

## Our position

# Better Regulation for a more competitive EU

Priorities for the revision of the EU's Interinstitutional Agreement on Better  
Law-Making

AmCham EU speaks for American companies committed to Europe on trade, investment and competitiveness issues. It aims to ensure a growth-orientated business and investment climate in Europe. AmCham EU facilitates the resolution of transatlantic issues that impact business and plays a role in creating better understanding of EU and US positions on business matters. Aggregate US investment in Europe totalled more than €4 trillion in 2023, directly supports more than 4.6 million jobs in Europe, and generates billions of euros annually in income, trade and research and development.

## Executive summary

Applying Better Regulation principles in a clear, consistent and transparent way is essential to provide predictability for businesses and to strengthen trust in the EU's legislative process. Yet the reality of how these principles are applied today remains uneven, creating uncertainty and adding unnecessary complexity. The upcoming revision of the Interinstitutional Agreement on Better Law-Making offers an opportunity to reinforce Better Regulation as a driver of competitiveness, innovation and growth.

The EU should therefore prioritise:

- **Strengthening impact assessments** by systematically including cost-benefit analyses, introducing competitiveness checks and ensuring that co-legislators are accountable for substantial amendments through mandatory assessments.
- **Improving consultation processes** by ensuring structured, timely and inclusive stakeholder engagement, supported by clear templates and consistent publication of consultation outcomes.
- **Embedding competitiveness considerations** into all stages of law-making, building on tools such as AmCham EU's Competitiveness Scorecard and aligning with the EU's Competitiveness Compass.
- **Aligning compliance timelines with the publication of detailed technical rules (eg Level 2 measures)** to avoid compressed implementation windows, reduce regulatory uncertainty and ensure businesses can realistically prepare for obligations.
- **Learning from international best practices** (eg Estonia's digital consultation portal, the US' systematic cost-benefit assessments and Singapore's test-and-learn approach) to improve transparency, efficiency and the quality of legislation.

Enforcing existing Better Regulation principles, while modernising the framework to reflect today's competitiveness challenges, will ensure that the EU delivers legislation that is predictable, proportionate and innovation-friendly. This will help the EU reduce regulatory over-complexity, enhance its global attractiveness for investment and secure long-term competitiveness of the Single Market.

## Introduction

The EU has taken several steps towards improving its lawmaking process. The Letta and Draghi reports both highlighted the urgent need for regulatory simplification, strong methodological tools and improved governance, notably through better coordination between the EU and Member States. The European Commission reacted to these alerts by creating a portfolio for Implementation and Simplification, held by Commissioner Valdis Dombrovskis. In the Commissioner's Mission Letter<sup>1</sup>, President von der Leyen highlights the need to 'ensure that our rules are simpler, more accessible to

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<sup>1</sup> [Valdis Dombrovskis - Mission letter | European Commission](#)

citizens and more targeted’ and that ‘implementation should be as easy to follow as possible for people and companies alike’.

However, the EU regulatory landscape remains challenging for both people and businesses to navigate. In this context, the upcoming revision of the EU’s Interinstitutional Agreement on Better Law Making (IIA) provides an opportunity to properly enforce existing Better Regulation principles and rebalance the EU’s legislative process towards a more predictable, transparent and business-friendly environment. This revision is also timely given the Commission’s ongoing work to embed new tools like competitiveness checks, SME tests and reality checks into the Better Regulation Toolbox, which will feature more prominently in upcoming proposals.

This paper provides recommendations to strengthen existing principles in the IIA, specifically by reinforcing competitiveness as a key principle of the EU’s Better Regulation framework and making Better Regulation governance more transparent and accountable.

## 1. Anchoring competitiveness into Better Regulation

### 1.1. Better Regulation: a strategic tool to support the EU’s long-term competitiveness

The European Commission’s 2025 ‘Competitiveness Compass’ states that regulatory simplification and acceleration are foundational to scaling innovation, boosting resilience and strengthening the Single Market. The accompanying ‘Simplification and Implementation’ Communication sets out concrete mechanisms to streamline compliance and reduce red tape. Together, these initiatives place competitiveness at the heart of future lawmaking. Much, though, still needs to be done to achieve these ambitious goals.

