



Debureaucratisation plan for business regulation

March 2009

The Danish Government

Preface

A clear and effective business regulation supports growth in Danish businesses. It is therefore the ambition of the Danish Government that Denmark should have the most efficient business regulation in the EU.

The Government is aiming to reduce administrative burdens on businesses by up to 25 per cent in 2010, compared to the level in 2001.

The Government has initiated a comprehensive programme to simplify regulation. Under the programme, rules have been simplified, unnecessary procedures have been abolished, and government administration has been streamlined, making use of electronic systems.

The programme has produced results. Administrative burden has been reduced by approx. 10 per cent since 2001. This corresponds to annual savings for businesses of approx. DKK 3.1 billion. Danish business regulation has also achieved top positions in several international studies.

Sustained and focused efforts will be required to retain and improve this position, and achieve the goal of reducing administrative burden by 25 per cent in 2010. The Danish Government is therefore intensifying its efforts and this debureaucratisation plan presents 37 specific initiatives which will together achieve further administrative savings of almost DKK 4 billion per annum.

This debureaucratisation plan therefore sets the path for governments initiatives in the years ahead, and will help ensure that Denmark has the most efficient business regulation in the EU.

Contents

Introduction.....	3
Better information on simplifications and new intelligent solutions	5
Significant new, current and implemented initiatives	6-7
Better conditions for start-up and running businesses.....	9
Initiative 1 – Modernised company law.....	12
Initiative 2 – Combined company and VAT registration	13
Initiative 3 – Better guidelines and clarity in relation to VAT reporting	13
Initiative 4 – Simplified reporting of accounting data for small businesses	14
Initiative 5 – Auditing threshold harmonised with EU minimum threshold	14
Easy access to regulatory authorities	15
Initiative 6 – Mit Virk - customised Web page on Virk.dk	18
Initiative 7 – Easy communication via an electronic document box.....	19
Initiative 8 – NemSMS (Easy SMS)	19
Initiative 9 – Improved electronic reporting for sick leave payments	20
Initiative 10 – Greater number of expedited decisions - less waiting time	20
Initiative 11 – Simplified administration of holiday payments	21
Initiative 12 – Electronic systems for maritime regulation.....	22
Initiative 13 – Electronic information in relation to property transactions	22
Less and simplified reporting.....	23
Initiative 14 – eIndkomst (e-Income) – all wage reporting in a single system, in one operation	26
Initiative 15 – Electronic administration of vocationally-oriented adult and continuing education (VEU).....	27
Initiative 16 – Foundation for efficient data re-use – system-to-system solutions.....	28
Initiative 17 – Re-use of data such that the same information is not collected multiple times	29
Initiative 18 – Flexible deadlines and overview of deadlines.....	29
Initiative 19 – Modernise green accounting	30
Initiative 20 – Less Intrastat reporting	30
Initiative 21 – Single IT system for agricultural subsidies	31
Initiative 22 – Electronic registration of waste	31
Initiative 23 – Electronic deed registration	32
Initiative 24 – Electronic motor vehicle registration	32
Initiative 25 – Introduction of e-tariffs.....	32
Efficient and focused inspections	33
Initiative 26 – Clear invoicing requirements.....	35
Initiative 27 – Simplified price information.....	36
Initiative 28 – Simplified self-inspection requirements for food businesses	36
Initiative 29 – Simplified food product labelling regulations.....	37
Initiative 30 – Simplified oil tank inspections	37
Initiative 31 – Simplified building permit processing	38
Initiative 32 – Clarification of workplace assessment requirements	39
Initiative 33 – Strategy for risk-based business inspections.....	39
Debureaucratisation tools	41
Initiative 34 – Reducing irritation burdens in the area of environmental regulation.....	43
Initiative 35 – Systematic effort to reduce irritation burdens	44
Initiative 36 – Cohesive electronic service	44
Initiative 37 – Compulsory Digitisation Act.....	45
Code for good business regulations	47



Introduction

Stable, efficient framework conditions for trade and industry are essential to ensure that Danish businesses are equipped to meet the challenges of the global economy. Clear rules and flexible government administrative processes are key elements, as these provide better conditions for innovation and growth in each business, especially for entrepreneurs, self-employed individuals and small and medium-sized businesses. Business regulations must therefore be organised such that they ensure efficient and effective interaction between the public and private sector, and support initiative and dynamism.

Reducing an business' administrative burden associated with government regulation frees resources that can be applied to increased growth. The Danish Government has therefore been working systematically to ease the administrative burden on businesses since 2001. This work has produced results. Between 2001 and 2007, the annual administrative burden has been reduced by 10.1 per cent net. This amounts to the Government having achieved administrative savings of DKK 3.1 billion for businesses, despite having introduced new regulations.

The Government's ongoing action plan for reducing administration states how it intends The Government is aiming to reduce administrative burdens on businesses by up to 25 per cent in 2010, compared to the level in 2001 through 139 initiatives. The aim of this debureaucratisation plan is to intensify efforts to reduce inconvenience and bureaucracy and create better conditions for growth. The debureaucratisation plan presents 33 selected initiatives, grouped into four areas:

- Better conditions for start-up and running businesses
- Easy access to regulatory authorities
- Less and simplified reporting
- Efficient and focused inspections

Four initiatives are also presented in the chapter on tools. The tables on pages 6 and 7 show how the initiatives are grouped into the four areas. The Government's 37 initiatives result in administrative reductions of almost DKK 4 billion annually. However, not all the initiatives have yet been quantified, and there will be additional administrative reductions resulting from a number of minor initiatives contained in the Government's overall action plan. The debureaucratisation plan presents a number of the initiatives contained in the Government's action plan to simplify and reduce administration. Several of these are based on information drawn from the Government's fact-finding mission, where investigators visited businesses to find out what specific measures were desired. Several initiatives are therefore targeted at reducing 'annoying administration'. Businesses are not particularly concerned about the source of administrative requirements. Simplification of administration at the EU level is therefore continuing to receive high priority. The Danish government recently submitted 30 specific proposals to the EU, in order to help the European commission achieve their goal of reducing administrative burden by 25 per cent in 2012.

The Government wants to ensure the initiatives achieve continued progress. The results achieved, in terms of reductions in administrative burden and annoying requirements, and developments at the EU level, are therefore presented to the Danish Folketing in the annual report on Regulation of Trade and Industry. Ministries with intensive regulatory requirements also report to the Government biannually.

Better information on simplifications and new solutions

The Government's initiatives to simplify administration and implement intelligent electronic solutions will not achieve their full potential impact if businesses are unaware of them or do not exploit the opportunities provided. Communication is therefore an important link between the initiatives of regulatory authorities to reduce administration, and daily operations within businesses.

It is not enough that regulatory authorities clearly communicate requirements that have been removed, and new electronic reporting options that have been established. It is also essential that businesses receive the information at the right time.

Better information on simplifications and new intelligent solutions

If businesses are to benefit from the many simplifications and electronic initiatives, it is vitally important that they are aware of them. A strategic communication campaign is therefore being initiated in 2009, regarding reductions in administration that have been implemented and electronic tools that make life easier for businesses. The campaign is linked to a 'LET Administration' (EASY Administration) label, aimed at businesses.

The aim of the label is to show businesses that it has now become easier to fulfil a regulatory requirement. The goal is for government authorities to meet businesses where they need the information, and where they access such information.

