

# Annex B: Overview of the methodological approach used in Annex A

This annex clarifies the methodology applied to collect the data used in Annex A, explaining: 1) applicable legal acts included; 2) when acts are considered relevant; 3) which economic consequences are included; 4) the type of economic burdens; 5) the terminology used when classifying proposals according to the accompanying impact assessment; 6) a general comment.

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Overall, it should be noted that estimates used in Annex A have limitations, as individual impact assessments may rely on different assumptions, including baseline scenarios, methods, data and welfare measures. The individual estimates may therefore not be directly comparable and in some cases, the monetisation of various effects may be imprecise, uncertain or incomplete. In addition, the value of some categories of benefits may be sizable, yet quantification is not possible. Furthermore, there might be interaction effects between the individual pieces of legislation. Despite these limitations, and while these figures cannot be viewed in isolation from the benefits the relevant proposals would bring, they provide a rough overview of the cost implications of the flow of EU regulation currently in the pipeline. However, it is important to acknowledge the limitations when using the aggregated figures.

**Table 1** Overview of the methodological approach used in Annex A

Subject	Scope of the data work	Points of attention
1) <b>Applicable legal acts</b>	<p>Regulations and directives.</p> <p>The overview is limited in scope and does not cover decisions, recommendations, opinions as well as implementing, and delegated acts.</p>	<p>Annex A does not include delegated acts, as these are rarely accompanied by impact assessments. The Council's 2023 Annual Impact Assessment Report indicates that only 0.5 percent of delegated acts were subject to such evaluation. However, in some cases delegated acts may in themselves add substantial costs/burdens.</p>
2) <b>Relevance</b>	<ol style="list-style-type: none"> <li>1. Legal acts currently under negotiation in the Council or between the European Parliament and the Council.</li> <li>2. Legal acts for which implementation is still pending.</li> <li>3. Upcoming known legal acts that have not yet been published by the Commission,</li> </ol>	<ol style="list-style-type: none"> <li>1. Some proposals may not be adopted in case of insufficient support, even if the Commission has not withdrawn the proposal.</li> <li>2. All regulations for which the negotiation process has been completed, but where the date of entry into force has not yet passed, are included. A regulation is not included in the overview if the date of entry</li> </ol>

	<p>but are expected to have economic consequences.</p>	<p>into force has been exceeded. All directives for which negotiations have been concluded, but where the deadline for national implementation has not yet passed, are also included. If the implementation deadline has been exceeded, the file is not included in the overview.</p> <p>3. The data builds on preliminary notifications from the relevant Danish ministries regarding forthcoming cases with significant economic impact. The actual number of such files exceeds those identified.</p>
<p><b>3) Economic consequences</b></p>	<p>1. The data includes recurrent and one-off costs and direct benefits.</p> <p>2. The costs and benefits are derived from the Commission's impact assessment, which are typically prepared at the time the proposal is submitted. Although an impact assessment could be updated later in the process in the light of amendments, this is rarely seen in practice.</p> <p>3. The impact assessments mostly outlines different kind of options. Annex A is based on the preferred (or only) option outlined in the impact assessments.</p> <p>4. The data only include direct costs and benefits not the indirect costs and benefits outlined in the impact assessments. If the cost estimate includes a range, it is outlined in the data, cf. Annex A.</p>	<p>1. Methodologically, it can be difficult to translate benefits and costs to a clear-cut net economic consequence figure as it is often not specified in impact assessments if costs and benefits are recurrent or one-off, or whether they affect business or public authorities etc.</p> <p>2. The costs/benefits of adopted legislation may be substantially different from the Commission's original proposal. Once a methodology for impact assessments to account for substantial amendments is developed, the data can be adjusted accordingly.</p> <p>3. The European Parliament and the Council may have negotiated towards one of the other solutions or an entirely different one.</p>
<p><b>4) Types of economic burdens</b></p>	<p>1. For national budgets, total gross costs are used. This means the costs for all EU-27 Member States.</p> <p>2. The costs are aggregated for all EU Member States, cf. above. If it is not specified that the costs for "service providers" concern public authorities, they are counted as an economic impact on businesses.</p> <p>The following coding is used:</p>	<p>1. Member States will naturally be affected differently depending on factors such as size or existing policies.</p>
<p><b>5) Terminology</b></p>	<p><b>0</b> = An assessment has been made, and the proposal is not expected to have economic consequences.</p> <p><b>&gt;0</b> = An assessment has been made indicating that the proposal is expected to have costs which are not quantified.</p> <p><b>"No Estimation" / "."</b> = The Commission has not conducted an assessment.</p> <p><b>"Partially estimated"</b> = The Commission has assessed costs of parts of the proposal but not for all elements. Consequently, an unknown share of the costs have been</p>	<p>This terminology is quite clear. However, 'partially assessed' is a discretionary consideration that may vary from one assessment to the another, and others might adopt a different approach.</p>

**6) General comments**

assessed and quantified with an unknown share yet to be assessed.

1. The costs cover minimum implementation. For directives, Member States may potentially over-implement.

1. To the extent member states over-implement directives, this may lead to higher actual costs than outlined in Annex A.