

## Initial Appraisal of a European Commission Impact Assessment

---

# Cross-border distribution of collective investment funds

Impact assessment (SWD(2018) 54, SWD(2018) 55 (summary) accompanying a Commission proposal for a regulation of the European Parliament and of the Council on facilitating cross-border distribution of collective investment funds and amending regulations (EU) No 345/2013 and (EU) No 346/2013 (COM(2018)110 and of a Commission proposal for a directive of the European Parliament and of the Council amending directive 2009/65/EC of the European Parliament and of the Council and directive 2011/61/EU of the European Parliament and of the Council with regard to cross-border distribution of collective investment funds (COM(2018)92

This note provides an initial analysis of the strengths and weaknesses of the [European Commission's impact assessment \(IA\)](#) accompanying the above-mentioned proposals, adopted on 12 March 2018 and referred to Parliament's Committee on Economic and Monetary Affairs (ECON).

Investment funds are created to pool investors' capital and to invest that capital collectively through a portfolio of financial instruments (stocks, bonds or other securities). In the EU, investment funds are broadly categorised as undertakings for collective investment in transferable securities (UCITS) and alternative investment funds (AIFs) (IA, pp. 8-13).<sup>1</sup> The current UCITS Directive introduced a European retail investment fund product and provides for investor protection, while the AIF Managers Directive (AIFMD) introduced a framework for the authorisation and supervision of managers of alternative funds for professional investors.

The Commission observed great variation in national regulatory requirements for investment funds across the EU, leading to 'unnecessary complexity and legal uncertainty' that constitute significant barriers for asset managers wishing to distribute these funds cross-border (IA, p. 14). However, cross-border investment funds play an important role in the EU's priority goal of completing the capital markets union (CMU), as well as in providing funding possibilities for companies in the EU (IA, 6). According to the IA, despite rapid growth in EU investment funds, attaining €14 310 billion in 2017, only 37 % of UCITS and 3 % of AIF are cross-border investments (IA, pp. 9, 23).<sup>2</sup>

The IA points out that revision of the current directives has started, but at the moment 'there is not enough evidence to decide if legislative changes are merited' (IA, p.7). Therefore, the Commission limited the present legislative initiative, announced in its 2017 [CMU mid-term review](#), to facilitating the cross-border distribution of investment funds. It is included in the [Commission's 2018 work programme](#) as a REFIT initiative. An ex-post evaluation was conducted 'back to back' with the IA, focusing on the 'differing interpretations of the rules applicable to the use of the marketing passports' under the two current directives (IA, pp 72-94). The IA covers the proposal to amend the UCITS Directive and the AIFMD, as well as a (new) regulation on facilitating the cross-border distribution of investment funds, implying new provisions and the amendment of the regulations on European venture capital funds and on European social entrepreneurship funds.

### Problem definition

Following a description of the political and legal context, the IA begins by presenting four problem drivers to be addressed by the initiative (IA, pp. 14-18):

1. wide divergence and lack of transparency of **national marketing requirements**, including marketing passports and other material such as flyers, websites and emails;
2. diverging, complex and non-transparent **regulatory fees** to be paid to national competent authorities (NCAs) (in 21 Member States);
3. diverging national **administrative requirements** to establish local agents or facilities where UCITS are marketed cross-border (in at least 17 Member States);
4. diverging national **notification requirements** for cross-border investment.

While these drivers are based on the ex-post evaluation and presented in a consistent way, there is an overlap – and significant confusion – between the problem(s) to tackle, the problem drivers and their consequences. The IA mentions 'problems' several times, but identifies only **one main problem**, deriving from the above drivers and to be addressed by this initiative (IA, pp.14, 19, 23): **regulatory barriers to asset managers wishing to distribute their investment funds cross-border**. In the problem tree illustrating the relevant elements, the IA features a second problem ('reduced demand by investors for cross-border funds'), but this does not appear in the text (IA, p. 28). Instead, the IA stresses that the four problem drivers underlying this second problem are beyond the scope of the IA and, thus, not analysed (IA, p. 17). These drivers appear to be, however, rather relevant to the subject matter, in particular taxation, but also market structure, investors' behaviour and online and direct distribution (IA, pp. 17-19, 28).<sup>3</sup> The IA admits to partial coverage of the existing problems and reports that according to stakeholders, regulatory barriers correspond to about 60 % of the problems hindering cross-border investment fund distribution, whereas 40 % are due to the problem drivers considered here to be out of scope (IA, pp. 38, 149).