A competitive EU requires a legal environment that stimulates innovation and growth. It also requires prioritising regulatory simplification and ensuring that all EU institutions are accountable for the legislative decisions they make.

In this context, a revision of the IIA is timely. Several aspects of the IIA, signed in 2016, do not reflect a strong commitment from all EU institutions to articulate the impact of significant legislative choices. For instance, **there is no automatic trigger for Impact Assessments (IAs) to be carried out by the European Parliament and Council when submitting significant amendments, even though these amendments may bring substantial changes to the initial proposal.** Moreover, much has changed since 2016, when the Agreement entered into force, and new competitiveness considerations need to be weaved into the IIA.

### 1.2. Considering competitiveness in policymaking

Embedding competitiveness into the EU’s Better Regulation framework requires a structured reflection on how policy proposals affect Europe’s long-term growth and innovation capacity. Institutional stakeholders should therefore evaluate, in a consistent and transparent manner, how each legislative initiative contributes to or constrains the EU’s ability to compete globally.

Industry-developed policy tools such as [AmCham EU's Competitiveness Scorecard](#) provide a practical illustration of how this assessment could be structured. The Scorecard groups ten interrelated factors that are empirically correlated with competitiveness - including openness to trade and investment, innovation capacity, skills development, productivity growth, and regulatory simplicity. These factors are not intended as a checklist, nor do they imply direct causation. Rather, they exemplify the type of analytical inquiry that policymakers should undertake when assessing whether a proposal will foster a more competitive and innovation-friendly Single Market.

Integrating this type of structured reflection into policy design, impact assessments and legislative deliberations would help ensure that competitiveness considerations are embedded throughout the policy cycle and applied consistently across institutions.

## 2. Priority areas for improvement

### 2.1. Impact assessments

Alongside competitiveness checks, a report by the Polish Presidency of the Council<sup>2</sup> on balancing regulation and innovation in the digital economy, has underlined the need for impact assessments to undertake a 'regulatory governance check'. This would help to **avoid the creation of new governance arrangements** (eg a new agency or regulator) that would lead to overlapping structures and therefore additional regulatory fragmentation, duplicated reporting and slower implementation. A coherent regulatory governance framework is an essential component of competitiveness, which should therefore be addressed when revising the EU's Better Law-Making framework.

Although the Better Regulation Guidelines recommend using cost-benefit analyses 'where possible', implementation is inconsistent and often lacks clarity. Including **structured and well-defined cost-benefit analyses** in every impact assessment is crucial, especially from a competitiveness perspective. Cost-benefit analyses are essential because they help policymakers avoid over-regulation or duplication and mitigate the potential impacts of a proposal on, for example, innovation or specific sectors. Not systematically including cost-benefit analyses in impact assessments is worrying, especially for legislative proposals that are expected to have a significant effect on the EU economy.

Another important area of concern for impact assessments is **the role of the co-legislators** – or lack thereof. Although the IIA mentions that 'the European Parliament and the Council will, when they consider this to be appropriate and necessary for the legislative process, carry out impact assessments in relation to their substantial amendments', the reality in practice is that the definition of a 'substantial' amendment is to be determined by each institution, which rarely happens. The fact that the European Parliament and Council do not currently articulate the potential impact of significant amendments made to the original Commission proposal is problematic, given the major changes that a proposal goes through when amended by the co-legislators. A strong emphasis should be placed on ensuring that the co-legislators are accountable for the changes that they bring to the Commission's legislative proposals. The current wording in the IIA does not allow this.

