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# Smart approaches to address regulatory burden of EU social regulations

## Final Report for BusinessEurope

Rotterdam, June 2026

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# Executive Summary

## Background and objectives

EU social legislation has an important role: it should strike the right balance between protecting workers' rights and ensuring businesses can operate effectively. Its role is to establish minimum standards without being overly prescriptive, while leaving Member States and national social partners the necessary room for effective implementation.

Over time, EU social legislation has expanded in scope, complexity and ambition, reflecting changing labour markets, societal expectations and policy priorities. While the objectives of EU social legislation are broadly supported, its practical implications for businesses, particularly in terms of administrative, financial and compliance burdens, can be substantial. To date, such impacts have received comparatively little systematic attention.

Employers increasingly operate in complex regulatory environments characterised not only by EU-level obligations, but also by diverse national transposition and enforcement practices, and by their interaction with existing national labour legislation and collective agreements that were already governing employment relationships before a directive's adoption. This complexity can put them at a disadvantage compared to global competitors. Businesses operating in more than one Member State face cumulative and overlapping requirements on reporting, documentation, working time management, transparency, and cross-border mobility.

Against this background, this study was commissioned by BusinessEurope to provide an evidence-based assessment of the regulatory burden associated with EU social legislation from an employer's perspective. The study examines how EU social instruments translate into operational impacts for businesses, how national implementation practices shape the overall burden, and how businesses seek to manage and mitigate compliance costs. The study does not assess the desirability of EU social objectives, nor does it provide policy recommendations. Its purpose is to document facts, patterns and observed practices to support informed discussion among employers, social partners and policymakers.

## Methodological approach

The study is based on a mixed-methods approach combining desk research, quantitative data collection and qualitative input from businesses and business representatives. Four complementary research tools were used.

First, **desk research** was conducted to map the EU social regulatory landscape, identify relevant directives and regulations, review existing literature on regulatory burden, and analyse trends in the EU and national approaches to implementation. On this basis, 30 EU social directives and regulations were initially screened, and 17 were selected for closer examination in consultation with BusinessEurope. These covered working conditions, transparency and reporting, labour mobility and occupational safety and health.

Second, **two online surveys** were conducted, one targeting businesses and one targeting business associations, including the EU headquarters of multinational businesses. The surveys gathered information on the awareness of EU social instruments, perceived regulatory

burden, types of costs incurred, differences across Member States and sectors, and impacts on small and medium-sized enterprises (SMEs). In total, 737 valid responses were collected across all EU Member States, providing a broad empirical basis for the analysis.

Third, 26 [semi-structured interviews](#) were conducted with business and employer organisation representatives to deepen the understanding of survey findings, explore cost drivers in more detail and capture qualitative examples. These interviews were complemented by three [focus group discussions](#) covering national implementation differences, cross-border mobility and simplification opportunities.

Finally, 10 [national case studies](#) were developed to illustrate how specific EU social directives are implemented in different institutional and administrative contexts. These case studies highlight contrasts between Member States with differing levels of social dialogue, administrative digitalisation and regulatory intensity.

## Key findings

### *Awareness and perceived regulatory burden*

Awareness of EU social instruments varies significantly across regulatory areas. Long-standing and highly visible instruments such as the Working Time Directive are widely known, while more technical or sector-specific directives, for example, on asbestos, are mainly known to employers in directly affected sectors. Recently adopted or forthcoming directives, such as the Pay Transparency Directive, also show high levels of awareness, reflecting political and media attention.

Survey results show that regulatory burden is most strongly associated with the instruments that entail extensive reporting requirements, recurrent documentation obligations or complex compliance procedures. In particular, Pay Transparency, Corporate Sustainability Reporting (CSR), Safety and Health, Posting of Workers (including A1 certificates in the context of Regulation 883/2004) and Working Time are most frequently identified by respondents as generating high or very high regulatory costs. These perceptions are broadly consistent across large businesses and SMEs, although SMEs report more limited capacity to absorb the compliance costs.

### *Nature of regulatory costs*

The study finds that regulatory burden extends well beyond administrative paperwork.

Businesses reported a combination of:

- [Administrative costs](#), linked to data collection, multiple reporting obligations, record-keeping and interaction with multiple authorities that often require the same data in different formats;
- [Financial costs](#), including investments in IT systems, external legal, consultancy and translation services, audits and verification;
- [Compliance and operational costs](#), associated with changes to work organisation, pay structures, staffing decisions and internal processes; and
- [Legal and fragmentation costs](#), resulting from divergent national transpositions, legal uncertainty and inconsistent enforcement.

Costs generated by different instruments are often cumulative, even if they require the same data. For example, obligations related to Working Time, Pay Transparency, Posting of

Workers and CSR frequently rely on the same underlying data, yet require submission in different formats, at different times and to different authorities.

In some cases, respondents report the need to adjust business models, such as reducing cross-border postings, shifting to local hiring, or restructuring how work is allocated across multinational teams, to manage compliance risks and costs.



An example highlighting the above issue of a change in business practice is a Luxembourgish business that employs residents from France and Germany and posts workers. The company structures the allocation of work across its multinational team to ensure that French resident employees do not exceed the 25% activity threshold under Article 14(8) in Regulation (EC) 987/2009, which would otherwise trigger a change in applicable social security legislation.

### *National implementation and cross-country variation*

Businesses attribute the regulatory burdens to EU social instruments in some areas and to national law in other areas. For the most part, the costs of corporate sustainability reporting, posting of workers and pay transparency are mostly attributed to EU instruments, while costs related to requirements in the field of safety and health and working time are mostly attributed to national instruments.

Cross-country variation is particularly pronounced in areas linked to cross-border activities. Posting of Workers and A1 forms are cited as examples where national portals, documentation requirements, processing times and enforcement practices differ, exposing businesses to a patchwork of very divergent compliance regimes rather than a single set of EU rules.

### *SMEs and proportionality*

While regulatory burdens affect businesses of all sizes, the study highlights disproportionate effects on SMEs and start-ups. Smaller firms typically lack dedicated legal and human resources (HR) and compliance functions and therefore rely more heavily on external advisors, making fixed compliance costs relatively higher.

Formal SME exemptions in EU legislation provide only partial relief, as several substantive obligations apply regardless of company size. Further, even where EU instruments include formal thresholds or exemptions, these are often offset in practice by indirect effects, such as requests from larger business partners for social and workforce data.