The label is to be used every time government authorities or organisations inform businesses about reductions in administration. Trade organisations will be key players involved in communicating specific improvements to member businesses.



Significant new, current and implemented initiatives

Significant initiatives implemented

Better conditions for start-up and running businesses	Easy access to regulatory authorities	Less and simplified reporting	Efficient and focused inspections
Auditing no longer required for smaller businesses	NemKonto access for private businesses	Journal requirements and statements of employment dropped	Elite smileys
Simplifications to the Danish Company Accounts Act	Electronic solution for sick leave payments	Electronic employment contracts	New monitoring strategy for the Danish Tax Authority (SKAT) and capital statements dropped
Webreg – online company registration	Automatic maternity leave payments	Electronic system for manure and livestock reporting	Simplified beef labelling
Approval for specially polluting activities	Overview of each business' own tax information	Simplified application for agricultural subsidies	Log books for vehicles with commercial licence plates dropped
Letløn (simplified wage reporting)	Virk.dk (Web portal)	Simplified tax return procedure	Prior reporting of food products from abroad
		Employers' duty to notify employees of reported information dropped	
		Raised cut-off for VAT registration	
		Easy payment of extraordinary dividends	
		Electronic information on life insurance agreements	
Net administrative reductions implemented since 2001: DKK 3.1 billion (10.1 %).			

Significant new and current initiatives

Better conditions for start-up and running businesses	Easy access to regulatory authorities	Less and simplified reporting	Efficient and focused inspections	
Modernised company law	Mit Virk - customised page for businesses	eIndkomst (e-Income)	Clear invoicing requirements	
Combined company and VAT registration	Electronic document box	Electronic administration of vocationally-oriented adult and continuing education	Simplified self-inspection for food businesses	
Guidelines for VAT reporting	NemSMS (Easy SMS)	More system-to-system solutions	Simplified price information	
Simplified reporting of accounting data	Improved sick leave payment system	Re-use of data such that the same information is not collected multiple times	Simplified food product labelling regulations	
Harmonise auditing requirements to match EU minimum threshold	More expedited decisions	Flexible deadlines	Simplified oil tank inspections	
	Simplified administration of holiday payments	Modernised green accounting	Simplified building permit processing	
	Electronic systems for maritime regulation	Less Intrastat reporting	Clearer workplace assessment requirements	
	Electronic information for property transactions		Single IT system for agricultural subsidies	Strategy for risk-based business inspections
			Electronic waste registration	
			Electronic deed registration	
			Electronic vehicle registration	
		Introduction of e-tariffs		
Total savings (incl. other initiatives from the Government's action plan) approx. DKK 4.7 billion (15.2 per cent)				

Total net savings: DKK 7.8 billion (25.3 per cent of the total administrative burden)

Better conditions
for start-up and running businesses

2



Better conditions for start-up and running businesses

It is essential for economic growth to have good framework conditions for trade and industry, so that businesses are given room to create growth and more people will want to start their own business. It is therefore important that the rules for running a business are easy to follow, and that it is easy to get established on the market. It is particularly important that recurring requirements placed on small businesses are matched to their internal processes, so they can give maximum focus to running their business. Better conditions for start-up and running businesses have therefore been the first area of focus in the Government's work with administrative reductions.

Business regulations must create the best conditions for promoting the entrepreneurial spirit and innovation. Ongoing contact with government authorities must therefore be simple and flexible, and the regulations must be as easy as possible to fulfil and administer.

Better conditions for start-up and running businesses

Significant new and current initiatives	Reduction
Modernised company law	DKK 140 million
Combined company and VAT registration	*
Guidelines for VAT reporting	*
Simplified reporting of accounting data for small businesses	*
Auditing threshold harmonised with EU minimum threshold	DKK 975 million
New annual reductions:	DKK 1.1 billion

* These initiatives focus primarily on reducing annoying administration requirements for businesses, but may also lead to monetary administrative savings.

The Government has therefore made major efforts in this area since 2001 to reduce the administrative burden. The most significant initiatives include:

- It only takes a few minutes today to register a company via Webreg.dk and is free of charge, and local business support services and regional growth-promoting centres are ready to provide targeted guidance to businesses.
- Harmonising the auditing threshold with EU minimum threshold has meant that over 75,000 small businesses no longer require an auditor to endorse their annual accounts.

- Simplifying the regulations governing business annual reports, including reduced information requirements, have led to major annual savings for small and medium-size businesses.
- Simplifying the regulations governing environmental approval applications for a number of businesses, and preparing standard conditions for environmental approvals for 15 sectors, has reduced the administrative burden by DKK 75 million annually to date. This work is continuing for a number of other sectors.
- The LetLøn system has been developed. Using this system makes it less demanding and expensive to report wages. The software performs a number of calculations for businesses, and can be easily downloaded from Virk.dk.
- The Danish Tax Authority (SKAT) has given focus to better service and advice as part of its future strategy. Significant initiatives include better advice, courses, service visits and newsletters. These initiatives all focus on assisting businesses who want help in complying with the regulations.

Total annual administrative reductions of approximately DKK 900 million have been implemented within the [Better conditions for start-up and running businesses](#) focus area. A number of new initiatives are presented below which aim to ensure businesses have even better conditions for start-up and running businesses, and reduce administrative burdens by a further DKK 1.1 billion annually.

Modernised company law

Danish company law largely originates from the 1970s. In the intervening period, technological development, increasing globalisation, developments in the area of capital markets, and focus on administrative burden have played a major role in determining framework conditions for trade and industry. It is therefore time to closely examine Danish company law to ensure Danish company law is in line with international best practices.

Initiative 1 – Modernised company law

Company law will be modernised to make it as easy as possible for businesses to administer and comply with.

Modernisation of the Danish law for limited companies will follow international developments, and better exploit the opportunities contained in EU regulations to ensure dynamic, flexible and balanced regulation, which provides the best possible advantages and competitiveness for Danish businesses.

The Public Limited Companies Act and Private Limited Companies Act will be merged, and language will be simplified. One intention is to give companies full freedom to choose between the various leadership models that exist within Europe, and thus make their own decisions about company structure and leadership bodies. It has also been proposed that company management be given greater freedom to decide whether they need external assistance, for example from auditors. Management responsibility will also be clarified.

It has been proposed that the regulations governing employee representation be largely preserved, with scope to deviate from most of them if there is agreement between management and employees. It has also been proposed that the capital requirement for private limited companies of DKK 125,000 be abolished, to make it easier for entrepreneurs to start businesses. Finally, it has been proposed that a public register be established to list all ownership interests in public and private limited companies of five per cent or more.

The proposed law will be introduced in 2009, and is estimated to lead to administrative reductions of approximately DKK 140 million.

Business start-up and easier company and VAT registration

It is already quick and easy to start a business in Denmark, but there is still room for improvement. The administrative processes relating to VAT, payroll tax and income tax registration will also be improved.

An entrepreneur who wishes to start a one-man business or company currently has to submit company information to the Danish Commerce and Companies Agency on a form. The Danish Tax Authority (SKAT) then sends a certificate by mail for use in connection with VAT and payroll and income taxes, etc. This process can delay lending arrangements and trading, etc.

