European Parliament
2024-2029

TEXTS ADOPTED

P10_TA(2026)0063

European Union regulatory fitness and subsidiarity and proportionality – report on Better Law-Making covering 2023 and 2024

European Parliament resolution of 10 March 2026 on the European Union regulatory fitness and subsidiarity and proportionality – report on Better Law-Making covering 2023 and 2024 (2025/2015(INI))

The European Parliament,

– having regard to Article 5 of the Treaty on European Union (TEU), in particular the principles of subsidiarity and proportionality enshrined therein,

– having regard to Protocol No 1 to the TEU and the Treaty on the Functioning of the European Union (TFEU) on the role of national parliaments in the European Union[1],

– having regard to Protocol No 2 to the TEU and TFEU on the application of the principles of subsidiarity and proportionality[2],

– having regard to the Interinstitutional Agreement between the European Parliament, the Council of the European Union and the European Commission of 13 April 2016 on Better Law-Making[3],

– having regard to the Commission 2023 annual report of 25 October 2024 on the application of the principles of subsidiarity and proportionality and on relations with national parliaments (COM(2024)0493),

– having regard to the Commission 2024 annual report of 8 September 2025 on the application of the principles of subsidiarity

[1] OJ C 202, 7.6.2016, p. 203, ELI: http://data.europa.eu/eli/treaty/tfeu_2016/pro_1/oj.
[2] OJ C 326, 26.10.2012, p. 206, ELI: http://data.europa.eu/eli/treaty/tfeu_2012/pro_2/oj.
[3] OJ L 123, 12.5.2016, p. 1, ELI: http://data.europa.eu/eli/agree_interinstit/2016/512/oj.

and proportionality and on relations with national parliaments (COM(2025)0473),

– having regard to its resolution of 24 June 2021 on European Union regulatory fitness and subsidiarity and proportionality – report on Better Law Making covering the years 2017, 2018 and 2019[4],

– having regard to its resolution of 23 November 2023 on European Union regulatory fitness and subsidiarity and proportionality – report on Better Law-Making covering 2020, 2021 and 2022[5],

– having regard to its resolution of 17 January 2024 on the implementation of the Treaty provisions on national parliaments[6],

– having regard to the Commission communication of 29 April 2021 entitled ‘Better regulation: Joining forces to make better laws’ (COM(2021)0219),

– having regard to its resolution of 7 July 2022 entitled ‘Better regulation: Joining forces to make better laws’[7],

– having regard to the study entitled ‘The “one in, one out” principle’, published by its Policy Department for Citizens’ Rights and Constitutional Affairs in October 2023,

– having regard to all previous Commission communications on the need for better regulation in order to achieve better results for the benefit of EU citizens,

– having regard to the report by Mario Draghi of 9 September 2024 entitled ‘The future of European competitiveness – a competitiveness strategy for Europe’ (the Draghi report),

– having regard to the report by Enrico Letta of 17 April 2024 entitled ‘Much more than a market’ (the Letta report),

– having regard to Rule 55 of its Rules of Procedure,

– having regard to the report of the Committee on Legal Affairs (A10-0020/2026),

A. whereas, in accordance with Article 5 TEU, the limits of EU competences are governed by the principle of conferral; whereas the use of EU competences is governed by the principles of subsidiarity and proportionality; whereas, under the principle of conferral, the

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4 OJ C 81, 18.2.2022, p. 74.
5 OJ C, C/2024/4228, 24.7.2024, ELI: http://data.europa.eu/eli/C/2024/4228/oj.
6 OJ C, C/2024/5714, 17.10.2024, ELI: http://data.europa.eu/eli/C/2024/5714/oj.
7 OJ C 47, 7.2.2023, p. 250.

