



Nationaler  
Normenkontrollrat

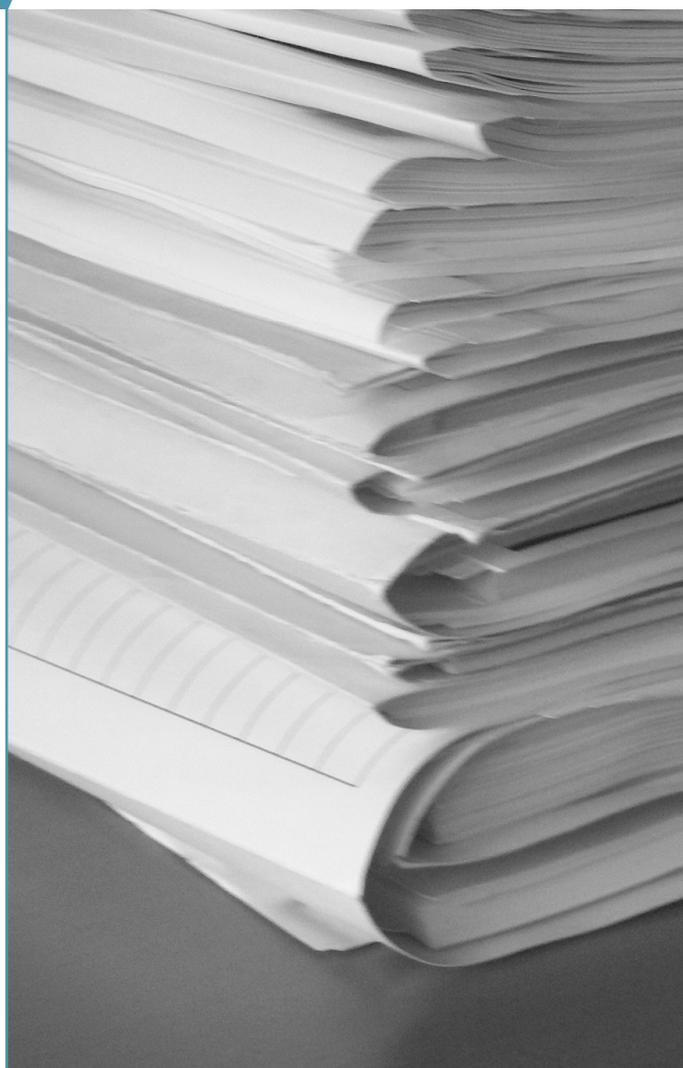
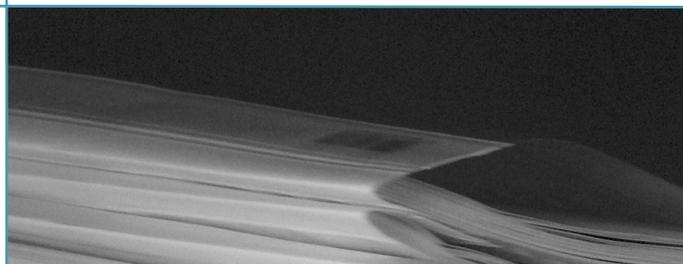


Strengthening Cost  
Consciousness

For  
Better Regulation

Annual Report  
of the National  
Regulatory Control  
Council

SEPTEMBER 2007

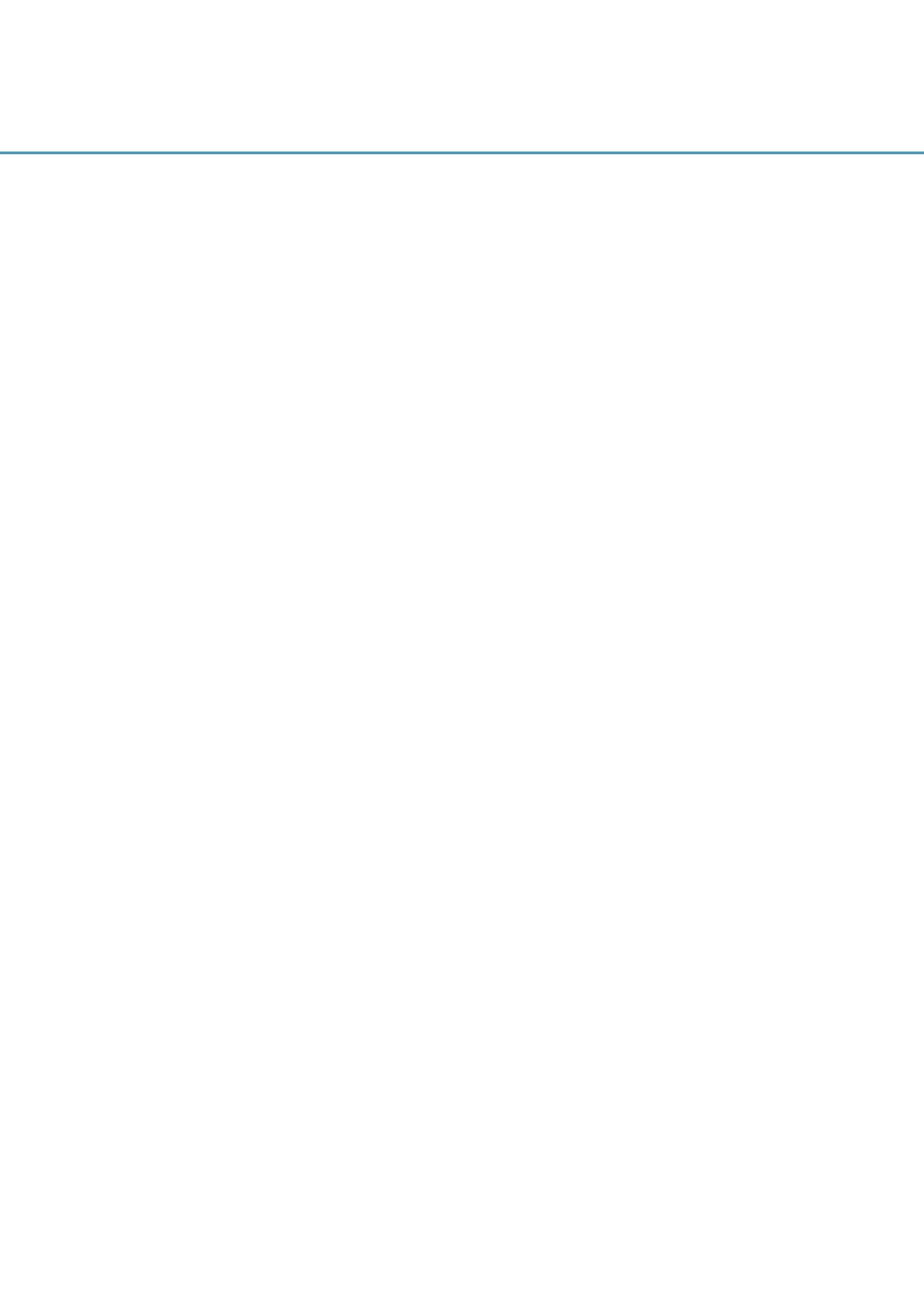




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Annual Report of the National  
Regulatory Control Council  
pursuant to Section 6 (2)  
of the Act on the Establishment  
of the National Regulatory  
Control Council

September 2007



# Foreword

When the National Regulatory Control Council\* started work in Autumn 2006, the question was frequently asked whether an honorary body without the statutory power to impose sanctions, comprising eight members, would be successful in assisting with the reduction in bureaucracy intended by the Federal Government, if necessary with vigour. At the time, we could only justify our confidence by reference to the positive results of European neighbours. If they had been successful in saving bureaucracy costs extending to billions, why should we not achieve this too?

Today, twelve months later, it is time to examine the initial results. Germany has advanced from an interested observer to a respected player in the international field of reduction in bureaucracy. Considerable achievements have been made in starting to relieve business, citizens and the administration of avoidable bureaucratic burdens.

However, it should be borne in mind that the Regulatory Control Council's statutory mandate exclusively relates to burdens on business, citizens and the administration from the imposition of information obligations. Bureaucracy – as experienced and perceived by the parties affected – certainly extends far beyond this. Citizens and enterprises connect bureaucracy with waiting times at public authorities, for instance, or with all conceivable orders and prohibitions, even if they are not required to provide information in many cases. The limitation to the costs of information results from the fact that these can be calculated and shown in a transparent way – and their reduction can thus be demonstrably shown. This is precisely the aim of the Federal Government's reduction in bureaucracy programme.

The Regulatory Control Council's primary initial task was to prevent the introduction of new information costs or to limit them in a sustained way. The necessary methodical bases were worked out together with the Federal Ministries. On the basis of this, the Regulatory Control Council then worked towards the costs of bureaucracy being estimated in every new legislative project, as well as compliance with the methodical requirements of the Standard Cost Model. Since December 2006, it has examined 190 regulation projects of the Federal Ministries which ultimately provide for relief for enterprises from the costs of bureaucracy amounting to more than € 790 million.

True to the motto of the Netherlands inventor of the Standard Cost Model, “only what gets measured gets done”, a further task was to support the Federal Government and the Federal Statistics Office in introducing measurements of the bureaucracy costs connected with all the legislation currently applicable today. Right from the start, the National Regulatory Control Council's work was driven by the conviction that the reduction of the costs of bureaucracy will only be successful if the necessary costs transparency can be created. As regards content, the primary concern was to comply with international standards, keep time delays to a minimum and start off the operative implementation of the reduction in bureaucracy programme.

In pursuit of this aim, considerable endeavours were necessary on the part of all participants. The Federal Ministries initially had to identify around 10,900 state information obligations on business right across all spheres of legislation. The Federal Statistics Office, supported by numerous committed enter-

\* Also referred to in this Report as the “Council” for ease of reference.

## Foreword

prises and associations, quantifies the relevant information costs in cooperation with external consultancy firms and stores them in a specially developed data bank. The Secretary of State in the Federal Chancellery responsible for the reduction in bureaucracy in the Federal Government, together with the office allocated to him, and the Secretaries of State Reduction in Bureaucracy Committee have made a considerable contribution to the overall high quality of the direction and coordination of the entire process, in spite of some "friction". This is not least due to the fact that the Regulatory Control Council's recommendations have been duly taken into account.

A significant proportion of measuring the existing burden has now been completed with only a slight delay. This means that an important interim target has been achieved. Now it is increasingly clear where the costs are generated, i.e. in which areas significant cost savings can be realised. For the first time, this provides a realistic perspective for the significant reduction of burdens caused by information costs.

In spite of this positive interim result, it should not be forgotten that the measurement of the existing burdens – i.e. the quantification of the burden of information costs on enterprises connected with existing legislation – only serves as preparation for the genuine reduction work. These reduction measures constitute the core of the reduction in bureaucracy programme and will be drawn into focus of the forthcoming months.

In order to achieve the Federal Government's declared aim of achieving a 25 % reduction by 2011, the reduction programme must be specified in detail without delay. The Federal Government intends to resolve an initial package of reduction measures in Spring 2008 which is intended to come into force before the federal elections in 2009.

The overall result is that the reduction in bureaucracy process has started well. The Federal Government has made considerable efforts and achieved notable progress. The formulation and approval of specific reduction measures will take place in the forthcoming months. If the current positive momentum can be sustained, the Regulatory Control Council is confident that the targets set can be achieved.

Berlin, 19 September 2007



Dr. Johannes Ludewig



Wolf-Michael Catenhusen



Hermann Bachmaier



Dr. Hans D. Barbier



Prof. Dr. Gisela Färber



Henning Kreibohm



Dr. Franz Schoser



Prof. Dr. Johann Wittmann



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# I. Summary

The **Federal Government** has set itself the target of significantly reducing unnecessary bureaucracy for business, citizens and the administration. It plans a 25 % reduction in the costs of bureaucracy caused by legislation by 2011. In an initial step, it concentrates on relieving the burden on business. Relief for citizens and the administration will follow.

Parliament has created an independent consultative and controlling organ with the Act on the Establishment of a **National Regulatory Control Council**. It comprises eight members who are appointed on an honorary basis for a term of office of five years.

According to its **statutory mandate**, the Regulatory Control Council concentrates on the costs of bureaucracy arising from statutory information obligations. Its task is to support the Federal Government in avoiding new bureaucracy and reducing the existing bureaucracy burdens.

One year after its creation, the Regulatory Control Council submits its first report. The **main findings** of the report can be summarised as follows:

- The tasks of the Regulatory Control Council include advice and monitoring to ensure that bureaucracy in the form of information obligations imposed by new statutes, legal and administrative provisions is kept to a minimum. The Council is involved in the current legislative process for the preparation of Federal Cabinet decisions. The Federal Ministries send their draft legislation to it. The Council therefore has the equivalent status of a government department. It therefore has the opportunity to state its opinion on the costs of bureaucracy early in the legislative process. It investigates whether the relevant department has correctly quantified the anticipated costs of bureaucracy and selected the most inexpensive alternative. This **costs transparency** enables all participants in the legislative process to assess whether there is a reasonable relation between the burdens and the anticipated advantages, and thus whether these burdens are justified.
- The Federal Ministries have submitted a total of 225 statutes and ordinances to the Regulatory Control Council since 1 December 2006, of which the Council has examined 190 to date. If all drafts examined by the Council enter into force unaltered, business will be **relieved of a burden exceeding € 790 million**. However, it must be borne in mind that in many cases considerable changes will still be made to the draft statutes in the further course of the legislative process which can have effects on the costs of bureaucracy.
- The tasks of the Regulatory Control Council also include **advising the committees of the Federal Parliament**. The advisory mandate relates not only to the assessment of draft statutes of the Federal Government, but also of draft statutes of the Federal Council and the parliamentary parties. In the past year, the Financial Committee and the Economics and Technology Committee have requested opinions from the Regulatory Control Council. In this way, the Council was able to contribute towards avoiding considerable burdens on business.
- The Federal Government has instructed the

- Federal Statistics Office **to measure the costs of bureaucracy resulting from around 10,900 information obligations incumbent on business**. The Council's central task is to work towards achieving the highest possible quality of the data obtained for the measurement of existing burdens. In its view, it is decisive that the results of the measurement of existing costs burdens are widely accepted, including in business. In this context, the Council regularly discussed methodical issues with the Federal Statistics Office. Chambers of Commerce and associations can use the Internet to follow how information obligations are quantified, and can propose improvements if required. This accords due weight to the Council's demand for the greatest possible transparency.
- The **measurement of applicable federal law is intended to be completed by the end of 2007**. Both the measurement process by the Federal Statistics Office and the acceptance process by the departments have proved to be more time-consuming than initially anticipated. The Council considers the delay which has arisen in measuring the existing burdens as acceptable in view of the quality to be achieved in the measurement results. However, the measurement of federal law should be completed by the end of this year.
  - The Council considers it appropriate for the Federal Ministries to identify possibilities for reduction even before the conclusion of the measurement of existing burdens, and to propose **specific reduction measures**. It thus welcomes the discussion with enterprises and associations about approaches to cost reduction measures taking place in the course of the measurement of existing burdens.
  - The **Regulatory Control Council advises the departments** in identifying reduction potential. It has produced a study on this showing how other countries have dealt with this. This study offers the Federal Ministries help and advice on developing their own concepts for reduction measures.
  - The **costs of bureaucracy at state and local government level** are predominantly caused by the Federal Government, because federal law is frequently implemented by the individual Federal States or with the support of local government. The burdens resulting from this can only be reduced if the Federal Government, the States and local government work closely together in these areas.
  - The Council has **established good working relations with other European countries** in which the Standard Cost Model is applied. In particular, it conducted discussion with representatives of the Netherlands, Great Britain, Denmark and Austria at an early stage in order to benefit from the experience gained there. In accompanying the measurement of existing burdens, in the ex-ante procedure and in clarifying unanswered questions of methodology, the Council can draw on these international contacts, also to ensure that the application of the Standard Cost Model in Germany complies with international standards.
  - Calculations in other EU countries assume that 40 to 50 % of the national information obligations are based directly or indirectly on regulations from the EU. It is thus indispensable for the success of the national reduction in bureaucracy programme that this is accompanied by **a reduction in the burden of bureaucracy at the European level**. The Regulatory Control Council already pointed this out at an early stage. It takes the view