Initiative 2 – Combined company and VAT registration

Company and VAT registration with the Danish Commerce and Companies Agency will take place simultaneously via a new Internet-based self-service solution. This will not only reduce the administrative burden, but will generally mean that entrepreneurs receive a registration certificate by email within seven or eight hours, and will be able to quickly start operating their business. Entrepreneurs will thereby avoid the existing process where registration certificates are sent by standard mail, and will not have to make two separate registrations with government authorities.

The combined company and VAT registration process will be ready in 2009.

Several businesses have also pointed out that it is difficult to get a grasp of the VAT regulations and information on SKAT's website, especially in relation to international trade.

Initiative 3 – Better guidelines and clarity in relation to VAT reporting

To simplify the process of reporting VAT, a new portal will be launched in 2009 with an improved structure and a new search engine within the Danish Tax Authority (SKAT).

Guidelines will be improved, and will be supplemented with illustrations of procedures in mid-2009. These will provide a quick overview of how businesses obtain VAT refunds. It will make it easier to fill out VAT forms, leading to time savings for businesses.

Simplified reporting of accounting data

The Government wants to simplify reporting of accounting data for small businesses. An intelligent electronic solution already exists for reporting accounting data directly from an business' systems. A simple, yet intelligent, electronic form will also be developed which is particularly aimed at the needs of small businesses.

Initiative 4 – Simplified reporting of accounting data for small businesses

The new system will mean that businesses can report accounting data once a year, in one operation. Businesses will no longer have to report to the Danish Commerce and Companies Agency, the Danish Tax Authority (SKAT) and Statistics Denmark, reducing administration.

Further simplifications to annual accounting for small businesses will also be investigated.

Harmonising the auditing threshold with EU minimum threshold for small and medium-sized businesses

The Danish Folketing abolished the auditing requirement for small businesses in 2006. 'Small businesses' refer to the approx. 75,000 businesses which have not exceeded two of the following three limits for two financial years in succession: total assets of DKK 1.5 million, net turnover of DKK 3 million, and an average of 12 full-time staff over the financial year.

Across Europe, there are very few countries which have not exploited the opportunities for partially or completely exempting businesses from auditing. Denmark currently exploits the opportunities for reducing auditing requirements to a relatively minor extent. The Government will therefore propose further reductions to auditing requirements, thereby bringing the Danish Company Accounts Act in line with international standards. The proposal will be based on experience gained from reductions to auditing requirements in 2006.

Initiative 5 – Auditing threshold harmonised with EU minimum threshold

The Government will introduce a proposal to amend the Danish Company Accounts Act by 2010, which may relieve up to a further 69,000 businesses of the need for an auditor's endorsement of their accounts. If the opportunities to reduce requirements permitted by the EU regulations are fully exploited, the amendment to the law will mean that businesses can choose to reduce administrative burdens by up to DKK 1 billion annually.

Easy access to
regulatory authorities

3



Easy access to regulatory authorities

It should not only be during the start-up phase that businesses experience that Government agencies are accessible and provide flexible and efficient service. Government authorities must match their processes to businesses' daily operations, and provide fast and efficient processing in their ongoing contact with them. Better use must therefore be made of the advantages provided by technological development.

Easy access to regulatory authorities

Significant new and current initiatives	Reductions
'Mit Virk' (customised Web page)	*
Electronic document box	*
Improved sick leave payment system	*
More expedited decisions	*
Simplifying administration of holiday payments and entitlement statements	DKK 180 million
Electronic systems for maritime regulation	DKK 7 million
Electronic information in relation to property transactions	DKK 15 million
New annual reductions:	DKK 200 million

* These initiatives focus primarily on reducing annoying administration requirements for businesses, but may also lead to monetary administrative savings.

The government has initiated the following measures since 2001:

- The Government has followed the proposal of the committee investigating financial regulation and given private businesses access to make payments via Nemkonto. This relieves businesses of the need to obtain and register account information for customers and suppliers.
- Automatic payments from the law-based maternity equalisation scheme have been set up on www.barsel.dk. Under the system, 135,000 businesses are exempted from having to request payments from the maternity equalisation scheme, as the money is automatically transferred to the employer's Nemkonto. This means the scheme currently places absolutely no administrative burden on businesses.
- Businesses are able to report sick leave payments electronically via Virk.dk. The system means that all data only has to be reported in one place, and the number of errors has been minimised.

- Via the Internet, businesses can access an overview of all the information collected by the Danish Tax Authority (SKAT) – including information reported by banks and other parties. Accountants can be given access to the information for their clients, making it quicker and easier for them to complete tax returns, without having to trouble the business to collect taxation information.
- A new improved version of Virk.dk was launched in March 2008 as a vital component of computerisation initiatives. The portal meets the demand for a single point of access to regulatory reporting and searches for business-related information from government authorities, and currently receives over 100,000 reporting transactions each month.

Increased computerisation leads to shorter processing times and gives businesses better opportunities for obtaining information when it suits them. Businesses must be given easy access to authorities and not have to wait unnecessarily for approvals, decisions, payments, etc.

The initiatives already implemented have reduced the administrative burden on businesses by approximately DKK 175 million annually. A number of new initiatives are presented below which will reduce administrative burden by a further DKK 200 million annually.

Virk.dk – point of access to government authorities for businesses

Different businesses have different needs. Businesses want the content at Virk.dk to be tailored to their needs, so they can easily find what they need. Virk.dk is therefore going to be streamlined so that it more specifically targets the needs of individual businesses.

Initiative 6 – Mit Virk - customised Web page on Virk.dk

A "personal" Web page will be set up on Virk.dk called "Mit Virk". Mit Virk will give individual users and businesses access to targeted content. It will make businesses' reporting processes more efficient, and make communication with government authorities easier.

Mit Virk will be gradually implemented during 2009-2010, and will include the following components:

- **Overview of reported information.** Businesses will have access to an overview of open, completed and future reporting transactions for a number of systems.
- **Reminders.** Businesses will have the option to receive reminders in relation to regulatory reporting deadlines for a number of systems.
- **Business master data.** Businesses will have access to an overview of key information contained in government registers, and be able to correct this data.

Increased computerisation – goodbye to paper flows

Residents and businesses currently receive letters and emails from a variety of government authorities. This can be confusing – especially for small businesses. The Government aims to limit the quantity of paper sent between authorities and businesses. Electronic solutions will be expanded instead. In 2012, all relevant communication between businesses and government authorities must take place electronically. As a sub-goal, businesses shall be able to choose to receive correspondence from government authorities in a digital document box, based on a user-friendly and secure IT solution, by 2010.

Initiative 7 – Easy communication via an electronic document box

The electronic document box will simplify working procedures in businesses and government authorities. The document box will offer businesses the following features:

- **Automatic archiving** of correspondence with government authorities.
- **Organising** documents based on the government authority and/or subject.
- **Quick overview** of communication with and information from government authorities.

The electronic document box will be launched in 2009. Government authorities will continue to add to the types of documents available in the document box up until 2010.

NemSMS (Easy SMS) is part of a government-wide communication solution aimed at creating better opportunities for electronic communication between authorities, residents and businesses. NemSMS is intended to increase the use of SMS reminders by government authorities and institutions, creating a better level of service for residents and businesses.

