Simplification of the EU legislation – Poland's proposals
(Annex to Poland's non-paper on the simplification and revision of the EU legislation)

Industrial development			
No.	**Act**	**Article(s) subject to amendment**	**Simplification aim, proposal, and rationale**
1.	Regulation (EC) No 1907/2006 of the European Parliament and of the Council of 18 December 2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) and establishing a European Chemicals Agency, amending Directive 1999/45/EC and repealing Council Regulation (EEC) No 793/93 and Commission Regulation (EC) No 1488/94, as well as Council Directive 76/769/EEC and Commission Directives 91/155/EEC, 93/67/EEC, 93/105/EC and 2000/21/EC - REACH	Entire legal act	Proposals: • Not imposing new financial or administrative burdens for businesses in the form of re-registration or updating 'without reason'. The proposal for the automatic expiry of existing REACH registrations should be abandoned. Companies have incurred significant financial and organizational costs in order to comply with REACH registration requirements, including high fees. These measures were taken under regulations that ensure continued market access. Introducing a validity period that would result in mandatory re-registration would undermine this legal certainty and increase the costs of doing business. • Adoption of measures extending restrictions on use and reducing maximum permissible concentrations for further substances that are based on risk assessment rather than solely on the properties of the substances. Adopting measures extending use restrictions and reductions in maximum allowable concentrations to further substances based on the substances' characteristics will result in collective restrictions

			on groups of substances without taking into account actual exposure and the possibility of using them safely under certain controlled conditions. • Abandoning the introduction of MAF and polymer registration. Notifying all polymers available on the market (between 200,000 and 400,000) would result in over 1 million notifications. The estimated cost of such notifications amounts to several billion euros, depending on the notification requirements. Rationale: Current REACH regulation is overly complex and burdensome for companies. As it is planned to be amended, core policy asks concerning any changes include the above.
2.	Regulation (EU) 2023/956 of the European Parliament and of the Council of 10 May 2023 establishing a carbon border adjustment mechanism - CBAM	Article 30 paragraph 5 (Review and reporting by the Commission)	Proposals: • Implementing special measures to prevent carbon leakage in exports from sectors covered by CBAM. This could take the form of additional incentive-based support for EU producers in these sectors to decarbonise (technological, financial, know-how), whilst also expanding CBAM mechanism to wider sectors or maintaining free allowances for exports from exposed sectors. This solution would maximize the effectiveness of the CBAM by limiting carbon leakage from exports, while maintaining the incentive to decarbonise exported production.

			• Free allowances for sectors whose products are covered by CBAM should only be withdrawn after the measure has been tested, and only if the negative effects on competitiveness and prices in export sectors' value chains have been addressed. Rationale: • The CBAM Regulation may result in uncompensated adverse effects on European products covered by the EU Emissions Trading System (ETS) and exported to third-country markets. At this stage, CBAM does not provide for any measures to prevent the risk of carbon leakage from exports, even though the pilot sectors may be exposed to such a risk. • Withdrawal of free allowances and product costs: CBAM will have a significant impact on the cost of products manufactured in the European Union due to the withdrawal of free ETS allowances for sectors covered by the mechanism by 2035.
3.	Directive (EU) 2024/1785 of the European Parliament and of the Council of 24 April 2024 amending Directive 2010/75/EU of the European Parliament and of the Council on industrial emissions (integrated pollution prevention and control) and Council Directive 1999/31/EC on the landfill of waste (IED 2.0)	Provisions related to environmental management system and transformation plans: Recital 25, 41, Article 14a (Environmental management system)	Proposal: Abandoning the newly introduced obligations—such as environmental management systems, transformation plans, and hazardous substance inventories or modifying IED 2.0 accordingly in order to reduce administrative burdens and maximise and specify the positive effects of amending the existing provisions.

		Article 11 point fb, Article 14(1) point ba, d)iii, Article 27d (Transformation towards a clean, circular and climate-neutral industry) and 27e (Deep industrial transformation)	The proposal should enter into force before 1 July 2026. Member States are obliged to enter the directive into force until 1 July 2026. Rationale: The aim of IED 2.0 was to not complicate existing procedures related to issuing or amending permits without a valid reason. Meanwhile, regarding the environmental management system and the transformation plan, the directive introduced additional elements on permits, as well as obligations for installation operators and administrative bodies, which do not provide significant added value in terms of environmental protection and can significantly complicate and prolong existing procedures. The environmental management system (EMS) is a new element introduced by IED 2.0, which falls within the scope of functional elements that have been available for many years, such as action to eliminate waste, optimize the use of sources and water, or eliminate or reduce risks from the use of a tool. Moreover, the majority of IED installations have already implemented environmental management systems (EMS), either based on ISO standards or as a direct result of the Commission's implementing decisions establishing BAT conclusions. Therefore, the new requirement set out in Article 14a of IED 2.0, which aims to establish an EMS consisting of predefined elements, largely duplicates existing provisions without delivering relevant additional environmental benefits.

			Requirements are being introduced regarding inventory, tools used in devices. Such an obligation will duplicate activities already carried out as part of fulfilling obligations arising from other EU legislation, e.g. REACH. Additionally, the applicable provisions of the IED (Article 22) require a similar inventory to be carried out, covering substances that pose a risk of soil or groundwater contamination on the plant site and are used, emitted or produced by installations for which an integrated permit is required. Developing, including in the permit, and periodically updating a new list of hazardous substances will pose a significant burden for both industry and administration for most types of installations. The proposed provision also addresses the possibility of replacing hazardous substances with other compounds with lower hazard potential. This provision is too general and could lead to a situation where the replacement of hazardous substances is very rare, for example, only when a cheaper alternative appears on the market. It appears that effective implementation of the directive's objectives requires significant involvement of administrative bodies with specialized knowledge of chemical substances used in various industries, a well-established understanding of technological processes, and ongoing monitoring of changes in the chemical substances entering the market.

			Imposing this obligation on authorities issuing integrated permits will not be possible without significantly strengthening the required competencies and staffing. At the same time, identifying the potential for substituting hazardous substances with others that do not possess such properties can be successfully achieved through the revision/development of BAT reference documents, especially since the proposed amendments assume deeper cooperation with the European Chemicals Agency. The transformation plan, which, according to the directive, is to become a component of the integrated permit, requires installation operators to anticipate measures that need to be implemented in the long term. Past experience indicates that assumptions regarding installation operation are often revised by installation operators, and with much less notice, for example, due to the changing market and regulatory environment. Therefore, developing such plans may not produce the expected results and will constitute yet another additional element "enriching" the integrated permit, potentially leading to even more frequent revisions of this decision. Considered individually, the above obligations raise doubts on the validity of their implementation. However, it should also be noted that their cumulative effect is significant and considerably complicates and lengthens the procedures related to obtaining/amending integrated permits. At the same time, the benefits (especially environmental ones) resulting from their implementation appear limited.

4.	Regulation (EU) 2025/40 of the European Parliament and of the Council of 19 December 2024 on packaging and packaging waste, amending Regulation (EU) 2019/1020 and Directive (EU) 2019/904, and repealing Directive 94/62/EC - PPWR	Article 29 paragraphs 1-3 (Re-use targets)	Proposal: Pallet wrapping and straps should be exempted from all reuse obligations in Article 29, if a viable re-use alternative (on-par in price and quality) is not available in the market. Rationale: There is no viable re-use alternative with similar lightness, adaptability, protective properties and durability. Mandating re-use substitutes would severely disrupt supply chains, increase logistics costs and force inefficient (and more resource heavy) solutions. Particularly that contrary to the current optimized, efficient and adaptable SU packaging, no standardized reusable pallet wrapping systems will be available at scale before 2030.
		Article 44 paragraph 10 (Information to be submitted for reporting) Article 56 paragraph 2 points a) and c), paragraph 3 point a) (Reporting to the Commission) Annex XII table 3	Proposals: • Simplification of reporting on packaging and packaging waste, in particular with regard to removing the requirement to report packaging waste information in a very detailed breakdown. • Postponement of the application of new reporting rules to 1 January 2027 at the earliest. • Data for the full year 2026 should be reported by entrepreneurs under the existing rules. Rationale:

			Given that the list of waste does not provide for such a detailed breakdown as indicated in the reporting obligations, but only one waste code for: plastic packaging waste - 15 01 02, paper and cardboard packaging - 15 01 01, and metal packaging waste - 15 01 04, it seems that entrepreneurs will have great difficulty in properly reporting data on packaging waste. Given that Regulation 2025/40 will apply for the most part from 12 August 2026, entrepreneurs will find it difficult to report data for 2026, as data for 2026 will be collected by entrepreneurs both under the existing rules in force in Member States and, from 12 August 2026, under the rules laid down in Regulation 2025/40.
5.	Directive 2007/2/EC of the European Parliament and of the Council of 14 March 2007 establishing an Infrastructure for Spatial Information in the European Community (INSPIRE) Commission Regulation (EU) No 1089/2010 of 23 November 2010 implementing Directive 2007/2/EC of the European Parliament and of the Council as regards interoperability of spatial data sets and services	Directive 2007/2/EC: Recital 11, 14, 33, article 7 - provisions related to data harmonization	Proposal: Waiving the requirement to adapt environmental data, including Priority Data Sets (PDS), to the schemas defined for INSPIRE data themes (i.e., to waive data harmonization). Rationale: The most reasonable approach seems to be to provide data in the source form (“as is”), e.g. PDS data in accordance with the scheme in which they are reported to the European Commission as part of reporting on environmental directives. The harmonization of data on a European scale is most reasonable for data related to the territorial division of countries, because these data is often used in the creation of various sets that contain detailed data describing space.

		Commission Regulation (EU) No 1089/2010: Recital 1, 6, 7 and article 1 - provisions related to data harmonization	Legal regulations and technical guidelines for sharing and harmonizing spatial data are very extensive. It would be reasonable to reduce the administrative burden and maintain the trend of opening public data and improving their quality. In practice, it is difficult to indicate the benefits resulting from the obligation to adapt Priority Data Sets and other environmental data to INSPIRE thematic schemas. Sometimes, an adapted data set loses its proper informativeness. Despite the fact that the PDS list contains the proposed INSPIRE data theme, in the case of each data set, it happens sometimes that matching the priority data set to a given theme is very problematic, as PDS do not always fit in clearly with a given INSPIRE theme. Member States sometimes harmonize the same PDS in different spatial data themes. How can data be combined on a European scale if data resulting from the same environmental directive is harmonized in two or three different themes? It is worth emphasizing that the implementing provisions of environmental directives specify which objects and information should be reported. PDSs are already consistent at European level in terms of reporting obligations. Therefore, it is difficult to justify the mandatory harmonization of PDSs in INSPIRE themes.

			On the other hand, the needs of users are different, it is not possible to find a universal approach that would meet the needs of all interested parties. The most important thing is the transparent publication of source data generated by the administration, proper description of these resources in metadata and taking care of the quality of the data. Users process the data themselves according to their own needs.

6.	Regulation (EC) No 1221/2009 of the European Parliament and of the Council of 25 November 2009 on the voluntary participation by organisations in a Community eco-management and audit scheme (EMAS), repealing Regulation (EC) No 761/2001 and Commission Decisions 2001/681/EC and 2006/193/EC	Identification of proposals of regulatory relieves measures and incentives to support EMAS registered organizations demands a thorough analyses. The outcome of the LIFE15 ENV/IT/000509 – B.R.A.V.E.R. PROJECT might serve as a starting material and a methodological guide (BRAVER_Deliverable-B1.3_Report-with-the-list-of-the-simplification-proposals-shared-by-the-Consultation-Boards, p. 29-39)	Proposals: On the basis of article 44 of the EMAS Regulation: • At the EC legislative process level: a development of a procedure for the mandatory justification of the non-inclusion in the proposal a regulatory relief for organizations registered in EMAS scheme • Amendment of existing legal instruments to reduce or remove the burden on organizations participating in EMAS, as those that meet the legal requirements relating to the environment established in a given legal instrument. Rationale: Active registration in EMAS system should therefore be automatically recognized in the European Union's legal acquis as fulfilling the legal requirements in the field of environmental protection. At the same time, the implementation of an environmental management system based on ISO 14001 standard should not be considered equivalent to the implementation of EMAS, since the latter does not offer the same.

			EMAS was created as a tool that shifts the burden of enforcement supervision from public administration bodies to the organizations themselves. It is the economic operators who voluntarily decide to take an active role in preventing any violations. They monitor legislative changes on an ongoing basis to ensure their continued compliance with environmental legislation. They also report on core environmental performance indicators. That allows them to make conscious investment and operational decisions. Therefore, EMAS certification should be a guarantee for public administration, enabling it to put trust in the organization and the reliability and credibility of the data obtained within the organization's environmental management system, and in the organization's compliance with environmental protection legislation and other legal requirements guaranteeing the environmentally safe operation of the entity.
7.	Directive (EU) 2023/1791 of the European Parliament and of the Council of 13 September 2023 on energy efficiency and amending Regulation (EU) 2023/955 (recast)	Article 23 and 24 (Obligation to prepare local heating and cooling supply plans)	Proposal: Providing EU funds and technical assistance to local governments to develop plans.
		Article 26 (Definition of an efficient heating system)	Proposal: Clarification of the definition in the „Heating and Cooling Strategy" to enable a uniform interpretation of the possibility of classifying heat produced from waste thermal treatment plants as waste heat.

8.	Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty	Article 41, 46 (Public aid intensity and notification thresholds)	Proposal: Increasing the aid intensity to 60% and raising the notification thresholds to EUR 150 million.
		Article 48, CEEAG section 4.9 (No support for energy storage facilities as separate investments)	Proposal: Support stand-alone energy storage facilities within the meaning of Article 48 of the Regulation as energy infrastructure, without the need to notify public aid.
9.	Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources – RED3	Article 22a paragraph 1 (Mainstreaming renewable energy in industry)	Proposals: • Revision and adapting industrial target referred to in Article 22a of the RED III Directive to the current economic conditions. Therefore, new mandatory share of RFNBO fuels within the hydrogen used in the industry of EU Member States to the extent of 42% in 2030 and 60% in 2035 should be aided by additional implementation support for Member States and their industries or reduced or the deadlines postponed; the target should be set as emission reduction target, with technological neutrality approach to implementation solutions, such as CCS and other low emission technologies • Exemption from the obligation to achieve a minimum share of RFNBO in the hydrogen production industry for ammonia production, i.e. the exemption of the fertilisers' sector from the obligation to achieve the RFNBO industrial target referred to in Article 22a of the RED III Directive.