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- that this measures resolved by the European Council in March 2007 are a step in the right direction. However, further efforts will be necessary for the reduction in bureaucracy at the European level to lead to lasting results. The National Regulatory Control Council will accompany the implementation of the European reduction in bureaucracy programme together with comparable bodies in other European countries.
- The Regulatory Control Council has in particular pointed out that the **ex-ante quantification** of the costs of bureaucracy within the framework of the assessment of the consequences of legislation of **EU regulation projects** requires significant improvement. The Federal Government is currently developing a concept in consultation with the Regulatory Control Council as to how the conduct of sustained estimates of the costs of bureaucracy can be guaranteed for each European regulation project by national influence on the competent European body.
  - **In October of this year, the Federal Government** intends to specify details in connection with the Cabinet resolution of February 2007. In this context, the Regulatory Control Council recommends
    - defining the 25 % reduction target as a net target;
    - establishing interim targets;
    - setting department-specific targets, and
    - establishing a time schedule for the submission of reduction plans.
  - In addition, it must be ensured that the overall economic reduction of the costs of bureaucracy by 25 % also reaches the **individual enterprises**. As the experience of other countries shows, this is not always automatically the case. For reason, the Council is currently developing a pilot project to clarify how
- the overall economic reduction in bureaucracy can be designed so that the parties affected benefit from it in a comparable way.
- The National Regulatory Control Council recommends starting with the reduction of the **costs of bureaucracy on citizens** soon, because this is important for the acceptance of the reduction of bureaucracy programme as a whole. Methodical issues and the time schedule and sequence of the necessary measurement process should be clarified by Summer 2008, so that the measurement of the existing burden on business can be followed by the measurement of the costs of information to be provided by citizens.
  - The reduction in bureaucracy also includes a reduction of corresponding **burdens on the administration**. The Regulatory Control Council is aware that the present conduct of the measurement of existing burdens for business, and subsequently for citizens, currently ties resources, and that priorities must consequently be set. In addition, a series of method-related issues must also be clarified. In particular, there is still as yet no clear detailed substantive definition of the administration's information obligation. The Federal Government should conduct initial pilot projects with interested parties for this purpose. The Regulatory Control Council recommends involving the Federal States and local government in order to record the information obligations of the various administrative bodies and levels.
  - **The reduction in bureaucracy requires more than the reduction of the information obligations**. These merely constitute part of the bureaucratic burden on citizens. In particular, some substantive duties and stipulations are considered burdensome by the parties affected. Administrative enforcement – such

as waiting times at public authorities – can also cause avoidable burdens. The Regulatory Control Council welcomes the plans of individual Federal Ministries for further-reaching programmes and approaches for the reduction of bureaucracy alongside the reduction of information costs.

- The reduction in bureaucracy is not only a matter for the Federal Government. **Federal States and local government, social insurance systems, self-governing bodies and other public entities** are required to scrutinise their processes and procedures in order to reduce such burdens on citizens and business. In this context, there is still much to be done. Such initiatives may already be grouped together in a **Reduction in Bureaucracy Action** in 2008. The Regulatory Control Council sees this as a meaningful and necessary supplement to the Federal Government's "Reduction in Bureaucracy and Better Legislation" programme.



## II. Introduction

In the Coalition Treaty of the Grand Coalition in 2005, the CDU, CSU and SPD agreed on the establishment of a Regulatory Control Council. This agreement was implemented with the enactment of the Act on the Establishment of a National Regulatory Control Council (Annex 1) of 14 August 2006. At the suggestion of the Federal Chancellor and in agreement with the other members of the Federal Government, the Federal President appointed eight members of the Regulatory Control Council on 19 September 2006.

As an independent advisory and monitoring organ, the National Regulatory Control Council has the task of supporting the Federal Government in reducing the costs of bureaucracy caused by statutes by means of the application, monitoring and further development of a standardised measurement of the costs of bureaucracy on the basis of the Standard Cost Model. The Council therefore plays an important part in the “Reduction in Bureaucracy and Better Legislation” programme passed by the Federal Government on 25 April 2006. This programme was made more precise in a Cabinet resolution of 28 February 2007, and the reduction of the costs of bureaucracy was established as a political target. The Federal Government aims for “a noticeable and swift reduction in unnecessary bureaucracy and sets itself the target of examining the measured total burden of the costs of bureaucracy caused by information obligations by the end of 2011, identifying the unnecessary costs of bureaucracy and removing them. In doing so, the Federal Government aims to achieve a 25 % reduction in the current burden of the costs of bureaucracy.”\*

In this way, Germany pursues the reduction of the costs of bureaucracy following the lead taken by the Netherlands and in line with a growing number of member states of the European Union, including Great Britain, Denmark, Austria, Poland and the Czech Republic.

The National Regulatory Control Council’s work focuses on two main areas. In the first place, new costs of bureaucracy must be prevented. However, a significant reduction in the costs of bureaucracy will only be successful if costs savings can also be achieved in connection with the existing statutes and ordinances. For this reason, the Council’s second focus is the accompaniment of the measurement of the existing burdens and the support of government departments in identifying reduction potential.

Since its constitution in September 2006, the Federal Government has undertaken numerous specific steps to implement the Reduction in Bureaucracy and Better Regulation programme. It resolved first to concentrate on reducing the burden of the costs of bureaucracy on business. In a second step, it plans to reduce the burdens on citizens and the administration. The Council offers critical and constructive advice in this process.

In this Annual Report, the National Regulatory Control Council reports for the first time since its constitution one year ago on its activities and submits recommendations for the realisation of the reduction of the costs of bureaucracy.

\* Cabinet resolution of the Federal Government of 28 February 2007

# III. Statutory Mandate and Working Methods of the National Regulatory Control Council

## 1. Appointment of the Regulatory Control Council

At the suggestion of the Federal Chancellor and in agreement with the other members of the Federal Government, the Federal President appointed eight members of the Regulatory Control Council on 19 September 2006. The Federal Chancellor appointed Dr. Johannes Ludewig as Chairman. The Council elected Wolf-Michael Catenhusen as Deputy Chairman.

The members (Annex 2) were appointed for a term of office of five years. They have experience in the spheres of economics, politics, science, law and the administration, and hold office on an honorary basis.

## 2. Statutory Mandate of the Regulatory Control Council

As an independent advisory and monitoring organ, the Council has the task of supporting the Federal Government in reducing the costs of bureaucracy caused by statutes through the application, monitoring and further development of a standardised measurement of the costs of bureaucracy on the basis of the Standard Cost Model pursuant to Section 1 (2) of the Act on the Establishment of a National Regulatory Control Council.

The National Regulatory Control Council therefore supports the Federal Government in two main respects:

- Avoidance of new costs of bureaucracy and
- Reduction of the existing costs of bureaucracy.

In doing so, the Council is bound only by its statutory mandate. It is independent in its work. This frees it from the obligation to follow substantive instructions and secures its impartiality.

### 2.1 Costs of Bureaucracy

The Act on the Establishment of a National Regulatory Control Council concentrates on a specific part of the costs of bureaucracy, namely those arising from the statutory information obligations. Information obligations are obligations existing on the basis of statute, legal ordinance, by-laws or administrative provisions to procure, hold available or transmit data and other information for public authorities and third parties. In essence, this means the time, effort and expenditure required of enterprises and citizens, but also of the administration, for the submission of applications and forms, notifications and declarations.

The concept of the costs of bureaucracy does not include costs which arise from the compliance with substantive duties. This means the costs which arise, for example, from the installation of a soot particle filter in a motor vehicle prescribed by statute, or from compliance with certain health and safety at work provisions (such as wearing protective clothing, break times, requirements for VDU\* work stations), are not investigated, even though such duties are frequently perceived as particularly burdensome and cost-intensive.

\* Visual Display Unit

### Examples: What are information obligations?

- Declarations and notifications to tax authorities, such as wage tax registration or value added tax advance returns
- Balance sheet duties of enterprises
- Energy consumption labelling of household appliances
- Obligation to publish information, for example for consumer protection or nature and environmental protection purposes
- All types of applications for permits and licences, such as for example for building permits or the recognition of a profession
- Entries in the Commercial Register or the Land Register
- Licensing procedures for medicines
- Data and information which must be available at supervisory visits
- Applications for the grant of social security benefits or subsidies

## 2.2 Standard Cost Modell

The monetary valuation of information obligations is made on the basis of the internationally acknowledged Standard Cost Model. This model facilitates the simple and effective calculation of the costs of bureaucracy. This model centres on the standardised depiction of the costs of bureaucracy arising from the fulfilment of the information obligations. Initially, the costs of fulfilling a

information obligation which arise in a typical enterprise are determined as a model. These are subsequently multiplied by the annual frequency of application and the number of parties affected. The result quantifies the annual burden on the national economy of fulfilling each information obligation (see Fig. 1, page 18).

## 2.3 Policy and Statutory Mandate

It is important to note that, according to the statutory mandate of the Regulatory Control Council, its work does not encompass the political aims of a statute. Instead, it must be clarified whether an information obligation is necessary in order to achieve a political aim and whether the leading department has identified the most cost-effective alternative.

can only be successful if the discussion about the reduction in bureaucracy does not get caught up in the centre of controversial political disputes. Concentration on information obligations facilitates and promotes the discussion about the efficient organisation of the provision of information necessary for the application of the statute.

Experience in other countries has shown that the effective reduction of bureaucratic burdens

### Overview of the Standard Cost Model

At the start of the Nineties, an instrument was developed in the Netherlands with the aid of which the costs of bureaucracy could be calculated. This instrument has in the meantime established itself as the internationally recognised so-called Standard Cost Model and is used in numerous countries as well as at EU level.

#### Practical Applicability

The Standard Cost Model is simple to use. It facilitates the comprehensive measurement of the information costs to the entire national economy connected with existing statutes. In addition, it can regularly also be used for estimating the costs of information for new draft statutes.

#### Reliable Results

With the aid of the Standard Cost Model, reliable results can be obtained both from a qualitative and a quantitative point of view. They provide detailed insight into the individual work steps and thereby provide indications of reduction potential. Last but not least, the monetary valuation of statutory information obligations for the first time makes it possible to formulate quantitative reduction targets, and the development of the costs of bureaucracy for business can be properly evaluated.

#### Example: What does a certificate of employment cost?

For the calculation of the costs of bureaucracy, it is first asked what an employer must do in order to be able to issue a certificate of employment (see diagram below). Subsequently, the time required for the collection of personal data and the completion of the prescribed form is determined. The average costs of processing one single information obligation are then multiplied by the work costs of the employee dealing with the process in the enterprise.

Lastly, the number of certificates of employment to be issued in Germany each year is calculated. Individual costs times quantity then reveals the costs of the bureaucracy arising in Germany through the "certificate of employment" information obligation.

Standard Activities	Time in Minutes	X	Wages in €/hour	X	Cases	=	Costs of Bureaucracy in €
Completion of form	3,0		28,50		6.500.000		9.262.500
Calculations	5,0		28,50		6.500.000		15.437.500
Checking entries	4,0		28,50		6.500.000		12.350.000
Copying, archiving	2,5		28,50		6.500.000		7.718.750
<b>Total</b>	<b>14,50</b>		<b>28,50</b>		<b>6.500.000</b>		<b>44.768.750</b>

Fig. 1: Standard costs for a certificate of employment on the basis of a measurement of the existing burden

### 2.4 Costs Transparency and Measurable Reduction in Bureaucracy

Concentration on information obligations offers a further advantage. In the past, it was impossible to specify the number of information obligations to be fulfilled by the German economy, and quantify the costs involved. Now the costs of bureaucracy arising from the fulfilment of the statutory information obligations are transparently shown in the assessment of the consequences of a particular statute. This means that, for the first time, this information is available both to the legislative bodies and the parties affected. This costs transparency means that the legislative bodies can assess whether the burdens involved are proportionate in relation to the anticipated advantages,

and thus whether they are justified. The Standard Cost Model thereby produces reliable results from a qualitative and a quantitative point of view. If adequately applied, it offers detailed insight into the administrative procedural sequences and thereby indicates potential for reduction.

Last but not least, the monetary valuation of statutory information obligations for the first time make it possible to formulate quantitative reduction targets, and the development of the costs of bureaucracy for business can be properly evaluated.

## 3. Organisation and Working Methods of the Regulatory Control Council

Since the constitution of the National Regulatory Control Council in September 2006, the Council has actively accompanied the Federal Government's reduction in bureaucracy process with critical and constructive advice.

To date, the National Regulatory Control Council has met 31 times. It makes its decisions with the majority of its members.

A Secretariat has been established for it in the Federal Chancellery in order to support its operative work. Seven staff members current work in this Secretariat.

The Council has regular contact with all participants in the reduction process. This includes the Secretary of State in the Federal Chancellery, Dr. Hans Bernhard Beus\*, who has overall responsibility for the coordination of the process in the Federal Government, as well as the Secretaries of State Reduction in Bureaucracy Committee, a body in which Secretaries of State from all Federal Ministries are represented. Secretary of State Dr. Hans Bernhard Beus is supported by the Better Regulation Unit in the Federal Chancellery. This Unit is regularly invited to participate in the

meetings of the National Regulatory Control Council. Another important discussion partner for the Council is also the Federal Statistics Office, to which the responsibility for the conduct of the measurement of existing burdens has been transferred (see Chapter V, page 29ff.).

#### Steps to Implement the Programme "Reduction in Bureaucracy and Better Legislation"

- |       |   |
|-------|---|
| 08/06 | Start of identification of information obligations by the departments.  |
| 09/06 | Appointment of the National Regulatory Control Council.   |
| 12/06 | Amendment of the Joint Rules of Procedure of the Federal Ministries, start of the ex-ante examination of the costs of bureaucracy for new statutes. |
| 01/07 | Start of measurement of the information obligations resulting from federal law applicable on 30 September 2006.                                     |
| 02/07 | Cabinet resolution on the reduction target (25 % less costs of bureaucracy by 2011).  |

\* Secretary of State Dr. Bernhard Beus currently represents State Minister Hildegard Müller.

## Statutory Mandate and Working Methods of the National Regulatory Control Council

In addition, the Council is in contact with the respective contact partners in the Federal Ministries who have assumed the coordination of the process within the departments and the advice at specialist level. For this purpose, the Council has introduced a reporting system which regulates the competence of its members for the cooperation with specific Federal Ministries.

The Council takes the view that the involvement of those parties who bear the information obligations is decisive for the success of the reduction in bureaucracy. For this reason, a regular exchange of information and ideas with representatives of the associations, chambers of commerce and other interest groups is of particular importance to the Council.