EU is to act only within the limits of the competences conferred upon it by the Member States in the Treaties to attain the objectives set out therein; whereas competences not conferred upon the EU in the Treaties remain with the Member States;

B. whereas EU legislation should be fit for purpose, proportionate, clear and comprehensive in order to effectively benefit citizens and stakeholders; whereas better regulation helps to ensure that EU policies and legislation are geared towards the future, taking account of the faster pace of technological, societal and environmental developments; whereas, therefore, it will be increasingly important to back up regulatory proposals with evidence-based assessments; whereas quality lawmaking should deliver for everyone as a long-term investment in the shared prosperity of our societies and our future;

C. whereas EU lawmaking is driven by the values and requirements of respect for human dignity, freedom, democracy, equality, the rule of law and respect for human rights, as enshrined in Article 2 TEU; whereas the rule of law ensures that all Union action, including legislative and regulatory processes, is grounded in legality, transparency and effective judicial review;

D. whereas better lawmaking is a common goal for all EU institutions and is a shared responsibility between the EU institutions and the Member States, and should be underpinned by transparency, proportionality, accountability and cooperation between the institutions and the Member States, citizens and stakeholders, while ensuring full respect for all fundamental European values, including democracy, the rule of law and human rights;

E. whereas in her political guidelines for the next European Commission 2024-2029 of 18 July 2024, the President-elect stated that ‘future legislation must also be simplified and designed with small businesses in mind and in a spirit of subsidiarity’; whereas she also stated that ‘better lawmaking has to be a joint task – with all institutions involved and all of the legislative process covered’;

F. whereas the Commission has made it clear in its various communications that better lawmaking requires ensuring that EU law and policymaking are based on sound evidence, involves stakeholders, including citizens and businesses, avoids imposing unnecessary burdens and brings tangible and sustainable benefits for EU citizens;

G. whereas national parliaments are the natural guardians of the principle of subsidiarity and play a crucial role in ensuring compliance with the principles of subsidiarity and proportionality through interparliamentary dialogue and the Early Warning System, which allows national parliaments and/or chambers to submit a reasoned opinion if they believe a legislative proposal does not respect the principle of subsidiarity;

H. whereas, in accordance with Article 4 TEU, the EU and its Member States are bound by the principle of sincere cooperation, according to which they are to assist each other in carrying out tasks under the Treaties; whereas this includes the task of Member States taking any appropriate measure to ensure fulfilment of the obligations arising from the Treaties or EU acts;

I. whereas the competitiveness, innovation and growth of EU companies should not be unnecessarily hindered by excessive regulatory burdens, which would lead to an outflow of investment and jobs outside the EU, with particularly detrimental effects on small and medium-sized enterprises (SMEs); whereas legal predictability and legal certainty are essential for the single market to function; whereas the single market still faces barriers and fragmentation;

J. whereas transparent, accurate and uniform application of EU legislation is essential in fostering citizens’ trust in the EU, while avoiding creating unnecessary burdens and additional costs for anyone, including businesses and consumers; whereas under Article 197 TFEU, effective implementation must be regarded as a matter of common interest for the Member States; whereas Member States should avoid adding unnecessary additional administrative or compliance burdens when transposing EU legislation;

K. whereas in 2021, the Commission introduced the ‘one in, one out’ approach with the intention of offsetting new burdens resulting from the Commission’s legislative proposals by removing already existing burdens in the same policy area; whereas this concept is not delivering as a tool for better regulation in its current form, in particular as it does not tackle legislative quality, which cannot be reduced to quantitative targets for the reduction of burdens and costs alone, and does not include the assessment of its possible effects on the current regulatory goals of the EU;

L. whereas the ‘one in, one out’ approach should not be understood as a numerical target for legislative acts, but rather as a cost-based mechanism aimed at achieving a tangible net reduction in regulatory costs and improvements in the functioning of the EU market and society; whereas the focus must remain on the total administrative, compliance and implementation costs imposed on businesses, ensuring that any new obligations are offset; whereas the current ‘one in, one out’ approach is inadequate in this regard; whereas a more ambitious overarching approach should be established;