Initiative 8 – NemSMS (Easy SMS)

NemSMS (Easy SMS) will have applications within a number of service areas and will support a corresponding number of different advisory needs. These might include reminders linked to particular processes or specific reporting or application deadlines, information on events such as updates to information or changes to status on waiting lists, or information on new services and electronic self-service systems at Virk.dk.

Businesses can register on the system by contacting the relevant government authorities or at Virk.dk.

The Government will also investigate the possibility of setting up a single account to receive business payments to the Government. The idea is that businesses should no longer have to make payments to multiple systems, and that many minor payments made between government authorities and businesses can take

place directly. This will give businesses an overview of deadlines and future payments – whether these apply to the Danish Tax Authority (SKAT) or the Danish Labour Market Supplementary Pension Fund (ATP), etc.

The sick leave payment system will also be refined, making it even easier for businesses to report sick leave via Virk.dk.

Initiative 9 – Improved electronic reporting for sick leave payments

The new reporting system will particularly simplify businesses' reporting of sick leave, and requests for sick leave and maternity leave payments. Where possible, the system will also extract the relevant information directly from eIndkomst (e-Income).

The system is expected to be launched during 2010.

To help expedite processing, the Government intends to introduce more 'expedited decisions' in relation to permits, injunctions and bans that do not require estimation. A greater number of expedited decisions will make daily life easier for businesses, as they will no longer have to wait for permits and certificates, etc., but will receive them immediately. In addition to reducing

Initiative 10 – Greater number of expedited decisions - less waiting time

The Government intends to expand the use of expedited decisions. This will involve:

- An additional 60,000 expedited decisions annually in connection with company registration (Webreg).
- 25,000 annual expedited decisions in relation to modifications to or the establishment or closure of business production units.
- Using expedited decisions in relation to granting maritime licences and qualification certificates.

The above initiatives are expected to be implemented by the target of 2012.

waiting times, expedited decisions lead to greater transparency and predictability in decisions by government authorities, and allow businesses to decide when and where to contact government authorities.

Initiative 11 – Simplified administration of holiday payments

The Government intends to extend eIndkomst (e-Income) to include monthly information on accrued holiday entitlements. The aim is for employers to only have to report information to eIndkomst, and not Feriekonto. This system will mean employers only need to communicate with a single system. Service improvements to Feriekonto will also be initiated.

Possibilities for simplifying regulations in relation to authorisation (the double authorisation requirement will be dropped), monitoring (employers will no longer have to submit forms to be checked) and competence (simpler procedures for approval of holiday impediments) will be investigated in parallel.

These simplifications will reduce annoying administration and administrative expenses for businesses, employees and government authorities. The initiative is expected to reduce administrative costs for businesses by approximately DKK 180 million annually.

The system is expected to be ready in 2010.

Simplifying administration of holiday payments and entitlement statements

The Government aims to simplify administration of holiday payments and entitlement statements. Some employers are currently required to make quarterly holiday allowance payments and submit information about accrued holidays to FerieKonto.

Electronic automation for maritime authorities and property trading information

In addition to the general initiatives to improve conditions for all businesses, the Government will implement a number of initiatives to simplify administration in particular sectors.

Initiative 12 – Electronic systems for maritime regulation

New, simplified options for electronic reporting and registration of the following items will be launched progressively up until 2010:

- Ship registration
- Inspection of on-board mariners
- Medical certificates
- Crew lists
- Maritime licences and qualification certificates
- Workplace accident reporting
- Oil, cargo and waste journals

These initiatives will lead to a total of over DKK 7 million in administrative savings in relation to approximately 70,000 transactions. The improvements will benefit Danish shipping companies, ships registered under the Danish flag, mariners and maritime doctors. Under the new arrangements, clients will experience more efficient processing and the option of electronic self-service 24 hours a day. The new initiatives will also give clients the option to receive automatic notifications via e-mail or SMS, reminders about renewals and issuing of certificates, data re-use such that data is only submitted once, quicker decisions, electronic access to their own data, etc.

A variety of information must be obtained from municipal and other authorities in connection with property sales, providing details about the given property. This information is usually collected by real estate agents or solicitors on behalf of residents and businesses. This is a slow process that typically takes two weeks and is unnecessarily expensive.

Initiative 13 – Electronic information in relation to property transactions

The government intends to electronically register the necessary property information, so that this is fully available electronically during property transactions in 2011.

Electronic registration will remove the need for much of the current paperwork, as the information will be available nationwide in an electronic and consistent form. This will mean information can be freely exchanged between IT systems, and used in business or administration systems. Electronic registration will lead to major administrative savings for businesses, such as real estate agents and solicitors, of approximately DKK 15 million annually. The process of collecting information will also become easier and faster – to the benefit of residents and businesses.

Less and simplified reporting

4



Less and simplified reporting

Paper-based submissions are a thing of the past and electronic systems often provide major advantages. The Government intends for businesses to have to make fewer reporting submissions to government authorities, and to spend less time on essential reporting.

Less and simplified reporting

Significant new and existing initiatives	Reductions
eIndkomst (e-Income)	DKK 470 million
Electronic administration of vocationally-oriented adult and continuing education	DKK 22 million
More system-to-system solutions	*
Re-use of data such that the same information is not collected multiple times	*
Flexible deadlines	*
Modernisation of green accounting	DKK 30 million
Less Intrastat reporting	DKK 10 million
Single IT system for agricultural subsidies	*
Electronic waste registration	*
Electronic deed registration	DKK 220 million
Electronic vehicle registration	DKK 50 million
Introduction of e-tariffs	DKK 50 million
New annual reductions:	DKK 850 million

* These initiatives focus primarily on reducing annoying administration requirements for businesses, but may also lead to monetary administrative savings.

It has already become easier for businesses to report information to government authorities. Many reporting requirements have been abolished or simplified since 2001. The most significant are:

- The option for employers to give employees electronic employment contracts means that businesses can save time and resources associated with copying, distribution and archiving almost 400,000 certificates of employment annually.
- For 90,000 annual manure and livestock reporting transactions by businesses, computerisation has meant that over 90 per cent of submissions are now made electronically via a website. The site guides livestock owners through the

reporting process and automatically calculates and fills in the data for livestock manure production and manure accounting. The system can also direct plant growers to bypass the livestock component and go directly to the manure accounts.

- To make life even easier for farmers, data re-use has been implemented for applications for agricultural subsidies via the Single Payment Scheme. If there are no changes compared to the previous year, the application is re-used. This means farmers will avoid having to re-enter the information year after year.
- Regulatory requirements have been abolished or simplified in many instances, such as the requirement for employers to maintain a journal when negotiating salary and working conditions with salaried employees' unions. Abolishing these workers' entitlement to be given a written statement of employment, and the journal requirement, has led to major annual savings for businesses.
- The Danish Tax Control Act has also been modified such that a number of reporting requirements have been abolished. Banks and financial institutions alone have been spared having to mail out 18 million letters, as they no longer need to send customers an annual statement of interest applied to their accounts.
- Payment of extraordinary dividends previously required an annual resolution at the general meeting. Under new, simplified requirements, the general meeting can give the board of directors general authorisation to pay extraordinary dividends.
- 31,000 small businesses have been exempted from having to provide VAT accounts for the taxation authorities, markedly reducing their administrative burden.
- It is now possible to submit information relating to life insurance agreements electronically. This initiative means that businesses are spared from having to send and receive large volumes of paper.
- The tax return procedure for businesses has been significantly simplified by removing the requirement to submit an accompanying business tax form. This has made it more attractive to use TastSelv (online data entry) to submit tax returns. The vast majority of businesses are also spared from having to submit tax accounts with their tax returns.