### Reporting responsibility:

**Dr. Johannes Ludewig:** Federal Chancellery; Defence; Federal Foreign Office; Culture and Media

**Wolf-Michael Catenhusen:** Food, Agriculture and Consumer Protection; Health

**Hermann Bachmaier:** Interior and Justice

**Dr. Hans D. Barbier:** Family, Senior Citizens, Women and Youth; Economic Cooperation and Development

**Prof. Dr. Gisela Färber:** Finance (excluded Financial Markets and Monetary Policy)

**Henning Kreibohm:** Employment and Social Affairs; Finance (Financial Markets and Monetary Policy)

**Dr. Franz Schoser:** Economics and Technology; Education and Research

**Prof. Dr. Johann Wittmann:** Environment, Nature Conservation and Nuclear Safety; Transport, Building and Urban Affairs

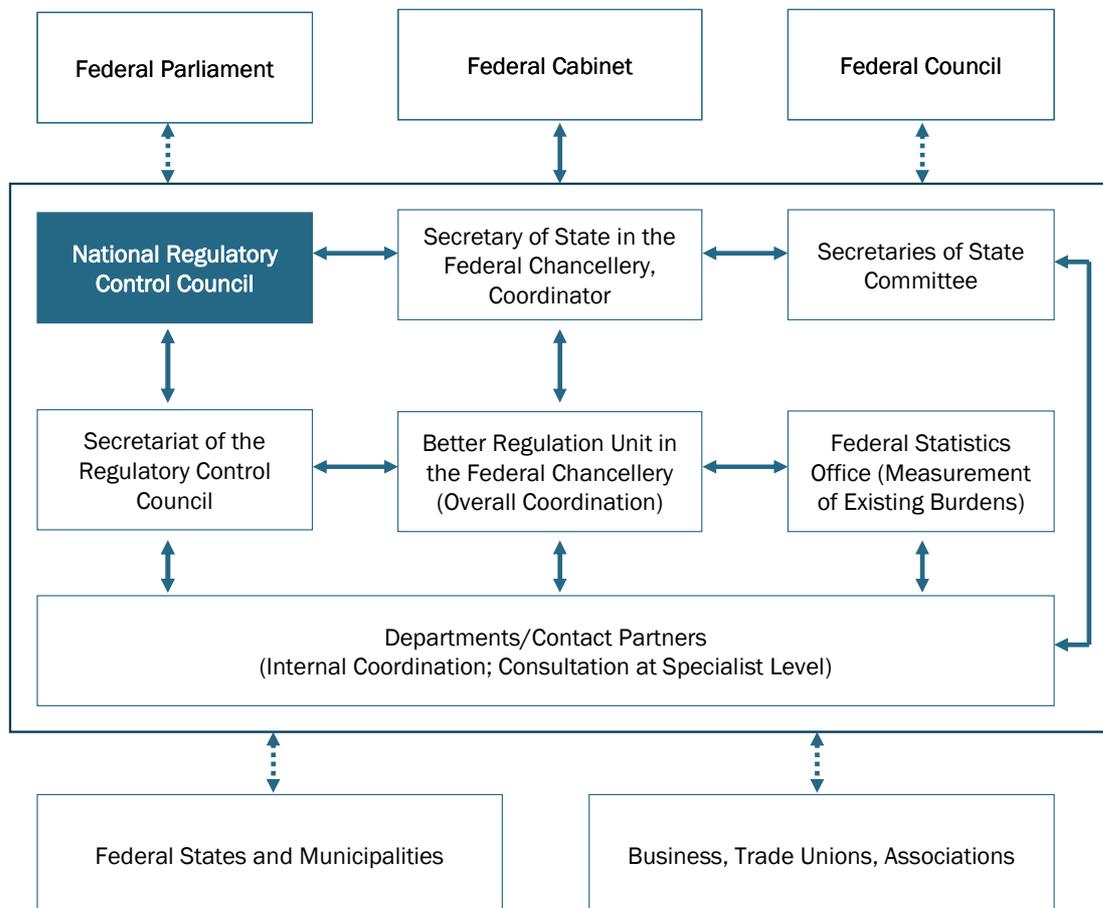


Fig. 2: Organisation of the reduction in bureaucracy process

## IV. Preventing More Bureaucracy

The Council's central task is to contribute towards preventing additional costs of bureaucracy. To this end, the National Regulatory Control Council will be involved in the current legislative procedure

### 1. Ex-Ante Procedure

The starting point for the prevention of new costs of bureaucracy is the estimate of the burdens and relief in bureaucracy costs for new Federal Government legislative projects by the leading department in each case. In case of draft statutes by the parliamentary parties and the Federal Council, the Act on the Establishment of a National Regulatory Control Council does not provide for an estimate of the costs of bureaucracy. They do not have to be submitted to the Regulatory Control Council for examination.

#### 1.1 New Framework Conditions in the Legislative Process

With effect to 1 December 2006, the Joint Rules of Procedure of the Federal Ministries were amended. They stipulate that, as part of a comprehensive assessment of the impacts of the legislation, the departments must explain in detail in the reasons for their draft statutes which information obligations the new statute abolishes, changes or creates. In a further step, the departments have an obligation to estimate the influence of the new regulation on the costs of bureaucracy on the basis of the Standard Cost Model.

As the comprehensive ex-ante estimate of the costs of bureaucracy is new ground for all participants, the Council organised a workshop on the methods of the Standard Cost Model at the start

of the preparation of cabinet decisions (ex-ante procedure). In addition, it is also available for advice to committees of the Federal Parliament.

The aim of this so-called ex-ante estimate is above all

- to render transparent the extent to which the burden on the parties affected changes as a result of new statutes,
- to raise the awareness amongst all participants in the legislative process of the costs of the regulations to the parties affected, and
- to thereby prevent new costs of bureaucracy arising, as well as facilitating the reduction of the existing costs of bureaucracy.

of the process in cooperation with the Better Regulation Unit in the Federal Chancellery. The participants included the Federal Ministries and the Federal Statistics Office entrusted with the conduct of the measurement of the costs of bureaucracy.

Following this, the Council and the Better Regulation Unit in the Federal Chancellery together produced "Guidelines for the Ex-Ante Estimate of the Costs of Bureaucracy according to the Standard Cost Model" in close consultation with the department\*. These Guidelines which take account of the scientific standards of the Standard Cost Model and provide for a generally binding procedure for the ex-ante estimate of the costs of bureaucracy for business, are an important work-

\* Download under [www.normenkontrollrat.bund.de](http://www.normenkontrollrat.bund.de)

## Preventing More Bureaucracy

ing tool for all participants in the reduction in bureaucracy process. An English version is now available because there is also international interest in the Guidelines.

The associations are important partners in the ex-ante assessment. In some instances, the departments lack insight into internal company processes which are important in the fulfilment of a statutory information obligation. In this respect they are dependent on information and support from the associations. Hearings granted to the associations in the legislative procedure therefore play an important role in the reduction in bureaucracy – a circumstance which to date has not yet attracted sufficient attention.

The ex-ante procedure gives the departments the opportunity to obtain information about the actual burdens on the parties affected to a greater extent than was previously the case, and to involve the associations in the deliberations, in

### 1.2 Evaluation Procedure of the Regulatory Control Council

Both the Act on the Establishment of a National Regulatory Control Council and the Joint Rules of Procedure of the Federal Ministries require that the Federal Ministries send their draft statutes to the National Regulatory Control Council before they are submitted to the Federal Cabinet. In this respect, the Council is accorded the same status as a government department. It thus has the opportunity of stating its opinion on the costs of bureaucracy at an early stage in the legislative process.

The Regulatory Control Council's opinion is not only forwarded to the relevant leading Ministry in the legislative project; it is also submitted to the Federal Cabinet as an annex to the draft statute. It is forwarded to Parliament together with the Cabinet resolution. The Council's opinion thereby becomes public. In this way, the costs of bureaucracy are drawn to the attention of all participants in the legislative procedure.

#### The Ex-Ante Procedure of the Federal Ministry of the Interior:

Since the Ex-Ante Guidelines were enacted, the Federal Ministry of the Interior has trained 75 departmental heads, experts and clerical staff in the application of the Standard Cost Model.

In addition, the competent administrative department responsible for the reduction in bureaucracy has conducted discussions with the staff responsible for the combat of money-laundering and for national security. The aim of the events was not only to identify all information obligations within a short period, discuss alternatives and make a reliable estimate of the costs; in addition, the intention was also to increase acceptance of the programme and the competence in the legislating departments.

In the light of the positive experience gained, the administrative department intends to conduct further events of this kind in future.

order to ensure that the burden imposed by the costs of bureaucracy is reduced to a minimum in the current legislative procedure.

In its opinion, the Regulatory Control Council bases its assessment on three questions:

1. Has the department quantified the anticipated costs of bureaucracy clearly and with the application of the Standard Cost Model?
2. Has the department given sufficient consideration to less burdensome alternatives?
3. Has the department selected the least burdensome alternative, taking into consideration the intended aim of the regulation?

On the basis of these assessment criteria, the Regulatory Control Council, for example, considered an application process provided for in the draft of the Gene Technology Act as unnecessary. The leading department agreed with this and waived the application procedure. This meant a saving not only of high costs of bureaucracy for citizens and enterprises, but also of a considerable amount of time and effort in processing such

applications at the competent public authority.

The following example shows the effect which the investigation of regulatory alternatives can have:

The original considerations on the amendment of the law on food and animal fodder provided that the necessary notifications had to be submitted to the competent public authorities on paper. The Federal Ministry for Food, Agriculture and Consumer Protection investigated the possible alternatives in the ex-ante procedure. The draft statute now provides that the notifications can also be submitted by E-Mail. The systematic application of the ex-ante procedure meant that a more cost-effective alternative could be found and implemented.

The investigation of alternatives for existing applicable law can also lead to considerable relief, as illustrated by the following example: The Federal Ministry for Employment and Social Affairs provided considerable relief for business in several areas of the social security law sphere with just a single statutory amendment. It introduced a central notification office for professional benefits associations, triviality thresholds for social security contributions, regulation of the due date for proof of contributions and an automated notification procedure for the payment office procedure. The department estimates that the annual effect of relief totals in excess of € 180 million (for details, see below and on p. 24).

### The Ex-ante-Procedure illustrated by the Gene Technology Act

To date, the electronic location register for fields on which genetically engineered plants were grown was freely accessible for inspection. With the new Gene Technology Act, the Federal Ministry for Food, Agriculture and Consumer Protection initially planned the introduction of an application procedure for register inspection. The Regulatory Control Council expressed itself in favour of keeping the freely accessible location register, because the application procedure would lead to avoidable costs of bureaucracy without making an effective contribution towards preventing the destruction of fields with genetically engineered plants. The department ultimately agreed with this in order to avoid costs of bureaucracy for those citizens and enterprises who wished to inspect the register.

In assessing the information obligations and the associated costs of bureaucracy, the Council also takes advantage of the expertise and experience of enterprises and associations to the extent necessary and useful. It attaches importance to practice-related discussions on alternatives to the planned or existing regulations.

### Four Examples from Social Security Law:

#### 1. Introduction of a Triviality Threshold for Social Security Contributions

In order to avoid income losses, some enterprises pay their employees subsidies to sickness pay, pay allowance during sickness, etc. and therefore increase the monthly compensation payments to 100 % of the former net payment. To date, this had the undesired side-effect that, due to the monthly continuation of small amounts such as, for instance, account costs of € 2.50 or subsidies to asset-building payments of around € 13, social security contributions had to be made. The Federal Ministry for Employment and Social Affairs regarded this as particular hardship and introduced a triviality threshold of € 50. It accepted contribution losses of up to € 10 million in order to provide relief for the insured parties and to free the enterprises from duties of notification and proof. The annual savings to business are estimated to be around € 32 million.

### **2. Introduction of a Central Notification Office and an Automated Procedure for Notification to Professional Benefits Associations**

There are over 80 different professional benefits associations in Germany. To date, enterprises must use the relevant procedure of the respective different professional benefits associations in the transmission of the extensive notifications and proof of contributions paid for their employees insured with the professional benefits associations. Each of these professional benefits associations could, for example, independently decide on the form and content of the certificates in their articles of association. In addition, the information also had to be provided on paper.

The Federal Ministry for Employment and Social Affairs standardised the notification and contribution procedure for the parties insured with professional benefits associations by statute. With effect to 1 January 2009, a central notification office will be created for the professional benefits associations and fully automated data transmission introduced, which reduces the time and effort of processing both for the employer and for the professional benefits associations. The Federal Ministry for Employment and Social Affairs estimates that costs saving of approximately € 45 million will be achieved.

### **3. Statutory Regulation of Due Dates for Proof of Contribution Payments**

Enterprises send so-called proof of contribution payments for their employees to the health insurance schemes, so that the latter can determine the amount of the social security contributions due. To date, the health insurance schemes regulate when this proof of contributions is due in their articles of association. As the regulations of the health insurance schemes about the due dates differ considerably from one another, the transmission of the proof of contributions was difficult for enterprises. The regulations prevented the introduction of a fully automated procedure, which in practice frequently resulted in warnings and penalty surcharges.

The Federal Ministry for Employment and Social Affairs intends to regulate the due dates by statute. This will remove a significant hurdle to proper dispatch and accounting, which will relieve burdens on both the enterprises and the health insurance schemes. The Federal Ministry for Employment and Social Affairs estimates that enterprises will save around € 96 million each year as a result.

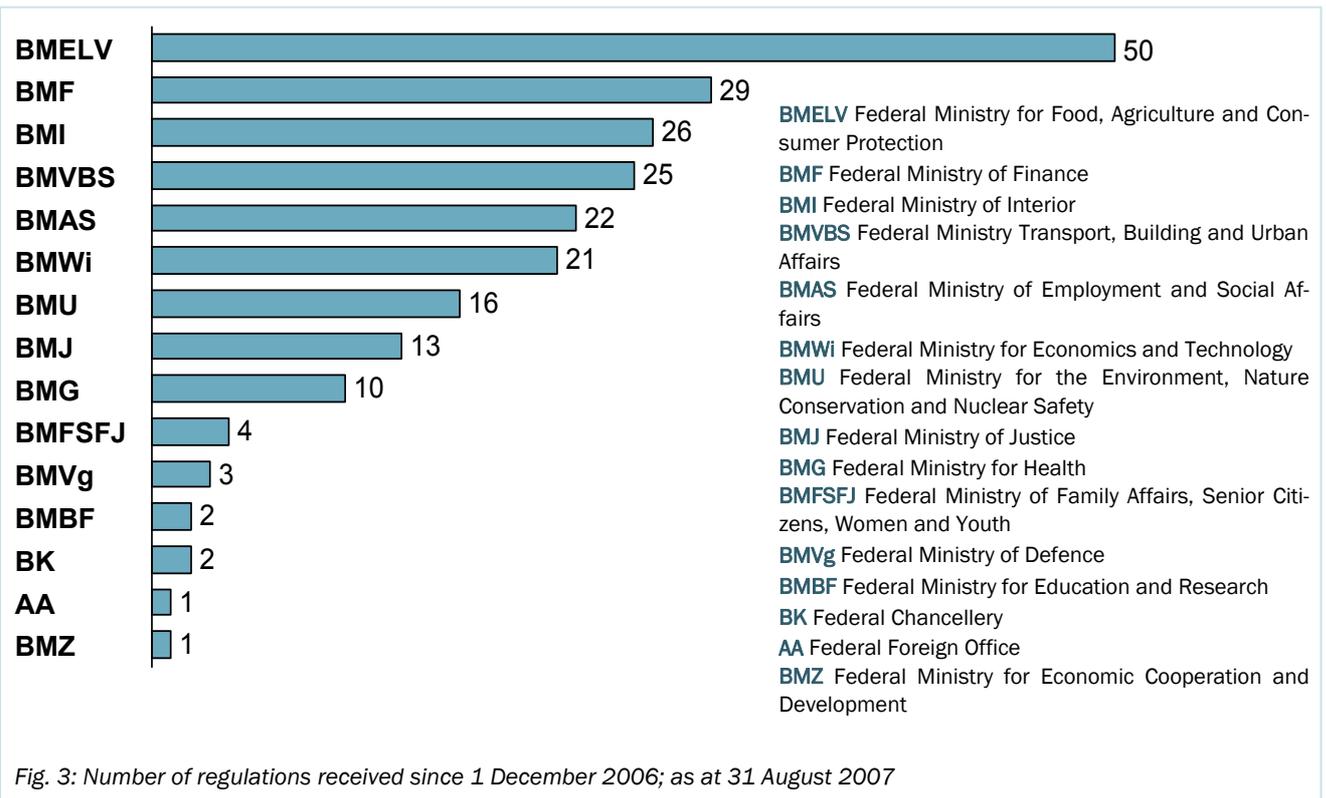
### **4. Introduction of the Option of an Automated Notification Procedure for the Payment Office Procedure in Case of Benefits Payments**

Social security contributions are payable on benefits to employees – including, for example, company pensions. The offices for the disbursement of these payments – so-called payment offices – must provide extensive proof for the social security system. In some payment offices, proof must be provided for over 100,000 cases. In order to simplify the data transmission, the Federal Ministry for Employment and Social Affairs has accepted a proposal made by enterprises and will introduce a fully automated procedure in future. For this purpose, the existing procedures for data transmission will be adapted in line with the general social security notification and contribution proof procedure, and the existing technology will be used. In order to ensure a standard procedure country-wide, the sets of data necessary for the notification will be approved by the competent Ministries. The fully automated procedure will offer the enterprises a considerable advantage in future: it can be integrated into the system check for the enterprises' existing payment accounting programmes. It thus offers users the certainty that no procedural errors can arise in the data transmission. The anticipated annual savings generated by the automation of the notification procedure are estimated at around € 7 million.

