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A REGULATORY FRAMEWORK FOR COMPETITIVENESS

The new institutional cycle must be embedded in a **new regulatory mindset** to facilitate investment. This requires a holistic vision to foster a more efficient and effective implementation of legislation, avoid inconsistencies, overlaps, and contradictions between political goals and prevent adding unnecessary complexity and excessive reporting obligations. To this end, it is urgent to apply the Better Regulation principles throughout the legislative process, always taking into account the proportionality principle, in order to address the current implementation problems and the excessive regulatory and administrative burdens faced by European businesses. Along these lines, it is necessary to work to prioritise harmonisation in the Single Market. To ensure this we believe it is necessary to take into account the following objectives:

TIME TO IMPLEMENT LEGISLATION AND AVOID OVERLAPS

- The next five years should be devoted to the **transposition and evaluation** of the extensive legislation adopted in the last cycle, ensuring that its **implementation is duly conducted** and guaranteeing **transparency and legal certainty**.
- To this end, **Member States must avoid gold-plating when transposing** European legislation, as it could hinder the achievement of the intended objectives. This is why it is necessary to use tools (such as Single Market clauses) which ensure complete harmonisation to

avoid the fragmentation caused by divergent transposition of directives at national level.

- Thus, when the EU plans to legislate on a given issue, Member States should avoid developing their own legislation before the process at European level is completed, to **prevent overlaps and contradictions and to ensure a level playing field** and full harmonisation across the Single Market. With this in mind, it is essential to improve the notification of legislative proposals that affect the Single Market as provided for in Article 15(7) of the Services Directive, facilitating the procedure for local and regional authorities.
- Likewise, when designing and developing regulation, the European Commission and the co-legislators must ensure **consistency with existing legislation**, avoiding duplication and prevent regulation that creates confusion for businesses and hinders the achievement of common objectives.

ENSURE COMPLIANCE WITH EUROPEAN LEGISLATION AND ITS OBJECTIVES

- It is necessary to strengthen the active role of the European Commission to ensure compliance with European legislation through **infringement procedures**, making them more agile and transparent. To this end, it is necessary to ensure that the European Commission has sufficient resources to carry them out.

- **Market surveillance** is also essential for the proper functioning of the Single Market. It is a field specially favourable for the development of public-private partnerships, optimising public-private resources and promoting open dialogue between national Market Surveillance Authorities and business associations as encouraged by the European Commission.
- Carrying out **impact assessments** of European legislative acts after adoption to timely ensure they meet their initial objectives, and consider amending them if they do not, thus preventing negative effects on citizens and businesses.
- Setting **timeframes** to adapt national legislation to incorporate changes arising from EU legislation, especially when there are different procedures that require several consecutive changes.
- Along the same lines, **review clauses in directives** should provide for longer deadlines, possibly adapted on a case-by-case basis, so that there is enough time for the transposition and application of the directive before the revision begins: otherwise, legislation is constantly being revised.

BETTER REGULATION AND REDUCING REGULATORY BURDENS

- Enhancing the **quality of impact assessments** to ensure they adhere to objective and quantifiable criteria, including detailed economic analyses, rather than being influenced by predefined ideas or political objectives. This requires real **dialogue with experts in the sectors involved** during the preparation and development of legislation, and the creation of specialised centres in specific areas to support the drafting and evaluation of legislative proposals.
- Improving and rigorously applying the **competitiveness check** for both legislative proposals and political strategies, through active dialogue with stakeholders.
- Improving transparency and stakeholder participation in the process of drafting and adopting **delegated acts**.
- Adapting legislation to meet the specific needs of the **outermost regions (ORs)** and **autonomous cities**.
- Reducing **administrative and regulatory burdens**, extending this commitment to all legislative proposals and actively implementing the **one-in-one-out principle**, as well as thoroughly assessing the cumulative impact of new legislation. The European Commission's plan to **reduce burdens** associated with **reporting requirements by 25%** needs to be swiftly implemented.
- Special attention must be devoted to burdens which impair or slow down the **scaling of European businesses**, preventing them from benefiting from economies of scale that would result in greater efficiency in their processes and investment capacity, and hinder their ability to modernise, digitalise and decarbonise.
- Applying the **"Think Small First"** principle in legislation drafting, analysing the impact that future legislation may have on SMEs and consistently implementing the **SME Test**.