CSR trickle-down effect: although businesses with fewer than 1,000 workers are exempted from the corporate sustainability reporting standards requirements, SMEs may still be affected because the definition of the “own workforce” includes a broad range of suppliers

### *Mitigation practices and compliance facilitation*

Businesses adopt a range of practices to manage regulatory burden, including outsourcing compliance tasks, investing in digital HR and payroll systems, standardising internal processes and drawing on social dialogue and collective agreements where available. Early preparation by businesses is usually associated with lower implementation costs but can also

cause businesses to use resources in preparing for proposed legislation that is different from the final version.

Public administration practices also matter. Where national systems are digitally integrated, interoperable and based on once-only data submission, administrative burden is significantly reduced. Additionally, the use of collective bargaining systems and dialogue with social partners to agree on effective implementation can ease compliance costs. Conversely, fragmented or rigid digital systems can increase workload rather than alleviate it and add regulatory burden by disregarding solutions arising from existing collective agreements.



An example of submission rigidity is that in Sweden, the request for an A1 certificate for posted workers must reportedly be redone from scratch if one erroneous data point is entered. Once the application has been signed and submitted, it is considered officially lodged. If an error is later discovered, it cannot be reopened or corrected, and a new application must be submitted.

### Overall conclusion

The findings show that regulatory burden arising from social legislation is the result of cumulative obligations in EU and national law, interactions between multiple instruments, and divergent national implementation practices. While the objectives of EU social policy are broadly shared, businesses experience substantial variation in how rules translate into day-to-day operational requirements. These requirements are particularly burdensome for SMEs and for businesses engaged in cross-border activities.

The study provides a factual foundation for understanding how EU social regulation is experienced at the company level and where burdens arise in practice. It highlights the importance of transparency, proportionality and effective implementation in shaping outcomes for employers across the EU.

# 1 Introduction

In this chapter, we set the context for the study by outlining the role and evolution of EU social legislation and explain the impact of regulatory burden from an employer perspective. We introduce the different ways in which EU social regulation can affect business operations, including administrative, financial and compliance-related impacts, and highlight the importance of national transposition and enforcement practices.

## 1.1 The relevance of EU social legislation

The main objective of EU social legislation is [to create common standards on social and employment issues](#) (see Art. 151 Treaty on the Functioning of the European Union (TFEU)). These standards aim to contribute to the objectives of the Treaties, including establishing an internal market (Art. 3 TEU). The framework of directives governing, inter alia, working conditions, health and safety, information and consultation rights, and labour mobility<sup>1</sup> reflects decades of effort to translate that principle into binding obligations applicable in all Member States. This requires the framework to be proportionate, balancing adequate protection and economic growth, while enabling an EU single market by avoiding different national interpretations of EU rules.

This legislative framework has never been static.<sup>2</sup> [EU social law has continuously evolved](#) in response to changing labour markets and emerging priorities. The evolving nature of work requires the continuous reassessment of social legislation: for instance, reflecting on the future of work, Aloisi (2025)<sup>3</sup> noted that *“the design of certain critical areas of labour regulation is not tailored to the new structures in which working time is non-linear, workplaces are not physical and work consists of a series of nonlinear tasks.”* In his research, he points, amongst others, to the blurring of paid work and private life. In particular, he pointed to working time and rest time being treated as binary, whereas in reality, both have become more discontinuous. He also noted that EU legislation on working time, transparent and predictable working conditions, work-life balance, and the working environment are not intended to ensure autonomy, self-determination, and versatility of workers, and do not consider non-standard work arrangements. Aloisi concluded that these regulations constrain the possibility of working anytime and anywhere, with no (paid) work being done outside standard office hours.

Additionally, [there has also been a shift in the nature of the obligations being introduced](#). Earlier generations of EU social legislation were largely concerned with establishing a framework for minimum standards in areas such as health and safety, working time, and the protection of specific groups of workers. More recent directives have evolved into more prescriptive data-requiring instruments such as the Enforcement of the Posting of Workers Directive (2014), the Corporate Sustainability Reporting Directive (2022) and the Pay Transparency Directive (2023). In essence, this transition can be understood as moving from

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<sup>1</sup> The specific social and employment fields requiring EU action are listed in Art. 153 TEU.

<sup>2</sup> European Commission, The European Pillar of Social Rights Action Plan, [Access here](#)

<sup>3</sup> Joint Research Centre, Aloisi, A., Integrating the EU Twin (Green and Digital) Transition Synergies, Tensions and Pathways for the Future of Work, European Commission, Seville, 2025, JRC140964, [Access here](#)

Occupational Safety and Health (OSH) to Environmental, Social, and Governance (ESG) accountability. By shifting from general protections to increasingly complex reporting requirements, the EU has effectively imposed a larger responsibility for social welfare onto businesses<sup>4</sup>. For businesses, compliance is no longer only about providing safe workplaces. It is about maintaining a robust, auditable social data infrastructure. Understanding this evolution is central to this study's purpose, which seeks to document, from the perspective of those implementing these rules, how the cumulative weight of EU social obligations translates into concrete operational impacts.

While the social objectives underpinning the legislation are legitimate and broadly shared, the experience of businesses is that the latest EU instruments and some national implementations ignore the adverse and possibly disproportionate effects they may have on business operations. Additionally, their cumulative effects on the administrative burden of employers and sometimes ambiguous outcomes have received comparatively less systematic attention. Each directive addresses a distinct policy concern and is justified on its own terms. Taken together, however, they have produced a regulatory environment of considerable density and complexity, particularly for businesses operating across multiple Member States<sup>5</sup>. Differences in how directives are transposed into national law, their interaction with existing national legal obligations or collectively agreed commitments, as well as frequent cases of “gold-plating”<sup>6</sup> complicate business operations more and increase the cost of compliance.

To structure the analysis, the 17 Directives covered in this study are grouped into four functional categories in Table 1.1. Annex IV presents a “quick scan” of these directives.