### 1.3 Results of the Ex-Ante Procedure

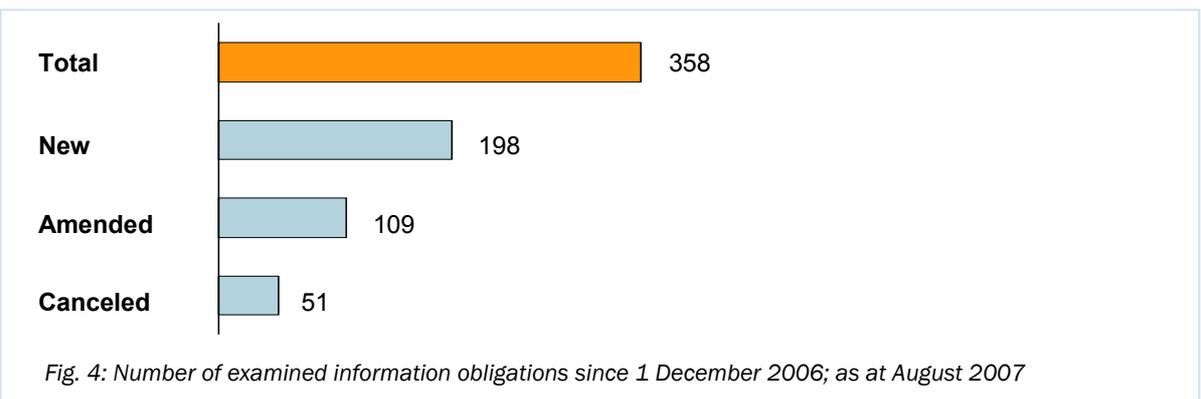
Since 1 December 2006, the Federal Ministries have submitted a total of 225 statutes and ordinances to the National Regulatory Control Council,

of which 190 have to date been examined (as at 31 August 2007).

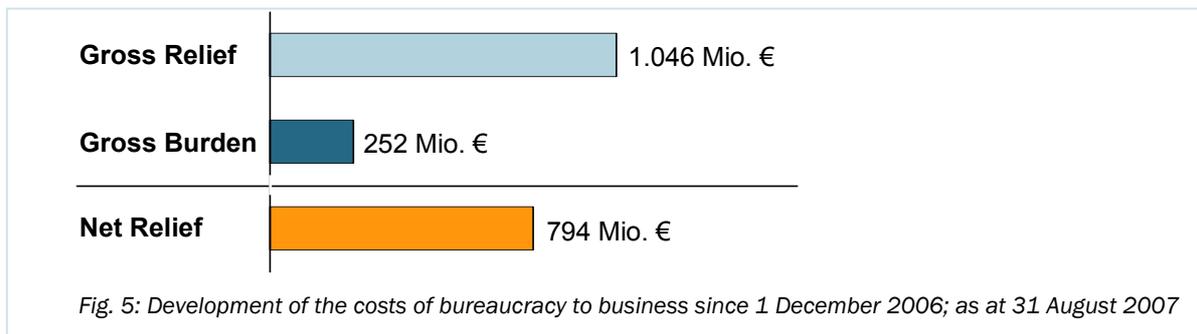


In approximately 60 % of the drafts examined to date, information obligations on business were either newly introduced, amended or cancelled. In total, the draft statutes and ordinances examined over the last nine months provide for an increasing number of information obligations for business. Further details are evident from Fig. 4 below.

low. However, the increase in information obligations does not automatically mean an increase in information costs. On the contrary: it is clear that the implementation of all regulatory drafts submitted to the Regulatory Control Council to date, i.e.



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since 1 December 2006, resulted on balance in considerable relief for business amounting to around € 794 million – an extremely positive overall result (see Fig. 5).

However, it should be borne in mind that, in many cases, considerable changes are still made to draft statutes in the further course of the legislative process which can have effects on the costs of bureaucracy. The Council is currently working on a concept together with the Federal Statistics Office in order to make these changes transparent as well, and to store them in a generally accessible data bank.

A good relationship of cooperation and trust has been established with the government departments in the course of the ex-ante procedure. The Regulatory Control Council considers itself primarily as a partner which supports the Federal Government in reducing bureaucracy. It acts as a contact partner for the government departments, provides information on methods and discusses possible alternatives. The Council's task is not to question the aim of a statutory regulation. The Council only examines whether the prescribed political aim can be achieved with the least possible bureaucratic burden. In cases of doubt, it was frequently possible to achieve a consensus with the relevant departments. In some cases, however, the Council submitted differentiated opinions in order to emphasise changes which were necessary in its view.

The strengths of the ex-ante procedure became

clearly evident in case of the corporation tax reform. According to an estimate by the Federal Ministry of Finance, the original departmental draft would have resulted in changes for possible depreciation on low-value economic assets involving a burden on business of € 190 million by way of bureaucracy costs. The Regulatory Control Council pointed this out in its opinion. In the parliamentary procedure, the Council seized the opportunity to explain its objections to the Finance Committee in detail. Following further considerable changes to the draft statute regarding the depreciation possibilities prescribed for low-value economic assets, a regulation was ultimately enacted which the Federal Ministry of Finance estimates will save € 65 million. The discussion between the Regulatory Control Council and the Federal Ministry of Finance about the exact quantification of the costs of bureaucracy is still underway.

This example shows that, for the first time, the ex-ante procedure makes transparently clear to the participants in the legislative procedure the extent of the additional costs of bureaucracy which can be caused by new statutory regulations. Without the ex-ante procedure, a regulation imposing a considerable additional burden on enterprises would probably have entered into force without the legislature having realised this and taken it into consideration in its decision.

### The Ex-Ante Procedure Illustrated by the Corporation Tax Reform:

(the costs of bureaucracy listed here are based on estimates by the Federal Ministry of Finance)

20 February 2007	Departmental draft with estimated costs of bureaucracy Reduction of the full depreciation possibility for low-value economic assets from € 410 to € 60 Annual net burden of the corporation tax reform totals € 47 million (of which € 190 million bureaucracy costs result from this low-value asset regulation)
1 March 2007	First opinion of the National Regulatory Control Council Disproportionate relationship between one-off interest effect (tax income brought forward of approx. € 900 million for approx. 5 years) and permanent costs to business (€ 190 per year)
9 March 2007	Revision of the departmental draft Raise of the threshold to € 100, pool depreciation for low-value economic assets depreciations between € 100 and 1,000; additional costs of bureaucracy caused by low-value economic assets: € 180 million per year
12 March 2007	Second opinion of the National Regulatory Control Council. Doubts still maintained
14 March 2007	Cabinet resolution Net burden of corporation tax reform totalling € 72 million, of which low-value economic assets: €180 million costs of bureaucracy
27 March 2007	Coalition parliamentary parties' draft identical to Cabinet resolution
April/May 2007	Parliamentary procedure Regulatory Control Council in the Finance Committee on 9 May 2007 Raise of the threshold to € 150 Drastic simplification through introduction of pool depreciation (€ 150 to € 1,000) Not only in the tax balance sheet but also in the commercial balance sheet
25 May 2007	Federal Parliament passes corporation tax reform Total net relief: € 168 million (of which relief from low-value economic assets: € 65 million)

#### 1.4 Scope of Application of the Ex-Ante Procedure

According to the Act on the Establishment of the Regulatory Control Council, the Council's task is to make a contribution towards reducing the costs of bureaucracy caused by information obligations arising due to statutes, legal ordinances, by-laws or administrative provisions. The Council now already performs most of the tasks transferred to it by statute (Section 4 of the Act). It remains to be clarified how the Regulatory Control

Council can also fulfil its tasks in the course of the ex-ante procedure by opinions on preliminary work with regard to legal acts of the European Union. The Regulatory Control Council is currently conducting discussions with the Federal Government offices responsible for European issues on the development of a suitable procedure to fulfil this mandate.

## Preventing More Bureaucracy

In addition, the Joint Rules of Procedure of the Federal Ministries ensure that all Cabinet submissions of the individual government departments are forwarded to the Regulatory Control Council for examination and comment. However, the Council's statutory examination mandate also encompasses the drafts of subordinate legal and

administrative provisions which contain decisions of a Ministry without the involvement of the Federal Cabinet, and affect regulations by subordinate public authorities or entities to a considerable extent. The Regulatory Control Council will clarify the substantive, legal and procedural issues in this context in the forthcoming months.

### 2. Advice to the Federal Parliament

Close contact with all participants in the legislative procedure is important for the Council's work. For this reason, it has conducted numerous discussions with individual parliamentarians, parliamentary parties and working groups over the past few months. The aim was to inform them of the work of the National Regulatory Control Council and to raise the awareness that the avoidance of new costs of bureaucracy and the reduction of existing costs of bureaucracy are necessary and possible without questioning the political aims of the legislature.

In Section 6 (3), the Act on the Establishment of the National Regulatory Control Council expressly provides that the Council's advice is available to the committees of the Federal Parliament. The committees can ask the National Regulatory Control Council's opinion on all the statutes they deliberate. The Council can, for example, be heard by the parliamentary committees on statutes which it has already examined in the ex-ante procedure. The Finance Committee made use of this opportunity in the corporation tax reform (see Chapter IV, 1.3, p. 26 f.).

The committees can also hear the Council on draft statutes of the Federal Council or from the parliamentary parties. In addition, they have the possibility of referring so-called "old cases", i.e. statutes which have already been introduced to the legislative process by the government departments before the starting date of 1 December 2006, in order to obtain its opinion. The Commit-

tee for Economics and Technology has, for example, made use of this possibility.

Further discussions with the committees of the Federal German Parliament are planned for the Autumn this year.

Parliament's interest in the Council's work has also increased on the whole over the past few months. This forms a sound basis for further cooperation with the parliamentary committees.

#### Advising the Committee for Economics and Technology

In response to a request by the Economics and Technology Committee, the National Regulatory Control Council has given its opinion on the costs of bureaucracy, which are in particular incurred by medium-sized firms of accountants and auditors for special investigations prescribed by a draft statute regardless of the individual case. It made clear the alternative regulations, which could achieve the aims pursued by the statute. The report was included in the Committee's deliberations. The National Regulatory Control Council could thereby contribute to preventing additional burdens for the groups of firms of accountants and auditors.

## V. Effective Reduction of the Existing Burden

In a Cabinet resolution dated 28 February 2007, the Federal Government aims for a swift significant reduction of unnecessary bureaucracy

and has set itself the target of reducing the costs of bureaucracy by 25 % by 2011.

### 1. Measuring the Existing Burden

Knowledge about the existing burden is a precondition for the reduction of the costs of bureaucracy borne by business. For this reason, the Federal Government instructed the Federal Statistics Office to examine all valid federal law existing up to 30 September 2006 in order to establish the associated costs of bureaucracy for business pursuant to the Standard Cost Model (see Chapter III, 2.2, p. 17 f. on the Standard Cost Model). The measurement of the applicable fed-

eral law including ordinances, administrative provisions and the regulations implementing European directives is intended to be completed by the end of 2007. Directly applicable EU law will then be measured subsequently.

Since its constitutive meeting, the Council has been in constant contact with the Federal Statistics Office and the Better Regulation Unit at the Federal Chancellery responsible for the coordination of the entire process. The Federal Statistics

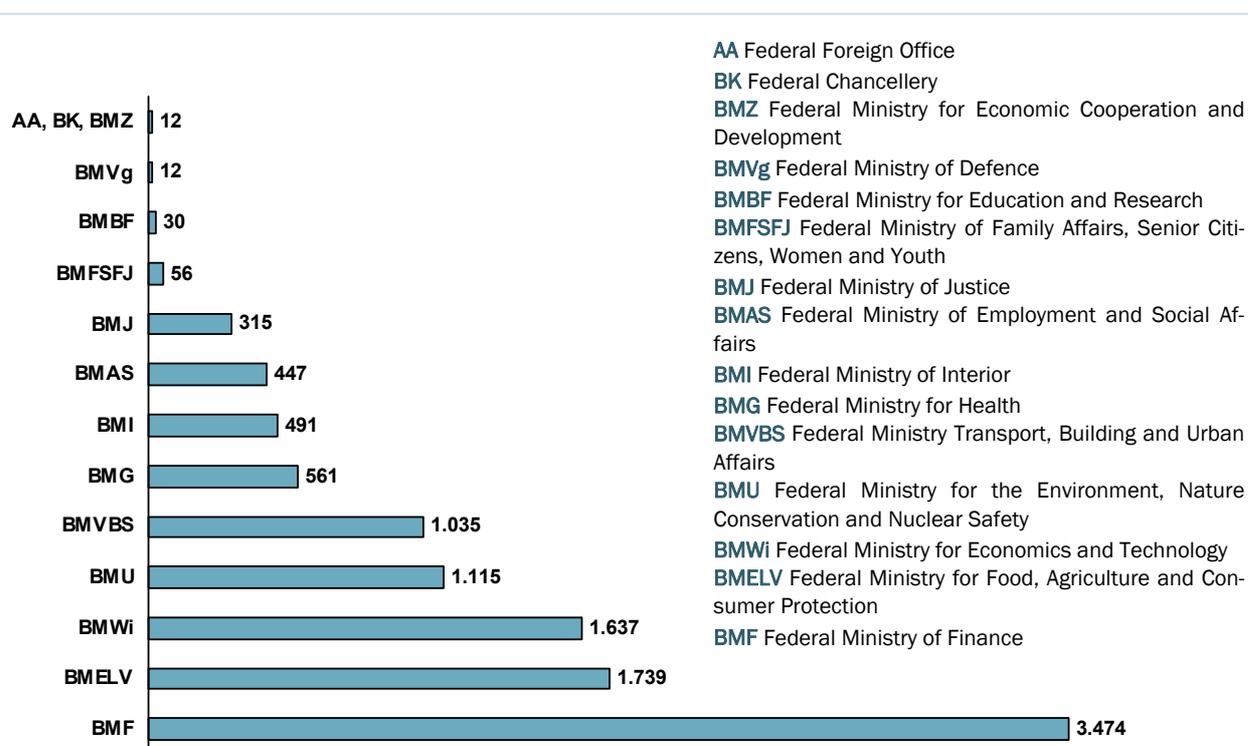


Fig. 7 Number of information obligations identified by the departments, Federal Statistics Office; As at 31 August 2007

## Effective Reduction of the Existing Burden

Office reports to the Council at six- to eight-week intervals on the progress of the measurements, whereas method-related measurement issues were repeatedly discussed. Questions connected with the measurement of existing burdens were also discussed with the competent Secretaries of State Committee. Where discrepancies arose between the Federal Statistics Office, government departments and associations, the Council acted as mediator and worked towards achieving mutually acceptable agreements.

