regarding the obligation to inform customers before signing a contract and the question of when which standard information sheet is to be provided to customers. As mistakes in this phase of contract initiation may involve extensive liabilities later on, it is absolutely imperative for the industry to be provided with concise and comprehensible clauses. Unfortunately, the directive in its current form does not comply with this requirement. Hence, it is essential that it be re-evaluated.
50. EU regulatory framework for electronic communication networks and services: Eliminate rules which are no longer up-to-date and ensure that new provisions are simpler and clearer and create a level-playing-field	As the framework for electronic communications is notably about ensuring connectivity at a high level throughout Europe and setting out the conditions for the best possible development of the Digital Single Market, simple and efficient rules and regulations are urgently needed. A guiding principle for the review of this set of rules should be the creation of an actual level playing field for all market participants (in particular with regard to the "Code"). For this purpose, it is necessary to identify rules which are no longer up-to-date and eliminate them. At the same time, the new provisions to be introduced into the framework should be simpler and clearer. This applies particularly to the sector specific consumer law regime: considering that an extremely far-reaching general European consumer protection framework is in force now, the focus of new legislation should be to drive back sector specific rules in this field. Moreover, it is necessary to reduce significantly the administrative burden for businesses.
51. Make the Consumer Rights Directive practicable - exemption for contracts under the provisions on contracts	The provisions on contracts negotiated away from business premises do also apply if a craftsman is called into a customer´s flat because of an order (e.g. paintwork, electrical installations, hairdressing in a flat, etc.) and the contract is concluded there. The complex provisions (enormous information obligations which must be given on paper) can not be accomplished by SMEs and are connected to an

negotiated away from business premises, if the consumer himself has initiated the business contact with the entrepreneur (e.g. he has called the craftsman into his flat)	enormous bureaucratic effort but also to potentially totally disproportionate sanctions. Also consumers do have no comprehension for this bureaucracy (if the consumer wants a service to be provided quickly meaning during the withdrawal period, he must explicitly "request that on paper").
52. Make the Consumer Rights Directive practicable - Create a "comprehensive model withdrawal form"	Companies must inform consumers about their legal right of withdrawal in case of distance contracts and contracts negotiated away from business premises, before the conclusion of the contract. Although a model withdrawal form is contained in the annex of the directive, however it contains many text modules which must be selected correctly for each case. This model withdrawal form with its many varieties to choose from is therefore because of its complexity unusable for SMEs. The EU legislator must be able to provide companies with a legally watertight and standardized model withdrawal form, which represents all case variants. For example, the expertise of ELI (the European Law Institute based in Vienna) could be used to design such a form.
53. Make the Consumer Rights Directive practicable - no right of withdrawal, if the consumer not only checks goods purchased at a distance, but also uses them	Ball gowns are e.g. ordered at distance, worn at the ball and only then the right of withdrawal is exercised. The entrepreneur can theoretically claim the depreciation in value, but the calculation of the same is difficult and the expense of exercising it is big. It is also hard to understand, that abusive behaviour should be at the expense of companies. Consumer protection should not consist in the protection of abusive behaviour, which in the end also has a negative impact on consumers acting correctly.
54. Make the Consumer Rights Directive practicable - no double information obligations	Clarification (in article 8.2 of the directive) is required that in the order overview before the button "BUY", not all essential characteristics of the goods/services have to be displayed again, but rather the identifiability of the goods must be ensured. If, according to article 8.2, information on all essential characteristics was again to be provided to the same extent as in article 6.1a, this overview would lead to bureaucracy and total confusion, especially if several goods are ordered. However, there are judicial decisions in Germany, that represent the latter opinion.
55. Make the Consumer Rights Directive practicable -	The fact that in the case of digital content a right of withdrawal is not appropriate, is recognised by the possibility of its loss (Art 16 point m of the directive). But the requirements for an effective loss of