**Table 1.1 Selected EU Directives**

Directive	Referred as
<b>A. Working conditions</b>	
01. Directive 2003/88/EC - Working time	01. Working time
02. Directive 94/33/EC - Young workers	02. Young workers
03. Directive 2009/38/EC - European Works Council; COM (2024) 24 final	03. European Works Council
04. Directive 2019/1158/EU - Work-life balance for parents and carers	04. Work-life balance
05. Directive 2019/1152/EU - Transparent and predictable working conditions	05. Working conditions
06. Directive 2024/2831 - Working conditions in platform work	06. Platform work
07. COM (2024) 132 final - Proposal for Traineeship Directive	07. Traineeships proposal
<b>B. Transparency, reporting and governance</b>	
08. Directive 2002/14/EC - Informing and consulting employees	08. Informing employees
09. Directive 2014/67/EU – Enforcement of Posting of Workers Directive	09. Posting of workers
10. Directive (EU) 2022/2464 - Corporate Sustainability Reporting	10. CSR

<sup>4</sup> BusinessEurope, (2025), Reducing regulatory burden to restore the EU's competitive edge. [Access here](#); Harta et al., (2023), Regulatory and financial burdens of EU legislation in 4 Member States: a comparative study. Vol.1: A1 Certificate, Foundation for Family Businesses, [Access here](#)

<sup>5</sup> European Economic and Social Committee, (2024), A business-centric approach to cutting red tape, [Access here](#); BusinessEurope, (2025), Reducing regulatory burden to restore the EU's competitive edge. [Access here](#)

<sup>6</sup> We use the definition of 'gold plating' as found in EU legislation (see Communication From The Commission To The European Parliament, The Council, The European Economic And Social Committee And The Committee Of The Regions Identifying and addressing barriers to the Single Market – COM/2020/93 final): [...] *some matters are the object of a minimum EU harmonisation, which leaves room for Member States to set standards above the identified baseline. This may lead to partly divergent rules across the single market that can impose burdens on market actors (so called “gold plating”). These divergent rules may also make it more difficult for consumers to understand the legal basis and the scope of their protection when making a cross-border purchase.*

Directive	Referred as
11. Directive (EU) 2023/970 – Pay Transparency Directive	11. Pay transparency
<b>C. Labour mobility</b>	
12. Directive 2001/23/EC Transfer of undertakings	12. Transfer of undertakings
13. Directive 2005/36/EC on the recognition of professional qualifications	13. Professional qualifications
<b>D. Occupational safety and health</b>	
14. Directive 90/269/EEC - Manual handling of loads	14. Handling of loads
15. Directive 2003/10/EC - Noise	15. Noise
16. Directive 2009/148/EC - Asbestos	16. Asbestos
17. Directive (2013/35/EU) - Electromagnetic Fields	17. Electromagnetic fields

## 1.2 Doing business in the EU: regulatory burdens

To understand the regulatory burden that EU social instruments place on businesses, it is first necessary to categorise the diverse ways in which they impact business operations. From the perspective of European employers, these burdens are rarely isolated from each other, nor from pre-existing national obligations. Instead, they form a cumulative weight that affects different areas of a business.

### *Direct administrative burdens*

Direct administrative burdens consist primarily of internal human resource costs linked to information obligations. They involve the time and effort spent by staff to prove compliance, including record-keeping and reporting requirements. An example of administrative burden is the A1 Certificate process required for cross-border mobility. Research shows that under the current regulation, a high frequency of applications, often for short-term trips (i.e., less than 5 days) need to take place. In Germany alone, nearly 490,000 A1 applications were submitted in 2022, accounting for more than 81,000 hours of company time<sup>7</sup>.

### *Financial costs*

Besides internal staff time, businesses also incur direct expenses, such as payments to external service providers or investments in technical and IT infrastructure. On the one hand, businesses face *one-off costs*, which are typically associated with the initial implementation of a new directive, such as the redesign of IT systems to handle new reporting standards or adapting internal software for social security coordination. On the other hand, businesses incur *recurring costs*, which include activities such as annual third-party verification and assurance costs. For example, an ESG management platform estimated in 2024, the one-off setup costs for large, publicly listed companies to comply with the Corporate Sustainability Reporting Directive (CSRD) to be around EUR 287,000 and the annual recurring costs to be around EUR 320,000.<sup>8</sup>

### *Compliance costs*

Compliance costs refer to expenses incurred due to fundamental changes a business must make to its business model, staffing levels, production process or service delivery to meet

<sup>7</sup> BT4Europe, (2025), Reducing administrative burden for short-term business travel within the EU, Position Paper, [Access here](#); Harta et al., (2023), Regulatory and financial burdens of EU legislation in 4 Member States: a comparative study. Vol.1: A1 Certificate, Foundation for Family Businesses, [Access here](#)

<sup>8</sup> Vişenescu, R. (2024). Understanding CSRD assurance costs and compliance timelines. [Access here](#)

regulatory requirements. Rather than being limited to administrative adjustments, these costs often involve deeper operational reconfiguration, with implications for how businesses plan and allocate resources. Heavy compliance requirements can distort markets by making businesses reconsider how they operate and grow. For example, a substantial administrative burden and/or lack of clarity regarding compliance procedures can act as a barrier to cross-border activity, particularly for SMEs<sup>9</sup>, and complex and fragmented regulation can discourage businesses from investing in priority objectives, such as innovation for the green transition<sup>10</sup>.

#### *Differences in transposition and legal fragmentation*

Lastly, another challenging burden for employers is the lack of a "level playing field" caused by the inconsistent transposition of directives across Member States. Some of the key issues highlighted by the literature are so-called "gold-plating" issues and legal uncertainty.

"Gold-plating" occurs when Member States go beyond the EU minimum requirements during the transposition of directives by introducing additional obligations.<sup>11</sup> This practice raises compliance costs, complexity and legal uncertainty, as businesses must navigate national rules that exceed and diverge from EU standards. However, "gold-plating" is not the single source of compliance costs originating from transpositions; differing national procedures, interpretations, and enforcement practices (legal fragmentation) also contribute to this further.

In the context of these two issues, the EU legislation related to workers' cross-border mobility can be an illustrative example. For social security, the EU stipulates that a person shall be subject to the social regulation of just one Member State, and, in case of temporary posting, the sending employer must apply for a certificate (A1 certificate) attesting which social security system rules apply. However, EU legislation does not stipulate in detail which information should be included in the application for the certificate. From the literature, it appears that Member States have therefore imposed unique information and documentation requirements, with some being more detailed than others.<sup>12</sup>

Taken together, these administrative, financial, compliance, and legal fragmentation burdens illustrate how EU social legislation can place a cumulative and interconnected strain on business operations, particularly for businesses active across borders and SMEs.