The Council views its central task as contributing towards the highest possible quality of the data obtained for the measurements. It has advocated the use of the instruments of interviews and panels of experts in connection with cost-intensive information obligations (see the information rubric on p. 31).

The starting point for the measurement of the existing burdens was the identification by the government departments of the information obligations on business contained in the legislation falling within their respective spheres of competence, and the transmission of this to the Federal Statistics Office by the end of 2006. In total, around 10,900 information obligations were notified to the Federal Statistics Office.

The Federal Statistics Office records these information obligations in a data bank and makes them available to the government departments, associations and other interest groups. This guarantees the transparency of the measurement process. The parties affected can check the completeness of the notified information obligations.

Once the existing information obligations were recorded and the actual measurements carried out, the Federal Statistics Office first measured 80 information obligations in January and February 2007, the so-called first measurement wave.

In the second measurement wave which started in March 2007, 2,000 further information obliga-

tions were measured. Experience in the Netherlands and Denmark showed it could be concluded that approx. 20 % of the information obligations cause 80 % of the total costs (so-called "20/80 Rule"). Applying this rule, the second measurement wave primarily dealt with information obligations expected to cause the greatest burdens. The intention was to measure these cost drivers with the aid of interviews and panels of experts. At the same time, proposals for improvements suggested by enterprises and experts were intended to be recorded. Where complex information obligations were concerned, the main measurement method was the use of panels of experts.

The measurement of existing burdens is extremely important for the overall reduction in bureaucracy process. It cannot be repeated. For this reason, the Council attaches importance to the results of the measurement of existing burdens conforming to high quality standards and being broadly accepted by all participants. It advocates the greatest possible transparency in the process, with the involvement of all representatives of interests.

At the same time, special importance attaches to the responsibility of the government depart-

### Data Bank of the Federal Statistics Office

The data bank of the Federal Statistics Office is of great international interest. It provides a comprehensive overview of all recorded information obligations on business. The data bank also offers the opportunity of contributing interactive independent proposals for reducing the costs of bureaucracy. It likewise contains the results of the measurements of existing burdens acknowledged by the government departments.

The Federal Government has posted an excerpt from the information obligations on the Internet, which is publicly accessible without prior registration\*.

\* [www.bundesregierung.de/informationspflichten](http://www.bundesregierung.de/informationspflichten)

ments for the measurement results of their respective spheres of competence. To this end, the government departments check the measurement results of the Federal Statistics Office for their particular respective sphere of competence. In this way, the departments contribute their experience and examine the measurement results in detail. This gives them the opportunity to accept responsibility for the measurement results and to use the results as the basis for simplification proposals.

The Federal Statistics Office subsequently stores the measurement results in its data bank. This accords due weight to the Council's demands for the greatest possible transparency. The chambers of commerce and associations affected by the respective information obligation can thus follow at any given time how the measured information obligation was assessed, and make subsequent improvement proposals to the Federal Statistics Office if necessary.

Both the measurement process of the Federal Statistics Office and the examination process of the departments have proved more time-consuming than initially anticipated which is not wholly unexpected in view of the fact that this is new ground for all participants. However, significant parts of the measurement of the existing burden have now in the meantime been completed. The Council considers it reasonable for the Federal Government to accept delays in the original time schedule in order to ensure the quality of the measurement. Nevertheless, it is necessary to conclude the entire measurement of the existing burden of federal law, including the European law transformed into national law, by the end of 2007, in order to achieve the reduction target by 2011.

For the evaluation of the results of the measurement of existing burdens, the Council points out that – in divergence from other countries which apply the Standard Cost Model – the overhead

### Explanation of Panels of Experts

Panels of experts comprise five to six experts from enterprises and associations who, together with representatives of the administration and under the leadership of the Federal Statistics Office or consultancy firms, on one day estimate the costs of bureaucracy from approx. 15 to 20 information obligations from a homogenous area of law.

costs in Germany (i.e. additional costs which, from a business management point of view, must be added to the direct costs, e.g. costs for administration and management, for buildings, supply and disposal and for the public levies to be paid by enterprises) are not included in the costs of the enterprise. Depending on the circumstances, the overhead costs are included in other countries at 25 to 30 % (in some sectors up to 50 %) which has to be taken into consideration in a comparison.

The Council considers the Federal Government's approach of first conducting a complete measurement of the existing burdens of information obligations imposed on business to be expedient and correct. The conduct of the measurement of the burden on business constitutes an extensive project which ties resources and which must first be brought to a conclusion. In addition, a series of method-related questions must first be answered before the Standard Cost Model can be transferred to information obligations for citizens and the administration (see Chapter VIII, 2, p. 42 f.). The Council nevertheless considers it appropriate to also measure the costs of bureaucracy on citizens too, in order to facilitate a reduction in the burden of bureaucracy here as well.

### 2. Reduction Measures

In spite of all the attention which is currently rightly being paid to the conduct of the measurement of existing burdens, it should not be forgotten that it is only a means to an end. It forms the basis for measures which lead to a reduction in the costs of bureaucracy.

The Council considers itself as an advisor in identifying reduction potential which can in particular render international experience from other countries where the Standard Cost Model is applied useful for the government departments here. For this purpose, it compared the reduction measures in the Netherlands, Great Britain and Denmark in June 2007, and summarised the results in a study. It forwarded the study to the government departments.\* This shows how other countries have proceeded with identifying reduction potential and offers the Federal Ministries advice and suggestions for the development of their own reduction measures. The Council presented the first results of the study in a workshop organised together with the Better Regulation Unit on 29 May 2007, in which the contact partners competent for the reduction in bureaucracy in the government departments took part.

Experience in other countries has, for instance, shown that the transmission of information with the use of information technology is a very good means of reducing the costs of bureaucracy. The Federal Ministry of Finance and the Federal Ministry of Justice have chosen this route:

The Federal Ministry of Finance estimates that the introduction of the electronic wage tax card relieves business of more than € 230 million in bureaucracy costs each year. In the Federal Ministry of Justice's sphere, the transition of the Commercial Register and the Register of Cooperative Societies, as well as the Federal Gazette, to a purely electronic basis provides considerable relief to business. Enterprises no longer have to

submit their annual accounts and other data in paper form, but only electronically.

The Council has always stressed that possibilities for reduction must be sought and identified even before the measurement of the existing burdens has been completed. This is necessary in view of the requirement of swift decisions about

#### Introduction of the Electronic Wage Tax Card

Local authorities currently print more than 30 million wage tax cards and send them to employees each year. They then forward them to their employers who enter the data registered there in their electronic wage tax calculation systems. Additional time, effort and/or expenditure arises for all participants if wage tax deduction characteristics (e.g. tax class, number of children) change, because these entries must be changed by hand on the wage tax card by the local authority or tax authority.

The introduction of the electronic wage tax deduction characteristics makes the paper wage tax cards dispensable, because the employer can request all the information they contain from the data pool of the tax authorities online. Changes to the wage tax deduction characteristics are recorded electronically by the tax administration and notified to the employer.

This not only relieves the burden on local authorities (no further need to print and distribute wage tax cards), but also on employers (no further need to process and keep wage tax cards in the enterprise) and employees. The relevant department estimates that the annual savings for business alone (without one-off establishment costs of around € 72 million) are more than € 230 million.

\* Download of the study "International Experience in the Reduction in Bureaucracy" at [www.normenkontrollrat.bund.de](http://www.normenkontrollrat.bund.de).

measures to achieve the reduction target by 2011.

It thus welcomes the discussions with enterprises and associations about reduction measures taking place already in the course of the measurement procedure. Active cooperation by the parties affected is expressly welcomed. In this context it is particularly helpful that the data bank of the Federal Statistics Office offers all interested parties the opportunity of making proposals for simplification and improvements in special rubrics provided (see Chapter V, 1, p. 30).

The aim of a 25 % reduction relates to the costs for the fulfilment of information obligations. Foreign examples show that, in the course of the search for possibilities for relief of the information obligations, reduction measures relating to bureaucratic burdens on business going beyond these can also already be initiated at this stage. These possibilities of providing relief for the parties affected should also be used as far as possible and shown separately.

### Relief for Emissions Trading

Operators of plants subject to emissions trading obligations receive an allocation of entitlements to emit greenhouse gases for the years 2008 to 2012. On the basis of the Allocation Act 2012, the German Emissions Trading Office at the Federal Environmental Office decides on the allocation quantities for the individual plants in response to an application by the enterprises.

The Federal Ministry for the Environment, Nature Protection and Nuclear Safety has simplified the application procedure for plants subject to emissions trading obligations by ordinance. When compared with preceding allocation procedures, the necessary information to be provided and the documentation and proof to be furnished has/have been reduced in such a way that, for over 60 % of the plants affected, the allocation according to the new system can be made on the basis of data already in the possession of the Emissions Trading Office. The allocation applications for these plants also no longer have to be verified by an independent expert.

According to an initial careful estimate by the Federal Ministry for the Environment, Nature Protection and Nuclear Safety, this means annual relief for enterprises of approximately € 5.3 million.

### International Experience with the Reduction in Bureaucracy

Following the assessment of the reduction in bureaucracy programmes in the Netherlands, Great Britain and Denmark, it is clear that the following instruments can be used in order to reduce the costs of bureaucracy\*:

#### 1. Suspension and Simplification of Information obligations

The costs of bureaucracy can be reduced by cancelling or simplifying the information obligations giving rise to them. Simplification measures can aim at the three cost-related factors time, number and frequency (periodic recurrence) by reducing

- the frequency with which an information obligation must be fulfilled (e.g. change from a monthly to a half-yearly reporting duty)
- the number of enterprises affected (e.g. limitation of the information obligation to certain sectors or to enterprises upwards of a certain size) and
- the time, effort and/or expenditure connected with the fulfilment of a information obligation by reducing its complexity (e.g. waiver of certain data requirements and proof).

#### 2. Process Optimisation

In process optimisation, the course of the significant steps necessary in the fulfilment of an information obligation is examined and improved. Starting points for this are in particular

- the effective obtainment and transmission of information (e.g. by the use of information technology)
- the effective use of information (e.g. through the use of data which already exists), and
- the exchange of the procedure for a less onerous procedure (e.g. through the change from a permit to a notification procedure).

#### 3. Adaptation of Regulation Content

The cancellation or simplification of information obligations can be supplemented by the adaptation of substantive regulations. This can have the effect of relief on associated information obligations. This in particular includes

- the harmonisation of definitions (e.g. standardisation of the definition of remuneration)
- cancellation of permit duties, with the consequence that complex permit procedures become unnecessary
- changes in standards.

\* The study of the National Regulatory Control Council "International Experience in the Reduction in Bureaucracy" contains detailed information on this (download: [www.normenkontrollrat.bund.de](http://www.normenkontrollrat.bund.de))

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## VI. Federal States and Municipalities as Partners in Reducing the Costs of Bureaucracy

Many Federal States and municipalities have already gained experience in measuring the costs of bureaucracy over the last two years. This experience is valuable for the process at federal level. In the course of this, it has become evident that costs of bureaucracy at Federal State and municipal level are predominantly caused by fed-

eral law. The reason for this is that federal law is frequently enforced by the individual Federal States or with the support of the municipalities. The burdens resulting from this can thus only be relieved if the Federal Government, Federal States and municipalities cooperate closely in these spheres.

### 1. Support from Federal States and Municipalities in Measuring the Existing Burden

Federal States and municipalities support the Federal Government in the measurement of existing burdens by a regular exchange of experience and by assisting in the ascertainment of costs. The Regulatory Control Council encourages this cooperation and hopes that it will make a considerable contribution towards the reduction in bureaucracy at all levels.

On 12 April 2007, discussions took place between Secretary of State Dr. Hans Bernhard Beus, representatives of the Regulatory Control Council

and top-level municipal associations. The discussion partners reached agreement that, in future, they will strengthen their cooperation, in particular in the sphere of relieving the burden of bureaucracy on citizens and the administration, and will start the reduction of these costs of bureaucracy as a joint project of the Federal Government, the Federal States and the municipalities.

### 2. Accompanying the Ex-Ante Procedure

In the course of the ex-ante procedure, the Regulatory Control Council encourages the government departments at federal level in each case to obtain the estimates of the respective ministries in the Federal States when calculating the costs, and to use the results of projects of the Federal States in the Standard Cost Model sphere. For the government departments at federal level, it is advisable to collect the necessary

data in the course of the hearing granted to the Federal States in the legislative procedure. Thus, for example, the Federal Ministry for Food, Agriculture and Consumer Protection used the hearing granted to the Federal States to ask for an estimate of the number of cases necessary for assessing the costs of bureaucracy of an ordinance on animal breeding law, information which could not be gleaned from the available statistics.

### 3. Reducing the Costs of Bureaucracy

Citizens and enterprises make no distinction as to whether the burdens they bear are caused by law of the Federal Government or law of the individual Federal States. Noticeable relief of the costs of bureaucracy is all that counts for them.

However, it is possible to achieve improvements which benefit not only the Federal Government, but also the Federal States and municipalities.

Constructive dialogue between the participants is therefore very important for the successful reduction of the costs of bureaucracy. In the light of this, the Council's Chairman participated in the Conference of Economics Ministers of the Federal States on 4 and 5 June 2007 in Eisenach. In the discussion with the ministers and senators, he pointed out the necessity of and opportunities for close cooperation between the Federal Government and the Federal States. He asked the Federal States to make proposals of their own for joint projects. It was agreed to continue the discussions between the Conference of Economics Ministers of the Federal States and the Regulatory Control Council.

#### Opportunities for Joint Achievements

In the sphere of business start-ups, some Federal States conduct measurements according to the Standard Cost Model which relate to regulations of both the Federal States and the Federal Government. From these results, the Federal Government can obtain findings for possible relief measures in the sphere of federal law which, when supplemented by measures of the Federal States, can lead to considerable relief for those involved.

## VII. International – Learning from Others – Europe in Focus

Germany is not the first country in Europe to record and quantify its costs of bureaucracy with the aid of the Standard Cost Model. The Netherlands, in particular, can already look back on a relatively long Standard Cost Model tradition. Denmark, Great Britain and Austria also have relevant experience in the reduction in bureaucracy which is of interest to the process in Germany generally and for the work of the Regulatory Control Council in particular. A glance at the website of the SCM-Networks\*, an association which has grown to encompass 22 European countries in which the Standard Cost Model is applied or will be introduced, shows that the reduction of the costs of bureaucracy on the basis of this approach has come into focus throughout Europe. It is thus clear that the Regulatory Control Council values the regular exchange of information with other countries which apply the Standard Cost Model.