M. whereas recent advances in artificial intelligence (AI) are transforming the manner in which EU law can be assessed and applied, evolving from limited, knowledge-based expert systems towards predictive and generative machine-learning models; whereas such technologies open new possibilities as well as challenges across the legislative cycle – including during pre-enactment analysis, impact forecasting, legislative drafting, public consultation and, in particular, during post-enactment monitoring – thereby offering significant opportunities to improve the timeliness, accuracy and depth of EU lawmaking if handled with due care and with respect for fundamental rights;

N. whereas better lawmaking must aim to serve the EU's political ambitions, especially its long-term objectives; whereas well carried out ex ante and ex post impact assessments, including in respect of social, economic and environmental impacts, and public consultations are essential tools for well-informed, better, efficient, accountable and transparent lawmaking; whereas the Regulatory Scrutiny Board is responsible for assessing the quality of impact assessments and of fitness checks and major evaluations to support political decision-making;

Subsidiarity and proportionality

1. Recalls that, under the principles of subsidiarity and proportionality enshrined in Article 5 TEU, the EU has an obligation to legislate only where and to the extent necessary; recalls that the aim of this obligation is to legislate as closely as possible to the citizens of the EU;

2. Recalls that better lawmaking is based on interinstitutional balance among the co-legislators and a shared commitment to sincere and transparent cooperation throughout the entire legislative cycle; notes that this is to be reflected in the setting or reviewing of multiannual priorities, and the yearly joint declaration on annual interinstitutional priorities; recalls that any intention by the Commission to withdraw pending legislative acts as announced in its annual work programmes needs to be duly reasoned and substantiated, allowing for the proper consultation of the EU's co-legislators;

3. Recalls that recourse to other legal bases than the ordinary legislative procedure is carefully framed in the Treaties; warns against any use of legislative processes specifically provided for emergency situations based on Article 122 TFEU beyond specific situations that necessitate swift reactions to unfolding crises;

4. Recalls that evaluations, impact assessments and stakeholder consultations are key pillars of an efficient, responsible and democratic regulatory process;

5. Notes that in 2023, national parliaments submitted 22 reasoned opinions, a third less than in 2022, in line with the long-term

downward trend in the number of reasoned opinions; notes that there was also an increase in the participation of national parliaments in the wider political dialogue with the Commission, representing an increase of over 10 % compared to 2022;

6. Notes that national parliaments have submitted only 577 subsidiarity checks and reasoned opinions, 3 803 contributions, three ‘yellow cards’ and no ‘orange cards’ since the entry into force of the Treaty of Lisbon in 2009;

7. Notes that, in addition to the subsidiarity control mechanism established by Protocol No 2, the Commission put in place a political dialogue in 2006, through which 402 opinions were submitted in 2023; notes, furthermore, that in those submissions, national parliaments focused on the 2023 Commission work programme;

8. Notes that 2024 marked 15 years since the entry into force and application of the Treaty of Lisbon, which introduced higher levels of parliamentary scrutiny and democratic accountability in the EU, notably through the principles of subsidiarity and proportionality;

9. Notes that 2024 was also a transition year between two Commission terms, during which the intensity of national parliamentary scrutiny typically decreases; notes that this was also the case in 2024, during which national parliaments submitted 252 opinions, of which 14 were reasoned opinions; notes that although this is a considerable decrease compared to 2023, it is not unusual for a transition year and was a more modest decrease compared to the previous transition year of 2019;

10. Welcomes the fact that in 2024, the Commission significantly improved the way in which the opinions of national parliaments, as well as its replies to those opinions, are made publicly available, by launching a new online database with a number of filtering possibilities; further welcomes the fact that this improvement also applies to the opinions and replies gathered since 2014;

11. Calls for earlier, structured and meaningful involvement of national parliaments in the EU policymaking cycle, including during the consultation and agenda-setting phases, and not only once the Commission has adopted a proposal; underlines that granting national parliaments timely access to draft initiatives, background analyses and impact assessment material would enable more effective scrutiny of subsidiarity and proportionality considerations and ensure that national expertise is reflected upstream in the EU legislative process;