The administrative burden on businesses associated with regulatory reporting has been reduced by a total of more than DKK 1.8 billion annually. A number of new initiatives are presented below which will reduce administrative burden by a further DKK 850 million annually.

Re-using wage information – once-for-all reporting

As far as possible, businesses should not have to report the same information more than once. Data re-use across government authorities must therefore be increased, such that these authorities share the relevant information. This is, for example, one of the main ideas behind elndkomst (e-Income).

Under the elndkomst scheme, employers report wage information, etc., to a register once a month. Government authorities can then retrieve wage information from this register. elndkomst has already replaced a number of previous reporting requirements in the area of taxation, such as monthly income tax, labour market contribution and employee CPR number (ID) reporting and the annual information statement. The elndkomst scheme has also made it possible to replace the paper tax rate and deduction card with an electronic version, and permits tax to be withheld via the card. This means employers are completely relieved from administering income tax collection.

Initiative 14 – elndkomst (e-Income) – all wage reporting in a single system, in one operation

The elndkomst (e-Income) system will mean that businesses only have to report income information once, and in one place. The information will then be made available to a number of government authorities, unemployment benefit schemes, and the Danish Labour Market Supplementary Pension Fund (ATP), etc. The Government will extract further information from elndkomst in order to fulfil the objective of only reporting information once, in one location. These measures are expected to lead to total annual administrative savings for businesses of close to DKK 470 million. The measures include:

- Much of the information currently exchanged between employers and ATP will in future be extracted directly from elndkomst. This will reduce administration for all businesses with employees.
- 170,000 businesses will be relieved from having to annually report their number of employees to the Labour Market Insurance Scheme for Industrial Diseases and their insurance company.
- Businesses will no longer be required to provide employer declarations, as unemployment benefit schemes will be able to obtain information on wage income and hours worked through administration of the Unemployment Insurance Act.
- A system will be developed to allow future administration of 'G days' (the first three days of unemployment - paid by employers) to be based on information in elndkomst.

The changes are planned for phased implementation up until 2010.

The Government intends to investigate options for further computerisation in the area of wages. Administration of flex jobs, wage subsidies and reimbursement for adult and continuing education (VEU) are currently paper intensive, with businesses required to submit information on a monthly basis, with no data re-use.

The Government will therefore investigate whether it is possible to provide an electronic solution that relieves businesses from having to collect data on employee incomes and sick leave, etc., in relation to administration of flex jobs and wage subsidies. Re-using data means that businesses are required to report less information, and the number of errors are reduced.

This is also the idea behind comprehensive computerisation of vocationally-oriented adult and continuing education.

Initiative 15 – Electronic administration of vocationally-oriented adult and continuing education (VEU)

The Government has begun to implement electronic administration of vocationally-oriented adult and continuing education. The work is being done by the Ministry of Education and includes online course catalogues, electronic course registration, online payment and electronic application for VEU reimbursement payments.

Computerisation is expected to save businesses up to DKK 22 million annually. Implementation has been divided into three phases, to be launched between 2010-2011.

Reporting directly from business systems

In addition to increasing data re-use, it is important to focus on the efficiency of reporting mechanisms. Increasing the number of system-to-system solutions, whereby business systems communicate directly with government systems, will lead to more efficient and error-free exchange of information. Exchanging data or information using IT systems alone will reduce transaction costs compared to entering data on a webpage or submitting it by e-mail or letter, etc. The information is able to flow seamlessly between the systems, saving businesses time and any distribution costs.

Initiative 16 – More system-to-system solutions

The government intends to increase the number of system-to-system solutions:

- **An increase in the number of company accounts submitted electronically.** The initial objective is to receive approximately 140,000 class B accounts (small public and private companies, etc.) via system-to-system reporting.
- **Greater use of the EASY occupational injury system,** so reporting takes place electronically in future. Forty per cent of injury reports are currently made on paper, corresponding to unrealised potential of approximately 45,000 reports annually.
- Increase the percentage of system-to-system reporting of **information from third parties,** such as banks and trade unions, to be used in annual tax statements and for monitoring purposes.
- **Modernise the TastSelv-business system** to permit easier integration with business financial systems. This is expected to lead to an increase in the number of system-to-system VAT and listing information reporting transactions of 240,000 annually.
- **Computerising motor vehicle registration** will realise potential of approx. 9 million system-to-system transactions. The Electronic Motor Register will be used to register vehicles and collect registration taxes, green ownership taxes, and road pricing for freight transport.

The above initiatives are expected to be implemented by the target of 2012.

Greater re-use of data and flexible deadlines

Government authorities should not collect information from businesses which already exists in their systems. A new procedure is therefore being introduced for new business reporting requirements.

Initiative 17 – Re-use of data such that the same information is not collected multiple times

A new procedure will be introduced in 2009 in connection with the introduction of new reporting requirements for businesses. The procedure requires government authorities to ensure that businesses are not already reporting the same information when they introduce new reporting requirements. If this is the case, the information already reported must be re-used. This relieves businesses of having to report the same information to several different authorities.

Taking inspiration from the Norwegian Brønnøysund Register, the Government will investigate how a complete overview can be provided of the information businesses report to government authorities.

It is not only important to businesses that reporting requirements are as easy for them to fulfil as possible. Reporting should also take place at a logical point time in relation to the business' other reporting obligations and internal processes. The Government therefore intends to provide more flexible deadlines for a number of reporting requirements.

Initiative 18 - Flexible deadlines and overview of deadlines

A calendar will be launched on Mit Virk (customised page at Virk.dk) in 2009, giving businesses an overview of various reporting deadlines. The Government will also investigate whether any reporting deadlines fall at impractical times of the year, such as during the summer holiday period.

Simplification and new electronic reporting

The Government intends to simplify a number of specific information and reporting requirements. Initiatives 19 to 25 all simplify reporting in seven specific areas.

Initiative 19 – Modernisation of green accounting

The regulations governing green accounting will be simplified and modernised. As a result, it is expected that a number of businesses will be exempted from green accounting obligations.

Up to 700 businesses will benefit from fewer and more flexible reporting requirements and electronic submission of green accounts. Computerisation will lead to greater flexibility and make publication easier. The changes will be launched in 2010 and are expected to reduce administrative expenses for businesses by approx. DKK 30 million annually.

Intrastat reporting is an annoying administrative burden often raised by businesses. Denmark is therefore targeting reduction of the administrative burden associated with EU Intrastat reporting, so that fewer businesses are required to report statistical data.

Initiative 20 – Less Intrastat reporting

As of 1 January 2009, Denmark has reduced coverage for Intrastat import reporting (foreign trade between EU countries) from the current level of 97 per cent to 95 per cent of foreign trade. As a result of the proposal, approx. 2,000 primarily small businesses will be exempted from Intrastat reporting, which is expected to reduce administrative costs by DKK 10 million annually.

The Intrastat listing system will also be established, allowing businesses to report foreign trade information to the Danish Tax Authority (SKAT) and Statistics Denmark simultaneously. The system will make it even easier to report information and correct reporting errors online.