exemption from the right of withdrawal for downloads of digital content	the right of withdrawal are intensely complex and make downloads highly bureaucratic. It is therefore necessary and conducive to digitalisation, to exclude digital content from the right of withdrawal in general.
56. Make the Consumer Rights Directive practicable - exemption of certain professional groups necessary	The provisions for distance selling contracts typically keep e-Commerce as a business model in sight or are rather tailored to it. They do not fit for certain professional groups (for example real estate agents, undertakers) which are not online retailers, but only legally turned into such due to the wide definition of distance selling contracts.
57. Achieve well balanced Consumer protection	Initiatives for further specific provisions by EU-law should be considered critically. The principle of subsidiarity, the maintenance of scope for entrepreneurial competition, the protection of entrepreneurial freedom and the principle of freedom of contracts must be the guiding principles of this examination. This is to ensure that new binding consumer protection rules comply with the principle of proportionality and are only enacted, if there is a special need for protection and if objective justification is given. The existing guarantee law for goods (two years of guarantee period, option to shorten it for used goods, six months period of reversed burden of proof) must be maintained as a balanced solution.
58. Collective Redundancy Directive	The Collective Redundancy Directive obliges the employer to notify if a certain number of employees are to be dismissed. There are indications that the jurisprudence will interpret the Directive too broadly in the future (the intention to denounce is sufficient), so that clarification in the Directive is necessary.

ADDITIONAL LEGAL POLICIES	Remarks	Concrete Proposal to reduce reporting obligation?
59. Single Market Information Tool: No additional administrative burdens for companies	Relating to an Single Market Information Tool WKÖ is against any direct access to companies through the European Commission. Any reporting or information obligations as explained with regards to the Single Market Information Tool would mean an additional administrative burden for companies. Any provisions granting the European Commission investigative powers as foreseen within the SMIT could mean to allow requests for confidential information.	
60. Open Data-Principle in Horizon 2020: degree of openness concerning the handling of data and the connected risks and advantages at different levels has to be more balanced	In summer 2016 the European Commission announced to extend the current "Open Research Data Pilot" to all Horizon 2020 topics with its Horizon 2020 Work Program 2017. Although enterprises have in principle the possibility to opt out of the Pilot, they have to provide a justification in each single case for doing so, which constitutes a significant administrative burden – even in cases, which are finally not subject to additional obligations. It is clear that access to open data (which does not pose a lot of difficulties in the areas of fundamental, accompanying and systemic research as well as the humanities) is totally unsuitable for applied research and development (R&D), where businesses aim for competitive advantages by also using their own resources. For businesses competing on the free market, these requirements reduce the interest to cooperate with actors from the research side and interfere with the operational innovation process and, eventually also the commercialization logic. Widening the "Open Research Data Policy", unfortunately, does neither constitute a mere "nudging" nor a simple "comply or explain", but an additional burden (explain anyway – even if it the open research data concept does not fit applied research & innovation). Since beginning 2017, this requirement runs counter the objective of further simplification and establishes a high degree of complexity "by default". However, the contrary should apply: "simplicity by default". The main objective of funding is finally the strengthening of the	

	research and innovation performance. Secondary and tertiary objectives should not keep researchers and technicians from doing research and innovation.	
61. Establish a horizontal Common Research, Technology and Innovation Policy (CRTIP) within the EU	At EU level, a horizontal Common Research, Technology and Innovation Policy (CRTIP) should be established, which should constitute the framework for the 9th Research and Innovation Framework Programme (FP9). A CRTIP should be closely interconnected and coordinated with the sectorial policies of the relevant Directorates-General. The CRTIP would not only be the responsibility of a sole Commissioner but would integrate the objectives and contents of all relevant partial EU strategies for research and innovation. Appropriate governance structures for its operationalization have to be established, which enable an efficient and aligned action for achieving the objectives of European sectoral policies. In addition, these structures have to guarantee an integration of the Member States as well as the European business community, which accounts for more than 60% of the pan-European investments, also in the area of research in the programming process. A CRTIP should go beyond mere research policy and follow an innovation policy, which focuses more on the impact and thus practically enables a change from an input-orientation to an output- and impact-orientation. In addition, it is important that a CRTIP ensures a clearly-defined division of work between the Commission and the Member States (resp. the regions). Based on the principles of subsidiarity and complementarity, a clear division of work is a precondition for a simpler structure of the FP9 and the concentration on tasks and objectives with a European added value as well as an efficient handling.	
62. Simplification of the European VAT system	Simplification must represent an essential requirement within the reform of the current European VAT system, which would benefit all companies and especially SMEs. Simple and clear rules can be comprehended and followed more easily. Thus, a simple VAT system leads to a reduction of the European VAT gap automatically.	