The IA quantifies the volume of total assets under management of EU investment funds in 2017 at €14 310 billion<sup>4</sup> (IA, p. 6). It refers to the 11 380 cross-border funds that are registered in at least two Member States with ongoing marketing in an average of 5.4 host jurisdictions (IA, pp. 22, 149). According to the Morningstar database, in 2017, these represented 37 % of UCITS and 3 % of AIFs (IA, pp. 11, 23). Moreover, the IA notes – but does not analyse the geographical concentration further – that the number of cross-border UCITS varies significantly between Member States, with 33 % of funds located in Luxembourg, 14 % in Ireland, 11 % in France, 7 % in the United Kingdom (UK) and 6 % in Germany, representing altogether 84 % of the UCITS assets under management (IA, p.11). According to the IA, the concentration of AIFs was slightly different, but 75 % of all cross-border funds marketed in five Member States were also located in France, Luxembourg, Germany, Ireland and the Netherlands (from 28 % to 6 % respectively). In this context, the IA reiterates the importance of business factors, such as favourable tax environments or reduced cost of doing business (IA, p.11). The total volume of cross-border assets under management is estimated to amount to 30 % of the total net assets of EU investment funds (IA, p. 12).<sup>5</sup> It should be noted that the varying reference to, on the one hand, the numbers of (all or only cross-border) funds and, on the other, the total or proportionate value of their assets, makes it rather difficult for the reader to see the whole picture of the current situation. The IA provides a lot of information and illustrations, but the problem definition would have benefitted from more coherent and transparent presentation.

The IA identifies the main stakeholder groups (investors, asset managers, NCAs and the European Securities and Markets Authority (ESMA) and explains briefly how they are affected by the problem (IA, p. 29, Annex 3). Moreover, based on 'anecdotal evidence', the IA provides quantified information about the average cost that asset managers incur for cross-border marketing of investment funds (IA, pp. 22-23). It refers to two scenarios (A: asset managers relying on in-house legal advice and fund administration, and B: asset managers outsourcing these services to third parties). According to the IA, under scenario A **total one-off costs** (compliance costs and regulatory fees) for all cross-border funds amount to around €679 million (compared with €916 million for scenario B) (IA, p. 22, Annex 12, pp. 149-151). **Ongoing total costs** are indicated as €508 million for in-house legal advice and €867 million for outsourced legal advice. The IA does not indicate how many asset managers fall under the two respective scenarios. Moreover, besides this distinction in terms of legal costs, the

analysis does not differentiate regarding the size, location or type of investment funds or the asset managers concerned.

## Objectives of the initiative

The **general** objective of the Commission's proposals, according to the IA, consists of increasing the efficiency of the single market for investment funds and thereby opportunities for investment and investors in the EU (IA, p. 33). To achieve this goal, the IA identifies three **specific** objectives:

1. to remove complex and burdensome requirements regarding the cross-border distribution of investment funds;
2. to increase transparency in national requirements and practices regarding cross-border distribution of investment funds; and
3. to safeguard investor protection.

These specific objectives relate to different elements of the problem description. The first two are directly linked to the four 'in-scope' problem drivers, while the development of the third objective seems less evident in this respect. The IA justifies it with the maintenance of 'the original objectives of [the] UCITS and AIFM Directives' (IA, p. 33). It illustrates in a table, which of the specific objectives addresses which problem driver (IA, p. 33).<sup>6</sup>

The objectives do not appear to fulfil all of the 'S.M.A.R.T.' criteria of being specific, measurable, achievable, relevant and time-bound, required by the better regulation guidelines (to enable effective monitoring and evaluation of their achievement). For instance, they do not specify *how* requirements should be removed or transparency increased. This is particularly relevant as the IA does not provide operational objectives, also required by the better regulation guidelines.<sup>7</sup> Also, the distinction between UCITS and AIFs is not evident in the objectives. Notwithstanding these weaknesses, the objectives are in line with the EU goal to complete the CMU and the single market for investment funds.

## Range of options considered

Preceding the screening of the policy options to achieve the above-mentioned objectives, the IA modifies, rather unexpectedly at this stage, the list of drivers. Lack of transparency, relating to drivers 1 and 2 (national marketing and notification requirements) is added as a self-standing item (IA, p. 34). Moreover, the drivers are now called 'areas' and form the framework for the proposed policy options. At the same time, the IA introduces another layer to the analysis, corresponding to the 'possible approaches' of the options: a) transparency at national level, b) transparency at EU level, and c) harmonisation of national rules (IA, p. 34).