			Rationale: Fulfilment of this obligation will place a significant burden on both Polish and EU industry, particularly the chemical (fertilisers, petrochemicals), cement or steel industries, especially taking into account need for the adaptation of production facilities to apply changes in technological processes. Moreover, to fulfil this obligation, significant financial investment in a wide range of accompanying investments such as: energy storage facilities to stabilize the supply of RES, the expansion of pipeline and rail transport infrastructure will have to be undertaken.
		Article 25, paragraph 1, points a) and b) (Increase of renewable energy and reduction of greenhouse gas intensity in the transport sector) ANNEX IX, Part A and Part B	Proposals: In order to facilitate our efforts aiming at increasing share of renewable energy in transport specific solutions addressing regional circumstances are needed: • more flexible requirements for the use of first-generation biocomponents to allow the use of commercially available components, which are available in countries like Poland or Ukraine; • the exemption for fuels delivered to military or public security services in order to strengthen the security of the European Union in the context of Russian aggression in Ukraine; such approach fits well with NATO-EU discussions regarding the need to carefully approach decarbonisation in the defence sector;

			• clarification that residues are qualified equally to waste within Annex IXA – possible via guidelines or Q&A; • better use of intermediate crops and crops grown on severely degraded lands – one option is to transfer such biocomponents from Annex IX B to Annex IX A; or second option would be Increasing the national limit for raw materials from Annex IX B from 1.7% to a higher level – a measure in line with RED III, requiring the consent of the European Commission; • extension of the list of materials for advanced biocomponents to include locally available materials; • open the discussion regarding multipliers dedicated to energy in transport; • the amendment of qualification mechanism for electricity applied in transport – not only PPA, but also guarantees of origin; • introduction of booking & borrowing system dedicated to private charging points; • reduction of renewable fuels of non-biological origin (RFNBO) targets or postponing the deadlines for their implementation. Rationale: RED III Directive imposes ambitious 2030 targets for renewable energy in transport that can only be reached via narrow catalogue of scarcely available components. From the perspective of Polish

			stakeholders, it will be challenging to reach such a target due to unavailability of supply chain. Possibility of achieving RED III renewable fuels of non-biological origin (RFNBO) targets through different types of hydrogen (including low-emission hydrogen) which would guarantee technological neutrality and enable the selection of the most cost-effective means of achieving climate goals, accompanied with the local conditions that could be taken into account.
10.	Commission Delegated Regulation (EU) 2023/1184 of 10 February 2023 supplementing Directive (EU) 2018/2001 of the European Parliament and of the Council by establishing a Union methodology setting out detailed rules for the production of renewable fuels of non-biological origin	Article 5 (Additionality) and article 11 (transitional period)	Proposal: Postponement of the entry of the additionality criterion until at least 2035 or obtaining longer transition periods for the application of exceptions to additionality rules. The refusal form provisions excluding RES sources which obtained investment or operational financial support from the criteria qualifying electricity, which can be used in production of RFNBO. The changes should be introduced as quickly as possible. Rationale: Excessive and impossible requirements of the RFNBO Delegated Regulation, such as additionality and temporal correlation criteria, significantly increase the cost of electricity production for RFNBO production. Moreover, the construction of such a large number of new RES sources needed to power hydrogen production facilities that meet the requirements of the above-mentioned delegated regulations seems impossible in the time horizon envisaged for meeting industrial targets for RFNBO fuels.

			This is further complicated by the fact that many upcoming RES projects – such as offshore wind farms – are supported by public subsidy schemes, making them ineligible under current additionality rule. Moreover, the above-mentioned will lead to a shortage of green hydrogen produced on the EU market and will result in another strategic dependency, including the need to import it from outside the EU.
		Article 6 (Temporal correlation)	Proposal: Relax the requirements on the temporal correlation by abandoning the implementation of the hourly correlation criterion and leave the possibility of using monthly correlation (at least till 2040), thus optimising the utilisation of water electrolysers and improving operational efficiency. The changes should be introduced as quickly as possible. Rationale: Hourly correlation which is mandatory from 2030 for RFNBO generation entails buffering capacity of electricity (battery energy storage systems) and hydrogen (hydrogen storage systems) in order to humper the over-flexibility of electrolysers so as to align with SMR's (steam methane reformer) ramping up/down capabilities. Development of appropriate electricity and hydrogen storage capabilities requires huge additional investments outlays which burden significantly profitability and pose a significant economic threat for the business case justification.

			Excessive and impossible requirements of the RFNBO Delegated Regulation, such as additionality and temporal correlation criteria, significantly increase the cost of electricity production for RFNBO production. Moreover, the construction of such a large number of new RES sources needed to power hydrogen production facilities that meet the requirements of the above-mentioned delegated regulations seems impossible in the time horizon envisaged for meeting industrial targets for RFNBO fuels. This is further complicated by the fact that many upcoming RES projects – such as offshore wind farms – are supported by public subsidy schemes, making them ineligible under current additionality rule. Moreover, the above-mentioned will lead to a shortage of green hydrogen produced on the EU market and will result in another strategic dependency, including the need to import it from outside the EU.
11.	Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a system for greenhouse gas emission allowance trading within the Union and amending Council Directive 96/61/EC	Article 30d, paragraphs 1 and 2 (Auctioning of allowances for the activity referred to in Annex III)	Proposal: Delay of the implementation of ETS2 at least until 2030 when sufficient uptake of alternative solutions in transport and heating sectors should take place that can help reduce the cost of ETS2. At the same time, additional assessments concerning possible economic and social impact of including road transportation and buildings sectors in the ETS2 are necessary to estimate its potential impact. Rationale: It is of particular importance for countries like Poland, where energy transformation is still under way. Imposing additional

			financial burden on individual households using gas boilers (until 2025 their installation was publicly supported in the framework of Clean Air program) and traditional fuels (EV market little developed in Poland and as the grid is still pretty much coal based, there is little positive environmental impact of switching to EVs in Poland) will only worsen their economic situation, with little positive climate impact. Premature introduction of the ETS2 against too slow RES development and adaptation of the infrastructure (district heating networks and electricity grids, sufficient uptake of EV vehicles with access to clean energy), will not result in a reduction of greenhouse gas emissions. It will only lead to the pauperization of society, energy poverty and slower economic growth. As a consequence of higher fuel prices, ETS2 will lead to an increase in the price of products and the cost of services in the EU economy. This will represent a huge challenge from the perspective of the competitiveness of the EU economy as a whole - with a particular focus on the transport industry.
12.	Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a system for greenhouse gas emission allowance trading within the Union and amending Council Directive 96/61/EC	Article 9 (Union-wide quantity of allowances): “In 2024, the Union-wide quantity of allowances shall be decreased by 90	Proposal: The linear reduction factor (LRF) should be adjusted to ensure an adequate supply of allowances for industry, particularly energy-intensive sectors and hard-to-abate industries. The achievement of climate neutrality cannot be at the expense of European industrial capacity.

		million allowances. In 2026, the Union-wide quantity of allowances shall be decreased by 27 million allowances. In 2024, the Union-wide quantity of allowances shall be increased by 78,4 million allowances for maritime transport. The linear factor shall be 4,3 % from 2024 to 2027 and 4,4 % from 2028. The linear factor shall also apply to the allowances corresponding to the average emissions from maritime transport reported in accordance with Regulation (EU) 2015/757 for 2018 and 2019 that are addressed in Article 3ga of this Directive.	This objective should be pursued as efficiently as possible while safeguarding the competitiveness of EU industry compared to entities operating in third countries. Rationale: In accordance with the currently applicable provisions of the EU ETS Directive, the linear reduction factor (LRF) is set at 4.3% for the period from 2024 to 2027 and 4.4% as of 2028. Consequently, the EU ETS cap is expected to reach zero by 2039, which would imply the complete exhaustion of allowances within the system. The absence of allowance supply significantly earlier than 2050 - the target year for achieving climate neutrality in the European Union may result in a substantial risk of carbon leakage, as energy-intensive industries could relocate their production to third countries with less stringent climate policies.

		The Commission shall publish the Union-wide quantity of allowances by 6 September 2023.”	
		Proposal for a new provision	Proposal: Introduce restrictions on the activities of financial participants in the ETS, so that their participation is strictly linked to servicing the compliance needs of obligated entities. This would imply that banks, investment funds and other financial institutions could trade emission allowances (EUA) solely in the context of brokerage services, risk-hedging activities or intermediation carried out on behalf of undertakings covered by the ETS. Rationale: Activities consisting in proprietary trading of EUA for speculative purposes should be restricted or made subject to additional capital and reporting requirements, with a view to reducing excessive price volatility and safeguarding market stability. Entities other than those obliged to surrender allowances for the purpose of covering their emissions, including banks and investment funds, may participate in the ETS. In the view of the particular nature of this market and its impact on the standard of living of EU citizens as well as on the competitiveness of the EU industry, the possibility for entities other than those required to participate in the ETS for the purpose of complying with their

			emission obligations to take part in the market should be eliminated.
13.	Decision (EU) 2015/1814 of the European Parliament and of the Council of 6 October 2015 concerning the establishment and operation of a market stability reserve for the Union greenhouse gas emission trading system and amending Directive 2003/87/EC	Article 1 paragraph 5 (Market Stability Reserve): [...]If the total number of allowances in circulation is above 1 096 million allowances, the number of allowances to be deducted from the quantity of allowances to be auctioned by the Member States under Article 10(2) of Directive 2003/87/EC and to be placed in the reserve over a period of 12 months beginning on 1 September of that year shall be equal to 12 % of the total number of	Proposals: The Market Stability Reserve (MSR) should be revised to ensure the availability of allowances on the market at prices acceptable to industry, taking into account competitiveness of the EU operators and the costs borne by end consumers. To this end, the following measures should be implemented: • Introduction of release thresholds for allowances from the MSR so that a transparent algorithm maintains the price signal without compromising environmental integrity, while removing price shocks that could undermine investments. A liquidity buffer could be created by partially reinstating historically cancelled allowances back into the MSR. • Adjustment of parameters for allowance transfers to the MSR (the so-called intake rate) and TNAC thresholds. As originally envisaged, the intake rate should return to 12%. • Gradual transition from a single static TNAC to a TNAC corridor with a dynamic function for intake/release, which transfers more allowances to the MSR as it approaches the upper threshold and releases more allowances as it approaches the lower threshold. A corridor-based solution would stabilise market expectations, avoid sudden price reactions, and better reflect seasonality and investment cycles.

		allowances in circulation.[...]	• Restoration of intake rate to its previous level of 12%, as originally envisaged in Decision (EU) 2015/1814. Rationale: The current intake rate of 24% of the total number of allowances in circulation (TNAC) transferred annually to the Market Stability Reserve (MSR) constitutes an excessively stringent parameter that undermines the stability and predictability of the ETS. Reducing the intake rate to 12% would restore a more balanced relationship between supply and demand, ensuring the continued effectiveness of the ETS as a market-based instrument. A lower rate would preserve incentives for decarbonisation while preventing abrupt price shocks and maintaining investor confidence in the long-term stability of the carbon market. The MSR was established as a market-stabilising instrument, not as a permanent supply-restriction mechanism. The temporary doubling of the intake rate to 24% introduced by Directive (EU) 2018/410 was explicitly intended as a short-term corrective measure to address historical surplus. Maintaining this elevated rate beyond its transitional period contradicts the original rationale of the instrument. Maintaining the intake rate at 24% leads to a significant and accelerated withdrawal of allowances from the market. This mechanism, while intended to reduce surplus, now contributes

			to excessive scarcity, amplifying price volatility and creating uncertainty for compliance entities. The elevated intake rate has led to an artificial reduction in market liquidity. This imposes a disproportionate financial burden on energy-intensive industries and power producers, particularly in regions with limited access to decarbonisation technologies. As a result, the competitiveness of EU industry on global markets is weakened, while the risk of carbon leakage increases.
14.	Commission Implementing Regulation (EU) 2018/2066 of 19 December 2018 on the monitoring and reporting of greenhouse gas emissions pursuant to Directive 2003/87/EC of the European Parliament and of the Council and amending Commission Regulation (EU) No 601/2012	Articles 12 paragraph 1 (Content and submission of the monitoring plan) Article 47 paragraph 3 (Installations with low emissions)	Proposal**:** Removal of the obligation to submit uncertainty and risk assessments to the competent regulatory authority. Rationale: Such a measure will reduce the administrative and financial burden on operators and competent authorities. During the verification process for annual reports, these documents are assessed by an accredited verifier. The results of the uncertainty assessment and the list of measuring instruments are also included in the monitoring plan. In accordance with Article 47(3), operators of low-emission installations are not required to submit the supplementary documents referred to in the third paragraph of Article 12(1) (e.g. uncertainty assessments and risk assessments) together with the monitoring plan to the competent authority. However, these documents must be kept and are subject to assessment by an

			accredited verifier when the annual report is verified. Operators of other installations must submit the supplementary documents referred to above together with the application for the issue/amendment of a permit, and these documents are also subject to assessment by the competent authority.
		Article 26 (Applicable tiers)	Proposal: Simplification could be applied in terms of the required accuracy levels for minor category streams, with the appropriate accuracy levels being indicated as one level lower than the highest levels defined in Annex II. Rationale: The introduction of such simplification will reduce operational and administrative costs for operators and competent authorities. At the same time, since minor streams account for fewer than 5,000 tonnes of fossil CO_2 per year, or up to 10% of a total of 100,000 tonnes per year, this change will not significantly impact the accuracy of global greenhouse gas emissions data. The current provisions of Article 19 of the MRR Regulation indicate three categories of input material streams: de minimis, minor, and major. Article 26 sets out the appropriate accuracy levels for these categories. The requirements in this respect are the same for minor and major streams. Consequently, operators of category B and C installations are required to apply the highest levels of accuracy defined in Annex II to both minor and major input streams.

15.	Regulation 2024/1735 of the European Parliament and of the Council of 13 June 2024 on establishing a framework of measures for strengthening Europe's net-zero technology manufacturing ecosystem and amending Regulation (EU) 2018/1724 – NZIA	Article 20 paragraph 1 (Union level objective of CO2 injection capacity)	Proposal: Extending the deadline for NZIA: deadlines for reaching storage targets NZIA should be extended until 2035 or storage sites having taken FID by 2030 should be treated as compliant with the regulation. Rationale: Storage projects typically require more than 10 years to progress from concept to the first CO2 injection. Requiring companies to start storage in the EU by 2030 ignores economic realities and regulatory reality. As for now there is no legal framework for CO2 transport – EU-level measures are currently discussed and planned (the CO_2 pipeline transportation package is planned to be published by the EC in III/IVQ 2026), so it is very unlikely that they will be transposed into national law any time soon. The incentives to invest in CCS are not sufficient. Although the European Commission has identified potential additional mechanisms, including in the Industrial Carbon Management (ICM) strategy and the Clean Industrial Deal (CID), it is unclear when and on what scale they will actually become available for CCS projects.
16.	Regulation (EU) 2024/1787 of the European Parliament and of the Council of 13 June 2024 on the reduction of	Article 8 and 9 (Issues related to the accreditation (establishment) of	Proposal: Enabling verification activities concerning methane emissions, regulated by the provisions of the Methane Regulation, to be

	methane emissions in the energy sector and amending Regulation (EU) 2019/942	verifiers and the performance of verification activities concerning methane emissions)	carried out by verifiers accredited to verify emission reports for installations in the area of greenhouse gas emissions Rationale: Articles 8 and 9 of the Methane Regulation regulate issues related to the accreditation (establishment) of verifiers and the performance of verification activities concerning methane emissions, regulated by the provisions of this regulation. At the same time, in the area of greenhouse gas emissions, on the basis of Directive 2003/87/EC of the European Parliament and of the Council of October 13, 2003, establishing a scheme for greenhouse gas emission allowance trading within the Union and amending Council Directive 96/61/EC (OJ EU L 275, p. 32, as amended), accredited verifiers are already in place, and the manner in which they perform verification activities is specified in Commission Implementing Regulation (EU) 2018/2067 of 19 December 2018 on the verification of data and the accreditation of verifiers pursuant to Directive 2003/87/EC of the European Parliament and of the Council (OJ EU L 334, 2018, p. 94, as amended). In both cases, verifiers are accredited in accordance with the provisions of Regulation (EC) No. 765/2008 of the European Parliament and of the Council of July 9, 2008, setting out the requirements for accreditation and market surveillance relating to the marketing of products and repealing Regulation (EEC) No 339/93 (OJ EU L 218, p. 30, as amended). At the same time,

			verification activities cover similar data ranges, given the links between methane emissions and greenhouse gas emissions. In view of the above, it seems reasonable to consider allowing the use of entitlements obtained for the purposes of greenhouse gas emissions assessment in the area of methane emissions assessment. This will provide entities with wider access to verifiers and enable them to fulfill their reporting obligations in the area of methane emissions more efficiently. Taking this proposal into account will, in particular, ensure that the initiative's objectives are met: rationalizing reporting requirements and streamlining reporting obligations, while maintaining the EU's policy objectives in the area of methane emissions.
		Article 12 paragraphs 4 and 5 and article 28 paragraph 5 (The application of the OGMP 2.0 guidelines)	Proposal: Clarify the nature of the application of OGMP 2.0 guidelines. Rationale: The Methane Regulation contains a discrepancy regarding the nature of the application of OGMP 2.0 guidelines by operators. Some provisions, in particular Article 12(4) of the Methane Regulation, indicate that operators “use” the technical guidelines and report templates of OGMP 2.0 until the Commission adopts implementing acts. In other sections, such as Article 12(5) of the Methane Regulation, the wording is more optional and states that operators “may use” the OGMP 2.0 guidelines for measuring and quantifying emissions. This discrepancy means that the scope of the obligation to use the OGMP 2.0 guidelines during the

			transitional period has not been clearly regulated. In practice, it can be assumed that the OGMP 2.0 guidelines are a reference point that should be used to the extent that it ensures the completeness and comparability of data until the Commission's implementing acts are published. Lack of clear guidelines from the Commission sometimes causes problems with preparing the quantification reports referred to in the Regulation. The use of OGMP 2.0 is also referred to in Article 28(5) of the Methane Regulation. The provision concerns the use by a producer based in a third country of monitoring and reporting measures to ensure the quantification of methane emissions from oil and natural gas. In summary, we note many contradictions in the Methane Regulation regarding the application of OGMP 2.0. On the one hand, the provisions explicitly refer to the global OGMP 2.0 standards as the benchmark for methane emissions reporting, making it a mandatory standard in the European Union. This means that companies operating in the energy sector in Europe must adapt their reports to this system. On the other hand, the OGMP 2.0 standards are considered guidelines that should be used as a reference point until the Commission publishes implementing acts to ensure the completeness and comparability of data.
		Article 15 paragraph 8 (EU's upstream)	Proposal: Exemption from regulation for helium producers (EU's critical raw material) and declining production phase (in order to decrease regulation's cost while still reaching environmental targets).