#### *EU initiatives affecting regulatory burdens*

To improve the regulatory environment and alleviate the burden of social legislation, the European Commission (EC) has launched several initiatives. These efforts focus on streamlining existing rules, preventing new burdens, and specifically protecting SMEs. Following the Draghi<sup>13</sup> and Letta<sup>14</sup> reports' emphasis on regulatory burdens, [the EC aims to](#)

<sup>9</sup> Holz, M. and Icks, A. (2023). Influence of administrative burdens on the cross-border posting of employees by SMEs in border regions. [Access here](#)

<sup>10</sup> Panitsas, K., (2023), Complex and incoherent regulation puts pressure on Europe's competitiveness and Green Transition efforts, Conference board measure for CEO confidence by the European Round Table for Industry (ERT), [Access here](#)

<sup>11</sup> Magrani et al., (2021), Gold-plating in the transposition for EU Law, e-Pública, Vol.8, [Access here](#)

<sup>12</sup> Harta et al., (2023), Regulatory and financial burdens of EU legislation in 4 Member States: a comparative study. Vol.1: A1 Certificate, Foundation for Family Businesses, [Access here](#)

<sup>13</sup> Draghi, M., (2024), The future of European competitiveness, [Access here](#)

<sup>14</sup> Letta, E., (2024), Much more than a market: Empowering the single market to deliver a sustainable future and prosperity for all EU citizens, [Access here](#)

reduce administrative costs and reporting obligations by at least 25% for all businesses and further by at least 35% for SMEs by 2030.<sup>15</sup>

In practice, these targets are mainly materialising via the [Omnibus simplification packages](#). These packages allow the EC to fast-track adjustments to multiple laws at once. For example, the first package focuses on simplifying sustainability reporting, due diligence obligations and the carbon border adjustment mechanism<sup>16</sup>. Omnibus II aims to streamline and simplify the EU investment framework<sup>17</sup>, and Omnibus III targets the EU's Common Agricultural Policy (CAP). For Omnibus III, targeted legislative revisions have been proposed that cut back on administrative requirements and controls, streamline payment schemes and conditionality rules for small farmers, and strengthen financial support during periods of crisis<sup>18</sup>. In total, up to 10 omnibus packages are currently foreseen, covering additional policy areas such as digitalisation, food and feed safety, and the automotive industry<sup>19</sup>. The EC has so far not expressed the intention to simplify EU social legislation.

From a more general angle, since 2019, the EC has committed to following a [“One in, one out” approach](#). This approach does not work mechanically by removing one law every time a new one is proposed; instead, it aims to function as a “cost brake”. In other words, new regulatory costs for businesses should be balanced by equivalent cost savings in the same policy area, through simplification measures, burden reduction, or cost savings in other areas of EU law, rather than simply accumulating over time<sup>20</sup>.

In addition, as part of the Better Regulation Toolbox, the EC introduced the [“Competitiveness Check”](#) (Tool 21) and the [“SME Test”](#) (Tool 23) in impact assessments for new legislative proposals. The “Competitiveness Check” aims to understand how a proposal might impact competitiveness and which sectors are the most affected. In short, it aims to ensure that new legislative proposals strengthen EU competitiveness rather than harming it<sup>21</sup>. Further, since SMEs are disproportionately affected by burdensome regulation, the EU applies a “think small” approach to law-making. In essence, the “SME test” evaluates how proposed legislation may specifically affect SMEs, to minimise their regulatory and administrative burden<sup>22</sup>. Other examples of the EC's efforts to improve the EU social legislation landscape include [REFIT](#), a programme under the Better Regulation agenda aimed at making EU legislation easier to understand and comply with<sup>23</sup>.

In April 2026, the EC published the [Better Regulation Communication](#), a renewed effort toward the identification of EU law implementation challenges and simplification potential.<sup>24</sup> The Communication addresses the concerns raised in the Letta and Draghi reports over regulatory complexity and inconsistency in EU law implementation, through the concept of ‘simplicity by design’ as a means to facilitate compliance with EU rules. This principle introduces, for the

<sup>15</sup> Council of the EU, Simplification of EU rules, [Access here](#)

<sup>16</sup> Council of the EU, 24.02.2026, Council signs off simplification of sustainability reporting and due diligence requirements to boost EU competitiveness, [Access here](#)

<sup>17</sup> Council of the EU, 11.12.2025, Council signs off simplification of InvestEU programme to boost EU competitiveness, [Access here](#)

<sup>18</sup> Council of the EU, 18.12.2025, Council signs off simplification of Common Agricultural Policy, [Access here](#)

<sup>19</sup> Council of the EU, Simplification of EU rules, [Access here](#)

<sup>20</sup> European Commission, ‘One in, one out’ approach, [Access here](#)

<sup>21</sup> European Commission, (2025), Better Regulation Toolbox, Chapter 3, p.163, [Access here](#)

<sup>22</sup> European Commission, (2025), Better Regulation Toolbox, Chapter 3, p.186, [Access here](#)

<sup>23</sup> European Commission, REFIT – making EU law simpler, more efficient and future-proof, [Access here](#)

<sup>24</sup> A Simpler, Clearer, and Better Enforced EU Rulebook. Com(2026) 380 Final. [Access here](#)

first time in EU policy, the principle of ‘enforcement by design’ through the designation of national enforcement authorities, adjusted infringement procedures, and implementation dialogues. The Communication also explicitly mentions “gold-plating” as a key barrier to the single market, as already identified in the 2025 Single Market Strategy. The communication signals commitment to tackle it through a toolkit of best practices, transposition guidance and stronger cooperation with Member States.<sup>25</sup> It also includes a simplification platform, modelled under the Fit for Future platform (2021-2024) as a high-level expert group to support the identification of EU law implementation challenges and simplification potential.

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<sup>25</sup> Ibid.

## 2 Methodological approach

In this chapter, we explain the methodology of the study, describing the scope of the analysis, the selection of EU social directives, and the data collection tools. The study relied on four main data collection tools:

1. We conducted [desk research](#) to identify the most burdensome regulations as well as relevant national transpositions case studies for selected directives.
2. We carried out [two surveys](#) targeting businesses and business associations to gather data on participants' legislative awareness, the regulatory costs of social regulation, as well as differences in implementation, enforcement, and regulations among Member States.
3. We conducted 26 follow-up [interviews](#) to fill gaps and explore key issues, insights, best practices, and suggestions that emerged from the surveys.
4. We organised three [Focus Group Discussions](#) (FGDs) to dive deeper into specific directives, identify patterns in regulatory impacts, share examples, and discuss best practices, building on insights from previous data collection tools to complement and validate our findings.