The IA presents a qualitative analysis of the **baseline scenario**, including a static and a dynamic variant, depending on how many factors and flanking measures are taken into account (IA, pp. 29-32). In this context, it indicates briefly some effects of the UK's withdrawal from the EU – an aspect which would have deserved a more detailed analysis, considering the large investor base in the UK. The IA concludes that without policy action, the cross-border distribution of investment funds would increase, albeit slowly, across the EU 27 (IA, p. 32).

For all five 'areas' (i.e. modified drivers), the baseline scenario is option 1, against which the other options are benchmarked, as required by the better regulation guidelines. The IA includes the feedback from stakeholders related to each area in a text box. The IA presents the following policy options (the preferred options of the IA are shaded in grey) (IA, pp. 35-50).

### 1 - National marketing requirements for cross-border distribution of investment funds

**Option 1:** Baseline scenario (no policy change). National divergences would remain or increase, including Member States' flexibility to interpret the definition of marketing.

**Option 2:** Harmonised definitions of pre-marketing for AIFs across the EU, including European venture capital funds and European social entrepreneurship funds.

**Option 3:** Harmonised definition of 'reverse solicitation', which refers to a situation when a professional investor contacts the fund manager on his or her own initiative.

**Option 4:** Further harmonisation of requirements and supervision of marketing material for UCITS across the EU and for AIFs marketed to retail investors, involving automatic notification of marketing communications from the host Member State following any request by another Member State, with a timeframe for its assessment.

## 2 - Lack of transparency over national requirements

**Option 1:** Baseline (no policy change). National divergences would remain, so that many asset managers would continue to need support from local law firms.

**Option 2:** Publication and translation of all marketing requirements in one place on a national website, including the national definition of marketing and rules regarding fees.

**Option 3:** Setting-up of a single point on the ESMA website with all national marketing requirements in a common language. It would be financed by the NCAs and ESMA (costs could be minimised in combination with Option 2).

**Option 4:** Creation of an *interactive* ESMA database on regulatory fees, including the setting-up of a fee calculator for stakeholders, based on updated information by the NCAs. The site would be financed by ESMA and the NCAs and allow for the calculation and comparison of fees for each Member State.

## 3 - Difference and complexity of regulatory fees and their collection

**Option 1:** Baseline (no policy change). Asset managers would continue to look for information on national rules and regulatory fee systems.

**Option 2:** Common principles for regulatory fees for all investment funds, to be paid directly by asset managers to competent authorities.

**Option 3:** Maximum cap for regulatory fees and specification of their exact amount, calculation and timeframe of payment (discarded option).

## 4- Administrative requirements (local facilities) under the UCITS Directive

**Option 1:** Baseline (no policy change). Maintains Member States' flexibility regarding local facilities.

**Option 2:** Flexibility for asset managers to appoint a local facility or to use IT services, under the condition that information is provided in the investor's language and the asset managers are efficiently supervised by enhanced cooperation between host and home competent authorities.

## 5 - Notification requirements (including de-notification in the event of market exit)

**Option 1:** Baseline (no policy change). Diverging national requirements for (de-)notifications (some Member States provide little or no information on (de-)notification).

**Option 2:** Publication of national (de-)notification requirements on national and ESMA websites.

**Option 3:** Harmonisation of (de-)notification procedures of UCITS and AIFs, by a) notification by the asset manager to the home (instead of the host) Member State, with a timeframe for approval or rejection, b) transmission of changes in new and existing funds by the competent authorities of the home Member State to the host Member State and to ESMA, and c) harmonised rules for de-notification for all investment funds to ensure legal certainty and investor protection.

**Option 4:** Creation of a single platform operated by ESMA that would compile and update all notifications of marketing passports for UCITS and AIFS submitted by asset managers.

The options screened under the respective 'areas' seem pertinent, but could have been structured in a clearer and more coherent way. They address a mix of issues, without flagging clearly if they relate to one, several or all aspects of the area and to one or both fund categories (for instance regulatory fees). Some options could have been described in a more precise manner, for instance by specifying the relevance of reverse solicitation, the type or size of asset managers concerned or the details of the envisaged 'efficient supervision' of asset managers. The range of options is fairly limited for areas 3 and 4 (the better regulation guidelines require at least two credible alternatives to the baseline). Most options are presented as complementary, only options 2 and 3 under areas 3 and 5 are mutually exclusive, but can still be combined with other options (IA, pp. 42, 47).<sup>8</sup> The IA states that more 'far-reaching options were initially considered' for the area of administrative requirements (local facilities), but they are not specified, except a cap on fees to be paid by asset managers to local facilities, which was considered disproportionate, as it would be a direct price regulation (IA, p. 46). The IA uses the same argument against a cap on regulatory fees – although presented as option 3 under area 3, thereby reducing the number of realistic options to two in that area (including the baseline).