Finally, the Commission's impact assessment process does not currently ensure that all relevant industry data is effectively gathered. Specifically, the Commission's impact assessment process lacks transparency and does not provide sufficient **opportunity for public and stakeholder input**,

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<sup>2</sup> Balancing regulation and innovation in the technology-driven economy, General Secretariat of the Council, 2 June 2025 ([pdf](#))

potentially leading to biased outcomes. **Any initiative to revise the EU's Better Law-Making framework should put a strong emphasis on the need to consult all relevant stakeholders in a timely and consistent manner.**

## 2.2. Transparency and stakeholder engagement

The Commission's consultation process is central to the Better Regulation agenda. Consultations are crucial to gather expert evidence and information from industry stakeholders to better understand the potential implications of a legislative proposal and come up with a balanced solution for all stakeholders. However, **consultations are variable in depth and length and sometimes fast-tracked or launched too late in the process** for the input to have any real added value. Moreover, it is sometimes **unclear how stakeholders' responses influence the outcome or how stakeholders' input is used towards final proposals**. This is the case, for instance, with the Artificial Intelligence (AI) Act and the Digital Markets Act (DMA), two important pieces of legislation for which the Commission did not publish factual summaries and synopsis reports. Synopsis reports are key documents that summarise the results of public consultations.

In addition to this, **late-stage amendments by the Council or Parliament – that often introduce major changes to laws – go ahead without new consultations or impact assessments**. This is highly problematic from a transparency, stakeholder engagement and competitiveness perspective. The late inclusion of significant amendments regarding open-source software in the Cyber Resilience Act (CRA) is a good example of a major change that happened without consultation or impact assessments.

From the perspective of an industry stakeholder, **providing input to the Commission's public consultations can sometimes be challenging**. The format used to gather input is random and it is sometimes unclear what input is needed. The **latest iteration of the DG Trade's Counterfeit and Piracy Watch List** provides a concrete example: although the consultation explicitly asks stakeholders to identify online services and physical marketplaces that may fulfil the criteria to be included in the Counterfeit and Piracy Watch List, the specific elements and concrete examples that the Commission may need to make its case are unclear. In addition to this, and although the Commission has expressed (ex-post) that it needs precise examples from stakeholders, the format used to collect the input is not structured. Stakeholders are asked to submit the input in whichever way they may want, provided that it is included in a Word or PDF document. This lack of clarity from the outset results in a situation where stakeholders are uncertain which elements to provide and the Commission does not obtain the information that they need. It is a lose-lose situation.

To improve the usefulness and transparency of public consultations and calls for evidence, the Commission should not only specify the input needed through clear digital templates but also invest in better staff training on applying the Better Regulation toolbox. This comprehensive approach would facilitate stakeholder engagement and input, while easing the information treatment process on the Commission's side, ensuring more targeted and effective data gathering.

## 2.3. Policymaking timelines and compliance burdens

The European Union increasingly adopts legislation that relies on extensive Level 2 (detailed implementing measures) and other technical rules that are developed during the implementation period. This approach means that firms must prepare for compliance while core elements and details of the regime remain unfinalised. When these rules are published late or are delayed, this erodes the benefit of extended implementation timelines as organisations cannot fully assess the operational

impact of the requirements or finalise their compliance. This dynamic contributes to what is already a complex regulatory environment in the EU, where layered rulemaking and protracted legislative processes create additional regulatory burdens and costs.

For example, the Digital Operational Resilience Act (DORA) is one of the most complex regulatory packages the financial services sector has faced in recent years, with prescriptive requirements spanning governance, cyber and resilience testing, incident management and third-party oversight. DORA's framework is supported by an extensive suite of technical standards each introducing granular requirements that were published and finalised throughout DORA's two-year implementation period – and in certain cases after the compliance deadline. These standards are highly interdependent, meaning changes or delays in one area can have knock-on effects for readiness in others. In the case of DORA, policymaking delays resulted in unnecessarily compressed timeframes for capturing and submitting data and an increased compliance burden for firms. Excessive delays in drafting, adopting or implementing Level 2 requirements generate pressure and uncertainty for businesses. This also directly undermines the EU's goal of positioning itself as a more attractive destination for investment.

Similarly, the EU Cyber Resilience Act and AI Act do not include any timelines for organisations regarding when to expect any further rules. An inability of businesses to understand the impact of this legislation results in organisations delaying compliance programmes, thereby generating significant uncertainty and compliance burdens. To improve policymaking in the EU, legislation should recognise where certain Level 2 or technical standards constitute a significant proportion of the compliance activity. The EU is able to delay compliance periods or predicate them on the completion of certain technical standards (eg incident reporting is often given a different timeline). Timelines should be aligned with the actual rules that organisations are required to follow. Setting deadlines only after the publication of a Delegated or Implementing Act would give businesses greater certainty and ensure that compliance expectations are realistic. Where there is clear evidence of substantive compliance challenges, the Commission should show greater openness to regulatory forbearance.