The four data collection tools were designed to complement each other analytically. The desk research established the regulatory framework and informed the selection of national transposition case studies. The survey captured the breadth of businesses' experience across Member States, sectors, and company sizes, while interviews explored specific findings in greater depth and surfaced operational examples. Focus group discussions then validated emerging findings and explored systemic issues (e.g. "gold-plating", cross-border compliance).

The following section describes each tool in detail, including its methodology, scope and key outcomes.

### 2.1 Desk research

Desk research informed the three specific methodological steps outlined in this section: analysis of trends in EU regulatory burden, the selection of EU social directives for inclusion in the analysis, and the identification of national transposition case studies. For the desk research, we drew on EU institutional sources (EC evaluations and impact assessments, reports, EU-OSHA publications, Council and Parliament documents on legislative proposals), academic and policy literature on regulatory burden and national transposition, and legal commentary on the implementation of specific directives to inform the substantive analysis throughout the entire report.

#### 2.1.1 Analysis of trends

The latest data from the EU Annual Burden Survey<sup>26</sup>, which measures the developments in the regulatory burden caused by EU legislation, was collected in 2022. The exercise highlights the broad trends at the EU level, including a strengthened focus on simplifying legislation

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<sup>26</sup> European Commission (2023) The European Union's action to simplify legislation. Annual Burden Survey 2022. [Access here](#).

through the REFIT programme, the systematic application of the ‘one-in, one-out’ approach to managing administrative costs, and a growing reliance on digitalisation and streamlined reporting requirements to reduce burdens on businesses, notably SMEs. Given that no recent survey data is available, the regulatory trends were analysed at a higher level, drawing on relevant policy and academic literature.

### 2.1.2 Selection of burdensome EU social law

For this study, we considered 30 EU directives and regulations. In consultation with BusinessEurope, we selected 17 EU directives (see Table 1.1), based on our understanding of EU social law and feedback from businesses regarding which legislative documents and their national transpositions result in significant social regulatory costs, both financial and non-financial.

Table 2.1 presents the years in which the original directives and the latest codification or recasting<sup>27</sup> of the original directive took effect or will take effect. The start year is generally the latest required transposition date of the first directive. However, in the case of the CSR and the Pay Transparency Directives, the start refers to the year in which businesses need to comply with the provisions of these Directives. For the legal analysis, the consolidated version includes the latest amendment used.<sup>28</sup>

**Table 2.1 Selected Directives in chronological order of entry into force**

Directive	Original	Start	Latest repeal / reference	Start	Latest amendment
Transfer of undertakings	77/187/EEC	1979	2001/23/EC	2001	2015
Professional qualifications	77/452/EEC	1979	2005/36/EC	2007	2024
Asbestos	83/477/EEC	1987	2009/148/EC	2012	2023
CSR (a)	83/349/EEC	1988	(EU) 2022/2464	2024-2026	
Noise	86/188/EEC	1990	2003/10/EC	2006	2019
Handling of loads	90/269/EEC	1992			2019
Working conditions	91/533/EEC	1993	(EU) 2019/1152	2022	
Working time	93/104/EC	1996	2003/88/EC	2004	
Young workers	94/33/EC	1996			2019
European Works Council	94/45/EC	1996	2009/38/EC	2011	2015
Work-life balance	96/34/EC	1998	(EU) 2019/1158	2022	
Posting of workers (b)	96/71/EC	1999	2014/67/EU	2016	2019
Informing employees	2002/14/EC	2005			2015
Electromagnetic fields	2004/40/EC	2008	2013/35/EU	2016	
Platform work	(EU) 2024/2831	2027			
Pay transparency	(EU) 2023/970	2027-2031			
Traineeships proposal (c)	COM (2024) 132	2027*			

(a) Changes to the CSR Directive (EU) 2022/2464 are currently discussed<sup>29</sup>

(b) Enforcement of the Posting of Workers Directive refers to Directive 96/71/EC but does not repeal it

<sup>27</sup> EUR-Lex. Codification, see here: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=LEGISSUM:codification>.

<sup>28</sup> The difference between a consolidated version and a codified version is that a codified version replaces a Directive, generally because changes are major, and a consolidated version follows instructions from an amending act, generally because changes are minor.

<sup>29</sup> ESG Today, 26.02.2025, EU to Exempt 80% of Companies from CSRD Sustainability Reporting Requirements. [Access here](#).

- (c) The Traineeship Directive is currently still a proposal, so the date of transposition is yet unknown

### 2.1.3 National approaches to EU social regulations

To dive deeper into how EU social regulations are being enforced and implemented in Member States, we analysed 10 case studies of national transpositions. For the selection, we analysed our survey findings, which were further complemented by suggestions received during the Focus Group Discussions (FGDs). Considerations during the selection process included the following:

- For **Working Time**, FGD participants were interested in sharing knowledge with countries with different degrees of derogations to social partners, depending on the level of social dialogue. Examples included **Denmark** or **the Netherlands**, where there is a high degree of social partners' involvement, or **Eastern European** countries, where social dialogue is less common.
- **Pay Transparency** was also a key Directive, as there are currently active discussions around its implementation. These discussions take place in Member States, with a relatively short or no history of gender pay reporting (e.g., **Ireland, Denmark or the Netherlands**) and in those with pay transparency-related requirements in place for longer (e.g., **Sweden** since 2008 for employers with at least 10 employees, or **Austria** since 2011 and since 2014 for employers with at least 150 employees)<sup>30</sup>.
- For the **Posting of Workers instruments**, we noted several differences in implementation between Member States, according to business representatives. Examples included the use of a single portal in some Member States (e.g., **France, Germany**). France and Luxembourg are consistently mentioned as countries with burdensome requirements concerning equal pay for workers posted in their countries. Malta is selected as a small country.
- **The Directive regulating transparent and predictable working conditions** was reported in the survey to generate high costs. Part-time work is more prominent in the Northwest of Europe (e.g., the Netherlands, Germany, and Denmark) compared to Eastern Europe<sup>31</sup>, which might lead to differences in regulatory approaches.