12. Takes note of calls made by several national parliaments for greater involvement in the scrutiny of delegated and implementing acts; stresses the importance of prior scrutiny of such acts by national

parliaments in order to ensure respect for and compliance with the principles of subsidiarity and proportionality;

13. Calls for enhanced cooperation with national parliaments through structured digital dialogue platforms to ensure timely information-sharing on new EU initiatives; encourages the consideration of avenues that would enable national parliaments to play a more proactive role in EU policymaking, including through a structured 'green card' mechanism allowing collective suggestions for Commission initiatives, operating under reasonable and attainable thresholds; stresses that interparliamentary exchanges should include local and regional representatives to improve the transparency and public ownership of EU lawmaking; notes that empowering parliaments beyond a reactive role would strengthen ownership and the democratic legitimacy of EU action;

14. Notes that in 2024, the Court of Justice of the European Union annulled a provision of a regulation added during the legislative negotiations on the grounds that there was insufficient information to assess and unequivocally establish its proportionality; reaffirms that the principles of subsidiarity and proportionality remain essential to the EU's legitimacy and calls for closer cooperation and enhanced structured dialogue with national parliaments;

15. Underlines that, despite the shared objective of sincere cooperation guiding EU policy- and lawmaking, including the role of Member States in taking all appropriate measures to ensure the fulfilment of obligations arising from the Treaties or resulting from acts of the EU institutions, situations still vary greatly in the timely transposition of directives and implementation of EU law; encourages further support to build Member States' administrative and technical capacity in this regard, and urges the Commission to ensure resolute enforcement when cooperation fails;

16. Notes the establishment of 'implementation dialogues' carried out by the Commission as part of its transparency and participative democracy efforts towards better lawmaking; encourages, more generally, initiatives conducive to the meaningful involvement of civil society and businesses in policymaking; notes, in this respect, that improvements can be made to ensure that the EU legislative process is more transparent, inclusive of all stakeholder input and easier to follow;

Better lawmaking

17. Underlines that, despite progress made under the better regulation agenda, EU legislation still generates a lot of regulatory burden and improvements can therefore be made to ensure that the EU legislative process is more transparent, inclusive of relevant stakeholder input and easier to follow and implement;

18. Calls for the Commission and the co-legislators to systematically apply good legislative drafting techniques and use clear and accessible legal language, ensuring coherence across the EU *acquis* and avoiding duplication or contradictions that create unnecessary complexity and hinder implementation; reiterates that clear and coherent drafting enhances legal certainty and reduces the administrative burden for citizens, businesses and public administrations;

19. Recognises the essential role of law enforcement in upholding the rule of law and protecting fundamental rights; recalls that legal certainty, accessibility and predictability of legislation are key requirements of the rule of law; calls for the Commission and the co-legislators to ensure that better regulation tools, including impact assessments, consultations and evaluations, contribute to clearer, more coherent and more predictable EU legislation; calls on the Member States to ensure that any constitutional or legislative reforms affecting the separation of powers fully comply with EU fundamental values and legal principles, and that full use is made of the EU's rule-of-law toolbox, as these would have huge consequences for EU cohesion and the lives of citizens;

20. Strongly regrets that the Commission is increasingly failing to carry out impact assessments, which form a component of its own better regulation framework; considers that in order to achieve the objectives of the better regulation agenda, the quality and use of impact assessments need to be significantly improved;

21. Highlights the need for appropriate, independent and transparent impact assessments of all legislative proposals as well as proper ex post evaluations of Union initiatives; recalls that on several occasions, Parliament has carried out its own impact assessments, instead of the Commission; recalls, furthermore, that Parliament has set up a dedicated Directorate for Impact Assessment and European Added Value to be able to carry out ex ante impact assessments and ex post evaluations with a view to supporting evidence-based policymaking; recalls, nevertheless, that impact assessments help to inform, but do not replace, political decision-making;

22. Stresses that all major legislative and policy initiatives should be accompanied by a cost-benefit analysis as part of the impact assessment, including in respect of their social, economic and environmental impacts; considers such analyses indispensable for evidence-based policymaking and for maintaining citizens' and businesses' trust in EU legislation;