			Rationale: Applying the same requirements to sites in decline to the fully-operating ones may be considered as unprofitable and with too high required investments costs. Therefore, the declining production sites shall be exempted from Methane Emissions Regulation (in order to decrease regulation's cost while still reaching environmental targets). Moreover, helium producers shall also be exempted from Methane Emissions Regulation since it is a EU's critical raw material.
		Article 16 paragraph 1 and article 23 paragraph 1 (Obligation for operators to report incidents involving atmospheric releases and gas flaring)	Change in the deadline for operators to report incidents involving atmospheric releases and gas flaring. Pursuant to Article 16(1) and Article 23(1) of the Methane Regulation, operators are required to report incidents involving atmospheric releases and gas flaring: 1) in the oil and gas sector – caused by an emergency or failure or lasting a total of at least 8 hours within a 24-hour period from the occurrence of a single event; 2) in the coal sector – caused by an emergency or malfunction or unavoidable due to maintenance of the methane extraction system. It is proposed that the requirement to report "immediately after the event and at the latest within 48 hours of the start of the event or from the moment the operator became aware of it," except for catastrophic events, be replaced by reporting to the competent

			authority on a monthly basis, by the 10th day of each month for the previous month. The obligation to report every emergency situation within 48 hours is disproportionate to the actual environmental risk, especially for minor incidents or short-term failures, and the report itself does not translate into faster emission reduction, as the incident has already occurred and the repair is the operator's responsibility regardless of the reporting deadline. The requirement to report within 48 hours requires constant readiness on the part of operators and the competent authority, which leads to an excessive administrative burden, especially when other control tools exist, e.g., operators submit annual reports (Articles 12 and 16(2) of the Methane Regulation), covering all incidents, including their causes and emission levels. This provides the competent authority with sufficient data to assess the emissions resulting from these incidents. The adoption of the proposal will, in particular, ensure that the initiative's objectives are achieved: rationalization of reporting requirements and streamlining of reporting obligations, while maintaining the EU's policy objectives in the area of methane emissions.
		Article 22 paragraph 1 (“From January 1, 2025, it shall be prohibited to burn gas in a flare with a	Proposal: Change in the effective date of the ban specified in Article 22(1) of the Methane Regulation to January 1, 2031, Rationale:

		nominal combustion efficiency of less than 99%...")	The adopted solution differs significantly from the technologies used to date (no flares in methane removal stations) and is related to the overall technological process. It is proposed to change the date to allow for adaptation.
		Article 22 paragraph 2 (Dates of entry into force of bans – except in emergency situations – on the release of methane into the atmosphere from ventilation shafts in underground coal mines, other than coking coal mines, emitting: 1) more than five tons of methane per kiloton of coal mined – from January 1, 2027; 2) more than three tons of methane per kiloton of coal extracted – from January 1, 2031)	Proposal: Postponement by five years of the entry into force of provisions specifying permissible methane emission thresholds in underground coal mines other than coking coal mines. Rationale: The above thresholds apply annually to each mine and operator, if one entity operates several coal mines. Measures taken in accordance with the aforementioned provision must not lead to a deterioration in employee safety. At the same time, violation of the aforementioned prohibitions is subject to financial penalties. Currently, in Poland, where there are still 20 active underground hard coal mines, compliance with the thresholds specified in Article 22(2) of the Methane Regulation is technically impossible. Methane drainage from the rock mass in underground coal mines is a process necessary to ensure an adequate level of safety for miners working underground. An overly strict restriction on the release of methane into the atmosphere from ventilation shafts would create a real explosion hazard and thus a threat to the life and health of workers. Article 22(2) of the Methane Regulation sets very short deadlines for the entry into force of the prohibitions in question. Due to the limited financial capabilities of operators, the limited supply of

			appropriate methane capture equipment in mine ventilation shafts, and the fact that cogeneration networks are only just being created, compliance with these prohibitions within the set deadlines is unrealistic. The imposition of possible financial penalties for violating the above prohibitions will result in the inability to finance the expansion and modernization of methane removal stations in mines in order to increase the intensity of methane removal from mine rock masses, as well as limiting the possibility of financing other methods of reducing methane emissions, e.g. through the development of cogeneration networks using methane from mine degassing installations to produce electricity and heat. Such measures would effectively reduce both the methane hazard at the bottom of the mine and the volume of emissions through ventilation shafts. Furthermore, operators will not have the financial resources to support projects for the implementation of renewable energy sources (RES), which in the long term would contribute to the energy transition of mining regions. It should be emphasized that underground coal mines in Poland operate with full awareness of the need to phase out their current activities, and therefore are limiting funds for mining operations, redirecting them to projects aimed at, among other things, securing excavations and limiting the potential impact of decommissioned mines on the surface. Poland is the only country in the European Union where hard coal is still mined. For many years, underground coal mining has been gradually phased out, but this is a long-term process requiring multifaceted social and economic measures. The closure of

			underground coal mines means the loss of many existing jobs in these mines (currently, approximately 40,000 people are employed in underground hard coal mines operated by Polska Grupa Górnicza S.A., Południowy Koncern Węglowy, and Węglokoks). The liquidation will also have a huge impact on employees in the “mining-related” industry, i.e., in plants producing machinery, equipment, or parts for the mining industry, and in entities providing services or supplies to these mines. In 2021, a social agreement was concluded between the government and the trade unions in the hard coal sector on the transformation of the hard coal mining sector and selected transformation processes in the Silesian Province, setting out the conditions for the closure of mines and support for miners and mining regions in Silesia and Lublin Province until 2049. It includes, among other things, plans for the gradual phasing out of mines, financing mechanisms, social packages (leave, severance pay), and the use of the European Union's Just Transition Fund. At the same time, the deadline for the implementation of individual stages of the social agreement for mining is approximate, because in the absence of coal resources, it will be reasonable to close such a mine earlier and, as a consequence, the implementation of the agreement will be accelerated. It is currently in the EC notification process. Due to active underground coal mines, the regulations of the Methane Regulation affect Poland the most. Due to the EU principle of solidarity, the burdens imposed by this regulation are disproportionate in comparison to other EU

			countries, as in other EU countries the provisions of the Methane Regulation apply, effectively, only to closed or abandoned underground coal mines. In the context of the ongoing process of closure of the working coal mines in Poland, the imposition of additional obligations to reduce methane emissions places a huge financial burden on the mines in this process, which is not justified by the future profits of these mines. Given the ongoing process of closure of hard coal mining, the methane emission reduction targets will be achieved as the mines are gradually closed down, without placing an additional burden on the mines being closed, thus, aiding the just transition process. Postponement by five years of the bans on methane release into the atmosphere from ventilation shafts in underground coal mines in Article 22(2) of the Methane Regulation, i.e. the entry into force of the above-mentioned bans on January 1, 2032, and January 1, 2036, respectively, will enable Polish mines to achieve the methane emission reduction targets in line with the planned shutdown schedule, but without placing an undue burden on the mines in the transition process.
		Article 28 paragraph 1 and Article 29 paragraph 1 (Importers' obligations)	Proposal: Solutions related to the implementation of importers' obligations shall be monitored in the context of actions to be taken by the Commission, including, where appropriate, the adoption of secondary legislation. Rationale:

			The facilitation of compliance by importers and producers from third countries with the requirements of the Methane Regulation is expected to be addressed through secondary legislation, in particular in the form of recommendations, guidelines, or other implementing acts to be adopted by the European Commission, in line with the Commission's commitment expressed at the TTE Council on 15 December and supported by the Polish statement, the general direction of the way forward of which was supported by a relevant number of Member States.
			Proposal: Ensuring, pursuant to EU legislation, that the competent authority within the meaning of the Methane Regulation has access to databases created for the purpose of implementing the provisions on the greenhouse gas emissions management system in the Union. Rationale: Under the Methane Regulation, entities carrying out activities covered by that Regulation are required to submit periodic reports on methane emissions to the competent authority. At the same time, as part of the greenhouse gas and other substance emissions management system, these entities also submit methane reports to databases created for the purposes of the greenhouse gas emissions management system in the Union. An example of a database created in the Republic of Poland for the purposes of the greenhouse gas emissions trading system in

			the EU is the National Center for Emissions Balancing and Management, operating under national regulations. Similar databases operate in other EU countries. Providing the competent authority with access to this database will, in particular, enable the verification of methane emission reports based on the data contained in the database, without the need to involve the operator. This proposal is, in particular, a response to the initiative's calls for streamlining reporting requirements, improving reporting obligations, and promoting the digitization of industrial emissions reporting.
17.	Proposal for a Regulation of the European Parliament and of the Council on establishing the European Competitiveness Fund ('ECF'), including the specific programme for defence research and innovation activities, repealing Regulations (EU) 2021/522, (EU) 2021/694, (EU) 2021/697, (EU) 2021/783, repealing provisions of Regulations (EU) 2021/696, (EU) 2023/588, and amending Regulation (EU)	Article 34 (Complementary rules)	Proposal: Adoption of a new Article 34(5): "Support under this Chapter may be combined with complementary national measures, including State aid from Member States, to reinforce the low-emission transition, provided such measures are in compliance with Articles 107 and 108 TFEU." Rationale: Proposed approach would allow and encourage blending of EU support with national support. We call for a flexible State aid regime to accommodate that. Many transformative projects (e.g. large-scale carbon capture, refinery electrification, new zero-emission generation) will require sizable investments that exceed the grants or CfDs available from the ECF alone.

			The state's ability to co-fund or provide additional incentives (tax credits, guarantees, transitional aid for high-emission plant phase-out, etc.) in parallel with ECF support could be decisive in making these projects viable. Currently, any national co-financing or top-up aid must navigate EU State aid approval – a potentially lengthy process. The proposed clause urges an adaptation of those rules to the Fund's goals: the Commission has recently moved in this direction by adopting a new Clean Industrial Deal State Aid Framework to simplify and speed up green aid approvals. Enshrining this approach in the regulation will give Member States like Poland greater confidence to use national funds alongside EU funds for decarbonisation. It aligns with the Fund's intent to attract additional public and private financing. For the Polish government, which faces an enormous financing challenge to overhaul a high-emissions energy sector, such flexibility is strategically important. It means Poland can, for example, swiftly implement a national CfD scheme or capacity payment for low-carbon projects that complements ECF financing, without running afoul of EU rules. In sum, this change maximizes the Fund's impact by leveraging Member States' efforts, ensures support instruments can be tailored to national realities (respecting national flexibility needs), and speeds up the deployment of funds – all while maintaining oversight to prevent undue market distortion. This balanced approach safeguards

			competitiveness *and* enables an ambitious clean transition in countries like Poland that need a mix of EU and national tools.
		Article 35 (Competitive bidding mechanisms)	Proposal: Adoption of a new Article 35(2): “When implementing competitive bidding mechanisms under this Article, the Commission shall ensure broad and equitable access for projects from all Member States. In particular, award criteria and auction designs shall be formulated to avoid disproportionate concentration of support in any single region.” Rationale: The proposed measure (new paragraph 2) safeguards against a situation where EU-wide tenders (e.g. for contracts for difference) could be monopolized by a few more-developed markets, a risk identified in the current draft (particularly given that no geographical balance is foreseen for the Clean Transition window). For Poland and other CEE Member States, where industries often face higher abatement costs and later-starting innovation, such a safeguard is critical to ensure fair competition for funding. It acknowledges the reality that countries with high-emission power systems may require more support per unit of emissions reduced. Without such balance, purely cost-based awards could disproportionately favour low-cost regions, leaving Poland and other CEE countries' heavy industries without adequate support. The European Commission itself has recognized the need to “unlock the full potential of every region” to strengthen the Union

			as a whole. This proposed measure operationalizes that principle by requiring tenders to be designed in an inclusive manner. Proposed measure will guarantee a level playing field for accessing instruments like EU-funded Contracts for Difference (CfDs) for decarbonization projects (e.g., hydrogen production, CCS, fuel switching) and ensure that entities from CEE region would not be outcompeted solely due to the conditions in the host country. Ultimately, the proposed measure promotes neutrality among Member States in the ECF implementation, acknowledging the diversity of energy mixes and starting points. It ensures that all countries can participate in the low-carbon transition, fostering a more geographically balanced distribution of ECF support. This not only strengthens cohesion but also contributes to Union-wide emissions reductions, which are essential for the EU to meet its climate targets—particularly in high-emission Member States like Poland.
18.	Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 and Delegated Acts (EU Taxonomy)	The entire package of legal acts	Proposals: • Greater flexibility in applying technical screening criteria (approach that considers the impact of the entire value chain, cost efficiency and the significance and availability of transitional technologies). • Simplification of the technical screening criteria for forestry-related activities to ensure they support sustainable forest management rather than hinder it. The criteria should take into account local conditions, ownership structures, and national

			planning systems. Specific concerns include overly complex afforestation rules, climate impact assessments for small-scale projects, and unrealistic long-term carbon modeling requirements. Clearer definitions, proportional biodiversity requirements, and flexibility to adapt to climate change are essential to maintain forests' economic, social, and ecological functions while ensuring compliance with EU environmental objectives. • The scope of eligible economic activities must be expanded to include those with decarbonisation potential, ex. Extraction of critical raw materials. Regarding Delegated Act 2022/1214, TSC for activities 4.29, 4.30 and 4.31 should be revised to better reflect the current availability of technologies." • Introducing the ability to report on activities partially aligned with the EU Taxonomy (Taxonomy-partially aligned). • Further simplification of the most complex 'Do No Significant Harm' (DNSH) criteria in the areas of pollution prevention and control and review of all such criteria. • In the context of Appendix A, it is necessary to introduce the possibility of grouping a given class of assets in the scope of the analysis of physical climate risks/ conducting a collective analysis for homogenous groups of objects (taking into account the location of a given group of assets). • Introduction of a recommendation that analyses required under Appendixes A, B, C and D should be performed at a high