The administration associated with agricultural subsidies is often criticised for being intensive and unwieldy. The Danish government intends to address this issue.

Initiative 21 – Single IT system for agricultural subsidies

An IT system will be launched in 2010 which will give farmers, consultants and regulatory authorities Internet access to an overview of all subsidy schemes and all current and previous contact with government authorities. The system will create potential for data re-use, and save businesses time in connection with regulatory reporting.

The system is currently still under development, which means that the magnitude of annual administrative savings cannot yet be estimated.

It was previously the responsibility of municipalities to collect data on waste. The Government intends to make collection of this data more uniform and simple.

Initiative 22 – Electronic registration of waste

The government will develop a single waste data system, accessible via Virk.dk. The aim is to create an efficient and user-friendly system to manage collection of waste data, using uniform data formats, collection systems and reporting deadlines.

The system is expected to be launched in early 2010. The system will avoid double reporting and inconsistent collection of waste data in municipalities. The system will therefore lead to administrative savings for businesses and reduce unnecessary time wasted.

Electronic deed registration will save businesses having to wait for government processing, and will particularly benefit financial institutions, mortgage credit institutions, solicitors, etc., who frequently need to perform title registration in their daily business activities.

Initiative 23 – Electronic deed registration

Electronic deed registration based on digital signatures and a significant degree of automation will be introduced by the end of 2009. This means it will be possible to report and test rights relating to real property, etc, electronically in future. It is expected to be possible to fulfil virtually all reporting obligations relating to title registration electronically following implementation. Computerising title registration will realise potential of up to 13.5 million system-to-system transactions. The system is expected to reduce administrative costs for businesses by approximately DKK 220 million annually.

Payment for title registrations will also be simplified, such that regular users are able to pay for all transactions in a given month at once, rather than having to pay for each transaction. Electronic registration of motor vehicles in the government register will be introduced and opened to private individuals. This will significantly simplify registration, saving time for both buyers and sellers.

Initiative 24 – Electronic motor vehicle registration

It will be possible in future to authorise dealers and vehicle inspection and re-inspection companies to register motor vehicles over the Internet. Individual residents will also be able to reregister vehicles electronically following private sale. Introduction of the electronic motor register will save time and mean that the new vehicle owner can be on the road the same day as the transaction is made. The electronic motor register is expected to lead to administrative savings for businesses of approximately DKK 50 million.

The Danish Government is targeting modernisation of the EU tariff regulations, with the intent of changing the tariff codex and introducing e-tariffs.

Initiative 25 – Introduction of e-tariffs

This area is primarily regulated at the EU level, and must therefore be simplified at this level in order for changes to be implemented. The simplifications Denmark is lobbying for are expected to lead to administrative savings for businesses of up to DKK 50 million annually.

Efficient and
focused inspections

5



Efficient and focused inspections

Most businesses work very hard to fulfil statutory requirements. The Danish government intends to reward this, such that there is an incentive to be diligent.

Efficient and focused inspections

Significant new and current initiatives	Reductions
Clear invoicing requirements	DKK 440 million
Simplified price information	DKK 440 million
Simplified self-inspection requirements for food businesses	DKK 250 million
Simplified food product labelling	DKK 170 million
Simplified oil tank inspections	DKK 20 million
Simplified building permit processing	DKK 100-150 million
Clearer workplace assessment requirements	*
Strategy for risk-based business inspections	*
New annual reductions:	DKK 1.5 billion

* These initiatives focus primarily on reducing annoying administration requirements for businesses, but may also lead to monetary administrative savings.

Government supervision and inspection activities are to be organised so as to provide maximum consumer, food product and environmental protection for the given expenditure. Supervision and inspection efforts will therefore target the biggest problem areas. Progress has already been achieved:

- Businesses involved in food preparation and handling can qualify for an 'elite smiley' if they pass inspection four times in a row. Such businesses will then be subject to fewer health inspections, allowing inspectors to target businesses which have previously failed inspection. At the end of 2008, over 16,000 businesses involved in food preparation and handling had qualified, making daily operations easier.
- The Danish Tax Authority (SKAT) also targets its monitoring activities so that businesses which have had no errors or irregularities in their accounts year after year are subject to less scrutiny. This frees up resources for service, and better monitoring of the other businesses. Under this initiative, the requirement to provide capital statements has been dropped, and many businesses have been exempted from having to provide tax accounts.
- Importers of food products are no longer required to report such imports in

advance. Businesses previously had to report imports of a number of food products such as meat, fish and dairy products to the food authorities in advance. This requirement has now been dropped, saving approximately 5,000 businesses time and money.

- Simplified traceability and origin labelling for beef. Much of the paperwork has been abolished, and food businesses are no longer required to provide accounting for beef volumes.
- The requirement for businesses with company motor vehicles on commercial licence plates to maintain log books has been abolished. These businesses have therefore been relieved of administration which many saw as a burden.

The efficient and targeted enforcement of business regulations leads to greater compliance and consumer security and confidence. It also ensures fair and equal competition, as less scrupulous businesses no longer achieve a competitive advantage by sidestepping regulations. Finally, it frees up resources from inspection activities and paperwork, both within businesses and government authorities. The above changes have led to a reduction in annual administrative expenses of over DKK 700 million. A number of new initiatives are presented below which will reduce administrative expenses by a further DKK 1.5 billion annually, while maintaining current high levels of consumer and environmental protection.

Greater clarity in consumer and food product regulations

There are currently a large number of acts and statutory orders regulating consumer protection, leading to administrative costs of up to DKK 3 billion for businesses. The Government intends to simplify, and in some cases abolish, existing regulations, so that businesses are spared from becoming entangled in a regulatory jungle.

Initiative 26 – Clear invoicing requirements

The Government intends to annul a number of statutory orders relating to invoicing, issued in relation to the Danish Marketing Act.

The statutory orders stipulate a number of uniform and relatively detailed invoicing requirements in relation to several services. The nullification will not prevent consumers from being able to request a detailed invoice.

Nullification is expected to take place in 2009, and lead to administrative savings for businesses of approx. DKK 440 million annually.

Initiative 27 – Simplified price information

A combination of rule simplification, computerisation and communication of information will be undertaken with the aim of reducing administrative load on businesses due to price labelling regulations. Some of the 12 statutory orders governing price labelling will be annulled, while others will be amended. Dialogue will also be initiated with stakeholders with regard to electronic systems and information initiatives that can show businesses how to comply with law, while minimising administration.

Together with the savings achieved by further clarifying the requirements and flexibility of the Danish Marketing Act, annual administrative savings approaching DKK 440 million are expected.

The Government has already implemented a number of simplifications aimed at maintaining food safety, while reducing administrative burden on businesses. For example, a triviality clause has been introduced that exempts businesses such as pharmacies, public houses, etc. from self-inspection requirements. Experience with this change has demonstrated that further simplification would lead to further advantages.

Initiative 28 – Simplified self-inspection requirements for food businesses

The Government has adjusted self inspection requirements so that they now only cover hygiene law. Selected business groups have also been exempted from self-inspection requirements.

For example, self-inspection requirements in relation to food standards have been abolished, and kiosks, convenience stores and wine merchants, etc., have been exempted from self-inspection requirements in relation to the sale of non-perishable foods. The changes will mean administrative savings of up to DKK 250 million annually for businesses – particularly small businesses. Annoying administration will also be reduced for many of the approximately 50,000 food businesses in Denmark.