23. Reiterates its call for children's rights to be mainstreamed across EU legislation through the introduction of a children's rights test in the framework of the impact assessment toolbox, which would ensure that all EU legislative proposals are evaluated for their possible

impact on the rights of the child, identify the affected areas and provide for the assessment of alternative measures where necessary; underlines that this process should involve the EU Children's Participation Platform to strengthen the voices of children in the decision-making process;

24. Recalls that the need for new legislation should not automatically imply that current legislation is no longer needed; is of the opinion, in this regard, that a thorough impact assessment must equally be conducted for any potential repeal to avoid unexpected consequences and undesirable effects; calls for this approach to be based on a transparent and evidence-based methodology;

25. Stresses that the Commission must systematically inform and consult Parliament and the Council, and, where appropriate, national parliaments throughout the entire lawmaking cycle, in order to guarantee democratic accountability, institutional balance and transparency in EU policymaking;

26. Recognises that current mechanisms which are intended to control legislative burden, such as the 'one in, one out' approach, struggle to function effectively as a result of the lack of proper ex post evaluations of the actual cost of legislation; notes – with regard to the 'one in, one out' approach specifically – that it is limited to basic legislative acts; underlines that the implementation of this approach should not affect political imperatives or the objectives of better regulation and emphasises that it should not lead to mechanical or mathematical decisions to repeal legislation; further considers that the lack of efficient mechanisms for removing outdated or redundant measures constitutes a serious shortcoming; emphasises the need to focus on improving EU legislation so as to ensure it remains fit for purpose;

27. Notes the Commission's burden-reduction objectives as a step towards smarter regulation; recalls that the systematic, evidence-based evaluation of legislation, as provided for in the better regulation toolbox, must remain the cornerstone of this process;

28. Recalls that delegated acts only supplement or amend certain non-essential elements of a basic act, while implementing acts ensure uniform conditions for implementation, and thus both should be used accordingly and proportionately, and be limited to technical aspects necessary for the application of the basic acts while avoiding duplications, overlaps or contradictions that create unnecessary complexity; highlights the importance of subjecting delegated and implementing acts to transparent procedures, with clear timelines allowing sufficient time for meaningful and effective scrutiny by the co-legislators; calls for delegated and implementing acts to be published well in advance to enable stakeholders to prepare for compliance; insists that, wherever possible, delegated and

implementing acts be made available simultaneously with the entry into force of the basic act in order to guarantee legal certainty and enforceability; calls on the Commission to also consider the costs and benefits as well as the proper implementation and application of delegated and implementing acts in the overall assessment of the regulatory burden;

29. Calls on the Commission to further step up efforts to reduce regulatory obligations for citizens and businesses and to improve the quality and effectiveness of EU legislation by ensuring that regulatory measures are proportionate and evidence-based and deliver clear added value for EU citizens and businesses; considers the current ‘one in, one out’ approach inadequate in this regard; calls, therefore, for the establishment of a more ambitious overarching approach, including in instances where several legislative instruments can be replaced, repealed or withdrawn at the same time, e.g. to avoid fragmentation, duplications, overlaps or redundancy, and to reduce costs; notes that this approach should include a clear methodology and an independent and transparent monitoring mechanism to achieve a net reduction in regulatory costs, while also taking into account the cost of not legislating where EU added value is expected; stresses that the focus should be on reducing unnecessary administrative burdens while achieving the EU’s policy objectives, including for social, environmental and consumer protection; calls, furthermore, for Parliament to play a stronger role in the ex post evaluation of EU legislation and in monitoring the implementation of the above-mentioned simplification approach;