			level of gradation, i.e. only the most important aspects or only the largest elements in terms of material or quantity should be examined. • Better regulation of the principles and terms of validity of specialist documentation confirming compliance with technical criteria, e.g.: greenhouse gas emissions in the life cycle, confirmed by an independent entity. Typically, the technologies and raw materials used in a given business do not change and specialized documentation constitutes a burden for those running the business. • Climate Delegated Act (DA) – simplification of the Technical Screening Criteria (TSC) on mechanical and chemical recycling - the current interpretation is binary (i.e. alignment is only possible if 100% of the input comes from mechanical or chemical recycling), which means that a product using a 90% of recycled input would not be aligned. • Climate DA – consistencies in the TSC on hydrogen - under the significant contribution criterion for climate change mitigation, hydrogen production meets the requirements if it complies with a greenhouse gas (GHG) lifecycle emissions reduction target of 73.4% [resulting in lifecycle GHG emissions of 3 tons of CO_2 equivalent per ton of H_2], compared to a fossil fuel equivalent of 94 g CO_2 equivalent per MJ. This differs from the emission reduction thresholds established in other EU legal acts for RFNBO hydrogen, low-emission hydrogen, or Recycled Carbon Fuels, where the benchmark is set at 70%. These

			discrepancies appear illogical and may create operational challenges for hydrogen producers and consumers. • Climate DA – TSC for the transport of CO2. Currently, "the CO2 transported from the installation where it is captured to the injection point does not lead to CO2 leakages above 0.5 of the mass of CO2 transported". Indicated allowed threshold of 0.5% of mass transported seems to be set very low. • Climate DA - electricity and heat generation from fossil gaseous fuels - the need to ensure an appropriate pace of energy transition that takes into account an adequate level of energy security and security of supply of electricity to end users. Rationale: • This would facilitate the practical implementation and broader applicability of the Taxonomy – such as adopting less stringent technical criteria which should take into account gradual environmental performance improvements, enabling their application beyond the EU as well. • This acknowledges that oil and gas will remain a vital part of the energy mix in the coming years and that natural gas is recognised as a transitional fuel within the EU. Ensuring this alignment with 'real' efforts toward implementing a circular economy is essential for achieving climate goals. This approach reduces investment barriers, support innovation and

			leads to a more sustainable energy transition based on economic rationale and available technologies. • This approach could foster gradual environmental transformation and increase funding for projects that support it. Compliance with all the technical screening criteria, including all of the criteria for DNSH • , is a necessary condition of an economic activity to be considered as aligned with the Taxonomy. This would simplify the reporting process. • The inability to conduct costly and often overly detailed assessments, when they offer minimal added value, should not exclude an activity from being considered as Taxonomy-aligned. Alternatively, 'comply or explain' rule for this scope of analysis could be introduced. • The TSC could set a minimum threshold of recycled content, following the approach in other EU Taxonomy economic activities (e.g. manufacture of plastic packaging goods). • Hydrogen: aligning the benchmark with the most recent EU regulations, such as the New Gas Package and RED III, at a 70% threshold is essential. • CCS - the revision of the criterion and setting the higher value is necessary to make requirement more feasible and elastic. • Activities 4.29, 4.30, and 4.31 in the Climate DA are necessary to balance the functioning of the energy systems, in particular

			with regard to the required development of renewable energy sources, as well as to ensure heat supply in large district heating systems during the period before phasing out the use of fossil fuels in the energy sector.
19.	Regulation (EU) 2024/1781 of the European Parliament and of the Council of 13 June 2024 establishing a framework for the setting of ecodesign requirements for sustainable products, amending Directive (EU) 2020/128 and Regulation (EU) 2023/1542 and repealing Directive 2009/125/EC	Article 24 (Disclosure of information on unsold consumer products)	Proposal: To synchronize the start date of the obligation to publish data with the implementation of a harmonized reporting format. Rationale: Inconsistency in reporting obligations under the ESPR Regulation, particularly with regard to the disclosure of information on unsold consumer products. The discrepancy between the date of application of this obligation and the implementation of a harmonized reporting format will lead to a significant administrative burden for companies, without generating information that actually supports the achievement of the ESPR objectives. To avoid this situation, it is necessary to synchronize the start date of the obligation to publish data with the implementation of a harmonized reporting format.

Agriculture			
No.	**Act name**	**Article(s) subject to amendment**	**Simplification aim, proposal and rationale**
20.	Regulation (EU) 2024/3012 of the European Parliament and of the Council	Article 5 paragraph 1	Proposal:

	of 27 November 2024 establishing a Union certification framework for permanent carbon removals, carbon farming and carbon storage in products (CRCF)	Any activity shall be additional. To that end, it shall meet both of the following criteria: (a) it goes beyond Union and national statutory requirements at the level of an individual operator; (b) the incentive effect of the certification under this Regulation is needed for the activity to become financially viable.	Thorough examination of the criteria laid down in Article 5(1) of the CRCF Regulation, in order to develop solutions aimed at eliminating any potential inconsistencies between the CAP support 2028-2034 and CRCF rules. Rationale: In accordance with Article 10 of the draft Regulation establishing the conditions for the implementation of Union support under the Common Agricultural Policy for the years 2028–2034, COM(2025) 560 final), Member States shall provide payments to farmers for undertaking agri-environment-climate actions. These payments are intended to serve as incentives, not as compensation for income foregone and costs incurred as previously. The criterion laid down in Article 5(1)(b) of the CRCF may result in the exclusion from certification of agricultural practices implemented by farmers under the Common Agricultural Policy (CAP) in the new financial framework, because those practices might be perceived as incentivized twice. Considering that the both legal instruments, the CRCF certification and the CAP agri-environment-climate interventions, were established to reinforce environmentally and climate-friendly practices in agriculture, such a situation could be contrary to the objective pursued by these legal acts.
21.	Directive 2010/75/EU of the European Parliament and of the Council of 24 November 2010 on industrial and	Article 14 paragraph 1 point f	Proposal: The integrated permit should not refer to requirements other than normal operating conditions (OTNOC).

	livestock rearing emissions (integrated pollution prevention and control)		Rationale: The practice of providing detailed and case-by-case descriptions of other than normal operating conditions (OTNOC), including their duration, emission parameters and hypothetical scenarios, leads to an excessive expansion of permit content and additional obligations that do not translate into better environmental outcomes. By definition, OTNOC events are rare, difficult to predict, and largely managed operationally through safety systems and emergency procedures. Excessive formalisation is often used as a pretext for sanctioning insignificant deviations instead of enabling a rapid and effective response to exceptional situations.
		Article 73 paragraph 3 The Commission shall, using an evidence-based methodology and taking into account the specificities of the sector, assess the need for Union action to: (a) comprehensively address the emissions from the	Proposal: In the context of the upcoming review on the need for comprehensive action to reduce emissions from livestock farming in the EU, particularly from cattle, which the European Commission is expected to present by the end of December 2026, it is requested that: 1) no additional administrative burdens are imposed on livestock farmers due to the review, 2) the cattle sector remains outside the scope of the Directive, 3) overall administrative burden related to animal farm activity is decreased to minimum due to – among others – difficult situation of the sector and results of trade agreements. Rationale:

		rearing of livestock within the Union, in particular from cattle; and (b) further achieve the objective of global environmental protection with respect to products placed on the Union market, through the prevention and control of emissions from livestock farming, and in a manner consistent with the Union's international obligations. The Commission shall report the results of that assessment by 31 December 2026 to the European Parliament and the Council. The report	This proposal is in line with the Vision for Agriculture and Food, which emphasizes that animal production is and will remain an essential part of EU agriculture, competitiveness, and territorial cohesion. Sustainable livestock is crucial for the EU economy, viability of rural areas and preservation of the environment and of rural landscapes. It also stresses that a long-term approach must respect the diversity of livestock systems across Europe. The amendment to the IED Directive, which entered into force in 2024, has expanded the scope of the directive and now covers a greater number of agricultural holdings. Currently, large pig and poultry farms are required to comply with numerous obligations and undergo a complex administrative procedure prior to starting their operations. Throughout their activity, they are also subject to extensive environmental and climate requirements. In general, to avoid overregulation in the future, in the context of the upcoming review of the Directive on industrial emissions which is expected by the end of December 2026, it is requested that no additional administrative burdens are imposed on livestock farmers due to the review and that the cattle sector remains outside the scope of the Directive.

		shall be accompanied by a legislative proposal where appropriate.	
		Proposal for the introduction of a new provision	Proposal: A new provision for a simplified permit issuance procedure for minor changes to installations should be considered. National authorities could be granted the power to decide on the use of a simplified procedure for amending an integrated permit in cases of minor changes to installations. This procedure could entail reducing the scope of the application and shortening the deadline for issuing a decision. The procedure required to amend an integrated permit following a minor change to an installation which has no negative environmental impact can take almost as long as issuing a permit or making a major change to an installation.
22.	Regulation (EU) 2022/2379 of the European Parliament and of the Council of 23 November 2022 on statistics on agricultural input and output, amending Commission Regulation (EC) No 617/2008 and repealing Regulations (EC) No 1165/2008, (EC) No 543/2009 and (EC) No 1185/2009 of the European Parliament and of the Council and Council Directive 96/16/EC	Article 4 paragraph 5: For the domain of statistics on plant protection products as referred to in Article 5(1), point (e), the coverage shall be as follows:	Proposal: We propose to postpone the entry into force of the SAIO Regulation, its simplification and maintaining statistics on plant protection use as currently regulated by the Regulation (EC) no 1185/2009 of the European Parliament and of the Council of 25 November 2009 concerning statistics on pesticides. Rationale: The SAIO Regulation is linked to the concept of keeping records on the use of plant protection products in electronic format,

		(a) for the detailed topic of plant protection products placed on the market as referred to in the Annex to this Regulation, the data shall cover all plant protection products placed on the market as defined in Article 3, point 9, of Regulation (EC) No 1107/2009; (b) for the detailed topic of use of plant protection products in agriculture as referred to in the Annex to this Regulation, the data shall cover at least 85 % of the use in an agricultural activity by professional users as defined in Article 3, point (1) of	which raises serious concerns and reservations among farmers. Such obligation would be difficult to be fulfilled especially by small farms and elderly farmers, leading to unacceptable digital exclusion of some farms. The assumption taken by European Commission when drafting the SAIO Regulation was to introduce the obligation to keep records of plant protection treatments within a central electronic system, enabling subsequent processing of entries for statistical purposes. However, following the rejection of the draft regulation of the European Parliament and of the Council on the sustainable use of plant protection products (SUR), electronic records of plant protection products use will not be kept within the central system. Thus, data for the purposes of SAIO will have to be collected using traditional methods. At the same time targets set for Member States by the SAIO Regulation on agricultural statistics, including the use of plant protection products, are extremely excessive and achieving them will place a huge administrative burden on Member States, generating significant budgetary costs (in terms of statistics on plant protection products, the studies are intended to cover 95% of applications in agricultural production). Thus, the SAIO assumptions contradict the idea of statistical research, which aims to draw conclusions based on a small but representative sample. Meanwhile, the consequence of the SAIO coming into force will be the need to significantly increase the sample size on which research on the use of plant protection

		Directive 2009/128/EC, in each Member State. The data from each Member State shall relate to a list of crops containing a common part for all Member States. That common part, together with the permanent grasslands, shall cover at least 75 % of the total utilised agricultural area at Union level. As soon as Union legislation requiring professional users of plant protection products to transmit their records on the use of such products in electronic format to national competent authorities becomes	products is currently conducted. This will be both an organisational and financial challenge.

		applicable, the coverage of the use in an agricultural activity shall increase to 95 %, starting from the reference year following the date on which that Union legislation becomes applicable	
23.	Regulation (EU) 2016/2031 of the European Parliament of the Council of 26 October 2016 on protective measures against pests of plants, amending Regulations (EU) No 228/2013, (EU) No 652/2014 and (EU) No 1143/2014 of the European Parliament and of the Council and repealing Council Directives 69/464/EEC, 74/647/EEC, 93/85/EEC, 98/57/EC, 2000/29/EC, 2006/91/EC and 2007/33/EC	Article 91 paragraph 1 Authorised operators may have in place pest risk management plans. The competent authority shall approve those plans, if they fulfil all of the following conditions: (a) they set out measures which are appropriate for those operators to fulfil the	Proposal: We propose that the competent authority should have the right to reduce the frequency of inspections of the operator authorised to issue plant passports if no significant irregularities have been found in subsequent years. Rationale: The annual inspections of operators authorised to issue plant passports is a burden both for those operators and for the competent authority. Allowing the frequency of inspections to be reduced only in the case of implementation by an authorised operator of a pest risk management plan is insufficient.

		obligations set out in Article 90(1); (b) they fulfil the requirements set out in paragraph 2 of this Article. Authorised operators implementing an approved pest risk management plan may be subject to inspections with a reduced frequency.	
24.	Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty	Article 41 paragraph 2: Article 43 paragraph 3 Article 44 paragraph 5 Article 56e paragraph 4 b point (v)	Proposal: The use of raw materials listed in Annex IX of the RED II Directive for energy purposes should be permitted. Rationale: The proposal aims to ensure that the EU's agricultural and processing sectors fully exploit their potential to produce energy from renewable sources, including food and feed crops, where these meet sustainability criteria (or do not compete with food security). It is not possible to use raw materials listed in Annex IX of the RED II Directive for energy purposes.

25.	Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources	Article 29 (Sustainability and greenhouse gas emissions saving criteria for biofuels, bioliquids and biomass fuels)	Proposal: Removing the discriminatory rules for obtaining renewable energy from biomass in relation to other renewable energy technologies by eliminating excessive administrative burdens related to documenting and verifying sustainability criteria for agricultural biomass and energy and fuels produced from biomass. To ensure the efficient use of agricultural resources, it is necessary to remove sustainability criteria for biomass produced within the EU. Biomass produced within the EU should be considered to meet the environmental requirements of the CAP. There is therefore no need to apply additional requirements that would lengthen procedures and increase the costs of obtaining biomass for energy purposes. Requirements for third countries should remain unchanged. Rationale: This will ensure the coherence of EU policies, particularly climate and energy policy, with the objectives of the Common Agricultural Policy. Current regulations in this area apply only to biomass and result in: – an unjustified increase in the costs of obtaining energy from renewable sources, – duplication of control mechanisms within the EU,

			– excessive restrictions on the use of the energy potential of agriculture and agri-food processing, including limits on the production of fuels and energy, – unnecessary difficulties in the use of available investment and operational support instruments.

Innovation			
No.	**Act name**	**Article(s) subject to amendment**	**Simplification aim, proposal and rationale**
26.	Regulation (EU) 2024/1689 of the European Parliament and of the Council of 13 June 2024 laying down harmonised rules on artificial intelligence and amending Regulations (EC) No 300/2008, (EU) No 167/2013, (EU) No 168/2013, (EU) 2018/858, (EU) 2018/1139 and (EU) 2019/2144 and Directives 2014/90/EU, (EU) 2016/797 and (EU) 2020/1828 (Artificial Intelligence Act)	Article 10 (Data and data governance) Article 26 (Obligations of deployers of high-risk AI systems) Article 27 (Fundamental rights impact assessment for high-risk AI systems) SECTION 5 (Articles 40-49 (Standards, conformity assessment,	Goal 1) Making it easier for companies, especially SMEs, to adapt to the requirements of the AI Act and enabling them to influence the development of technical standards. Proposal: Providing a central portal at the EU level with current draft standards. Goal 2) Facilitating the testing and implementation of AI systems Proposals: • Introducing the possibility of creating cross-border regulatory sandboxes; • Introducing a common digital platform for sandboxes; • Possibly introducing EU or national voucher systems for SMEs, especially those participating in AI sandboxes, to cover the

		certificates, registration)) CHAPTER VI (Articles 57 – 63 (MEASURES IN SUPPORT OF INNOVATION)) Article 99 (Penalties)	costs of compliance assessment and the creation of technical documentation. Goal 3) Ensuring the fair and efficient implementation of provisions. Proposals: • Postponing the entry into force of provisions on high-risk AI systems; • Develop joint guidelines between the AI Office, EDPB, and FRA to ensure regulatory consistency with the GDPR; • Develop common audit tools and templates for fundamental rights impact assessments to reduce administrative burdens. Rationale: • lack of a guarantee that harmonized technical standards for AI systems will be issued by the end of 2025 makes it difficult for businesses to comply with the AI Act; • lack of practical tools for testing and implementing AI systems; • insufficient level of preparedness to enforce AI Act provisions; • lack of consistency between GDPR and data management policies (and therefore, difficulties in applying both acts simultaneously).