In addition, the Netherlands Adviescollege toetsing administratieve lasten (Actal) and the British Better Regulation Commission (BRC) are institutions which, like the National Regulatory Control Council, are available to their respective governments as independent advisory bodies for the reduction of bureaucracy. The experience gained by these “sister organisations” Actal and BRC in their own countries was extremely illuminating to the Regulatory Control Council. It contributed to the Council already achieving tangible results in its first year.

At the same time, the topic of reduction in bureaucracy with the aid of the Standard Cost Model is also on the European agenda. The EU Commission has recognised that legislative acts of the European Union frequently contain numer-

ous information obligations. A reduction in bureaucracy strategy at national level must thus always keep EU regulations in view. In order to relieve administrative burdens, the Commission passed a corresponding action programme at the start of this year.

The observation and accompaniment of international activities for the reduction in bureaucracy also result directly from the Act on the Establishment of the Regulatory Control Council: pursuant to Section 2 (2) of the Act, the measurement of the costs of bureaucracy must be based on the internationally recognised rules for the application of the Standard Cost Model. The Council's core tasks therefore include observing the application and further development of the Standard Cost Model in other countries, and drawing corresponding conclusions for the method and concept of reduction measures applied in Germany.

\* Website of the SCM-Networks: [www.administrative-burdens.com](http://www.administrative-burdens.com).

### 1. Exchange of Experience with Other Countries

At a very early stage – namely at its fourth meeting on 19 October 2006 – the Council began an exchange of information with the relevant participants on the countries which apply the Standard Cost Model. At the invitation of the Regulatory Control Council, representatives from the Netherlands, Denmark, Great Britain and Austria have in the meantime taken part in meetings of the Council at the Federal Chancellery. In addition, members of the Regulatory Control Council also met for a two-day exchange of opinions with ministries, the internal government steering group IPAL and the independent advisory body Actal in The Hague at the invitation of its sister organisation Actal. Further informal discussions also took place with representatives from states which apply the Standard Cost Model, for instance outside the official programmes at international conferences and events on the reduction in bureaucracy, such as the Red Tape Conference on 1 March 2007 in Rotterdam.

The dialogue with the Netherlands and Great Britain, where bodies comparable to the National Regulatory Control Council exist, was extremely helpful, especially in the initial phase. In investigating the costs of bureaucracy of new regulation projects, the Council was, for example, guided in its approach in the ex-ante procedure by the major questions developed by Actal. The good contacts are helpful for finding reliable solutions to methodical questions at short notice.

Experience in other countries was also helpful for the Council's accompaniment of measuring the existing burdens. The Council demanded at any early stage that, in accordance with the example set in the Netherlands and Denmark, business and other interest groups should be consulted within the framework of so-called "mixed committees", and involved in the measurement process.



The Council has considered in detail the specific reduction programmes of the Netherlands, Denmark and Great Britain. It has compiled a clear overview of the programmes in a study in order to make them useful for the reduction process in Germany.

The National Regulatory Control Council also uses its international contacts in further developing the Standard Cost Model, such as for its application to the costs of bureaucracy for citizens and the administration, for which there is to date no standard international method. Germany could proceed alone in developing a suitable method in these areas for which no method has yet been decided. However, the Council takes the view that it would also be better here to agree the suitable method with the international partners.

The Council will continue the exchange of information with other countries which apply the Standard Cost Model. The intention is to establish additional contacts to France and the Eastern European countries.

### 2. Accompanying the Reduction in Bureaucracy at EU Level

International estimates assume that 40 to 50 % of the national information obligations are directly or indirectly attributable to regulations introduced by the EU. It is thus essential for the success of the national reduction in bureaucracy programmes that these are accompanied by a reduction in the costs of bureaucracy at EU level. In the light of this, the Regulatory Control Council ex-

pressly welcomes the measurement by the Federal Government of the burdens caused by directly applicable EU law during the course of the current measurements. The transparency gained in this way offers the possibility of demonstrating these burdens to the EU and emphasising encouragement of their reduction.

#### 2.1 Action Programme of the European Union

Under the leadership of Vice-President Günter Verheugen, the Commission resolved an action programme on 24 January 2007 to reduce the administrative burdens in the EU. This resolution contains the following core points:

- Schedule for the reduction of bureaucratic burdens from information obligations by 25 % by 2012
- Establishment of 13 priority areas in which measurements of the information costs resulting from existing European law (acquis communautaire) should be carried out

- Resolution of an initial package of measures with 10 simplification proposals (fast track proposals) intended to lead to a reduction in the costs of information by € 1.3 billion.

Vice-President Günter Verheugen participated in a meeting of the Regulatory Control Council on 1 February 2007. There, he explained the EU action programme and discussed it with the Council.

#### 2.2 Cooperation of the Independent Councils Actal, BRC and the Regulatory Control Council

In order to accompany and influence the reduction in bureaucracy at European level, the three independent councils Actal, BRC and the National Regulatory Control Council have agreed on joint cooperation. The aim is to produce joint position papers in order to support the Commission's efforts in the reduction in bureaucracy and, if necessary, to require corrections. Half-yearly meetings of the chairmen are planned, together with close cooperation at the level of the secretariats.

The initial result of this cooperation was a position paper on the Commission's action programme specified above, dated 24 January 2007.

This position paper amongst other things contains the following recommendations:

- Measurement of the existing burden of information costs from the entire EU law
- Establishment of the reduction target of 25 % as a net target
- Guarantee of effective ex-ante estimates for all new regulation projects
- Establishment of reduction targets for each directorate general
- Systematic involvement of interest groups in the plan of action

- Use of an independent advisory body with competences analogous to those of the Regulatory Control Council.

This position paper was presented to Vice-President Günter Verheugen at the Red Tape Conference on 1 March 2007 in Rotterdam. At the same time, further talks with Vice-President Günter Verheugen about the progress of the reduction in bureaucracy at the EU were agreed. The next meeting is planned for October 2007.

Together with the two sister organisations Actal and BRC, the Council monitors the Commission's work in implementing the action programme dated 24 January 2007. At the next meeting with Vice-President Günter Verheugen, a position pa-

per of the three councils will be presented which analyses the progress made with implementation and demonstrates possibilities for improving the plan. Particular interest will focus on the work of the Impact Assessment Board. This body was established in November 2006 and comprises five high-ranking Commission staff. Formally, it is not independent. The Board examines the quality of the assessments of the impact of legislation in selected legislative projects of the Commission. As this Board can also state its opinion on the costs of bureaucracy of the relevant project in this context, the Commission considers that it already fulfils the tasks of the independent advisory body demanded by the three councils.

### 2.3 National Activities Accompanying the Reduction in Bureaucracy Process of the EU

The transparent explanation of the costs of information in new regulatory projects is important both for the establishment of costs awareness amongst the Commission staff who work on regulation projects, and as an aid to decisions in the legislative process. This applies both at national and EU level.

The evaluation of regulatory impact assessments at EU level in 2006 by a Danish institute and by a British firm of consultants instructed by the Commission has shown that the costs of bureaucracy connected with the relevant regulatory project are seldom plausibly shown in the impact

assessment. The Council has thus asked the Federal Government to investigate how the costs of bureaucracy can be shown in the Regulatory Impact Assessment of each new European regulatory project. The Federal Government is currently agreeing corresponding concepts. If this record of the costs of bureaucracy for new EU legislative projects fails, this would be a great waste of an opportunity to systematically include the costs of bureaucracy in the assessment of new projects. Last but not least, it must become evident whether a genuine will to reduce and limit the costs of bureaucracy exists at EU level.

# VIII. Further Steps in Using the Standard Cost Model

## 1. Achieving Significant Relief for Enterprises

Success in the reduction in bureaucracy is significantly affected by the perception of the parties affected. It must be ensured that the overall economic reduction of the costs of bureaucracy by 25 % is actually felt by the individual enterprises. In other words, the reduction in bureaucracy procedures which have been started at the macro-level must also have an effect at the micro-level. Experience in other countries shows that this is not automatically the case.

In addition to an overview of the entire burden of the costs of bureaucracy, attention should also be paid to individual enterprises and the specific burdens on them.

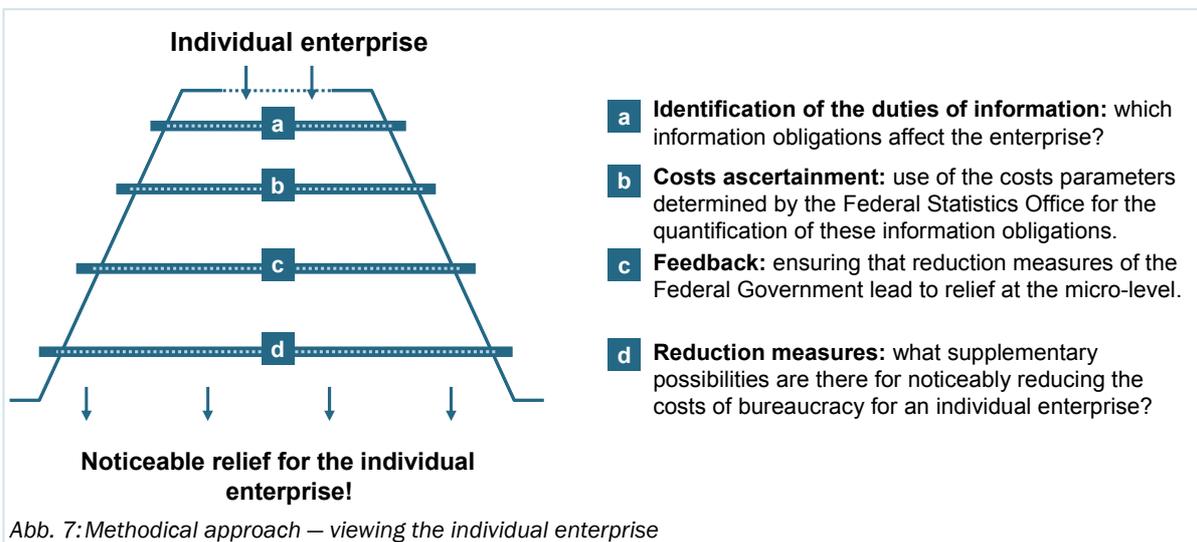
In order to achieve this, the following route can be chosen:

- Identification of the individual burden on the enterprise by the costs of bureaucracy
- Reflection of the results of the macroeconomic measurement of existing burdens and

the intended reduction measures in the microeconomic effect at selected enterprises

- Cross-regulation and above all cross-departmental views of the burden on an individual enterprise
- Identification of simplification proposals from the enterprise's point of view
- Regular communication with the selected enterprises about noticeable relief and further relief potential.

This view of the individual burdens on enterprises supplements the existing reduction programme for the entire economy. The existing measurements can for the most part be taken as a basis. The Council will develop a systematic approach to this and examine the practicability of it in cooperation with enterprises selected as examples from one or more regions.



### 2. Standard Cost Model for Citizens and the Administration

With its reduction in bureaucracy programme, the Federal Government has set itself the aim of also calculating and considerably reducing the costs of bureaucracy to citizens and the administration on the basis of the Standard Cost Model. This task is also anchored in the Regulatory Control Council's statutory mandate. Independent government departments have already identified information obligations and forwarded them to the Federal Statistics Office. The detailed calculation of the costs of bureaucracy in these two spheres is intended to take place after the conclusion of the measurement of the existing burden for business. For new legislative projects, i.e. in the ex-ante procedure, the information obligations for citizens and the administration are ex-

plicitly listed in the preface and justification of the draft regulation, but until now without any assessment of the costs.

International experience in measuring the costs of bureaucracy on citizens and the administration which to date has been limited to individual cases, shows that the Standard Cost Model which is applied to business can in principle also be transferred to citizens and the administration. However, it requires some method-related application.

At its meeting on 19 July 2007, the Council engaged in extensive discussions on the subject of the Standard Cost Model for citizens and the administration.

#### 2.1 Standard Cost Model for Citizens

When compared to the costs ascertainment for business, the Standard Cost Model for citizens has two special method-related features:

- Firstly, the issue of whether and to what extent waiting times and routes to be taken at or to public authorities can be taken into consideration. These are frequently felt to be particularly onerous and irritating.
- Secondly, before the start of the costs calculation, the question must be clarified whether the bureaucratic burdens on citizens should only be shown in time units or, as with business, also in monetary units. To date, the Federal Government only plans to measure the burdens in time units.

It is clear that taking into consideration the costs of bureaucracy to the citizens as soon as possible is especially important for the acceptance of the entire reduction in bureaucracy process by society as a whole. The effective use of existing resources and the efficient use of ad-

vance work already performed by the government departments is important here.

In order to achieve noticeable results as soon as possible, the Council recommends that the extensive measurement of the existing burden should be accompanied by a so-called "lifelong approach". The costs calculation and subsequent reduction primarily relate to specific groups of citizens (e.g. families, handicapped people, people requiring nursing care, the unemployed).

The advantage of this double-track method is that population groups bearing particular burdens can quickly be relieved of these burdens to a noticeable extent.

At its meeting on 19 July 2007, the Council came to the following conclusions:

- The methodical problems and the time schedule and sequence of the measurement process should be clarified by Easter 2008, so that, once the burden on business has been measured, a start can then be made

with measuring the information costs to citizens. In doing so, it would be advisable to go into methodical issues in more detail, for instance together with other countries applying this approach.

- Measuring the existing burden is in principle important. However, individual pilot projects in relation to population groups bearing particularly heavy burdens are also particularly desirable.

### 2.2 Standard Cost Model for the Administration

Before the costs of bureaucracy to the administration can be calculated, the question of how the definition of information obligations can be rendered specific for the administration must in particular be answered. Other than with business, the processing of information obligations generally constitutes the core activity of the administration and is not merely a subsidiary product of a substantive task. In addition, the complexity of measuring the costs of bureaucracy to the administration is also increased because the information obligations can affect different administrative bodies and levels. For this reason, Federal States and municipalities must be given the opportunity to participate.

As with business and citizens, recognised measurement results are also a precondition for the successful reduction of the costs of bureaucracy in the administration. Successful application in the administration presupposes the acceptance and support of the parties affected both in calculating the costs and in the subsequent reduction measures.

For the Council, it is particularly important that the time, effort and/or expenditure involved in calculating the costs are/is reasonably proportionate to the relief possibilities. This proportionality between time, effort and/or expenditure on the one hand and benefit on the other hand could be ensured by restricting the number of parties affected by information obligations, if necessary, and, for example, only measuring information obligations between particular administrative bodies or levels.

At its meeting on 19 July 2007, the Council came to the following conclusions:

- A complete measurement of the existing burdens does not appear advisable for the time being in view of the complexity involved. The Federal Ministry of the Interior has declared itself willing to carry out a measurement of the existing burdens in its sphere. On the basis of this, a decision can be made about the further procedure on other spheres.
- In the ex-ante procedure, a start should be made soon in showing the costs involved.
- Information obligations by the executive in relation to the legislature and the judiciary should not be taken into consideration.
- For the clarification of the definition of information obligations in the administration, initial pilot projects with interested parties should be carried out.
- If capacity bottlenecks become apparent, the topic should only be dealt with after the measurement of the costs of bureaucracy to citizens.

### 3. Reduction in Bureaucracy – More than the Standard Cost Model

The statutory investigation and advice mandate of the Regulatory Control Council is restricted to the costs of bureaucracy according to the Standard Cost Model.