30. Takes note of the involvement of the Regulatory Scrutiny Board in impact assessments, fitness checks and major evaluations of current legislation; calls on the Commission to explore ways of improving the independence, capacity, mandate and procedures of the Regulatory Scrutiny Board, including by ensuring that it is provided with adequate resources to review a greater proportion of the Commission’s legislative initiatives; calls for the transparency of the Regulatory Scrutiny Board to be improved, including through swifter publication of its opinions and greater clarity on the follow-up to its recommendations; underlines that the work of the Regulatory Scrutiny Board should not unduly delay the adoption of legislative proposals;

31. Takes the view that, in cases where the Regulatory Scrutiny Board issues a negative opinion on an impact assessment, Parliament should be properly informed and in a timely manner in order to review whether to proceed with the proposal or reject it;

32. Notes that the Commission’s annual burden survey plays a central role in tracking progress on burden reduction; stresses, however, that greater transparency is needed regarding the calculations and

methodology used to measure costs and cumulative effects, in order to ensure accountability and comparability across policy areas;

33. Welcomes the idea proposed by the Draghi report to develop a single, clear methodology to quantify the cost of new legislation and takes the view that the Commission should develop such a methodology;

34. Notes that reporting obligations often generate considerable administrative costs for companies, in particular SMEs; takes the view that such obligations should be streamlined and that more support should be provided in order to digitise reporting; acknowledges, nonetheless, the importance of effective reporting for tracking legitimate public policy objectives and enforcing legislation and, thus, serving the general interest; calls, therefore, on the Commission and the Member States to assess potential supporting measures for companies to minimise costs related to reporting when implementing EU legislation and to also assess the feasibility of establishing mechanisms to compensate companies for duly performed reporting tasks in a report;

35. Calls on the Commission to systematically integrate bottom-up data on how citizens perceive, understand and exercise their rights in practice, including their experience with enforcement and redress mechanisms; calls for this data to be better reflected in the better regulation guidelines and toolbox; calls for the Commission and the co-legislators to increase the practical applicability of EU legislation at every stage of the policy cycle, including through genuine citizen and business involvement during policy conception, user-centred drafting, user-testing of draft acts and post-legislative consultation;

Regulatory fitness and better lawmaking for competitiveness

36. Calls for processes such as evaluations and the regulatory fitness and performance programme (REFIT), which aim to simplify legislation, to be used more frequently; considers also that different legislatives techniques that could help with outdated or redundant measures, are underused or, when used, are used poorly;

37. Recalls that the Draghi report underlined the simplification of rules as one of the three overarching goals for a renewed European partnership[8]; points out that simplification requires focusing also on smart implementation strategies, taking a pragmatic, legally sound and efficient approach to alleviating administrative burdens for companies and SMEs in particular, and simplifying as far as possible the implementation of agreed rules; recalls, furthermore, that the Letta report similarly stresses that regulations should facilitate,

[8] Draghi M., 'The future of European competitiveness – a competitiveness strategy for Europe', European Commission, 9 September 2024, Part A, pp. 67-68.

rather than hinder, economic activity and innovation within the single market[9];

38. Welcomes the introduction, in 2023, of the new SME and competitiveness check, which has become a mandatory annex to impact assessments; welcomes the pledge by Commission President Ursula von der Leyen that this new SME and competitiveness check will help prevent regulatory burdens while maintaining high standards; notes that words must now be backed by actions, focusing on supporting SMEs and providing them with the tools to achieve EU objectives and implement EU legislation;

39. Calls for a full competitiveness check to become standard practice, including the assessment of the cumulative impact of major legislative packages rather than the evaluation of individual acts in isolation; affirms that in order to strengthen European competitiveness and sovereignty, external pressure to weaken the EU legal framework must be resisted;

40. Reiterates the importance of the ‘Think Small First’ principle as a cornerstone of better regulation, ensuring that the needs and capacities of SMEs are systematically considered at every stage of the policy cycle, from design to implementation and evaluation; stresses the importance of identifying causal links between regulatory provisions, firm behaviour and user benefits, and of assessing potential unintended consequences and disproportionate compliance burdens on SMEs;

41. Welcomes and encourages the broader use of regulatory sandboxes in future-oriented sectors to support innovation, reduce compliance costs and offer legal certainty for SMEs;