27.	Regulation (EU) 2024/2847 of the European Parliament and of the Council of 23 October 2024 on horizontal cybersecurity requirements for products with digital elements and amending Regulations (EU) No 168/2013 and (EU) 2019/1020 and Directive (EU) 2020/1828 (Cyber Resilience Act)	Article 19 (Obligations of importers) Article 20 (Obligations of distributors) Article 50–51 (Exchange of experience, Coordination of notified bodies)	Goal: Harmonisation and elimination of double obligations imposed on entrepreneurs under different legal acts (exclusion of overlapping requirements, reporting obligations and harmonisation with other acts (NIS2 Directive, Machinery Directive)).
28.	Directive (EU) 2022/2555 of the European Parliament and of the Council of 14 December 2022 on measures for a high common level of cybersecurity across the Union, amending Regulation (EU) No 910/2014 and Directive (EU) 2018/1972, and repealing Directive (EU) 2016/1148 (NIS 2 Directive)	Article 23 (Incident Reporting Obligations) Article 30 (Voluntary Reporting of Important Information)	Goal: Harmonisation and elimination of excessive incident reporting obligations imposed on entrepreneurs under NIS2 Directive.
29.	Regulation (EU) 2023/2854 of the European Parliament and of the Council of 13 December 2023 on harmonised rules on fair access to and use of data and amending Regulation (EU) 2017/2394 and Directive (EU) 2020/1828 (Data Act)	Article 4 (The rights and obligations of users and data holders with regard to access, use and making available	Goal: Ensuring adequate time for the implementation of the regulations (introducing 6-24 month transitional periods). Rationale: Insufficient time for the implementation of the regulations. Goal: Ensuring consistency between the provisions of the Data Act (2023/2854) and the General Data Protection Regulation

		product data and related service data) Article 5 par. 2 (Right of the user to share data with third parties) Article 50 (Entry into force and application)	(2016/679) regarding data processing and the obligations of data processors. Rationale: Insufficient consistency with the provisions of the GDPR (2016/679) and the Data Act (2023/2854) regarding data processing and the obligations of data processors.
30.	Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons 7with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation)	Article 13 and 14 (Information obligations) Article 30 (Record of processing activities) Article 33 (Notification of	Goal: Reducing obligations for data controllers. Proposal: Data controllers should be obliged to inform only about rights that are actually applicable to the specific processing situation. Rationale: The requirement to inform about all rights (even those not available in a specific case) is misleading and creates excessive documentation. Goal: Changing the criteria of recording of processing activities. Proposal: Modification of the exemption criteria to apply, whenever processing does not result in a "high risk" (instead of just "risk"). Rationale:

		personal data breach)	The SME exemption is ineffective because the current condition ("not likely to result in a risk") is practically impossible to meet. Goal: Simplification of procedure of notification of personal data breach. Proposal: Introduction a simplified notification path (e.g. an automated online form) specifically for minor breaches. Rationale: The lack of a clear risk definition leads to over-reporting of minor incidents that do not pose a real threat.
31.	Directive 2002/58/EC of the European Parliament and of the Council of 12 July 2002 concerning the processing of personal data and the protection of privacy in the electronic communications sector (Directive on privacy and electronic communications)	Article 5 paragraph 3 (Confidentiality of the communications) Member States shall ensure that the use of electronic communications networks to store information or to gain access to information stored in the terminal equipment of a subscriber or user is	Goal: Reducing excessively frequent and repetitive cookie consent requests to digital service users, undermining the concept of informed consent and potentially negatively impacting user privacy and data collection.

		only allowed on condition that the subscriber or user concerned is provided with clear and comprehensive information in accordance with Directive 95/ 46/EC, inter alia about the purposes of the processing, and is offered the right to refuse such processing by the data controller. This shall not prevent any technical storage or access for the sole purpose of carrying out or facilitating the transmission of a communication over an electronic communications network, or as strictly necessary in order to provide an	

		information society service explicitly requested by the subscriber or user.	

Infrastructure and mobility			
No.	**Act name**	**Article(s) subject to amendment**	**Simplification aim, proposal and rationale**
32.	Council Directive 96/53/EC of 25 July 1996 laying down for certain road vehicles circulating within the Community the maximum authorized dimensions in national and international traffic and the maximum authorized weights in international traffic	Provisions defining limits for the weight and dimensions of vehicles in road traffic.	Goal: To simplify military movements (including commercial transport carried out for the needs of the armed forces). Proposals: • Introduce a harmonized, accelerated permit procedure ('Fast Track') for civilian carriers transporting indivisible cargoes of specialized military equipment dedicated to military operations. This procedure should prioritize applications within national authorities based on civil engineering load standards and axle load limits to ensure rapid deployment while preventing uncontrolled degradation of road infrastructure. • Establish a secure, classified digital data exchange system for infrastructure load capacity between national infrastructure managers and authorized military bodies. This system should utilize existing national data resources to verify route viability for heavy transport, replacing the need for a new "Strategic

			Class" or a publicly accessible EU-wide map, thereby ensuring operational security and protecting sensitive critical infrastructure data Rationale: • Current procedures for heavy transport (e.g., tanks) are time-consuming and treated like standard civilian abnormal loads. However, a total exemption without verification risks damaging critical infrastructure. A prioritized, check-based approach balances operational speed with infrastructure durability. • Publicly sharing load capacity maps of defence roads poses a security risk. A closed system for authorized users allows for effective planning without exposing vulnerabilities or creating redundant administrative classifications.
33.	EN 1991-2: Eurocode 1: Actions on structures - Part 2: Traffic loads on bridges, Regulation (EU) 2024/1679 of the European Parliament and of the Council of 13 June 2024 on Union guidelines for the development of the trans-European transport network, amending Regulations (EU) 2021/1153 and (EU) No 913/2010 and repealing Regulation (EU) No 1315/2013	Civil standards for infrastructure design (Eurocodes).	Goal: to ensure key infrastructure is "dual-use" ready without imposing excessive costs on the entire network. Proposal: Integrate military mobility requirements into civil standards by mandating the use a **special vehicles** for bridge design, specifically for the **TEN-T Core Network and priority corridor**. This ensures bridges can support heavy tracked vehicles (e.g. up to 80 tons) without relying solely on NATO-specific classifications (MLC) for civil designs. Rationale:

			Civil standards need to account for heavy military loads on strategic routes to avoid future bottlenecks, while avoiding the financial burden of upgrading local roads that have no strategic value.
34.	(No EU legislative act) - Lack of binding EU implementing instruments	Rules are determined individually by Member States within their sovereign competencies (national law, NATO standards, bilateral and multilateral agreements).	Goal: To unify and harmonize administrative procedures. Proposal: simplifications require revision and harmonization at the international level. Rationale: Lack of EU-level harmonization for: 1. Time regimes for issuing transit permits. 2. Direct communication channels between National Movement Coordination Centres, or relevant military authorities. Unified forms and customs procedures. It should be one join procedures whatever it is NATO or EU.
35.	Directive 2011/92/EU of the European Parliament and of the Council of 13 December 2011 on the assessment of the effects of certain public and private projects on the environment (codification)- EIA	Article 1 paragraph 2c (Definition of "development consent")	Proposal: Define the impact assessment procedure required by the EIA Directive in such a way as to concentrate it in a single selected stage, avoiding repetition of the activities required by the Directive at multiple stages of the investment process (e.g. Article 9) and in such a way as to allow for the introduction of “tacit consent” in other decisions.

			In practice, in a multi-stage investment process, this definition refers to all major decisions and means that many decisions in the investment preparation process are subject to the requirements of the directive, which additionally leads to some of them being repeated.
		Article 2 paragraph 4 (Member States may, in exceptional cases, exempt a specific project in whole or in part from the provisions laid down in EIA Directive and possibility of using an alternative form of assessment (exemptions from the application of EIA Directive: art. 1(3), art. 2(4) and (5))	Objective: Reducing bureaucracy and speeding up procedures related to environmental impact assessments for dual-use infrastructure. Proposal: Extension of the list of activities to which the provisions of Article 2(4) apply to include tasks in the field of dual-use infrastructure regardless of the stage of advancement in the implementation of such tasks. Rationale: Directive specifies exemptions from the environmental impact assessment procedure, limiting them to projects or parts of projects carried out only for defence purposes, including projects related to the operations of allied forces conducted on the territory of the Member States. In practice, these requirements mean that the directive is not a viable support tool and do not allow for the rapid introduction of acceleration procedures for dual-use infrastructure. Issues in this area, which are regulated in detail by EU law and also extend to construction procedures, limit the scope for action at national level.

			Due to the urgent and exceptional situation, Member States should be able to grant exemptions from certain assessment obligations and to reduce the bureaucracy of certain procedures laid down in Union environmental legislation for dual-use infrastructure projects that have a direct impact on defence and security.
		Article 4 (Member States determine whether a project is subject to an environmental impact assessment) Paragraphs 5 and 6 (The form of the competent authority's decision)	Proposal: • allow introduction of the concept of “tacit consent” in situations where there is no need for an environmental impact assessment, limiting the process to the publication of information containing the main reasons why such an assessment is not required and the scope of the task (together with the proposed mitigation measures). • enabling the competent authority to object to the decision on the investor's qualification proposal (not only determination). Rationale: Elimination of bureaucratization of individual examination procedures, introduction of additional obligations in the process and limitation of simplification possibilities at the national level.
		Annex I and Annex II of the Directive	Proposals: • analyse the annexes to the Directive in order to determine the possibility of transferring tasks with less potential impact from the mandatory assessment section to the assessment necessity examination section;

			• update Annex II in the context of possible simplifying changes to the thresholds. Rationale: An environmental decision should not be required for changes to the installation that do not result in the addition of a new emission source or a change in the amount of raw material processed.
36.	Directive 2001/42/EC of the European Parliament and of the Council of 27 June 2001 on the assessment of the effects of certain plans and programmes on the environment	Article 3 paragraph 8: — Plans and programmes whose sole purpose is to serve national defence or civil emergency, — Financial or budgetary plans and programmes are not subject to the Directive.	Proposal: It is reasonable to extend Article 3(8) of the SEA Directive with the following provision: - financial plans and programs and their amendments in the field of dual-use infrastructure. From a strategic perspective, a dual-use infrastructure project must meet certain parameters in order to fulfil its military purpose. Issues related to the requirements of the Habitats Directive and the Water Framework Directive are addressed at the stage of assessing the project's impact on the environment.
37.	Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088	Article 25 (Amendments to Regulation (EU) 2019/2088 - DNSH principle)	Proposal: Projects of this nature should be covered by provisions ensuring exemption from or significant simplification of environmental requirements, which will allow for their effective implementation while maintaining, as far as possible, the highest standards of environmental protection.

			It is recommended that the DNSH requirement under Activity 7.1 CCM/CCA be removed, which states: “The new construction is not built on one of the following: (a) arable land and crop land with a moderate to high level of soil fertility and below-ground biodiversity as referred to in the EU LUCAS survey.” When a project has obtained a legally binding decision issued under Directive 2011/92/EU (EIA Directive) and a valid building permit for the construction of a new building, requiring an additional assessment of soil quality or agricultural suitability is unnecessary and disproportionate. If the competent administrative authorities have already determined—through established land-use planning and environmental assessment procedures—that the area may be lawfully converted from agricultural land to building development, a further DNSH-based soil fertility assessment provides no additional environmental protection. In such cases, compliance with the requirements set out in Appendix D of the Delegated Regulation should be considered sufficient to demonstrate adherence to the DNSH principle. The duplication of soil-assessment obligations risks creating administrative burdens without improving biodiversity outcomes. Rationale:

			The DNSH principle requires all projects financed by EU funds to prove that they have no clearly negative impact on the environment. In case of defence projects and critical infrastructure, in particular road infrastructure, which improves national security, such requirements will result in the risk of prolonging preparatory work and increasing the complexity of administrative processes. These measures may significantly delay the timely implementation of investments necessary to maintain defence capabilities and respond effectively to crises. In view of the growing threats from the Russian Federation, national security and the ability to act in crisis situations must be a top priority for Member States. The restrictions resulting from the need to meet the DNSH criteria pose a real threat to maintaining the strategic operational capabilities of the military and weakening national security.
38.	Regulation (EC) No 1370/2007 of the European Parliament and of the Council of 23 October 2007 on public passenger transport services by rail and by road and repealing Council Regulations (EEC) Nos 1191/69 and 1107/70 taking into account changes resulting from Regulation (EU) 2016/2338 of the European Parliament and of the Council of 14 December 2016 amending	Article 1 paragraph 2 (Application of Regulation (EC) No 1370/2007 to international public transport services) Possible solution in Article 5(4) and 5(5)	Proposal: Possible solutions as below in Article 5(4), new article 5(4c) and 5(5). Rationale: Regulation is not adapted to international passenger services which may involve an important number of countries. If each country launches the tender procedure separately for the part of the service concerning its territory, there is a possibility that the service is discontinued as a different operator may win the