## 2.4. Better Regulation examples from other countries

This section highlights a few best-practice examples from other countries, including Estonia, the US and Singapore. These examples can provide useful ideas to improve the transparency of consultation processes and the evaluation of legislative proposals from a competitiveness perspective.

A best practice example for an efficient, transparent and inclusive consultation process can be found in **Estonia, where a unified digital consultation portal enables stakeholders to understand how their input matters and what real-life impact it might have.** The e-Consultation System includes automatic notifications about the start, progress and closure of consultations, ensuring that stakeholders can follow policymaking in real time.

Another best-practice example originates **in the US, where, since the 1970s, federal agencies are required to measure the costs and benefits of regulations that are expected to have large effects on the economy.** The federal agencies are required to *'assess both the costs and benefits of the intended regulation and, recognizing that some costs and benefits are difficult to quantify, propose or adopt a*

*regulation only upon a reasoned determination that the benefits of the intended regulation justify costs.*<sup>3</sup>

**Singapore's Economic Development Board (EDB), a government agency under the Ministry of Trade and Industry, uses a test-and-learn methodology<sup>4</sup>, through which they refine regulation based on real-world feedback from companies.** The EDB also maintains a continuous cycle of (1) listening to companies (2) testing ideas with firms and (3) acting through legislation. This cycle ensures that early market intelligence informs policy, minimising misalignment between regulations and business realities.

The EU maintains several websites, such as EUR-Lex, that provide information on policy development, but these can be outdated and may reference legal texts that have already been amended. Navigating EUR-Lex and identifying when information is no longer up to date requires a high level of expertise in EU legislative terminology. Introducing a single, more user-friendly tool to navigate current legislative initiatives – while also centralising consultation processes – would significantly enhance the transparency and accessibility of the EU legislative process.

### 3. Recommendations for the Revision of the Interinstitutional Agreement

#### Reinforce competitiveness as a key principle of the EU's Better Regulation framework

- Systematically embed **competitiveness as a horizontal objective** in the IIA, aligning with the Competitiveness Compass.
- Focus on drafting **clear, proportionate and innovation-friendly rules**, aligning with the recommendations of the Draghi report.
- **Introduce EU and global 'competitiveness checks' in impact assessments** and take inspiration from industry-developed tools such as **AmCham EU's Competitiveness Scorecard**. This aligns with the Commission's current work to embed new tools like competitiveness checks into the Better Regulation Toolbox, ensuring these become more prominent in future proposals.
- **Assess cumulative regulatory burdens** on companies of all sizes, including SMEs.
- **In addition to Fitness Checks and Implementation Dialogues**, introduce regular ex-post reviews focused on individual legislative acts or programmes, evaluating their effectiveness, efficiency, relevance, coherence and EU added value after implementation. These reviews inform targeted improvements or revisions to specific measures.

#### Strengthen Impact Assessments and regulatory scrutiny

<sup>3</sup> Executive Order 12866 of 30 September 1993. See also [Cost-Benefit Analysis in Federal Agency Rulemaking](#) (Congressional Research Service, October 2024).

<sup>4</sup> [Collaborative, incremental approach is Singapore's way to regulate digital domain: Josephine Teo | Singapore EDB](#)



- Require all impact assessments for major legislative proposals to **include robust cost-benefit analyses**.
- Enforce the principle in paragraph 15 of the IIA according to which **the co-legislators should carry out impact assessments when introducing substantial amendments** during the legislative process.
- **Reinforce the mandate and independence of the Regulatory Scrutiny Board** and expand its oversight role to cover the entire policy lifecycle, including evaluations and ex-post reviews.