In addition, we noted specific measures that were repeatedly mentioned in both the survey and the FGDs for other regulatory areas, such as occupational safety and health (OSH), including:

- **Work portals**, such as ERGANI II in **Greece** (and ERGANI I in **Cyprus**, which is based on the Greek portal), that require all employers in the private sector to record worker information related to their employment.
- Requirements related to the use of **company or occupational physicians** (from 1 person in **Spain**, 50 in **Greece**); requirement of an external **safety technician** (**Greece**), as well as the development of a Safety Technician Instruction Book in **Greece**.

Table 2.2 presents the selection of case studies on national transpositions and the rationales for this selection. For the selected regulatory areas, eight case studies on countries with

<sup>30</sup> For example, Sweden has asked for a two-year extension to give Member States and employers the opportunity to adjust systems, procedures, and national legislation, ensuring the Directive is implemented in a balanced and effective way throughout the EU.

<sup>31</sup> Eurostat (2025). Part-time and full-time employment – statistics. See: [https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Part-time\\_and\\_full-time\\_employment\\_-\\_statistics](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Part-time_and_full-time_employment_-_statistics)

different institutional settings were selected. For the special features, measures that create a particularly high burden for SMEs were selected.

**Table 2.2 Selection of national transposition case studies**

Regulatory area	System 1	System 2	Rationale
Working time	1.Denmark	2.Romania	Strong – weak social dialogue
Pay transparency	3.Sweden	4.Ireland	Old – young legislative tradition
Posting of Workers / A1-form	5.France	6.Malta	Single portal – small country
Transparent and predictable working conditions	7.Netherlands	8.Hungary	More – less flexible work hours
Special feature	Country		Rationale
Work portal (ERGANI)	9.Greece		Alleged high burden for SMEs
Occupational physician, health checks	10.Spain		Alleged high burden for SMEs

## 2.2 Survey

The main purpose of the survey was to collect data on the regulatory costs of social regulations, as well as on differences between Member States in implementation, including “gold-plating”.

The survey was implemented in four steps:

1. The design of the survey questionnaire;
2. The programming, testing, and piloting of the survey;
3. The launch of the survey and tracking its progress; and
4. The cleaning, analysis, and reporting of data.

### 2.2.1 Survey design

We developed two versions of the survey: one for businesses and another for business associations. We used a similar questionnaire for business associations when targeting the EU Headquarters (HQ) of multinational businesses because, like associations, HQ had a broader perspective on key issues and might lack direct experience in dealing with social regulations at the national level.

The survey version for **local businesses** collected information on key elements, such as:

- The identification of the most burdensome EU Directives;
- The estimation of administrative burden and adjustment costs caused by social regulations;
- The identification of the most burdensome aspects of these directives;
- Other impacts of EU social legislation (e.g., the adoption of business practices to mitigate increased costs, or impacts on competitiveness, economic growth, investments prospects, presence in EU markets, etc.); and
- Key concerns, suggestions, and indications of good practices or effective solutions in different Member States and businesses.

The version for **business associations** focused on perceptions regarding the points above and focused on the differences between Member States and particular burdens for SMEs.

Each questionnaire consisted of three parts:

1. Introduction and identifying questions about the business or business association;
2. Questions to collect information about social regulations and costs; and
3. Open questions about suggestions and recommendations.

### 2.2.2 *Programming, testing, and launching the survey*

After agreeing on the formulation of the questions with BusinessEurope, we coded the survey using the Medallia platform, a commercial survey tool that complies with GDPR. Medallia offers additional features and improved online accessibility.

To improve the survey's clarity and ensure that it was accessible and understood as intended, we conducted a pilot phase with a selected group of businesses and associations. The pilot survey was launched on 19 June 2025 to test its layout, structure, readability, and overall accessibility. The pilot included responses from the following stakeholders:

- 2 business associations;
- 4 EU HQ of multinational businesses; and
- 4 local businesses.<sup>32</sup>

The respondents came from a variety of sectors, including transport and construction. The pilot respondents were given the opportunity to discuss the social regulations in more detail in a follow-up interview. The results and feedback from the pilot phase were used to refine the questionnaires for the official launch (see Section 2.2.3) where necessary.

To enhance outreach and ensure user-friendliness, the survey was translated from English into 15 other EU languages: Bulgarian (BG), Czech (CZ), German (DE), Greek (EL), Spanish (ES), French (FR), Croatian (HR), Hungarian (HU), Italian (IT), Dutch (NL), Polish (PL), Portuguese (PT), Romanian (RO), Slovak (SK), and Slovenian (SL).

### 2.2.3 *Full survey launch*

The full survey was officially launched on 4 September 2025. It was initially scheduled to remain open until October 31, 2025, however, to increase the number of responses, the survey closure date was extended and remained open until November 30, 2025. The survey was distributed using a single anonymous link and included routing options for different questions depending on the type of respondent (i.e., EU HQ, business associations, and local businesses).

Throughout the survey period, the responses were monitored regularly, mainly for two reasons:

1. To ensure that all sectors and Member States were adequately represented in the sample. Following up with stakeholders in underrepresented Member States proved effective in increasing participation.
2. To identify respondents who were willing to provide additional information during a follow-up interview.

After the survey closure, we cleaned and validated the data to prepare for the analysis. This included checks for incomplete entries, deduplication of cases where multiple submissions

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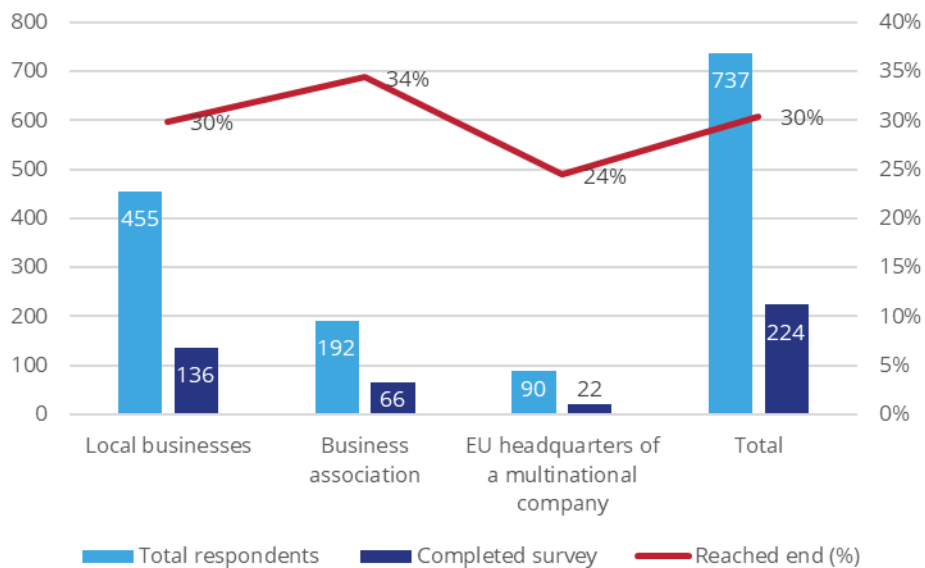
<sup>32</sup> Local business = domestic business or national subsidiary of a multinational business.