	Regulation (EC) No 1370/2007 concerning the opening of the market for domestic passenger transport services by rail		tender in each of the countries concerned, offering for example different technical type of rolling stock (EMUs or classical coaches). Procedurally it is almost not possible to imagine a joint tender by several countries as this would bring an extreme legal and procedural complexity. The international contracts requiring PSC concern usually a small scale of transport (a few trains per day) so the administrative burden is disproportionate.
		Article 5 paragraphs 2b, c and e (The possibility of directly awarding a contract to internal operator by a competent local authority – no participation in tender procedure outside the competent authority's territory)	Proposals: **Deleting Article 5(2b) or redrafting it to provide more flexibility:** ~~the condition for applying this paragraph is that the internal operator and any entity over which this operator exerts even a minimal influence perform their public passenger transport activity within the territory of the competent local authority, notwithstanding any outgoing lines or other ancillary elements of that activity which enter the territory of neighbouring competent local authorities, and do not take part in competitive tenders concerning the provision of public passenger transport services organised outside the territory of the competent local authority~~ **Deleting Article 5(2c) or redrafting it** to provide more flexibility, especially when neighbouring competent local authorities tender services connecting them to the territory of a competent local authority with its own internal operator. (Such an operator should be able to participate in tendering procedures covering

			neighbouring regions, provided these remain ancillary compared to the main public service contract.): ~~notwithstanding point (b), an internal operator may participate in fair competitive tenders as from two years before the end of its directly awarded public service contract under the condition that a final decision has been taken to submit the public passenger transport services covered by the internal operator contract to fair competitive tender and that the internal operator has not concluded any other directly awarded public service contract~~ **Deleting Article 5(2e) or redrafting it** to provide more flexibility for "ad hoc" or temporary subcontracting, which may be necessary to address emergency or urgent, unforeseen situations: ~~if subcontracting under Article 4(7) is being considered, the internal operator shall be required to perform the major part of the public passenger transport service itself~~ Rationale: Article 5(2c) provides that an internal operator may participate in tenders if there are no more than two years left until the end of the contract. This restricts internal operators from being awarded contracts in competitive tendering procedures for rail connections to neighbouring regions. Therefore, Regulation No 1370/2007 limits the possibility to provide services by the

			internal operator for connections with neighbouring regions, where people use trains to travel to larger cities for work, to school or university, or to access healthcare. The restrictions on participation in tender procedures outside the competent authority's territory create an unnecessary administrative burden and should be deleted. Moreover, the obligation in Article 5(2e) for an internal operator to perform the majority of public services should not apply, as there may be situations when this obligation cannot be fulfilled, e.g., if most of the railway vehicles used by that operator are taken out of service.
		Article 5 paragraph 3a (The possibility of directly awarding a contract as emergency measures (a few tenders and scope of contracts)	Proposal: **Modification of Article 5(3a)** Unless prohibited by national law, as regards public service contracts for public passenger transport services by rail ~~awarded on the basis of a competitive tendering procedure~~, the competent authority may decide to temporarily award new contracts **or extend contracts directly** where the competent authority considers that the direct award **or extension** is justified by exceptional circumstances. Such exceptional circumstances shall include situations where: — there are or **can be assumed that it will exist** a number of competitive tendering procedures that are already being run by the competent authority or other competent authorities which **even potentially** could **directly or indirectly** affect the number

			and quality of bids likely to be received if the contract is the subject of a competitive tendering procedure, or — changes to the scope **or term** of one or more public service contracts are required in order to optimise the provision of public services. The competent authority shall issue a substantiated decision and shall inform the Commission thereof without undue delay. The duration of contracts awarded pursuant to this paragraph shall be proportionate to the exceptional circumstance concerned and in any case shall not exceed 5 years. The competent authority shall publish such contracts. In doing so, it shall take into consideration the legitimate protection of confidential business information and commercial interests. ~~The subsequent contract that concerns the same public service obligations shall not be awarded on the basis of this provision~~. Rationale: The Regulation should be flexible not only to public passenger transport services by rail awarded on the basis of a competitive tendering procedure but also to services previously awarded directly. Circumstances listed in Article 5(3a), such as number of competitive tendering and changes to the scope of one or more public service contracts can occur to both type of contracts. Due to the planned market opening to competition, competent authorities, that are about to end their contracts awarded directly, will face administrative and organizational challenges to

			initiate the tender process in the coming years. Tenders can overlap in time, which can lead to unfavorable rates in tenders and lack of possible operators. Therefore, the opening of the market should be done gradually, especially for those authorities that have contracts awarded directly. In such a case, and also in relation to public service contracts for public passenger transport services by rail awarded directly, the competent authority should have the possibility to decide to temporarily award new contracts directly when it is justified by exceptional circumstances listed in Article 5(3a).
		Article 5 paragraph 4 (Possibility of directly awarding small contracts)	Proposal no 1: **Modification of Article 5(4), including differentiated approach to road and rail thresholds.** Unless prohibited by national law, the competent authority may decide to award public service contracts directly: (a) where their average annual value is estimated at less than EUR 1 000 000 or where they concern the annual provision of less than 300 000 kilometres of public passenger transport services by road, In the case of a public service contract directly awarded to a small or medium-sized enterprise operating not more than 23 road vehicles, those thresholds may be increased to either an average annual value estimated at less than EUR 2 000 000 (...). Rationale:

			Concerning rail services, the definition of small contracts is not flexible and does not reflect diverse situations of competent authorities. With the current thresholds, this option cannot be used, even if the contract is indeed small compared to the total of the services ordered by a given competent authority. This results in unproportionate administrative burden. With regard to public passenger transport services by rail, the definition of small contracts should be adapted in the way which preserves competition but at the same time allows a certain degree of flexibility. Therefore, a proposal to simplify the Regulation for rail services in new point b). In this case, point a) would be dedicated only to road transport/services. The contract value thresholds applicable in public procurement have been revised. The contract value thresholds in PSO Regulation should also be revised to take into account the current situation on the market and the inflation since the adoption of this Regulation. Proposal no 2: **Modification of Article 5(4)** – we propose do insert point (b) dedicated to rail transport and defining separate thresholds for specific rail services Unless prohibited by national law, the competent authority may decide to award public service contracts directly: b) where they concern the annual provision of less than 20% in urban, suburban, regional and international rail passenger services and 10% in long-distance passenger services of the

			total number of kilometres of public passenger transport services ordered by the competent authority. Moreover, a mechanism for a regular review of these thresholds should be envisaged. Rationale: There are some situations where additional or new services which have not been planned could be launched. This concerns the situations where the budgetary situation of a particular competent authority turns out to be better than previously expected (e.g. due to some savings) or where a new need for a particular service appears. As the tendering procedures last long and are administratively burdensome, the competent authorities may be discouraged and resign from launching an additional or new service. Due to budgetary constraints such contracts are usually small and appear "ad hoc". The direct award should be possible in such situations to suit urgent transport needs of the public, especially where the transport access is limited or not provided. Proposal no 3: **Modification of Article 5(4)** – we propose to insert point (c) Unless prohibited by national law, the competent authority may decide to award public service contracts directly: c) where they concern an "ad hoc" additional or new service to be launched in short term as a direct result of the competent

			optimized budget or as a response to emerging and unexpected needs for public transport.
		New Article 5 paragraph 4c (The possibility of direct awarding in case of international rail passenger services)	Proposal: **New article**: Unless prohibited by national law, the competent authority may decide to award new contract or extend the contract directly if the contract covers international rail passenger services. Rationale: This is a proposal to solve the problem of organizing international rail passenger services, develop these services and minimize the administrative barriers when a few countries wish to organize or continue such services.
		Article 5 paragraph 5 (The possibility of directly awarding or extending a contract as emergency measures)	Proposal: **Modification of Article 5(5)** 5. In the event of a disruption of services or the immediate risk of such a situation, **including a need to start or continue an international rail passenger services, or in the event of an urgent and imminent need for additional or new public services and continuation of the services due to temporary railway infrastructure disruptions**, the competent authority may take emergency measures. The emergency measures shall take the form of a direct award or a formal agreement to extend a public service contract or a requirement to provide certain public service obligations. The

			public service operator shall have the right to appeal against the decision to impose the provision of certain public service obligations. The period for which a public service contract is awarded, extended or imposed by emergency measures shall not exceed 4 years. **This restriction does not apply to the emergency measures taken in the context of threats to a Member State security, life or health of its citizens or public order, stated in accordance with the applicable national rules and to international rail passenger services.** Rationale: The latest developments with the COVID19 pandemics and the current geopolitical situation should be taken into account within PSO Regulation. The competent authorities should have the possibility to directly award or extend the contracts in the situations such as pandemics or war or urgent need for evacuation services. Article 5(5) should apply in the event of a risk to public safety or national security, including in particular a state of emergency due to military action or the direct or indirect impact of such a situation on public safety or national security. The proposed text would also allow authorities to start quickly a new or additional service where an urgent need for it is identified. Competent authorities should also have a possibility to directly award or extend a contract in case of international rail passenger services (especially through more than 2 countries), because of a specific process to start and organize such services in

			comparison with domestic services. For example, several countries that participate in launching an international connection have contracts with different expiration date and it can lead to disruption of the services. International train services are specific/unique and should be considered separately because of long negotiations to launch a connection due to the different law system in each country, each country finances the connection on its territory, necessity to ensure the same technical parameters of the rolling stock in each country to run the whole connection. Moreover, the scope of emergency awards should also cover situations in which the implementation of key infrastructure investments in railways makes it impossible to prepare and organize a fair (based on actual data), non-discriminatory and competitive tendering procedure. Delays to the implementation of key infrastructure investments make determining the parameters of the public service offer difficult and challenging. Continuing to cooperate with the current operator by extending the contract minimizes operational risk and ensures service stability during a temporary period of uncertainty related to railway infrastructure investments. Emergency award of a public service contract is also justified in the event of sudden disruptions to the railway infrastructure, for example caused by acts of sabotage. Competent local authorities should also have more flexibility concerning the maximum period for which a public service

			contract can be awarded, extended or imposed by emergency measures.
		Article 7 paragraph 2 (Obligation to publish information (notices) in the Official Journal of the EU at least one year before the start of the tender procedure or one year before the direct award of the contract)	Proposal: **Modification of Article 7(2)** Each competent authority shall take the necessary measures to ensure that, at least ~~one year~~ 3 months before the launch of the invitation to tender procedure or ~~one year~~ 3 months before the direct award, the following information at least is published in the Official Journal of the European Union: Or Each competent authority shall take the necessary measures to ensure that, at least one year before the launch of the invitation to tender procedure or one year before the direct award or if not possible, as soon as the intention to launch a service is confirmed in accordance with the internal procedures of the competent authority, the following information is published in the Official Journal of the European Union: And This paragraph shall not apply to Article 5(4) and 5(5). Rationale: The requirement to publish the information of the intention to launch a service one year in advance prolongs the procedure for selecting a rail operator by the authority and delay the launch of the transport service. This requirement is not adapted to

			situations where an urgent need for some new services is identified or where budgetary savings allow the authority to add some additional service. This requirement constitutes an unproportionate administrative burden in the case of small contracts foreseen to be directly awarded. Moreover, shortening the publication time of the notice gives a real possibility of development and promotion of rail as the most ecological mode of transport. Competent authorities should not face restrictive legal barriers to be part of this development by launching a train connection, when it is possible for financial reasons and public needs.
39.	Regulation (EU) 2023/2405 of the European Parliament and of the Council of 18 October 2023 on ensuring a level playing field for sustainable air transport (ReFuelEU Aviation)	Article 3 item 23 ('reporting period' means the period from 1 January to 31 December of the year preceding the reporting year)	Proposal: Clarify that 'reporting period' means the full completed calendar year preceding the reporting year. Rationale: In practice, the interpretation of this definition has led to discrepancies, particularly when determining which entity is covered by the regulation—e.g. when applying for temporary exemptions referred to in Article 5 paragraph 3 of the Regulation. A clear unification of the definition will eliminate these doubts in the future.
		Article 5 paragraph 1 (The operator must fuel at least 90% of its annual fuel	Proposal: Lower the threshold to 85% or maintain the 90% threshold only for operators performing at least 50 flights per year from a given airport.

		requirement at a given EU airport.)	Rationale: The 90% threshold may be too restrictive for irregular operations, especially cargo and charter flights.
		Article 5 paragraph 2 (The aircraft operator shall provide the competent authority or authorities referred to in Article 11(6) and the Agency with due justification for not reaching this threshold, including the routes concerned)	Proposal: Remove the reference to Article 11(6). Rationale: The reference to Article 11(6) is unnecessary. The data is already submitted in accordance with Article 8 directly to the authority responsible for the operator in accordance with Article 11(5), so additional submission of this information to the competent authority for the airport is unnecessary.
		Article 5 paragraph 3 (An application for exemption must be submitted 3 months before the planned start date)	Proposal: Introduce an exception for ad hoc charters and cargo, allowing applications to be submitted after the fact, with appropriate justification. Rationale: A three-month deadline is unrealistic for charter and cargo flights, which are often planned on an ad hoc basis.
		Article 5 paragraph 11 (The Commission is to adopt guidelines on exemptions)	Proposal: Replace the guidelines with delegated acts of the Commission, which will have legal force.

			Rationale: Guidelines do not have legal force, which may lead to discrepancies in their application.
		Article 8 paragraph 1 (Report submission deadline is March 31)	Proposal: Postpone the deadline for submitting reports to April 30. Rationale: Currently, the deadline overlaps with the obligation to submit ETS reports, which overloads verifiers, increases the risk of errors, and poses a significant risk of preventing operators from submitting their reports on time.
		Article 13 (Agency publishes annual report – no deadline; no deadline for review by Member States)	Proposals: • Set the deadline for publication of the report by the Agency at November 30 • the deadline for review by Member States of the reports submitted should be set at June 30. Rationale: The lack of a specific date for the publication of the report results in a lack of synchronization with other reporting processes.
		Article 14 (Ecolabeling Scheme)	Proposal: Maintain the voluntary nature of the Eco-Labeling Scheme for Air Carriers by removing art. 14 from the regulation. Rationale:

			The removal of Article 14 will result, that the EASA solution for calculating emissions will become a free-market solution that each carrier will be able to use voluntarily, but with the freedom to choose another solution offered by other entities. Airlines should be free to choose the methodology for calculating emissions from their flight operations, especially given that there are methodologies available free of cost. For example, IATA offers the free IATA CO2 Connect program, and this methodology is available to carriers not only in the European Union. The European Commission should not grant EASA a monopoly on the emissions calculator. At the same time, the model of providing estimated emissions data based on historical data will mislead passengers and lead to competitive inequality among carriers.
		Article 15 (The book & claim mechanism is not expressly permitted.)	Proposal: Introduce a limited “book & claim” mechanism for operators without physical access to SAF. Rationale: Currently, there are no clear rules for operators without physical access to SAF.
		Article 17 (Commission report)	Proposal: Accelerate the procedure for reviewing the regulation and to prepare a report in advance, which will enable the introduction of the necessary legislative changes.

			Rationale: In accordance with Article 17, the European Commission is required to submit a report on its application by January 1, 2027, at the latest. However, in the course of the current application of the provisions of the Regulation, a number of specific problems have been identified which have a significant impact on its functioning and effectiveness. The most important ones include: • interpretative doubts in the application of certain provisions by Member States; • excessive environmental criteria, which are difficult for operators to meet in the current market conditions, especially with the limited availability of SAF fuels; • lack of clear rules on compensation for the use of SAF, which results in additional administrative and financial burdens for aircraft operators. All of the above factors have a negative impact on the competitiveness of European carriers in the global aviation market.
40.	Regulation (EC) No 847/2004 of the European Parliament and of the Council of 29 April 2004 on the negotiation and implementation of air service	Article 1 (Notification to the Commission)	Proposals: • Correlation of deadlines related to Member States' notification of their intention to enter into formal negotiations with the third country concerned and feedback from the European Commission on the planned negotiations.

	agreements between Member States and third countries		• A provision should be added stating that the European Commission should express its position at the latest before the Member State enters into negotiations. Rationale: The Member State shall notify the start of negotiations at least one calendar month before the planned start of formal negotiations with the third country, unless, due to exceptional circumstances, the start of formal negotiations is planned less than one month in advance, in which case the information should be provided as soon as possible. At the same time, regardless of when the Member State sends the information in question, the European Commission always has 15 working days to determine and inform the Member State that these negotiations could: undermine the objectives of the negotiations between the Community and the third country or lead to an agreement that is contrary to Community law, which may therefore occur after the negotiations have been concluded, and in practice creates problems.
41.	Commission Implementing Regulation (EU) 2019/947 of 24 May 2019 on the rules and procedures for the operation of unmanned aircraft Commission Delegated Regulation (EU) 2019/945 of 12 March 2019 on	Regulation 2019/947: Article 11 (Rules on conducting operational risk assessment) Article 12 (Authorising operations in the 'specific' category)	Proposals: • Facilitating low-risk operations with unmanned aircraft in visual line of sight (VLOS) and beyond visual line of sight (BVLOS) operations. • Introducing a simplified procedure for applying for and issuing permits for flights in the specific category in low-risk operations.

	unmanned aircraft systems and on third-country operators of unmanned aircraft systems		• Allow low-risk operations (e.g., with very light drones) beyond visual line of sight outside the specific category. • Introduce simplifications, including for agricultural, surveying, forestry and archaeological flights. • Increase availability of design verification (DVR) for unmanned aircraft for medium-risk operations in the specific category (e.g., operations over cities, longer BVLOS flights). Rationale: • Complex procedure for obtaining a special category permit for low-risk flights. • Complex, lengthy, and costly process carried out by the European Union Aviation Safety Agency (EASA) to perform technical verification of unmanned aircraft (Design Verification Report – DVR). • Lack of flexibility in regulations at a time of rapid development, e.g., in agricultural flights. These are simple operations at low altitude, but with heavy drones. The regulations require users to follow a complicated procedure to obtain a permit for operations in the specific category.