### Improve consultation processes and stakeholder engagement

- **Establish a standard consultation period of at least eight weeks**, with a preferred duration of up to 12 weeks, to give stakeholders sufficient time to gather quality feedback and provide useful input. Where possible, consultation periods should avoid peak holiday times, such as summer and end of year, to maximise engagement and participation.
- **Be more specific on the input that is needed** by using clear digital templates to facilitate stakeholder engagement and input while easing the information treatment process on the Commission's side. This should be complemented by better staff training on applying the Better Regulation toolbox to maximise the usefulness and transparency of public consultations and calls for evidence.
- **Avoid multiple-choice formats in consultations.** While multiple-choice formats can streamline analysis, they may also limit the scope of stakeholder input. Similarly, restrictive character limits in open text fields can constrain the ability to provide nuanced or complete feedback.
- **Systematically address fundamental competitiveness factors (as suggested by the Competitiveness Scorecard), such as the need to foster innovation** in questionnaires.
- Increase transparency by requiring the Commission to **systematically publish factual summaries and synopsis reports of how consultation input influenced the final legislative proposal**.

### Make Better Regulation governance more accountable and transparent

- **Establish an online public dashboard tracking stakeholder input, Commission reactions and legislative follow-up**, in a similar fashion to the Estonian government's 'e-Consultation' platform
- **Reaffirm and enforce the power of the Secretariat-General to issue negative opinions**, without sign-off from the President's Office, before proposals are released

### Reduce compliance burdens by aligning policymaking timelines with compliance expectations

- **Align timelines with rules that businesses are required to follow.** Setting compliance deadlines after the publication of Level 2 rules (Delegated or Implementing Acts) would give businesses certainty and ensure compliance expectations are realistic.



## Conclusion

The revision of the Interinstitutional Agreement on Better Law-Making is a unique opportunity to reset the EU's approach to formulating regulation. Embedding competitiveness as a guiding principle, strengthening impact assessments and ensuring more transparent and inclusive stakeholder engagement are essential to restore trust and predictability in the EU's regulatory framework. By aligning policymaking timelines with business realities and drawing on international best practices, the EU can reduce unnecessary complexity and compliance burdens while fostering innovation, investment and growth. A stronger Better Regulation framework will not only improve the quality of EU legislation but also ensure that Europe remains an attractive and competitive place to do business.

## Annex – Examples where Better Regulation was not applied

### Digital legislation

#### Artificial Intelligence Act (AI Act)

- **Problem type:** Sequencing and consultation quality.
- **Symptoms:**
  - High-risk requirements apply before relevant harmonised standards are available.
  - Overlap with MDR/IVDR obligations creates legal uncertainty in healthcare.
  - Key consultations (eg on GPAI) launched with only four weeks of notice, including during holiday periods.
- **Better Regulation principle breached:** Feasibility, coherence and inclusiveness of consultation.
- **Lessons learnt:** Link applicability of high-risk requirements to the publication of standards; clarify overlap with sectoral legislation; ensure adequate consultation timelines.

#### Cyber Resilience Act (CRA)

- **Problem type:** Scope clarity and duplication with sector rules.
- **Symptoms:**
  - Key definitions (eg ‘remote data processing’) left for later guidance.
  - Financial services already covered by DORA were not excluded from CRA scope.
  - Late-stage amendments (eg open-source software obligations) introduced without new consultations or assessments.
- **Better Regulation principle breached:** Proportionality, coherence and transparency.
- **Lessons learnt:** Exempt sectors already covered by specialised regulation; ensure scope and key terms are clarified in the legislative text; require consultation and targeted IAs for late-stage amendments.

#### Data Act

- **Problem type:** Overbroad scope and overlap with existing regimes.
- **Symptoms:**
  - Definition of ‘connected product’ is excessively broad, creating extensive scope risks.
  - Duplicates GDPR rights and transparency requirements.

- Compulsory trade-secret sharing undermines IP protection.
- **Better Regulation principle breached:** Proportionality and coherence.
- **Lessons learnt:** Narrow the scope of ‘connected product’; exclude rules already covered by GDPR; remove compulsory trade-secret disclosure to safeguard innovation.