### Scope of the impact assessment

The IA processes the description of the options and their mostly qualitative assessment in one chapter (IA, pp. 35-50). It focuses on the economic impacts for asset managers and, to a lesser extent, competent authorities (national and European), in terms of cost and cost savings, leaving aside the perspective of other parts of society, the macroeconomic level or effects on third countries (for instance the UK after 2019). Social and environmental effects are only mentioned in one sentence, referring to the indirect positive, though not substantiated, effects of an increase in cross-border marketing of investment funds that pursue goals in these areas (IA, p. 56). Furthermore, territorial impacts are not discussed, despite the geographical concentration of cross-border investment funds in fewer than half the EU Member States. Each description of the options per area concludes with a comparison in terms of effectiveness and efficiency (cost-effectiveness), which includes some quantitative information on the costs (or cost savings) that asset managers, NCAs or ESMA would incur (mainly costs for legal advice, the appointment of local facilities and more transparent data management) (IA, pp. 38, 42, 44, 46, 50). Despite some information regarding these quantifications, provided in the text and in Annexes 10 and 12, the relevance, precise sources<sup>9</sup> and the method for the various calculations of the cost categories remain unclear, for example why and how the IA expects costs for legal counsel to decrease by 25 to 50 % if all preferred policy options were applied, or how 90 % of costs could be saved if asset managers had the flexibility to decide on local facilities (IA, p. 38, 44, 46). Overall, the assessment does not demonstrate clearly how the respective options would contribute to the objectives.

After the comparison of the options, the IA selects eight preferred options – out of a total of 11 eligible options (excluding the discarded and baseline options). Altogether, the IA expects total cost savings for the industry of at least €306 million per year, while competent authorities would incur additional costs of 95 to 100 % under the preferred options, including, inter alia, around €3.7 million for increased transparency and cooperation (for all host jurisdictions and all cross-border funds) (IA, pp. 53, 150, 152-153). However, as indicated, the development of the quantified estimations is not very transparent or clear.

### Subsidiarity / proportionality

The IA argues that the diverse nature of national regulatory rules across the EU – and the failure to move towards harmonisation – are preventing the development of the single market for investment funds and have triggered the need for EU action (IA, pp. 32-33). The proportionality principle is consistently addressed in the IA, including in the selection of the preferred options. It was also highlighted by stakeholders, in particular regarding the complex notification procedures and the diverging levels of fees (IA, pp. 38, 42-44, 46, 50, Annex 7, pp. 117, 126). No reasoned opinions from national parliaments have been received (the subsidiarity deadline was 11 May 2018).

## Budgetary or public finance implications

The IA does not explicitly address budgetary implications. According to the explanatory memorandum of the proposal for the *directive*, there are no budget implications 'for the Commission' (p. 7), whereas the memorandum for the proposed *regulation* indicates implications for the Union's budget, namely for the Commission's 40 % share in financing ESMA (pp. 7-8, 21, 27).<sup>10</sup> The IA expects additional costs for ESMA to set up a calculator of regulatory fees, while the envisaged interactive database would be co-financed by the NCAs (IA, pp. 42, 46, 50). Overall, the IA considers the costs for the latter 'medium', but, as indicated, the only partially transparent substantiation of the quantifications does not enable the reader to check them (Annex 12, p. 153).

## SME test / competitiveness

The IA does not provide specific information on the effects on SMEs, which are mentioned only once at the end of the analysis (IA, pp. 55-56). The IA expects small fund managers to benefit from the increase in cross-border distribution of EU investment funds, but does not substantiate this claim. The same goes for the increased competition and new investment opportunities for investors that the IA anticipates as a consequence of the enhanced cross-border distribution of investment funds (IA, p. 26).

## Simplification and other regulatory implications

As part of the 2018 REFIT programme, the IA considers that the aim of simplifying legislation by harmonising diverging national rules is achieved by the preferred options, particularly as regards the varying (de-)notification rules for cross-border distribution of investment funds (IA, p.14, 49). At the same time, the preferred options have been translated not only into amendments of the existing directives, but also in the proposal of an additional new regulation.