The simplification has happened in stages, with the last stage implemented on 1 March 2009.

Initiative 29 – Simplified food product labelling regulations

The Government is currently reviewing and simplifying regulations governing food product labelling. A large number of specific labelling requirements have already been simplified. The remaining simplifications will be phased in up until 2010. It is expected that these changes will together reduce administrative burdens by DKK 170 million annually.

Simplification of environmental regulations

Oil tank owners previously had to conduct weekly self-inspections of their facilities. The Government changed this requirement in 2008 to once a fortnight, saving businesses DKK 40 million annually. However, self-inspection continues to be an expensive activity.

Initiative 30 – Simplified oil tank inspections

The Government intends to reduce the frequency of self-inspection for oil tanks from once a fortnight to once a month. This should lead to further administrative savings for businesses of DKK 20 million annually.

Simplified processing for building applications

Municipalities currently monitor technical conditions for all buildings, whether these are simple single-family dwellings, or large complex buildings, where technical faults could lead to very serious safety consequences. This means that small, non-complex buildings are subject to monitoring of technical conditions that may be more comprehensive than the risks would appear to justify.

Building permit applications are often complicated. The cost of printing an application alone can vary between DKK 2,000 to 50,000 for the consultant. Municipal application processing staff often find applications contain many errors. Due to the complexity of most applications, the material is often sent back and forth between the consultant and municipality.

Initiative 31 – Simplified building permit processing

As of 1 January 2009, non-complex building projects were exempted from municipal supervision of construction parameters. Municipalities are no longer required to monitor whether such buildings comply with the technical requirements in the building regulations, as the builder and his advisers are responsible for ensuring compliance with these technical requirements. This means that approximately 90 per cent of all buildings can be constructed without municipal approval of the technical parameters, leading to administrative savings for builders.

Six municipalities will also work together with Local Government Denmark (LGDK) and the Danish National Agency for Business and Construction to computerise building permit procedures. The project will develop and implement an electronic building permit system which will streamline municipal processing, while also providing residents and businesses with better service.

Computerisation will potentially lead to faster and easier processing of building permits and significant administrative savings for businesses of up to DKK 100-150 million annually.

Information – essential to compliance

In some cases, businesses fail to fulfil and comply with regulation because they are unaware of requirements and rules. It is therefore essential that businesses are given the correct information and knowledge at the right time.

The government therefore intends to make it easier for businesses to prepare workplace assessments (WPAs).

All businesses with employees have to prepare a written workplace assessment. Businesses decide how to approach this task themselves. Depending on the circumstances, this can create uncertainty about the rules – what is a statutory requirement and what is voluntary.

Initiative 32 – Clarification of workplace assessment requirements

New guidelines will be developed. The updated version will very clearly specify the WPA minimum requirements and provide examples of best practices, so that businesses can prepare their WPAs more quickly and easily, being confident that they are complying with working environment requirements.

The new guidelines will be ready in mid-2009.

An overall Strategy for risk-based business inspections is being developed to ensure new rules and requirements are in line with the Government's goal of targeted and efficient supervision and inspection.

Initiative 33 – Strategy for risk-based business inspections

The Government will prepare an overall monitoring and sanction strategy aimed at ensuring that enforcement of business regulations targets the areas where the problems are greatest and the risks associated with non-compliance are most serious. The strategy will cover all ministries involved in business regulation.

The Government's monitoring strategy is expected to be complete in spring 2010.



Debureaucratisation tools

As part of the Government's increased efforts to reduce the administrative burden on businesses, a number of new tools and methods are presented below, in addition to the above initiatives.

The new tools are the measures and approaches government authorities will use in future as they work to reduce administration for the benefit of businesses. The Government will expand initiatives to include administration which businesses find annoying, and increase the pace of computerisation.

It is essential that business organisations and businesses are involved in this work. It is the businesses who know which schemes and regulations are particularly difficult. A 'burden suggestion box' has also been set up at Virk.dk for this reason. This suggestion box makes it easy for businesses to make specific proposals for how regulations can be tailored to business operations.

Finally, a [code for good business regulations](#) is being introduced as a new tool for debureaucratisation efforts. The code draws together experiences from previous initiatives into a single checklist, to be used when drafting new rules and law, etc.

Annoying administration

Experience from previous initiatives has shown that effective business regulations and administrative reductions are not simply a matter of monetary expenses. Some requirements are not necessarily cost-intensive, yet preoccupy businesses because they are annoying.

The Government therefore initiated a fact-finding mission in 2007, where investigators from regulatory authorities visited businesses. This led to valuable insight into how businesses perceive their encounter with government authorities, and the services being offered. It also gave investigators a good picture of what businesses find annoying, and how this administration can be reduced for small and medium-sized businesses.

What annoys businesses is when they cannot see the purpose of a particular regulatory requirement, or when they feel the work could be managed more intelligently. The way government authorities communicate with businesses often plays a major role in this regard. Businesses often readily accept the work they have to do if they can see it serves a purpose, and feel that their efforts are reasonable in proportion to this.

The Government is therefore supplementing its efforts to achieve a 25% cost reduction with special initiatives to reduce the burdens businesses find most annoying. The initiatives listed in the previous four chapters will already lead to a reduction in the burdens businesses find annoying.

The government will give particular attention to the areas businesses find annoying in its initiatives in this bureaucratisation plan. The goal of reducing annoyance will therefore be a key element in many of the initiatives already outlined:

- Less Intrastat reporting
- Clarification of workplace assessment requirements
- Better guidelines and clarity in relation to VAT reporting
- Simplifying administration of holiday payments and entitlement statements
- Grouping agricultural subsidies together in a single new IT system
- Electronic waste registration
- Simplified self-inspection requirements for food businesses

It is particularly important to involve businesses in the simplification process in relation to the burdens they find annoying. For example, the Ministry of Food, Agriculture and Fisheries has run a 'report a rule' campaign, under which businesses and business organisations have made a number of specific simplification proposals, many of which are being implemented – such as in the area of self-inspection (cf. initiative 28, simplified self-inspection requirements for food businesses).

New fact-finding missions are also being initiated. Whereas the first fact-finding mission focused on general framework conditions for businesses across sectors, and in particular in the areas covered by the Ministries of Employment, Taxation, and Economic and Business Affairs, the focus this time will be on the environment.

Initiative 34 – Reducing irritation burdens in the area of environmental regulation

The Government will initiate specific new fact-finding initiatives in the area of environmental regulation aimed at identifying further monetary savings and reductions in annoying administration for businesses in this area.

This initiative will be coordinated with the efficiency initiatives already underway.

Initiative 35 – Systematic effort to reduce irritation burdens

The Government intends to reduce the most significant annoying administration for businesses. Based on knowledge gained from the fact-finding mission and AMVAB work, government authorities will work together with business organisations to identify the most significant forms of annoying administration and find solutions to the problems.

Progress on reductions to annoying administration will thereafter be monitored and presented to the Danish Folketing in the annual report on Regulation of Trade and Industry.