came from the same organisation, translations of responses into English, recoding text answers into numerical answers where relevant, and conversions of costs reported in various currencies into Euros. Quantitative analysis was carried out using Medallia exports and Microsoft Excel, focusing on descriptive statistics, frequency distributions, and aggregated cost estimates.

#### 2.2.4 Response rate and respondents' profiles

After the deduplication of responses and the removal of non-responding participants, the final sample consisted of 737 valid responses. Among these, 224 respondents completed the full survey (30% of the total). This group included 66 business associations, 136 local businesses, and 22 EU HQ of multinational businesses (Figure 2.1). Our analysis includes the answers provided by all respondents, including those who did not reach the end of the survey. This choice is justified by the dropout patterns observed in the survey.

**Figure 2.1 Respondents' overview**



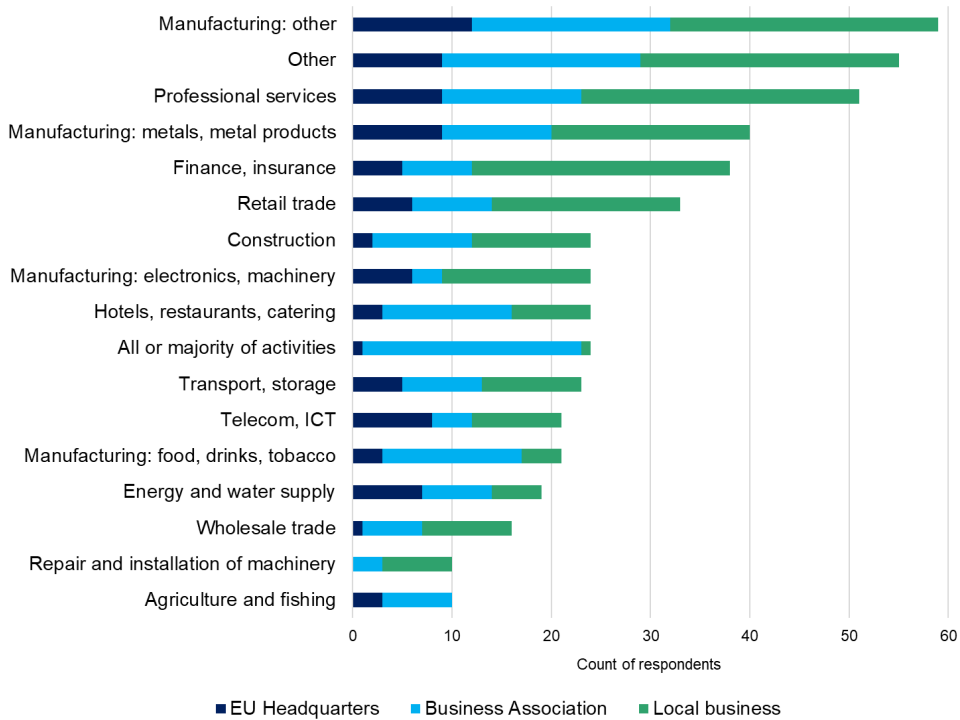
Responses showed a broad sectoral distribution, reflecting the diversity of activities represented by local businesses, EU HQ, and business associations.

Respondents from manufacturing-related activities dominated in terms of response rates, particularly “other manufacturing” (covering areas outside the sectors of food and drinks, tobacco, metals, and electronics and machinery), metals and metal products, electronics, and machinery, which together accounted for a substantial share of responses (around 30% of respondents). The majority of respondents from these sectors came from local businesses and business associations. Respondents from professional services and the finance and insurance sector also featured prominently, indicating strong representation from service-oriented sectors alongside industry. Respondents from the retail and wholesale trade, construction, and hotels and catering sectors further contributed to the sectoral representation, while respondents from the telecom and ICT sector were primarily from local businesses and EU HQ.

There were numerous representatives of business associations in cross-cutting categories, such as “all or majority of activities”, and in sectors including food manufacturing, hospitality, and public services, underscoring their role in representing multiple industries. Respondents from digital labour platforms, businesses in the leisure sector, as well as waste or wastewater management businesses or associations were much less represented in the sample.

Overall, the results indicated a relatively balanced respondent base with a dominance of the manufacturing sector, complemented by substantial participation from key service sectors across all respondent types. For details, see Figure 2.2 below.<sup>33</sup>

**Figure 2.2 Sector of activity of respondents (N=491)**



Business respondents covered a wide range of business sizes, with a concentration in SMEs. Of the 158 responding businesses, 43 had fewer than 50 employees, 40 had 50-249 employees, and 64 had more than 250 employees. 11 respondents did not indicate the size of their business.

Local businesses were predominantly SMEs, particularly in the 50-249 employee category, whereas EU HQ were more strongly represented among larger businesses, especially those with 3,000 or more employees. Micro- and very small enterprises (fewer than 10 employees) were present but accounted for a relatively small share of responses. Overall, the distribution suggested that while the survey captured businesses of all sizes, medium-sized and large businesses were better represented. Table 2.3 presents the detailed results.

<sup>33</sup> Sectors with fewer than 10 responses have been grouped into the “other” category for visualisation purposes. These sectors include: Business administrative services, Leisure (arts, entertainment, recreation), Tech platform, Waste or wastewater management, Real estate, Digital labour platform, Aerospace and defence, Pharmaceuticals, Healthcare services, Personal services, Publishers and broadcasting, Mining and quarrying, and Public services.