## Quality of data, research and analysis

The IA is based on data from different sources, including Morningstar, ESMA, the European Funds and Asset Managers Association (EFAMA), stakeholder consultations and a few other external sources.<sup>11</sup> However, from the problem definition on, it acknowledges that the available data is incomplete or often 'anecdotal', and therefore only indicative, and concludes that 'the exact economic impact is not quantifiable due to data restrictions' (IA, pp. 23-24, 68, 71, 96, 148). The data limitations concern elements such as the number of funds, the assets under management in the Member States and the total cost of cross-border distribution. Nevertheless, the IA considers the combination of sources and data it uses as sufficient for the analysis (IA, p. 71). As noted, the IA also indicates that regulatory barriers constitute a small part of total compliance costs which are often related to the factors not covered by this IA (considered 'out of scope', see problem definition).

Furthermore, while the IA indicates some of its limitations, it could have explained the assumptions underlying the analysis more in depth, especially the regression and the sensitivity analyses (Annex 4, pp. 65-71, Annex 6, pp. 95-96, and Annex 11, pp. 142-146). Moreover, as indicated above, a more coherent presentation and more transparent indications of sources, references and methods could have made the IA more accessible (IA, pp. 22-23, 58-61, 78, 85, 116).<sup>12</sup> This is particularly true for the quantifications. For example, the comprehensive table summarising all preferred options and their impact on stakeholders does not indicate the options as related to the analysis, letting the reader deduce and compare if and how the description corresponds to the options (IA, pp. 51-53). Similarly, the table presenting costs and cost reductions in Annex 12 does not indicate anywhere if it refers to the baseline or the (preferred) options (IA, pp. 149-153). Finally, the fact that the cost estimates of the IA present average costs, without taking into account differentiations due to the size, objective or location of the funds or the asset manager company, could have been discussed in the IA, as it might have had an effect on the results of the assessment (IA, p.19). The use of numbers of cross-border investment funds either including or excluding 'round trips' seems sometimes inconsistent (IA, p. 12, 23).

## Stakeholder consultation

Stakeholder views are an important source of the IA, and it refers to them consistently, starting with input from the public consultations on the green paper on the CMU (2015) and a 'Call for Evidence on the EU regulatory framework for financial services' in 2015. Based on these, a specific public consultation on cross-border distribution of investment funds ran from [2 June to 9 October 2016](#), (IA, pp. 58-59). It received 64 responses, 27 of which came from industry associations and 15 from companies, SMEs and traders (IA, Annex 7). About 25 % of the responses came from the UK, complemented by other countries with high levels of cross-border investment funds (IA, p. 98). This was followed by a stratified randomised sample-based consultation which obtained 12 responses (IA, Annex 2 and 4, pp. 61-67), as well as by an additional follow-up survey, carried out by ESMA at the request of the Commission, that focused on specific marketing practices and notification requirements in the Member States (IA, p. 61). Furthermore, the IA drew on 15 bilateral meetings with unspecified 'stakeholders who did not respond to the consultations' (IA, p. 59). While the efforts to consult broadly are clearly visible, the references in the analysis to stakeholder views remain rather general. Stakeholders seem to have supported most of the preferred options; for the relevance of regulatory fees and the requirement to open local facilities the responses appear to have been slightly more split.

## Monitoring and evaluation

The IA considers 'robust monitoring and evaluation' as 'crucial' for the implementation of the preferred options (IA, p. 56). However, it suggests only a few general arrangements in this respect, starting with a rather superficial list of information sources (mainly ESMA databases). It suggests two output indicators, the creation and use of websites and of the interactive tool for regulatory fees by ESMA. An evaluation of the amended directives (and the regulation, as it is linked thereto) by the Commission is envisaged 'no sooner than five years after the transposition date' (IA, p. 57). Overall, these suggestions appear to be minimal. Considering that the current data availability is described as incomplete, the IA could have specified, for example, the timing and actors responsible for monitoring or could have provided more performance-oriented indicators.

## Commission Regulatory Scrutiny Board

The Regulatory Scrutiny Board (RSB) issued a positive [opinion](#) with reservations on the draft IA. However, it identified, major shortcomings relating to the baseline scenario, the presentation, assessment and comparison of the options and to the quantitative methods. The final IA does not contain the mandatory annex on the follow-up to the RSB opinion, required by the better regulation toolbox (tool 12). While the baseline scenario appears to have been improved, significant inconsistencies regarding the other elements criticised remain (see above).