63. Abolition of the certification for air-conditioning equipment in motor vehicles (Art 10 Regulation (EU) No 517/2014)	Since 2000, each assignment of such a task (listed in Art 10 Regulation (EU) No 517/2014) requires relevant vocational training. The respective educational certificates are recognized EU-wide. Therefore, a special certification for air-conditioning equipment in motor vehicles is neither necessary nor does it imply a particular benefit. Virtually all employees working in this realm are sufficiently qualified. Imposing the requirement of another certificate (besides the final apprenticeship examination and the examination for the master craftsman's certificate) on the enterprises is, thus, incomprehensible.	
64. Corporate Sustainability Reporting Directive	EU law requires all large companies and all listed companies (except listed micro-enterprises) to disclose information on what they see as the risks and opportunities arising from social and environmental issues, and on the impact of their activities on people and the environment. On 5 January 2023, the Corporate Sustainability Reporting Directive (CSRD) entered into force. This directive amends the existing reporting requirements of the NFRD (Non Financial Reporting Directive, NFI-RL 2014/95/EU). A broader set of large companies, as well as listed SMEs, will now be required to report on sustainability – approximately 50 000 companies in total. The first companies will have to apply the new rules for the first time in the 2024 financial year, for reports published in 2025. Companies subject to the CSRD will have to report according to European Sustainability Reporting Standards (ESRS). The draft standards are developed by the EFRAG, previously known as the European Financial Reporting Advisory Group, an independent body bringing together various different stakeholders. The standards will be tailored to EU policies, while building on and contributing to international standardisation initiatives. The Commission should adopt the first set of standards by mid-2023. The formal reporting requirements do not come into effect until the financial year 2024 for companies, so it is not possible to know how its application will be interpreted by auditors and users of the information. However, we would request in advance that care is taken to ensure that the ESRS / CSRD regime remains focused on its core principles and purpose	simple, usable and practice-oriented design of the reporting standards

	and is not allowed to evolve into an excessively detailed, prescriptive or burdensome compliance regime. The CSRD also makes it mandatory for companies to have an audit of the sustainability information that they report. In addition, it provides for the digitalisation of sustainability information.	
65. Directive regarding the disclosure of income tax information by certain companies and branches	Directive (EU) 2021/2101 amending Directive 2013/34/EU (Accounting Directive) as regards the disclosure of income tax information by certain companies and branches is to be transposed into national law by June 22, 2023 (public country by country reporting). The amending directive aims to ensure that those income tax information reports that multinational groups are required to submit to the tax authorities in accordance with the requirements of Directive 2011/16/EU on administrative cooperation in the field of taxation and repealing Directive 77/799/EEC, OJ L 64, 11.3.2011, p. 1 (implemented in Austria by the Transfer Pricing Documentation Act), are also submitted to the respective commercial registers (in Austria: the Commercial Register Court) at the same time, so that they can be **publicly** accessed via these registers. These income tax information reports show which sales revenues and profits a group generates in the respective territories and which income taxes it pays there. This should enable a "**public debate** (...) on the degree of tax honesty" of these groups, namely whether the group also pays taxes where it generates large sales revenues, or whether the profits are shifted to low-tax countries.	Evaluation of the disclosure requirements; simplification, streamlining and harmonization of the submission process; more member state options at EU level (currently only: to allow delayed publication and exemption from website publication); less severe penalties and more legal safeguards (at national level)
66. Taxonomy Regulation	The EU taxonomy is a classification system, establishing a list of environmentally sustainable economic activities. Companies, which are obliged to reporting according to NFRD or CSRD also have to disclose whether their financial flows are sustainable (taxonomy-compliant). But this obligation could concern further business within the value-chain of obliged larger companies. Tighter reporting and disclosure requirements lead to significant additional work for companies.	

	This is especially true for the EU taxonomy as it covers so many and different economic activities. Proportionality must be taken into account to ensure that the value for the consumer is not counteracted by high administrative workload for the concerned companies. Currently those burdens seem too high: For example, due to additional taxonomy requirements the volume of the taxonomy reporting section of one company's report more than doubled from the financial year 2021 to the one of the year 2022 without much more useful information for an informed reader. We would therefore respectfully request that the Commission retains a close supervision of the taxonomy regime and its associated reporting requirements so that its original aims can be met while ensuring that the taxonomy remains manageable for businesses especially for SMEs.	