Access to capital			
No.	**Act name**	**Article(s) subject to amendment**	**Simplification aim, proposal and rationale**

42.	Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/EEC, and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU, and Regulations (EU) No 1093/2010 and (EU) No 648/2012, of the European Parliament and of the Council	Article 5 (Recovery plans)	Proposal: Exclude the obligation to draw up a recovery plan for a bank implementing a voluntary liquidation program. Rationale: This would lead to greater transparency in the closure of operations as well as to simplification of the liquidation procedure and reduction liquidation costs. This will reduce the risk of artificially propping up institutions, where liquidation costs can be higher than doing little. Article 5 requires all banks to have a recovery plan or to include these entities in a group recovery plan. This obligation also applies to banks implementing a voluntary liquidation program (such a bank is considered - still - a credit institution). Limiting the recovery plan is possible at the request of the bank, which requires a process and obtaining additional explanations. Meanwhile, the activities of banks in liquidation are limited to closing obligations (termination of contracts, archiving, tax settlement) and the entity in liquidation cannot engage in new ventures. At the same time, it can be stretched over time due to factors that are not always known at the beginning of the commencement of liquidation by law. Under these conditions, the risk of unexpected bankruptcy is borne practically only by the owner.
43.	Regulation (EU) 2023/1114 of the European Parliament and of the Council	Article 23 (Restrictions on the	Proposal aim: amend Article 23 of the MiCA Regulation with respect to restrictions related to issuer reporting ART.

	of May 31, 2023 on cryptocurrency markets and amending Regulations (EU) No 1093/2010 and (EU) No1095/2010 and Directives 2013/36/EU and (EU) 2019/1937	issuance of asset-referenced tokens used widely as a means of exchange) paragraph 1 and addition of paragraph 6	Proposed wording: Article 23(1) *Where, for an asset-referenced token, the estimated ~~quarterly~~ average number and average aggregate value of transactions per day associated to its uses as a means of exchange within a single currency area over two consecutive quarters is higher than 1 million transactions and EUR 200 000 000, respectively, the issuer shall:* *(a) stop issuing that asset-referenced token; and* *(b) within 40 working days of reaching that threshold, submit a plan to the competent authority to ensure that the estimated quarterly average number and average aggregate value of those transactions per day is kept below 1 million transactions and EUR 200 000 000 respectively.* Article 23(6) – addition: *Where, in the case of an asset-referenced token, the estimated quarterly average number and average aggregate value of transactions per day associated to its uses as a means of exchange within a single currency area is higher than 1 million transactions and EUR 200 000 000, respectively, the competent authority may order the issuer to cease issuing that asset-referenced token and, at the same time, order it to submit to the competent authority, within 40 working days of reaching that threshold, a plan to ensure that the estimated quarterly average number and average aggregate value of those transactions per*

			day at a level below 1 million transactions and EUR 200,000,000, respectively. Rationale: This proposal aims to significantly reduce the risks and costs to the entrepreneur referred to in Article 23(1) of the MiCA Regulation with regard to the possibility of exceeding the limits, while preserving the competent authority's authority to respond in justified cases. Currently, an issuer of ART whose issuance value exceeds 100,000,000 euros is required to report quarterly to the competent supervisory authority information on the estimated average daily number and average total daily value of ART transactions in the relevant quarter, related to its uses as a means of exchange in the single currency area. The issuer should estimate the number and value of transactions associated with its uses of ART as a medium of exchange by deducting from the total number and value of transactions cleared in ART, in a given quarter, transactions in which ART is: • exchanged with the issuer or with a crypto service provider for cash or other cryptocurrency; • is used as collateral to carry out transactions on financial instruments; • is used for settlement of a derivative. The issuer may also deduct other transactions using ART if it has reasonable grounds to believe that the purpose of these

			transactions is not payment for goods or services. Crypto-assets service providers providing ART services shall provide the issuer with the information necessary to prepare information for the competent supervisory authority. If several issuers issue the same ART the competent authority after aggregating data from all issuers. The complexity of regulations for estimating ART transactions, the specifics of the cryptocurrency market and the specifics of crypto-related technologies create a significant risk of inaccurate determination on a quarterly basis of the average daily number and average total daily value of ART-related transactions. The result of exceeding the estimated on a quarterly basis daily number of 1 million transactions and 200,000,000 euros average total daily value of transactions linked to ART as a means of exchange in the area of a single currency is the mandatory cessation of the issuance of this token and the obligation to prepare an appropriate plan, which must then be approved by the competent authority. The presented proposal introduces the possibility for the competent authority to make an optional decision in the event that the ART issuer exceeds the limits of the estimated daily number of transactions and the average total daily value of transactions at the end of the quarter, allowing it to assess whether the facts justify its response. Only if the aforementioned limits the estimated daily number of transactions and the average total daily value of transactions were exceeded in two consecutive quarters would the ART issuer's issuance of this

			token be mandatorily discontinued and the ART issuer be required to prepare a corresponding plan. The proposed amendment to Article 23 of the MiCA Regulation takes into account the complex nature of the rationale under the RTS as a consequence of the disposition of Article 22(6) of the MiCA Regulation in terms of estimating the number and value of transactions related to ART applications, the specifics of the cryptocurrency market, and the specifics of technologies related to crypto trading.
44.	Regulation (EU) 2023/1114 of the European Parliament and of the Council of May 31, 2023 on cryptocurrency markets and amending Regulations (EU) No 1093/2010 and (EU) No 1095/2010 and Directives 2013/36/EU and (EU) 2019/1937	Article 58 (Specific additional obligations for issuers of e-money tokens) paragraph 3 Articles 22, 23 and 24(3) shall apply to e-money tokens denominated in a currency that is not an official currency of a Member State.	Proposal aim: change restrictions related to EMT issuer reporting, as provided for in Article 58 (3) of the MiCA Regulation. Proposed wording: Art. 58(3) *3. Articles 22, 23 and 24(3) shall apply mutatis mutandis to e-money tokens denominated in a currency that is not an official currency of a Member State*. Rationale: This would lead to the reduction of the risks and costs incurred by the entrepreneur related to the possibility of exceeding the limits referred to in Article 23(1) of the MiCA Regulation, while preserving the ability of the competent authority to respond in justified cases. Currently, an issuer of electronic money tokens (EMT) denominated in a currency that is not an official currency of a Member State (hereinafter: "the issuer") whose issuance value

			exceeds €100,000,000 is required to report quarterly to the competent supervisory authority information on the estimated average daily number and average total daily value of EMT transactions in the relevant quarter related to its uses as a medium of exchange in the single currency area. The MiCA regulation requires the issuer to estimate the number and value of transactions associated with its uses of EMT as a means of exchange, in a manner similar to that of an asset-referenced tokens (ART) issuer. The complexity of the regulations for estimating transactions using EMT, the specifics of the crypto-assets market and the specifics of the technologies involved in crypto trading create a significant risk of inaccurate determination on a quarterly basis of the average daily number and the average total daily value of EMT-related transactions denominated in a currency that is not an official currency of one of the Member States. The consequences of exceeding the estimated quarterly daily number of 1 million transactions and €200,000,000 average total daily value of EMT-linked transactions are analogous to those of an ART issuer. The presented proposal introduces the possibility for the competent authority to make an optional decision in the event that an EMT issuer denominated in a currency that is not an official currency of one of the Member States exceeds, at the end of the quarter, the limits of the estimated daily number of transactions and the average total daily value of transactions, allowing it to assess whether the facts justify its response.

			Only if the aforementioned limits on the estimated daily number of transactions and the average total daily value of transactions were exceeded in two consecutive quarters would the issuer of the EMT of that token be obliged to stop issuing it and be required to prepare a corresponding plan. The proposed amendment to Article 58(3) is directly related to the proposed changes to Article 23 of the MiCA Regulation. It takes into account the complex nature of the rationale arising from the RTS as a consequence of the disposition of Article 22 (6) of the MiCA Regulation in terms of estimating the number and value of transactions related to EMT applications, the specifics of the cryptocurrency market, and the specifics of technologies related to crypto trading.
45.	Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC	Article 17 (Public disclosure of inside information) paragraph 4 An issuer or an emission allowance market participant, may, on its own responsibility, delay disclosure to the public of inside information provided	Proposal aim: reduce excessive regulatory burdens on issuers, in accordance with the principle of proportionality, while maintaining the effectiveness of supervision and investor protection. Issuers will still be required to document and preserve the reasons for the delay and ensure compliance with the conditions set forth in Article 17(4) of the MAR, and supervisors will retain the right to request explanations and provide relevant documentation. Proposed wording of subparagraph 3 of article 17.4: *“Where an issuer or emission allowance market participant delays the disclosure of confidential information to the public under this paragraph, it shall inform the competent authority determined under paragraph 3 of the delay in disclosure and*

		that all of the following conditions are met: (a) immediate disclosure is likely to prejudice the legitimate interests of the issuer or emission allowance market participant; (b) delay of disclosure is not likely to mislead the public; (c) the issuer or emission allowance market participant is able to ensure the confidentiality of that information. In the case of a protracted process that occurs in stages and that is intended to bring about, or that results in, a particular circumstance or a particular event, an	*submit a written explanation on the fulfillment of the conditions set forth in this paragraph only upon request of that authority.”*. Rationale: The current wording of the provision allows member states to introduce in their national legislation the possibility that the record of such an explanation should be submitted only at the request of the competent authority. This implies the conclusion that the EU legislator, when indicating the possibility of relaxation of the information obligation by individual member states, was aware that for the institution of delaying the publication of inside information and the exercise of effective supervision by member states, the retention of records by issuers and the power of supervisory authorities to request the transmission of these explanations are of primary importance. The proposed amendment will unify and harmonize the practice of member states, eliminating arbitrary actions and differences in the disclosure obligations of issuers in individual member states, resulting in greater consistency of laws in member states, and consequently reducing the burden on issuers. Anticipated effects of the proposed changes: Reducing the burden on issuers to comply with disclosure obligations, while maintaining transparency and the relevant supervisory powers of the relevant supervisory authorities. The reduction of obligations will reduce the risk of issuers making administrative and technical errors that could lead to sanctions. At the same time, investor protection will be preserved by

		issuer or an emission allowance market participant may on its own responsibility delay the public disclosure of inside information relating to this process, subject to points (a), (b) and (c) of the first subparagraph. Where an issuer or emission allowance market participant has delayed the disclosure of inside information under this paragraph, it shall inform the competent authority specified under paragraph 3 that disclosure of the information was delayed and shall provide a written explanation of how the conditions set out	maintaining the obligation of issuers to keep relevant documentation. The amendment strikes a balance between the need for investor protection and market transparency and the need to reduce the regulatory burden. The amendment harmonizes and unifies the disclosure obligations of issuers in European Union's countries. Currently, issuers are required to immediately inform the competent authority of a delay in the disclosure of inside information and provide a written explanation for meeting the conditions for delaying publication referred to in Article 17(4) of the MAR. In accordance with the third subparagraph of the paragraph in question, Member States may provide that a record of such an explanation may be submitted only at the request of the competent authority determined under Article 17(3). An analogous reduction in the regulatory burden occurred with the adoption of the so-called MAR-Light and the addition of the fourth paragraph of Article 17.4, by exempting issuers whose financial instruments were admitted to trading exclusively on the SME development market from immediately providing a written explanation to the authority. Such an issuer shall only submit a written explanation to the authority upon request, and if it is able to justify its decision to delay, it is not required to keep a record of the explanation.

		in this paragraph were met, immediately after the information is disclosed to the public. Alternatively, Member States may provide that a record of such an explanation is to be provided only upon the request of the competent authority specified under paragraph 3.	
		Article 17 (Public disclosure of inside information)	Proposal aim: introducing an additional paragraph into Article 17 of the MAR in order to provide issuers with the ability to delay the public disclosure of inside information, the disclosure of which could cause harm to, or otherwise be detrimental to the interests of a Member State. Proposed wording of Article 17 (additional 4a): *"In order to protect the interests of the Member State, an issuer or an emission allowance market participant may, on its own responsibility, delay disclosure to the public of inside information, provided that all of the following conditions are met:* *(a) the disclosure of the inside information could cause harm to the Member State or would be detrimental to its interests;*

			(b) the confidentiality of that information can be ensured.”. Rationale: Currently, Article 17(4) allows an issuer or emission trading market participant, under its own responsibility, to delay the public disclosure of inside information, provided that the conditions specified in this provision are met. In addition, in accordance with the Article 17(5) of the MAR, an issuer that is a credit institution or a financial institution or an issuer that is a parent undertaking of such an institution, may, on its own responsibility, delay the public disclosure of inside information, including information which is related to a temporary liquidity problem and, in particular, the need to receive temporary liquidity assistance from a central bank or lender of last resort, provided that the conditions specified in this provision are met. Anticipated effects of the proposed changes: Making it easier for issuers to manage the process of identifying and delaying the publication of inside information. It will eliminate interpretive doubts about the actions that should be taken by issuers in a situation where the disclosure of information that meets the criteria for qualifying as inside information could cause harm to the Member State or would otherwise be detrimental to its interests. The introduced legal construction will ensure an appropriate balance between the obligation to disclose inside information to

			the public and the need to protect the interest of the Member State e.g. when concluding agreements between state bodies and issuers on matters related to national security.
46.	Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on takeover bids	Article 15 (The right of squeeze-out) paragraph 2 Member States shall ensure that an offeror is able to require all the holders of the remaining securities to sell him/her those securities at a fair price. Member States shall introduce that right in one of the following situations: (a) where the offeror holds securities representing not less than 90 % of the capital carrying voting rights and 90 % of the voting rights in the offeree company, or	Proposal: Remove the second subparagraph in article 15(2). Rationale: In accordance with article 15(2), second subparagraph: “In the case referred to in (a), Member States may set a higher threshold that may not, however, be higher than 95 % of the capital carrying voting rights and 95 % of the voting rights.”. The difficulty of implementing a squeeze-out procedure for a listed company is often seen as one of the reasons why it is less attractive to finance a company's operations with the assistance of the capital market. Management of a company, before applying for the public listing, must take into account the potential risk that, in the event of having to "go off the floor," they will find it difficult to organize the company's shareholding for its continued undisturbed operation. Lack of willingness to take such risks can be an effective argument for the decision not to use this type of financing. Likewise, it is easier for a potential investor to decide whether to invest if he has a real guarantee of being able to demand redemption of his assets at an objectively determined price in the event the company in which he wants to invest is heading for delisted, while Investor would like to protect himself from the

		(b) where, following acceptance of the bid, he/she has acquired or has firmly contracted to acquire securities representing not less than 90 % of the offeree company's capital carrying voting rights and 90 % of the voting rights comprised in the bid. In the case referred to in (a), Member States may set a higher threshold that may not, however, be higher than 95 % of the capital carrying voting rights and 95 % of the voting rights.	situation that he will be left with his block of shares, which will be much more difficult to sell outside the public market. Harmonizing the thresholds, and thus removing legal uncertainty, across all Member States will also provide an additional incentive for investors from outside the EU to invest in this market. Anticipated effects of the proposed changes: Simplification and unification, at the European level, of the rules governing compulsory buyout and repurchase procedures for shares of public companies.
47.	Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial	Article 4 (Definitions) paragraph 1 and paragraph 39	Proposal: Limit the obligations on investment firms using algorithmic trading solutions by excluding simple algorithms from the scope

	instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (MiFID2)	'algorithmic trading' means trading in financial instruments where a computer algorithm automatically determines individual parameters of orders such as whether to initiate the order, the timing, price or quantity of the order or how to manage the order after its submission, with limited or no human intervention, and does not include any system that is only used for the purpose of routing orders to one or more trading venues or for the processing of orders involving no determination of any trading parameters or for the confirmation of	of MiFID2 or, alternatively, by providing that only certain requirements of MiFID2 apply to such algorithms. Rationale: Most investment firms use simple algorithms for algorithmic trading in their operations. However, the existing legal solutions do not differentiate requirements depending on the complexity of algorithms; they were designed with the more advanced ones from the UK market in mind. In particular, the definition of algorithmic trading in Article 4(1)(39) of MiFID2 is very broad. For this reason, the requirements of Delegated Regulation 2017/589 regarding the registration of algorithms, testing their stability and reporting also cover relatively simple IT tools. Meanwhile, the costly and time-consuming operational and administrative processes associated with algorithmic trading requirements do not bring proportionate benefits to the market.