## Coherence between the Commission's legislative proposal and the IA

The legislative proposals appear to follow the preferred options of the IA, amending the two relevant directives to harmonise de-notification and premarketing rules and to modernise requirements for local facilities. The new regulation provides, inter alia, for more legal certainty and enhanced transparency of cross-border investment funds.

## Conclusions

Based on internal and some external sources, as well as several stakeholder consultations, the IA provides useful information on the EU's cross-border investment funds. However, from the problem definition on, it lacks coherence and transparency, affecting also the presentation and assessment of the proposed options, whose range is rather limited for some areas. The link between the problem definition, the objectives and the options could have been clearer and more consistent. The IA focuses on average cost effects for asset managers (and for competent authorities), without taking into account social or territorial implications or analysing, for instance, the effects on SMEs or on the

EU27 after Brexit. The IA acknowledges some limitations, citing lack of data and especially the influence of other factors on the cross-border distribution of investment funds, factors that are beyond the scope of this IA.

## ENDNOTES

<sup>1</sup> See H. Werner, Cross-border distribution of investment funds, EPRS, European Parliament, 2018. The UCITS Directive, of 2009, was amended in 2010, 2011, 2013 and 2014, the AIFMD entered into application 2013.

<sup>2</sup> According to the IA, 'true cross border' funds are defined as investment funds that are marketed in at least three Member States, excluding 'round-trips' (when a manager domiciles a fund in another Member State and then distributes it only back into the market where the management company is domiciled) (IA, p. 12, 23). However, the IA also cites other sources such as the European Securities and Markets Authority (ESMA), regarding funds marketed in two Member States (see also footnote 5 below).

<sup>3</sup> In spite of being 'out of scope', the IA provides rather extensive information on taxation in Annex 7 of the IA, pp.128-135.

<sup>4</sup> Based on data from the European Fund and Asset Management Association (EFAMA). According to the IA, no complete overview of the proportion of cross-border investment funds in each Member State is available, the EFAMA and Morningstar sources provide some indication (IA, p. 23, 68). The number of UCITS included in the Morningstar database is estimated to be about 80 % of the number of UCITS reported by EFAMA. Morningstar data for AIFs is far less representative.

<sup>5</sup> The IA also reports that, based on EFAMA data, the market share of cross-border investment funds lies between 5 and 25 % in most Member States, with some outliers such as Italy, where it is 67 % (IA, p. 23).

<sup>6</sup> The issues of marketing and notification requirements are covered by all three specific objectives, while regulatory fees and administrative requirements are not related to specific objectives 3 and 2 respectively.

<sup>7</sup> Better Regulation Guidelines, [SWD\(2017\) 350](#), European Commission, July 2017, p. 20, 30.

<sup>8</sup> The IA also mentions 'Options 4 and 5' as mutually exclusive, but Option 5 cannot be found in the analysis (IA, p. 47).

<sup>9</sup> Based on 'public data sources, input by stakeholders, indications by ESMA and some NCAs' (IA, p. 148).

<sup>10</sup> 60 % of ESMA financing comes from the national authorities, based on the regulation on the European supervisory authorities (ESAs), currently under review.

<sup>11</sup> It refers often to [Benchmark your global fund distribution 2018](#), published by PwC 2017.

<sup>12</sup> There are a number of errors throughout the text (typos, missing footnotes, identical sentences twice on a page (p. 8), repeated references to options that do not feature in the IA (IA, pp. 45, 47), missing Annex 8, missing indications in important tables illustrating the preferred options, their costs and effects, for example pp. 51-53 and in Annex 12).

This briefing, prepared for the ECON committee, analyses whether the principal criteria laid down in the Commission's own better regulation guidelines, as well as additional factors identified by the Parliament in its Impact Assessment Handbook, appear to be met by the IA. It does not attempt to deal with the substance of the proposal.

## DISCLAIMER AND COPYRIGHT

This document is prepared for, and addressed to, the Members and staff of the European Parliament as background material to assist them in their parliamentary work. The content of the document is the sole responsibility of its author(s) and any opinions expressed herein should not be taken to represent an official position of the Parliament.

Reproduction and translation for non-commercial purposes are authorised, provided the source is acknowledged and the European Parliament is given prior notice and sent a copy.

© European Union, 2018.

[eprs@ep.europa.eu](mailto:eprs@ep.europa.eu) (contact)

[www.eprs.ep.parl.union.eu](http://www.eprs.ep.parl.union.eu) (intranet)

[www.europarl.europa.eu/thinktank](http://www.europarl.europa.eu/thinktank) (internet)

<http://epthinktank.eu> (blog)