The Council members are at the same time aware that these costs of bureaucracy merely represent part of the bureaucratic burdens on citizens and enterprises. International studies show that time, effort and/or expenditure caused by fulfilling substantive duties are regarded by the parties affected as particularly onerous (such as, for example, the duty to comply with building provisions or certain health and safety at work provisions). So-called “irritation factors” are also perceived as negative. These include burdens which are subjectively perceived as particularly disruptive, because, for example, there is a lack of proportionality between time, effort and/or expenditure on the one hand and the benefits on the other hand. Thus, for example, administrative enforcement can cause avoidable burdens through waiting times or repeated checks in planning and permit procedures.

In view of this, the Council welcomes the development that individual Federal Ministries have provided for further initiatives for the reduction of bureaucracy in their spheres of competence in addition to the reduction of information costs pursuant to the Standard Cost Model.

The Federal Ministry of the Interior has, for instance, planned further initiatives for the improvement in legislation (e.g. methodical further development of the legislation impact assessment). The Federal Ministry of Justice also places emphasis on the continuing process of simplifying the law.

The Council encourages the Federal Ministries to examine further measures for the reduction in bureaucracy in addition to the planned reduction of information costs, and to implement them within their sphere of competence.

#### Increase in Efficiency Through Procedural Simplification (BMJ)

*Act on the Debt Relief of Impecunious Persons, to Strengthen Creditors' Rights and on Resistance to Insolvency*

The draft regulation reforms the procedure for relief from residual debt in case of consumer insolvency. According to applicable law, regular insolvency proceedings always have to be conducted in order to obtain relief from residual debt. This also applied in cases in which it was clear from the outset – for instance because the debtor was unable to afford even the procedural costs – that overall enforcement proceedings would bring no income for the creditor.

As conventional insolvency proceedings involve considerable time, effort and/or expenditure due to numerous public notifications, stipulations as to formal service and dates, as well as giving rise to high material and staff costs at the insolvency courts, this procedure is being reformed in such a way that creditor protection and efficiency in residual debt relief are commensurate with one another.

For this reason, once a petition for insolvency and an application for relief from residual debt have been filed in case of impecunious persons, a provisional trustee instead of an expert will in future examine whether the petitioner still has any assets. This examination is considerably simpler and less drawn-out than the usual examination in insolvency proceedings. If it is clear from the provisional trustee's examination that there are insufficient assets for the conduct of insolvency proceedings, the court must dismiss the petition for lack of assets and at the same time initiate the debt relief procedure.

## Further Steps In Using the Standard Cost Model

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However, reduction in bureaucracy is not only the responsibility of the Federal Government. Federal States and municipalities, social security entities, self-administrating organisations and other public bodies are all required to critically examine the procedures and sequences for which they are responsible, and to reduce the relevant burdens on citizens and business. In this respect, much remains to be done. These initiatives could be collected into a “Bureaucracy Reduction Initiative” in 2008 as a useful means of supplementing and completing the Federal Government’s “Reduction in Bureaucracy and Better Legislation” programme.

Such an approach is evident in the agriculture sphere. Last year, a working group comprising representatives of the Federal Ministry for Food,

Agriculture and Consumer Protection, the Federal Parliament and the relevant Federal State ministries and associations, produced a “Plan of Action to Reduce Bureaucratic Hurdles in Agriculture, Forestry and the Food Economy”, and supplemented this in February 2007 by further simplification measures. The working group not only addresses the abolition and simplification of information obligations, but also the simplification of substantive duties and standards. The plan of action is the result of the wide-ranging participation of associations and also takes into account proposals for the reduction of unnecessary bureaucracy in business spheres of other government departments and EU law, to the extent to which it involves agriculture, forestry and the food economy.

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## IX. Recommendations of the National Regulatory Control Council

There is considerable overall progress in the reduction in bureaucracy process pursuant to the Standard Cost Model. The ex-ante assessments are continually improving; the measurement of existing burdens is to be concluded by the end of 2007.

The next step implementing the Federal Government's programme is to make the Cabinet resolution of the Federal Government dated 28 February 2007 more definite. As already announced in February, the Federal Cabinet plans to announce further stipulations for the reduction in bureaucracy in October 2007. The measurement results of the main cost drivers provide sufficient indications for this. The Regulatory Control Council considers the following points to be particularly important:

### 1. Precision of the 25 % Reduction Target as a Net Target

Experience in other European countries applying the Standard Cost Model shows that the reduction of bureaucratic burdens only makes sense if there is consensus that additional burdens should not at the same time be created by new statutes. To the extent to which new burdens are unavoidable, for example due to the compulsory implementation of European regulations or because relevant information is indispensable, these must be compensated by additional further reduction measures. The reduction target of 25 % must thus be regarded as a balance of burdens and relief measures. This fundamental understanding also forms the basis of the corresponding programmes in the Netherlands, Great Britain, Austria and Denmark.

### 2. Interim Targets

The Federal Government aims for a 25 % reduction in bureaucratic burdens by 2011. As international examples show, it is advisable to set interim targets for the operative implementation of this aim. This increases transparency in achieving the target and makes steering the entire process easier.

### 3. Targets and Reduction Plans Specific to Departments

In order to achieve the overall target set by the Federal Government, the Regulatory Control Council recommends department-specific reduction targets which are rendered more precise in the reduction plans of the individual Federal Ministries. In addition, a "package of reduction measures" should also be resolved by the Federal Cabinet in Spring 2008, so that the measures can be implemented by statute in the current legislative period.

In order to accelerate these considerations, the Council recommends that the ministries should already propose suitable projects in their first progress report on the implementation of the Federal Government's "Reduction in Bureaucracy and Better Legislation" programme.

### **4. Resolution of Significant Relief Measures**

It cannot be ruled out that the reduction in bureaucracy pursuant to the Standard Cost Model may not be perceived as efficient and effective by all enterprises (particularly medium-sized enterprises) and citizens, in spite of its broad relief effects on the national economy, because the specific relief effects may, for instance, be insignificant for a medium-sized enterprise. This could lead to expectations being raised amongst the parties affected which cannot be fulfilled by the reduction in bureaucracy programme designed to relieve the entire economy.

The Council therefore recommends that the identification of reduction measures should also include measures which, although they not receive primary attention from an overall economic point of view, constitute a particular burden on groups of enterprises and/or citizens. In this context, reduction measures affecting the whole economy should be examined for their effects on selected individual enterprises. Such results could be used to identify further reduction potential (see Chapter VIII, 1, p. 41f.).

Recent developments in the Netherlands and Great Britain show that, in addition to the costs of information encompassed by the Standard Cost Model, the reduction of other costs of bureaucracy perceived to be particularly onerous can also be taken into consideration. This in particular includes so-called irritation costs (see Chapter VIII, 3, p. 44). However, additional advance work on methods is first required here. The Council will return to this issue.

### **5. Relieving the Burden on Citizens and the Administration**

The “Reduction in Bureaucracy and Better Legislation” programme not only encompasses the reduction in bureaucracy for business, but also for citizens and the administration. The Regulatory Control Council considers that the Federal Government is right in first addressing the information obligations on business, because of their positive influence on growth and employment. It recommends the development of a concept for measuring the information obligations on citizens and a strategy for the reduction of the burdens resulting from them by Spring 2008. The method-related questions which remain unanswered should be clarified by then. The subject of the Standard Cost Model in the administration should be developed further with the aid of pilot projects. However, the Council recommends giving priority to the reduction of bureaucracy burdens on citizens over such programmes for the administration, if the limited resources make this necessary (see Chapter VIII, 2.2, p. 43).

### **6. Cooperation of the Federal Government, Federal States and Municipalities**

Bureaucratic burdens are frequently caused by federal and state law together. Close cooperation is particularly necessary in order to effectively reduce burdens in areas in which Federal States enforce federal law at their own responsibility.

As regards the further cooperation of the Federal Government, the Federal States and municipalities, the Council recommends

- continuing the regular exchange of information,
- approaching the reduction of the costs of bureaucracy in the administration as a joint project of the Federal Government, Federal States and local government, and
- identifying and realising relief potential with joint projects.

### **7. Reduction in Bureaucracy – Seizing Opportunities**

Only part of the burdens perceived by citizens and business as bureaucratic is based on information obligations. For this reason, it is necessary not to stop at the reduction and simplification of information obligations. By way of supplement, additional measures for the reduction of bureaucratic burdens should be taken (see Chapter VIII. 3, p. 44).

In view of this, the Regulatory Control Council recommends that not only the Federal Ministries, but also the Federal States and local government, social security entities, self-governing organisations and other public bodies should joint together in a “Reduction in Bureaucracy Initiative” in order to support and supplement the Federal Government’s programme together.

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# Annexes

# Annex 1

## Act on the Establishment of a National Regulatory Control Council

### Act on the Establishment of a National Regulatory Control Council of 14 August 2006

#### Section 1 Establishment of a National Regulatory Control Council

(1) A National Regulatory Control Council with its official seat in Berlin is established at the Federal Chancellery. It is bound only by the mandate conferred by this Act and is independent in its work.

(2) The National Regulatory Control Council has the task of supporting the Federal Government in reducing the costs of bureaucracy caused by legislation through the application, monitoring and further development of a standardised measurement of the costs of bureaucracy on the basis of a Standard Cost Model.

#### Section 2 Measuring the Costs of Bureaucracy and the Standard Cost Model

(1) The costs of bureaucracy within the meaning of this Act are those incurred by natural or legal persons due to information obligations. Information obligations are obligations which exist on the basis of statutes, legal ordinances, by-laws or administrative provisions to procure, maintain available or transmit data and other information for public authorities or third parties. Other costs caused by statutes, legal ordinances, by-laws or administrative provisions are not included.

(2) The Standard Cost Model must be applied in measuring the costs of bureaucracy. The internationally recognised rules for the application of the Standard Cost Model must be taken as a basis.

Divergences from this method require a resolution of the majority of the members of the National Regulatory Control Council and the consent of the Federal Government. The necessity of a resolution must in particular be examined if a divergence from the internationally recognised rules for the application of the Standard Cost Model must otherwise be feared.

(3) In the initial calculation of the key figures necessary for the conduct of the measurement in enterprises (costs per unit, time for each individual activity triggered by statute and its frequency per year and the number of enterprises affected), all costs of bureaucracy based on federal law must be taken into consideration.

#### Section 3 Composition and Organisation of the National Regulatory Control Council

(1) The National Regulatory Control Council comprises eight members. The Federal Chancellor proposes them to the Federal President in consultation with the other members of the Federal Government. The Federal President then appoints the proposed persons for a term of office of five years. Reappointment is permitted. The members are entitled to resign from office by means of a declaration to the Federal President. If a member leaves, a new Member will be appointed for the remaining term of office of the member who has left. Sentence 2 applies accordingly.

(2) The members should have experience in legislative matters within state or social institutions as well as knowledge of economic matters.

## Annex 1 – National Regulatory Control Council Act

(3) During their term of membership of the National Regulatory Control Council, the members may not belong to a legislative body nor to a federal public authority or state public authority, nor have a service or agency relationship with such bodies or authorities. Exceptions are permissible for university lecturers. Members also may not have held such a position within the last year preceding their appointment as member of the National Regulatory Control Council.

(4) The National Regulatory Control Council is chaired by the member appointed by the Federal Chancellor.

(5) Membership of the National Regulatory Control Council is honorary.

(6) The National Regulatory Control Council makes decisions with a majority of its members. In case of a tie in the voting, no objection is filed against the draft statute examined. A special vote is not permitted.

(7) The procedure followed by the National Regulatory Control Council is regulated by rules or procedure approved by the Federal Chancellor in consultation with the other members of the Federal Government.

(8) The Head of the Federal Chancellery is responsible for supervisory control.

(9) A Secretariat Office is established for the National Regulatory Control Council at the Federal Chancellery. The Head of the Secretariat Office takes part in the meetings of the National Regulatory Control Council in an advisory capacity. The Head of the Secretariat Office is subject only to the instructions of the National Regulatory Control Council. The Secretariat staff are subject only to the instructions of the National Regulatory Control Council and the head of the Secretariat. The Head and staff of the Secretariat may not at the same time be entrusted, either full-time or part-time, with other tasks in the direct or indirect state ad-

ministration of the Federation or the individual federal states.

(10) The members of the National Regulatory Control Council receive a lump-sum payment and the reimbursement of their travel expenses. These will be fixed by the Head of the Federal Chancellery in consultation with the Federal Minister of the Interior.

(11) The members of the National Regulatory Control Council and the members of the Secretariat are bound by a duty of confidentiality concerning the deliberations and the deliberation documents classified as confidential by the National Regulatory Control Council.

(12) The Federation bears the costs of the National Regulatory Control Council. The National Regulatory Control Council must be equipped with the necessary staff and material equipment for the fulfilment of its tasks. The position of the Head of the Secretariat must be filled in agreement with the National Regulatory Control Council. The positions of the staff of the Secretariat must be filled in agreement with the Chairman of the National Regulatory Control Council. Secretariat staff can only be transferred, delegated or reassigned in consultation with the Chairman of the National Regulatory Control Council if they are not in agreement with the intended measure.

### **Section 4 Tasks of the National Regulatory Control Council**

(1) The following can be examined to determine whether they comply with the principles of the standardised measurement of the costs of bureaucracy as defined in Section 2 (2):

1. Drafts for new federal statutes;
2. In case of draft amendment statutes, the original statutes as well;
3. Drafts of subsequent subordinate legal and administrative provisions;

## Annex 1 – National Regulatory Control Council Act

4. Work in preparation for legal acts (framework decisions, resolutions, agreements and the relevant implementation measures) of the European Union and regarding resolutions, directives and decisions of the European Union;
5. In case of the implementation of EU law, the relevant statutes and subordinate legal and administrative provisions;
6. Existing federal statutes and legal ordinances and administrative provisions based on them.

(2) The National Regulatory Control Council examines the draft statutes of the Federal Ministries before their submission to the Federal Cabinet.

(3) The National Regulatory Control Council expresses its opinion on the Federal Government's annual report regarding the question of the extent to which the target of cutting the costs of bureaucracy set by the Federal Government has been achieved.

(4) This does not affect the examination competence of the Federal Audit Office and the Federal Commissioner for Economic Efficiency in the Administration.

### **Section 5 Powers of the National Regulatory Control Council**

(1) The National Regulatory Control Council is entitled

1. to use the data bank established by the Federal Government for the data obtained in measuring the costs of bureaucracy;
2. to conduct its own hearings;
3. to commission expert opinions;
4. to submit special reports to the Federal Government.

(2) Public authorities of the Federation and the individual federal states will provide administrative aid to the Regulatory Control Council.

### **Section 6 Duties of the National Regulatory Control Council**

(1) The National Regulatory Control Council does not publicly submit its opinions on the draft statutes of the Federal Ministries to the leading Federal Minister concerned. These opinions and the opinion of the Federal Government on them will be attached to the draft statute upon its submission to the Federal Parliament.

(2) The National Regulatory Control Council reports annually to the Federal Chancellor. It can attach recommendations to its written report.

(3) The National Regulatory Control Council is available in an advisory capacity to the leading and co-advisory standing committees of the Federal Parliament.

### **Section 7 Duties of the Federal Government**

The Federal Government reports to the Federal Parliament annually on

1. the experience gained with the applied method for the standardised measurement of the costs of bureaucracy;
2. the stage reached in reducing the costs of bureaucracy in the individual Ministries and the current forecast whether the targets for measuring the costs of bureaucracy set by the Federal Government in a resolution will be achieved within the specified period.

### **Section 8 Entry into Force**

This Act enters into force on the day after its promulgation.