		orders or the post-trade processing of executed transactions;	
		Section 2 (Provisions to ensure investor protection, Articles 24–30)	Proposal: Review the obligations in question. In particular, in the area of product management, we would propose to explicitly state in the implementing provisions that the provisions do not apply to categories of clients who are eligible counterparties or professional clients. In the area of best execution of orders, we recommend excluding the application of the rules to professional clients. Rationale: Some of the obligations that investment firms must fulfil in relation to professional clients and eligible counterparties are excessive and not justified in business practice.
		Article 25 (Assessment of suitability and appropriateness and reporting to clients) paragraph 3 Member States shall ensure that investment firms,	Proposal: Removal of suitability testing requirements for entities using the offering service (subjective exemption). Rationale: Investment firms intending to provide to issuers the service of offering their financial instruments are required, pursuant to Article 25(3) of MiFID2, to conduct a prior assessment of the suitability of this investment service and the related product in order to determine whether the client has the necessary

		when providing investment services other than those referred to in paragraph 2, ask the client or potential client to provide information regarding that person's knowledge and experience in the investment field relevant to the specific type of product or service offered or demanded so as to enable the investment firm to assess whether the investment service or product envisaged is appropriate for the client. Where a bundle of services or products is envisaged pursuant to Article 24(11), the assessment shall	experience and knowledge to understand the risks associated with the investment service or product. In the context in question, such an assessment does not provide any value and is irrelevant to the service to be provided to such a client.

		consider whether the overall bundled package is appropriate. Where the investment firm considers, on the basis of the information received under the first subparagraph, that the product or service is not appropriate to the client or potential client, the investment firm shall warn the client or potential client. That warning may be provided in a standardised format. Where clients or potential clients do not provide the information referred to under the first subparagraph, or where they provide insufficient	

		information regarding their knowledge and experience, the investment firm shall warn them that the investment firm is not in a position to determine whether the service or product envisaged is appropriate for them. That warning may be provided in a standardised format.	
		Annex II (PROFESSIONAL CLIENTS FOR THE PURPOSE OF THIS DIRECTIVE)	Proposal: Considering that the criteria in question apply only to the possibility of recognising a client as a professional client on the basis of a request submitted by the client themselves, rather than on the initiative of the investment firm, and furthermore that it is not an independent criterion, we propose to relax it by increasing the possible scope of discretion on the part of the investment firm. Rationale: The criteria for recognizing a client as a professional client by an investment firm, with particular emphasis on special purpose

			vehicles (SPVs), are not adapted to changing market environment. In particular, investment firms are forced to categorize SPVs as retail clients, regardless of the fact that these companies are usually set up by large economic entities that meet the criteria for professional clients. In the case of project finance, the failure to treat an SPV as its parent company under MiFID2 significantly affects the duration of the project implementation process and the formalities associated with it.
48.	Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 supplementing Directive 2014/65/EU as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive	Article 59 (Reporting obligations in respect of execution of orders other than for portfolio management) paragraph 1 Investment firms having carried out an order on behalf of a client, other than for portfolio management, shall, in respect of that order: (a) promptly provide the client, in a durable medium, with the essential information	Proposal: Removal of Article 59 Paragraph 1. Rationale: Market signals indicate that retail clients do not wish to receive notifications of order transmission in accordance with Article 59(1)(b) of Delegated Regulation 2017/565. Customers place orders via online platforms, where they actively monitor their investments, or by telephone during a recorded conversation ending with information about the acceptance of the order. In the trading system, they immediately receive information that the order has been accepted. Customers are accustomed to and aware of the functionality of the trading system to which they have access. Additional messages or duplication of the information they already have is unnecessary.

		concerning the execution of that order; (b) send a notice to the client in a durable medium confirming execution of the order as soon as possible and no later than the first business day following execution or, where the confirmation is received by the investment firm from a third party, no later than the first business day following receipt of the confirmation from the third party. Point (b) shall not apply where the confirmation would contain the same information as a confirmation that is to be promptly	

		dispatched to the client by another person. Points (a) and (b) shall not apply where orders executed on behalf of clients relate to bonds funding mortgage loan agreements with the said clients, in which case the report on the transaction shall be made at the same time as the terms of the mortgage loan are communicated, but no later than one month after the execution of the order.	
49.	Regulation (EU) 2015/751 of the European Parliament and of the Council of 29April 2015 on interchange fees for card-based payment transactions	Article 3 (Interchange fees for consumer debit card transactions)	Proposal aim: eliminate the need for double reporting of data that is submitted to the central bank by payment schemes and to the financial supervisory authority by payment service providers. Proposal: Establishing a single entity required to comply and monitor.

			Rationale: The proposal would lead to the greater regulatory transparency, i.e. harmonize regulations and introduce uniform rules within the Single Euro Payments Area. It would also contribute to reducing redundant reporting obligations. Interchange fees are regulated in Regulation 2015/751 on interchange fees for card-based payment transactions. The beneficiaries of the interchange fee are banks - payment card issuers. The definition of the interchange fee is indicated in Article 2 point 10 of Regulation 2015/751, in this context, attention should also be paid to recital 31 of the regulation, which indicates the prohibition of alternative fee flows to publishers. The shape of the provisions of Regulation 2015/751 makes it necessary to report the same data twice - on the one hand to the PFSA (Polish Financial Supervision Authority) - by providers of payment services, on the other hand to the NBP (National Bank of Poland) - by payment organizations. Another problem related to the reporting of this data is that the source of information of providers (issuers of payment instruments and clearing agents) are - as a rule - reports of card organizations. With the above in mind, in order to avoid double reporting in this regard, the reporting obligation should be covered by one party, i.e. payment organizations, which are responsible for the compliance of the operation of the payment scheme with the

			provisions of Regulation 2015/751 and ensuring the security and efficiency of the operation of the payment scheme.
50.	Directive 2014/92/EU of the European Parliament and of the Council of 23 July 2014 on the comparability of fees related to payment accounts, payment account switching and access to payment accounts with basic features	Article 7 (Comparison websites)	Proposal: Modify the provisions of the PAD Directive to change the nature of online comparison site operators or remove them. Rationale: Relieving the burden on regulators' resources allocated to running consumer comparison websites. Modifying the passage of Article 7 of the PAD so that comparison websites are either operated by a private operator or by a public authority that is not a supervisory authority. In our view, the operator of an Internet comparison site should be a public authority dealing with competition and consumer protection under the general rules on consumer regulations. According to Article 7 of the PAD Directive: 1. "*Member States shall ensure that consumers have access, free of charge, to at least one website comparing fees charged by payment service providers for at least the services included in the final list referred to in Article 3(5) at national level*. *Comparison websites may be operated either by a private operator or by a public authority*." Alternatively, we propose to abandon the institution of an online comparison site provider (regulation of fee levels should be part of broader consumer regulation).

		Article 16 (Right of access to a payment account with basic features)	Proposal: Modify the provisions of the PAD to change the model of offering a payment account with basic features by PSPs (selection of entities on the basis of quantitative or qualitative criteria or by choosing a designated operator). Rationale: The proposal would lead to the reduction of disproportionate obligations and costs (related to the implementation of operational and technological solutions to provide the payment account with basic features) on the part of supervised entities. The catalogue of entities obliged to offer payment accounts with basic features adopted under the Directive on the comparability of fees related to payment accounts, payment account switching and access to payment accounts with basic features (PAD) appears as too broad (even taking into account the need to realize the postulate of universality of access to basic payment services). The operational and technological solutions that need to be implemented to provide the basic payment account service are often beyond the capabilities of small banks or branches of credit institutions. It is proposed to narrow the catalogue of providers required to offer the basic payment account service. The current form of the mentioned provision appears to create an unjustified and disproportionate regulatory burden (especially when taking into account the relatively low interest in this service on the

			Polish payment market and the high level of the population's poor condition). Maintaining such a product generates high compliance costs (adjusting to regulatory requirements, monitoring changes, number of transactions, limiting elements of e-banking functionality, costs of maintaining and sustaining the service, e.g. payment card production) especially for small entities. In the UK, for example, qualitative and quantitative criteria have been introduced to limit the circle of obligated providers, based on which the UK regulator selects specific credit institutions obligated to maintain basic payment accounts. These are known as designated credit institutions. In the UK, these included several of the largest credit institutions operating in the market.
		Article 27 (Evaluation)	Proposal: Elimination of periodic reporting, which was intended to assess the effectiveness of regulation, and have become permanent reporting for banks – would lead to the reduction of the administrative burden. Rationale: Article 27 of the PAD mandates that Member States submit information to the EC every two years on the accounts that have been transferred also on the underlying accounts: The purpose of introducing a basic payment account was to combat the so-called "financial exclusion" of customers, which was that a large part of the population of some European Union

			Member States did not have a payment account at all. These were mainly elderly, poorer people and potential customers who were refraining from opening accounts, fearing, among other things, that their income would be reduced by the fees the bank charges for maintaining the account. The directive guarantees access to payment accounts in a non-discriminatory manner (these issues are regulated in Chapter IV Access to Payment Accounts). With the above in mind, it should be noted that almost 10 years have passed since the entry into force of the aforementioned regulation, during which time access to financial services has increased significantly. The obligation to provide data to the EC on basic and transferred accounts is redundant and has no merit for national supervision. Hence, we propose to amend the PAD by removing this reporting obligation.
51.	Regulation (EU) No 260/2012 of the European Parliament and of the Council of 14 March 2012 establishing technical and business requirements for credit transfers and direct debits in euro and amending Regulation (EC) No 924/2009	Article 15 (Review)	Proposal: Amend the SEPA Regulation in order to eliminate the obligation to report fee information, which will reduce redundant reporting obligations for fee level information. Rationale: We would like to indicate the need to reduce or eliminate reporting obligations under the newly added Article 15(3) of the SEPA Regulation. Payment service providers will be required to submit such reports every 12 months, which seems excessive.

			According to Recital 1 of the SEPA Regulation, "The Commission will continue to monitor the evolution of prices in the payments sector; it is invited to provide an annual analysis in this regard." The SEPA Regulation has been in operation since 2012. It can therefore be assumed that entities are already aware of the existence and operation of the Single Euro Payments Area ("SEPA"). Introducing further reporting obligations for the preparation of a report by the EC, seems redundant.
52.	Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (PRIIPs)	SECTION III (Provision of the key information document, Articles 13-14)	Proposal: We suggest allowing this obligation to be fulfilled by delivering KID through ESAP. The legitimacy of this solution is also indicated by the machine translation functionality built into the ESAP, which could enable the fulfilment of the obligation to provide the KID in the official language of the Member State. Rationale: The obligation to prepare the KID in the official language of the Member State (which can currently only be waived through the action of an authorized administrative body of the Member State) causes significant restrictions on the cross-border offering of financial products.
53.	Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (SFDR).	Article 6 (Transparency of the integration of sustainability risks)	Proposal: We support the direction of legislative works aimed at introduction of sustainability-related product categories, including the clear separation of disclosure obligations from the requirements for the construction of these products (regarding

		Article 7 (Transparency of adverse sustainability impacts at financial product level) Article 8 (Transparency of the promotion of environmental or social characteristics in pre-contractual disclosures)	Articles 6, 8 and 9 of the SFDR) and alignment with the simplified CSRD. Rationale: Poland's experience is consistent with the arguments and observations contained in the Joint ESAs Opinion On the assessment of the Sustainable Finance Disclosure Regulation (SFDR) of 18/06/20247, and we support the demands for transparency and understanding by potential customers of product disclosures. The main areas of work on the EC's proposal are as follows: 1) Simplifying and harmonising disclosure requirements. 2) A new categorisation regime for financial products, including the creation of three transparent categories: These are: “Transition”, “ESG Basics”, and “Sustainable”. 3) A change in approach to PAI (Principal Adverse Impacts) – deleted. 4) Better integration with other ESG regulations, such as 024/1760, the EU Taxonomy and reporting standards. 5) Clearer definitions and clarification of key concepts. 6) Reduction of regulatory burdens, particularly by removing entity-level obligations and exempting financial advisers and investment firms that provide advice.

			7) Rules for using of ESG terminology in product names and marketing materials. 8) Requirements for ESG data quality.
54.	Commission Delegated Directive 2021/1269 of 21 April 2021 amending Delegated Directive (EU) 2017/593 as regards the integration of sustainability factors into the product governance obligations	The entire legal act	Proposal: Optional suspension of the application of Delegated Directive 2021/1269, consisting in the abolition of the obligation to apply the provisions of the Directive in question in a situation where an investment firm does not offer sustainable financial products. Unless otherwise decided, the suspension of the application of the Directive would remain in force until sustainability data becomes more accessible, of higher quality and subject to uniform standards. Rationale: The fulfilment of obligations under Delegated Directive 2021/1269 places a significant burden on investment firms without translating into significant benefits for their clients. Which is due, among other things, to the limited availability and questionable reliability of sustainability data, caused by a number of factors indirectly or directly related to ESG regulations. Furthermore, the lack of a uniform approach to presenting and interpreting this type of data undermines the validity of investment decisions based on them.
55.	Regulation (EU) No 537/2014 of the European Parliament and the Council on specific requirements regarding	Article 4(2) second subparagraph – excluding fees for	Proposal: Exclude the fees for assurance of voluntary sustainability reporting from the 70% limit for fees paid for non-audit services.

	statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC	voluntary assurance of sustainability reporting from the 70% limit	Rationale: The current text of Article 4 sets a limit to the remuneration of the audit firm for providing certain non-audit services to its audit client. The limit may not exceed 70% of the fees paid for the audit of financial statements of such audit client. Fees paid for assurance of sustainability reporting are excluded from this 70% limit if such assurance is required by Union law (this is the case of undertakings subject to Article 19a and 29a of Directive 2013/34/EU). However, due to the amendments to provisions on sustainability reporting proposed within Omnibus I which are being finalised now, the scope of undertakings subject to mandatory sustainability reporting will be reduced significantly. Instead, undertakings outside the new scope are to be encouraged to report voluntarily. Having said that, if an undertaking reporting voluntarily decides to subject its sustainability report to assurance, then taking into account the volume of this report it is highly probable that the fee for such assurance will exceed the 70% limit, and as a result the assurance service could no longer be provided by the same audit firm which audits the financial statements of that undertaking. Such situation should be prevented for the following reasons: 1. to avoid no level playing field between undertakings reporting obligatory and voluntarily - undertakings reporting obligatory will maintain their right to choose the same audit firm which audits their financial statements for the purpose of assurance of sustainability reporting, while undertakings reporting voluntarily

			will be forced to look for the audit firm other than the one auditing their financial statements because of the 70% limit; 2. to avoid additional costs on undertakings reporting voluntarily – the need to choose the audit firm other than the one auditing their financial statement is likely to result in higher costs of such assurance; this in turn may discourage undertakings from subjecting their sustainability reporting to assurance; the lack of assurance may cause that such sustainability reporting will be perceived less reliable by its users; 3. to prevent disincentivising undertakings from voluntary reporting because of the costs of its assurance. Excluding the fees for assurance of voluntary sustainability reporting from the 70% limit will remedy the situation, while it should be underlined that providing assurance of voluntary sustainability reporting to its audit client does not pose any risk to the independence of the audit firm.