42. Recognises the Commission’s pledge to reduce reporting obligations by 25 %, but stresses that this target must not undermine transparency and scrutiny while achieving EU policy objectives; notes, furthermore, the inclusion of a 35 % reduction in administrative costs and reporting for SMEs; recalls, moreover, that reporting obligations constitute only a small fraction of the total regulatory burden, which also includes administrative, implementation and compliance costs deriving from both EU and national legislation; notes that the Commission’s 25 % reduction target should therefore be viewed as part of the broader objective of reducing overall costs and complexities, including, where relevant, through further approximation of national rules; calls, accordingly, for a more ambitious and better quality approach, aiming for an even higher reduction in all regulatory costs, including a pilot project to assess the impacts of regulation on innovation, such as by identifying

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[9] Letta E., ‘Much more than a market’, European Council, April 2024, p. 130.

barriers for start-ups and new technologies in early legislative phases;

43. Welcomes, furthermore, the nomination of a Commission Vice-President expressly in charge of implementation and simplification; welcomes the use of implementation dialogues and encourages regular reality checks and stress tests of the Union *acquis* to assess cumulative impacts on competitiveness, innovation and SMEs, and on achieving EU policy objectives, and to identify opportunities for effective simplification; underlines, in this respect, the importance of comprehensive impact assessments, systematically integrating fitness checks, competitiveness checks and SME tests;

44. Calls on the Commission and the Member States to systematically integrate competitiveness considerations into simplification initiatives, ensuring that administrative procedures affecting citizens and businesses are streamlined without compromising essential safeguards; stresses that reducing unnecessary bureaucracy, expanding digital solutions and improving mutual recognition can lower compliance costs, facilitate mobility and strengthen the competitiveness and attractiveness of the single market;

45. Considers that simplification in view of competitiveness and further single market integration requires an overarching approach to the relevant EU and national legislation; points out that divergences between national rules in different Member States can also result in legal uncertainty and additional administrative costs; calls, in that regard, on the Commission to provide a mapping of all existing financial and non-financial legislation and administrative obligations for companies under EU law, as well as obligations under national company law rules; calls for this mapping to form the basis of a comprehensive assessment, including regarding costs and benefits, the varying public interests that legislation serves, overlaps between legislations, as well as opportunities for harmonisation and approximation; invites the Commission to use that assessment to put forward – if necessary and with the effective participation of all relevant actors and stakeholders, and based on a proper impact assessment – proposals to update outdated provisions and address unjustified barriers through proportionate measures in view of achieving upward convergence;

46. Stresses that great potential lies in the use of digital tools and AI-based solutions to help simplify compliance, reduce regulatory costs and increase the accessibility of information; considers that the potential power of digital tools to deliver better and faster solutions in this regard needs to be further explored and that recently adopted legislation needs to be implemented; underlines that this requires capacity building and supporting measures to equip companies of all sizes, administrations and citizens with the necessary digital infrastructure and skills;

47. Calls on the Commission to test and consider deploying novel AI tools – including large language models complemented with retrieval-augmented generation – in order to improve the efficiency and accuracy of monitoring the implementation of EU law, thereby enabling faster detection of non-compliance, more timely responses to complaints and proactive solutions to emerging issues;

48. Urges the Member States to refrain from adding unnecessary additional administrative or compliance burdens when transposing EU legislation (gold-plating) and calls on the Commission to identify and publish instances of such practices in its annual implementation reports; stresses the need for consistent and effective transposition of directives by Member States to ensure legal certainty and a level playing field; urges the Member States to refrain from late, incomplete, or inaccurate transposition of directives and encourages them to cooperate and participate in the exchange of good practices so that the implementation of directives is proportionate and effective;

49. Calls on the Commission and the Member States to tackle regulatory fragmentation affecting SMEs in the single market, including unnecessary national formalities, and to prioritise mutual recognition and interoperability frameworks;

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50. Instructs its President to forward this resolution to the Council and the Commission.