## Digital Operational Resilience Act (DORA)

- **Problem type:** Implementation readiness and sequencing.
- **Symptoms:**
  - Regulatory Technical Standards (RTS) and Implementing Technical Standards (ITS) were finalised after the compliance deadline.
  - Firms had to build supplier registers and contracts while requirements were evolving.
  - Commission rejection of RTS added further delays and uncertainty.
- **Better Regulation principle breached:** Predictability and feasibility in implementation.
- **Lesson learnt:** Compliance and enforcement deadlines should be tied to adoption of key Level 2 rules, with supervisors empowered to grant timely forbearance when technical standards are delayed.

## NIS2 Directive

- **Problem type:** Fragmented transposition and inconsistent application.
- **Symptoms:**
  - Overlapping regulations from NIS2 and DORA leading to oversight from multiple authorities.
  - Different phase-in periods and reporting deadlines across Member States.
  - Inconsistent audit frameworks leading to multiple duplicative audits.
- **Better Regulation principle breached:** Harmonisation and coherence.
- **Lessons learnt:** Expand the ‘main establishment’ principle to streamline jurisdiction; promote mutual recognition of audits; ensure uniform reporting thresholds and deadlines across the EU.

## Environmental and chemicals legislation

## Chemicals legislation / Common Data Platform (OSOA package)

- **Problem type:** Duplicative reporting and inconsistent definitions.
- **Symptoms:**
  - Companies already submit studies under REACH; the new platform would require resubmission.
  - Inconsistent definitions ('importer', 'placing on the market') across frameworks create legal uncertainty.
- **Better Regulation principle breached:** Coherence and efficiency.
- **Lessons learnt:** Exclude REACH studies from new platform obligations; harmonise key definitions across REACH, CLP, ESPR.

## Directive for Empowering Consumers in the Green Transition

- **Problem type:** Unrealistic compliance timelines.
- **Symptoms:**
  - Warranty label format only published in Sept 2025; application date fixed for Sept 2026.
  - Industry has just one year to rework all packaging, leading to waste and high compliance costs.
- **Better Regulation principle breached:** Feasibility and proportionality.
- **Lessons learnt:** Align label application with realistic adaptation periods; require publication of implementing acts well before compliance dates.

## Ecodesign for Sustainable Products Regulation (ESPR)

- **Problem type:** Scope creep, duplication and late secondary acts.
- **Symptoms:**
  - Horizontal requirements (Article 5(7)) create legal uncertainty across diverse product groups.
  - Overlaps with PPWR and REACH (double regulation of packaging and chemicals).
  - DPP obligations and unsold goods reporting imposed before implementing acts published.

- **Better Regulation principle breached:** Proportionality, coherence and feasibility.
- **Lessons learnt:** Limit ESPR to product-specific rules; align with existing frameworks (PPWR, REACH); tie obligations to publication of technical acts and standards.

## Environmental Permitting (IED/EIA)

- **Problem type:** Fragmentation and unpredictability.
- **Symptoms:**
  - Permitting processes often last 12–48 months, with duplicative requirements across authorities.
  - EIA procedures sometimes duplicate Strategic Environmental Assessments.
  - Lack of consistency across Member States distorts investment decisions.
- **Better Regulation principle breached:** Predictability and coherence in implementation.
- **Lessons learnt:** Streamline permitting into a single application with parallel assessments; ensure uniform EU guidance on timelines and methodologies.

## TRIS Directive

- **Problem type:** Weak enforcement and fragmentation.
- **Symptoms:**
  - Some Member States fail to notify draft technical rules or ignore Commission objections.
  - Non-notified national measures still apply, fragmenting the Single Market.
- **Better Regulation principle breached:** Transparency and enforcement.
- **Lessons learnt:** Establish automatic suspension of unnotified measures; ensure stricter TRIS enforcement with confidential complaint mechanisms for stakeholders.

## Waste Framework Directive (SCIP database & EPR reporting)

- **Problem type:** Overlapping reporting obligations
- **Symptoms:**
  - SCIP duplicates data already reported under REACH and WEEE.
  - EPR declarations differ across 27 Member States, creating disproportionate administrative burden.
- **Better Regulation principle breached:** Proportionality and simplification.
- **Lesson learned / How to fix:** Withdraw SCIP; mandate a single EU EPR portal and harmonised reporting format.