Electronic systems – easier communication and reporting

As discussed in the previous chapters, electronic systems are a major component of government initiatives to reduce administrative burdens on businesses. Businesses spend a lot of time reporting information to government authorities. Good electronic systems re-use data already collected by the government, to prevent double reporting and errors. Electronic systems can thereby reduce time spent and the annoyance factor for businesses. Electronic systems also make it easier for businesses to find the information they need – often with access 24 hours a day, since electronic communication does not depend on traditional opening hours.

The numerous electronic options and projects highlight the importance of a unified approach across the entire public sector. A number of domain committees are therefore being set up within broader, well-defined areas.

Initiative 36 – Cohesive electronic service

A domain committee for business regulations will be set up to ensure greater cohesion and strategic computerisation initiatives across all government authorities.

The domain committee for business regulations will advance the computerisation process and create cohesion across government authorities, in order to support the objective of full electronic communication between businesses and government authorities in 2012.

Domain committees are a new way to manage regulatory administration across multiple authorities, based on businesses' daily operations.

The Government intends to make all communication between businesses and authorities electronic in 2012, as efficient electronic solutions lead to improved and efficient government services and progress and growth for Danish businesses in an increasingly global and digital world. To ensure that the new electronic solutions achieve their full potential, the Government will make electronic reporting compulsory in a number of areas, but wants the transition to fully compulsory electronic reporting for businesses to government authorities to happen as smoothly as possible.

Initiative 37 – Compulsory Digitisation Act

In autumn 2009, proposed law will be introduced concerning the compulsory electronic reporting of selected information by businesses to government authorities by 2012. The information that businesses will be required to report electronically by 2012 has been identified following thorough analysis of the advantages and disadvantages associated with compulsory electronic reporting.

The gradual introduction of compulsory computerisation will make it possible to respond to any problems for government authorities or businesses that arise in connection with implementing electronic solutions up until 2012.

During the period of transition to compulsory electronic reporting to government authorities up until 2012, the Government will ensure that electronic systems are of sufficient quality and that there is adequate access to support and sufficient and timely communication with businesses.

New administrative burdens and EU burdens

It makes no difference to businesses where administrative burdens derive from. To ensure that reductions in administration are not replaced by new administrative burdens, the Government has a constant focus on preventing burdens in new law. This also applies to burdens from the EU.

The Government's objective of reducing administrative burdens on businesses by up to 25 per cent in 2010 is therefore a net objective, such that all proposed law or

Statutory Orders estimated to involve an administrative burden for businesses in excess of 10,000 hours annually (approx. DKK 2.5 million), must be presented to the government for separate assessment.

Like Denmark, the EU has an objective of reducing administrative burden by 25 per cent. The Danish Government is actively promoting this agenda and striving to keep the European Commission focused on their objective, for example, by making specific simplification proposals based on Danish experience.

This work is particularly important because 42 per cent of the administrative burden on businesses derives from EU or other international regulation. The Danish Government is also continually striving to ensure that EU regulations are not implemented in a way that is more administratively intensive than necessary.

The EU adopted the Small Business Act in December 2008. The Act focuses on conditions for small and medium-sized businesses. The Act introduces the "think small first" principle, which means giving special consideration to small businesses when drawing up new regulations.

Efficient business regulations – a joint effort

Many of the simplification projects being worked on are based on ideas from businesses. The Government intends to continue to involve trade and industry in the work of creating efficient business regulations and reducing administration. To date, this process has taken place in the 'burden committees'. The purpose of these committees has been to work together with businesses and business organisations to identify proposals for simplification which will have a major effect on trade and industry.

Businesses must continue to have the opportunity to make specific suggestions for simplifications and ways of reducing administration. This is why the Government has launched the 'burden suggestion box' mentioned above, through which businesses can easily make direct contact with the relevant authorities. The suggestion box is located at Virksomhederne.dk, and enables businesses to identify regulations that could be better organised, data that is reported multiple times, or processes that could be simplified. All suggestions will be taken seriously, and be considered when planning future simplification initiatives.

Finally, the Government is launching a 'code for good business regulations'. The code contains 10 general principles to guide all areas of business regulation. The principles will serve as guidelines for the future initiatives of government authorities. However, special circumstances may arise which may mean certain principles have to be overridden. The code will be evaluated when the government authorities have gained experience in using it in practice.

Code for good business regulations

- 1. Growth-oriented regulation:** Business regulations must create stable and conducive conditions for the growth, productivity and innovation of Danish businesses, while also protecting the environment and consumers and ensuring food safety.
- 2. International context:** Framework conditions for Danish businesses must be seen in an international context. Experience with similar law in other countries should be taken into account when formulating new law. Unnecessary special rules and over-implementation of EU regulations should be avoided.
- 3. No unnecessary regulations:** Regulators must always consider whether a specific problem is best solved through law, or whether other more appropriate options exist, such as information, guidelines, incentives, corporate social responsibility, voluntary sector agreements, etc.
- 4. Simple and efficient regulation:** Laws and regulations must be formulated in such a way that they are easy to comply with. Regulation should entail as little administrative burden as possible.
- 5. User involvement:** Government authorities must involve businesses actively in the formulation of new regulations, design of electronic systems, etc.
- 6. Targeted enforcement:** Enforcement of regulations must target areas where the problems are greatest and the risks associated with non-compliance are most serious. Less scrupulous businesses must not gain by sidestepping regulations. Businesses which comply with law should be rewarded with less supervision.
- 7. Coordination:** Businesses must experience cohesion when dealing with government authorities. Requirements and deadlines must be coordinated so as to reduce unnecessary impact on businesses. Better cooperation between authorities and new electronic solutions must ensure that businesses only have to report data once, in one location, as far as possible.
- 8. Clear communication:** Government requirements and regulations must be communicated clearly to businesses and at the relevant time. New regulations must be communicated well in advance of entering into force. The purpose of government requirements must be clearly expressed, and regulations must be easy for businesses to understand.
- 9. Visible service:** Dialogue between government authorities and businesses must be characterised by mutual respect. Government authorities must inform businesses of their rights and service entitlements, so they know what to expect.
- 10. Focus on individual businesses:** Government requirements must take into account the size and production of individual businesses, especially in relation to small and medium-sized businesses. Electronic systems, including self-service systems, must be used strategically to provide more tailored interaction, with a focus on the business.

The code reflects how good business regulations place demands on both government authorities and businesses. For example, by complying with international standards or showing corporate social responsibility, businesses demonstrate through greater openness and transparency that the need for regulation can be limited. At the same time, government authorities focus on businesses, and organise regulation such that good behaviour is rewarded. Finally, essential regulation is formulated so as to minimise administrative burden.

The code serves as a checklist for government authorities and businesses, and is based on experience drawn from previous initiatives and input from trade and industry, including work within the burden committees and fact-finding project. Government authorities will use the code as a guideline when drawing up new regulations.

Experience from earlier work has shown that it can be easier to comply with regulations in some cases if they are better matched to businesses' daily operations. Regulations in one area can be coordinated with regulations in other areas, reporting requirements and procedures can be grouped, deadlines can be coordinated, etc.

Businesses know more about their daily operations than government authorities, and how regulations can be adapted to existing working procedures. This is why trade and industry have to be involved in the formulation of new regulations, and in creating solutions for complying with them.

Debureaucratisation plan
of March 2009

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The Danish Ministry of Economic
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Slotsholmsgade 10-12
1216 København K
Telephone: +45 3392 3350
Email: oem@oem.dk
Website: www.oem.dk