## Annex 2

# List of the Members of the National Regulatory Control Council

### MEMBERS OF THE NATIONAL REGULATORY CONTROL COUNCIL

Dr. Johannes Ludewig (Chairman)	Director General of the Association of European Railways; former Chairman of the Management Board of Deutsche Bahn AG; former Secretary of State
Wolf-Michael Catenhusen (Deputy Chairman)	Former Parliamentary Secretary of State and former Secretary of State
Hermann Bachmaier	Lawyer; former Deputy Chairman of the Legal Committee of the Federal German Parliament
Dr. Hans D. Barbier	Chairman of the Ludwig-Erhard Foundation; former Business Editor in Chief of the Frankfurter Allgemeine Zeitung
Prof. Dr. Gisela Färber	University Professor for Economic State Sciences of the German University for Academic Sciences
Henning Kreibohm	Lawyer; former Chief County Council Clerk; former shareholder-director of the firm NordWestConsult
Dr. Franz Schoser*	Former Principal Managing Director of the German Association of Chambers of Commerce
Prof. Dr. Dennis J. Snower**	President of the Institute for World Economics at the University of Kiel
Prof. Dr. Johann Wittmann	Chairman of the Management Board of the Munich Administration and Business Academy; former President of the Bavarian Supreme Administrative Court

#### Secretariat

Head: Alwin Henter

Staff: Dr. Philipp Birkenmaier, Doris Dietze, Ronny Kay, Petra Schön, Tobias Thiel, Dagmar Volckart

\* Member of the National Regulatory Control Council since 11 January 2007.

\*\* Member of the National Regulatory Control Council until 16 November 2006.

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## Annex 3

# Publications

### OVERVIEW OF THE PUBLICATIONS BY THE NATIONAL REGULATORY CONTROL COUNCIL

Guidelines for the Ex-Ante Assessment of the Costs of Bureaucracy according to the Standard Cost Model (May 2007) – together with the Better Regulation Unit in the Federal Chancellery

Positioning Paper on the Plan of Action of the European Commission for the Reduction of Administrative Burdens in the European Union (1 March 2007)

Mandate and Organisation of the Regulatory Control Council (April 2007)

International Experience in the Reduction of Bureaucracy – Analysis of the Reduction in Bureaucracy Processes and Reduction Measures in the Netherlands, Great Britain and Denmark (June 2007)

# Annex 4

## Events and Dates

2006

DATE	OCCASION
19 September	Appointment of the members of the National Regulatory Control Council by the Federal President  Constitutive meeting of the Regulatory Control Council
26 September	2nd Regulatory Control Council meeting
12 October	3rd Regulatory Control Council meeting  Discussion with Mr. Bräunig (Member of the Principal Management of the Federal Association of German Industry – BDI)
19 October	4th Regulatory Control Council meeting  Discussion with Mr. Nijland (Head of the Project Group in the Netherlands Finance Ministry – IPAL) and Mr. Sevat (member of staff of the Netherlands Regulatory Control Council – ACTAL)  Meeting with the Federal Statistics Office
26 October	5th Regulatory Control Council meeting  Discussion with Secretary of State Machnig (Federal Ministry for the Environment, Nature Conservation and Nuclear Safety)  Discussion with Secretary of State Hahlen (Federal Ministry of the Interior)  Discussion with representatives of the Bertelsmann Foundation, Project Agenda Modern Regulation
26 October	Dr. Ludewig, Mr. Catenhusen – Meeting with Secretary of State Dr. Beus (Federal Chancellery), Secretary of State Wasserhövel (Federal Ministry for Employment and Social Affairs), Secretary of State Hahlen (Federal Ministry of the Interior) and Secretary of State Diwell (Federal Ministry of Justice)
16 November	6th Regulatory Control Council meeting  Discussion with Parliamentary Secretary of State Schauerte (Federal Ministry for Economics and Technology)

## Annex 4 - Events and Dates

2006

DATE	OCCASION
23 November	7th Regulatory Control Council meeting Discussion with Secretary of State Wasserhövel (Federal Ministry for Employment and Social Affairs) Discussion with Secretary of State Dr. Nawrath (Federal Ministry of Finance)
23 November	Dr. Ludewig – Meeting with Secretary of State Dr. Beus (Federal Chancellery)
23 November	Dr. Ludewig – Lecture at Medium-Sized Businesses Parliament Group of the CDU/CSU Parliamentary Group
27 November	Mr. Kreibohm – Lecture to the German Administrative Districts Conference
5 December	Mr. Catenhusen, Mr. Bachmaier, Mr. Kreibohm – Participation in workshop of the Federal Government on the ex-ante estimate of the costs of bureaucracy in the Federal Chancellery
6 December	8th Regulatory Control Council meeting Discussion with Secretary of State Dr. Otremba (Federal Ministry for Economics and Technology) Discussion with Secretary of State Dr. Beus (Federal Chancellery)
6 December	Dr. Ludewig, Mr. Kreibohm – Meeting with Federal Statistics Office and the Better Regulation Unit at the Federal Chancellery
19 December	9th Regulatory Control Council meeting Discussion with Secretary of State Diwell (Federal Ministry of Justice)
14 December	Mr. Kreibohm – Discussion with representatives of the German Administrative Districts Conference, German Congress of Municipalities and Federation of Cities and Municipalities
14 and 15 December	Mr. Catenhusen, Prof. Dr. Färber, Mr. Kreibohm – participation in the event of the Bertelsmann Foundation “Quo Vadis SKM?”

### 2007

DATE	OCCASION
11 January	10th Regulatory Control Council meeting
11 January	Dr. Ludewig – Discussion with the CDU Economic Council
16 January	Mr. Catenhusen, Mr. Kreibohm – Lecture in the SPD Group of the Economics Committee of the Federal German Parliament
18 January	11th Regulatory Control Council meeting Exchange of experience and ideas with staff of the Danish Finance Ministry and the Danish Economics Ministry
18 January	Dr. Ludewig, Mr. Catenhusen, Mr. Kreibohm - Meeting with Federal Statistics Office and Better Regulation Unit at the Federal Chancellery
23 January	Mr. Kreibohm – Lecture at the Social Democratic Group for Municipal Policy, Düsseldorf
24 and 25 January	Dr. Ludewig, Prof. Dr. Färber, Mr. Kreibohm – Exchange of information and experience with members of the Netherlands Regulatory Control Council ACTAL in Den Haag
27 January	Mr. Kreibohm – Discussion with the Social Democratic Group for Municipal Policy, Düsseldorf
1 February	12th Regulatory Control Council meeting Discussion with Mr. Verheugen (Vice-President of the European Commission) Discussion with Secretary of State Lindemann (Federal Ministry for Food, Agriculture and Consumer Protection)
1 February	Dr. Ludewig - Discussion with the Reduction of Bureaucracy Working Group of the FDP Federal Parliamentary Group
6 February	Mr. Kreibohm – Lecture in the Technical College of Medium-Sized Business, Bielefeld
8 February	Dr. Schoser – Discussion with Dr. Nitschke (Deputy Managing Director of the German Congress of Chambers of Commerce and Industry)

## Annex 4 - Events and Dates

2007

DATE	OCCASION
14 February	Mr. Kreibohm – Discussion with Prof. Dr. Weber (Managing Director and member of the Management Board of the Federal Association of German Banks)
15 February	13th Regulatory Control Council meeting Discussion with Mr. Sommer (Chairman of the German Association of Trade Unions)
15 February	Dr. Ludewig – Discussion with Mr. Schleyer (Secretary General of the Central Association of German Handicrafts)
15 February	Mr. Catenhusen – Lecture at the Reduction in Bureaucracy Group of the State of Brandenburg
20 February	Dr. Ludewig – Discussion with Secretary of State Dr. Beus (Federal Chancellery) and top level representatives of the economic associations
21 February	14th Regulatory Control Council meeting Discussion with Ministerial Councillor Scheuerle (Federal Ministry of Finance) on the corporation tax reform
21 February	Dr. Ludewig – Discussion with Secretary of State Boomgarden (Federal Foreign Office)
26 February	Mr. Kreibohm – Meeting with Dr. Göhner (Managing Director of the Federal Congress of Employers' Associations – BDA)
1 March	Dr. Ludewig, Mr. Catenhusen, Mr. Kreibohm – Participation in the Red Tape Conference in Rotterdam
6 March	Mr. Catenhusen – Lecture at the Subcommittee General Administrative Organisation of the Conference of Ministers of the Interior, Potsdam
8 March	15th Regulatory Control Council meeting
8 March	Dr. Ludewig – Discussion with Minister of State Müller, MdB Mr. Bachmaier – Discussion with Secretary of State Hahlen (Federal Ministry of the Interior) Mr. Bachmaier – Discussion with Secretary of State Diwell (Federal Ministry of Justice)

### 2007

DATE	OCCASION
9 March	Mr. Kreibohm – Lecture at OstWestfalenLippe Marketing GmbH, Bielefeld
12 March	Mr. Bachmaier – Discussion with Mr. Metzger (Managing Director of the Heilbronn Chamber of Commerce)
15 March	16th Regulatory Control Council meeting Exchange of information with Mr. Haythornthwaite (Chairman of the Better Regulation Commission – BRC, Great Britain) and Mr. Gibbons (BRC member)
15 March	Dr. Ludewig – Discussion with CDU Association of Medium-Sized Businesses Prof. Dr. Färber – Discussion with Secretary of State Dr. Nawrath (Federal Ministry of Finance)
21 March	Prof. Dr. Wittmann – Discussion with Secretary of State Machnig (Federal Ministry for the Environment, Nature Conservation and Nuclear Safety)
22 March	17th Regulatory Control Council meeting
22 March	Dr. Ludewig – Discussion with the Economics Working Group of the CDU/CSU-Parliamentary Party
26 March	Mr. Bachmaier – Discussion with County Council Chairman Bauer and Departmental Heads of the Schwäbisch-Hall County Council regarding the reduction of bureaucracy at municipal level
27 March	Mr. Bachmaier – Meeting with the Management Board of Sparkasse Schwäbisch-Hall/ Crailsheim
28 March	Dr. Ludewig, Mr. Catenhusen – Lecture at the Economics Committee of the German Federal Parliament
29 March	18th Regulatory Control Council meeting
3 April	Mr. Bachmaier – Discussion with Dr. Metz (Chairman of the Bausparkasse Schwäbisch-Hall)
12 April	Mr. Catenhusen, Mr. Kreibohm – Discussion with Secretary of State Dr. Beus (Federal Chancellery) and representatives of top municipal associations

## Annex 4 - Events and Dates

2007

DATE	OCCASION
17 April	Mr. Catenhusen, Prof. Dr. Färber, Mr. Kreibohm – participation in the Reduction of Bureaucracy Conference at the Netherlands Embassy in Berlin
18 April	19th Regulatory Control Council meeting Exchange of experience with Mr. Mungenast (Departmental Head at the Austrian Federal Ministry for Finance)
18 April	Prof. Dr. Färber, Mr. Kreibohm – Discussion with Secretary of State Gatzler (Federal Ministry of Finance)
24 April	Dr. Ludewig – Discussion with Mr. Röttgen (First Parliamentary Director of the CDU/CSU Parliamentary Party) Dr. Ludewig – participation in the meeting of the Management Board of the CDU Parliamentary Party in the German Federal Parliament
26 April	Mr. Dr. Ludewig – Discussion with the Federal Specialist Commission of the CDU Economic Council
2 May	Prof. Dr. Färber, Mr. Kreibohm – Discussion with Secretary of State Wasserhövel (Federal Ministry for Employment and Social Affairs)
3 May	20th Regulatory Control Council meeting Joint meeting with the Secretaries of State Committee Reduction in Bureaucracy
3 May	Prof. Dr. Wittmann – Discussion with Secretary of State Dr. Lütke Daldrup (Federal Ministry of Transport, Building and Urban Affairs)
8 May	Mr. Bachmaier – Discussion with SPD State Parliamentary Party in Baden-Württemberg Mr. Catenhusen – Discussion with Secretary of State Dr. Schröder (Federal Ministry for Health)
9 May	Mr. Catenhusen, Prof. Dr. Färber – Discussion with the Finance Committee of the German Federal Parliament
10 May	Dr. Ludewig – Discussion with Secretary of State Dr. Wichert (Federal Ministry of Defence)

2007

DATE	OCCASION
11 May	21st Regulatory Control Council meeting
16 May	Mr. Catenhusen - Discussion with Secretary of State Lindemann (Federal Ministry for Food, Agriculture and Consumer Protection)
22 May	Mr. Catenhusen – Lecture at the 10th German Administration Conference “Efficient State” Mr. Kreibohm – Lecture at the Legal Policy Working Group of the Federal Board of the German Trade Unions Association - DGB)
24 May	22nd Regulatory Control Council meeting
4 June	Mr. Kreibohm – participation in a workshop of the Bertelsmann Foundation in London Prof. Dr. Färber – Symposium of the OECD on “How to Boost the Competitiveness of the Italian Economy” in Rome
5 June	Dr. Ludewig, Mr. Kreibohm – Discussion with the Secretaries of State Committee Reduction in Bureaucracy and the Federal Statistics Office Dr. Ludewig – Lecture and discussion at the Conference of Economics Ministers of the Federal States in Eisenach
12 June	Dr. Ludewig – Lecture and discussion at the BDI/BDA-Managing Directors’ Conference Mr. Bachmaier – Discussion with Legal Working Group of the SPD Parliamentary Party in the German Federal Parliament
14 June	23rd Regulatory Control Council meeting Discussion with Director General Scheuerle (Federal Ministry of Finance) on the corporation tax reform
20 June	Dr. Ludewig – Lecture at the Committees for Medium-Sized Enterprises of the DIHK and BDI
21 June	24th Regulatory Control Council meeting
21 June	Dr. Ludewig, Prof. Dr. Färber, Mr. Kreibohm, Dr. Schoser, Prof. Dr. Wittmann – Meeting with representatives of the Bertelsmann Foundation Project Agenda Modern Regulation Prof. Dr. Färber – Discussion with the Federal Ministry of Finance on the Annual Tax Act

## Annex 4 - Events and Dates

2007

DATE	OCCASION
28 June	25th Regulatory Control Council meeting
4 July	Mr. Catenhusen – Lecture at the European Evening of DBB and Europe-Union on “Better Regulation – Good Government, Better Legislation and Administration”
12 July	26th Regulatory Control Council meeting
12 July	Dr. Ludewig – Meeting with former Prime Minister Teufel
19 July	27th Regulatory Control Council meeting, Closed-door meeting at Meseberg at the invitation of Federal Chancellor Dr. Angela Merkel Discussion with Federal Chancellor Discussion with Parliamentary Secretary of State Altmaier (Federal Ministry of the Interior) Discussion with Secretary of State Dr. Beus (Federal Chancellery) Discussion with Dr. Wonneberger (Departmental Head in the Federal Ministry for Employment and Social Affairs)
24 July	Prof. Dr. Wittmann – Discussion with Chief of Staff of Bavarian State Chancellery, Dr. Schön
26 July	Mr. Kreibohm – Discussion with Federal Board of the German Association of Trade Unions (DGB)
30 July	Dr. Ludewig, Mr. Kreibohm, Dr. Schoser – Discussions to prepare the model project “Macro and Microlevel” in Cologne
10 August	Mr. Kreibohm – Discussion with representatives of the Sparkasse Herford
17 August	Dr. Ludewig, Mr. Kreibohm, Dr. Schoser – Discussion with Mr. Niehoff (Managing Director of IHK Ostwestfalen in Bielefeld) and Mr. Heinrich (Project coordinator for the model region OstWestfalenLippe Marketing GmbH) in Cologne
22 August	28th Regulatory Control Council meeting
30 August	29th Regulatory Control Council meeting





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