The share of SMEs in the survey is 57%, which is comparable to the share of 60% of employees who are employed by SMEs.<sup>34</sup>

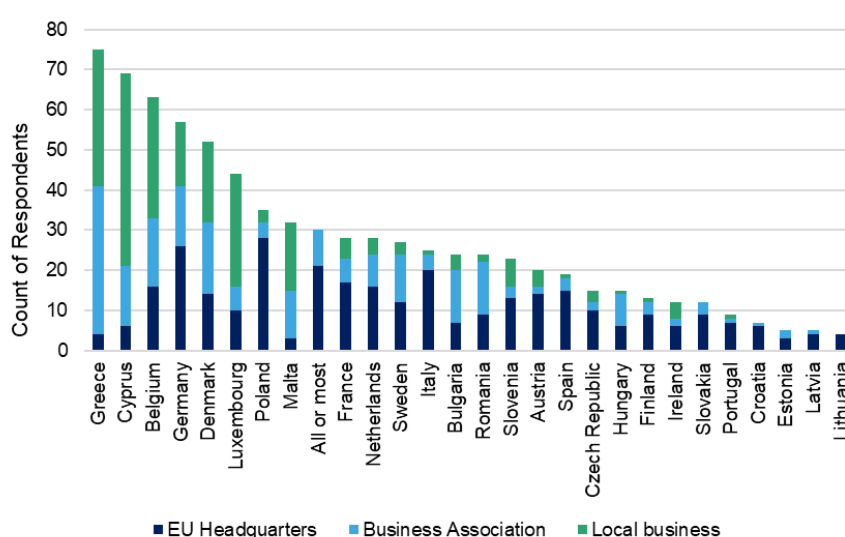
**Table 2.3** Size of business of respondents who have fully completed the survey

Size	EU HQ*	Local businesses*	Total
1 or less	2	6	8
2 – 5	0	3	3
6 – 9	0	5	5
10 – 19	3	8	11
20 – 49	2	14	16
50 – 249	1	39	40
250 – 999	4	23	27
1,000 – 2,999	2	14	16
3,000 or more	8	13	21
No answer	0	11	11
<b>Total</b>	<b>22</b>	<b>136</b>	<b>158</b>

(\*) EU Headquarters: employees across the EU, local business = employees in the local country

Geographically, respondents from all EU Member States participated in the survey. However, the geographical distribution was fairly uneven, with significantly more responses from certain countries such as Greece, Cyprus, Belgium, Germany, and Denmark. The full results are shown in Figure 2.3. While the country coverage is not representative of the distribution of businesses across Europe, EU directives apply to all countries, and any conclusions on specific national implementations are analysed at the country level instead of the EU level.

**Figure 2.3** Geographical coverage of respondents (N=208)



<sup>34</sup> Based on Eurostat Structural Business Statistics and the Eurostat Labour Force Survey. The share of SME employers in the total number of employers is 99.6% in the EU.

## 2.3 Interviews

The team monitored survey responses while the survey was still live. This allowed us to track the response rate by type of respondent and by Member State, and enabled prompt outreach to the interviewees who provided availability.

### Pilot interviews

Shortly after the pilot questionnaire (and before the full survey launch), we conducted 10 interviews to collect feedback on the questions and to explore the regulatory costs in more detail. This requirement was communicated in advance to the pilot questionnaire participants.

### Post-launch and gap-filling interviews

Following the full launch, we aimed to conduct interviews with 20 respondents who had indicated their willingness to provide further information, focusing on businesses. These served to fill gaps in the interviewee's survey responses, to elicit more qualitative responses or to illustrate costs and more quantitative data on costs and the causes of those costs. We also asked whether regulatory costs had increased or decreased over time and, more specifically, explored the root causes of certain costs.

At the end of the data collection process, we reached out to key stakeholders to address specific gaps in our data. In total, we conducted 26 interviews: 10 with business association representatives and 16 with business representatives.

## 2.4 Focus Group Discussions

We organised three separate FGDs to investigate the impacts of various practices and to identify best practices that directly informed the study's conclusions, particularly concerning the most burdensome regulations. While interviews allowed businesses to share their individual experiences, the FGDs built upon insights gathered from previous data collection, aiming to validate and deepen our understanding of key issues. They highlighted challenges and successful practices common to several businesses across different sectors.

Moreover, the FGDs not only verified effective processes and solutions, as well as cases of overregulation or "gold-plating", but also facilitated discussions on the root causes of excessive administrative burdens.

We utilised the results of the survey and interviews to identify topics for the FGDs, working closely with BusinessEurope. The following three topics were selected:

- **Focus Group 1 - National Implementation Differences of EU Legislation across Member States**, with a focus on the Working Time Directive. Survey results indicated that this Directive is one of the directives most frequently associated with high regulatory costs for both SMEs and larger businesses. It also revealed significant national implementation differences and "gold-plating" risks.
- **Focus Group 2 - Cross-border Mobility and EU-Level Burdens**. *Cross-border requirements*, especially related to the Posting of Workers and A1 forms for cross-border social security, ranked among the most burdensome social regulations for businesses. These regulations exhibit the highest variability in costs across EU countries.

- **Focus Group 3 - Simplification Opportunities, with a focus on Pay Transparency.** Early recommendations from the survey underscored the need for simplification and reduction of regulatory burdens, particularly through the elimination of duplication and the phasing out of low-value reporting obligations.

The invitations to the focus groups were sent to a selected group of survey respondents, which included both businesses and business associations. Additionally, BusinessEurope shared information about the FGDs with its network. Following the FGDs, participants received a summary of the discussions in the form of minutes.

## 3 Overall Findings

In this section, we present the aggregated findings of our analysis. This includes inputs from surveys, interviews, and FGDs, all supported by the preliminary and supplementary desk research detailed in Chapter 2. Most of the quantitative results are derived from the two surveys, while qualitative insights and in-depth context come from open questions, interviews, and FGDs.

Our findings are separated into four main sections:

1. The level of awareness of EU social regulations (Section 3.1);
2. Which EU social regulations are perceived as most burdensome, and what types of costs they create (Section 3.2);
3. The differences observed between Member States related to the transposition and implementation of EU social regulations (Section 3.3); and
4. The cumulative costs for businesses (Section 3.4).

### 3.1 Awareness of EU social regulations

The survey results revealed differences in awareness of businesses and business associations across the selected EU social directives. Overall, awareness appears to be higher for the directives that have a long-standing presence in the regulatory landscape or that have recently attracted increased political and media attention. In this respect, the [Working Time Directive](#) emerged as the most widely recognised directive (among the options), reflecting its long-standing application across Member States, its growing body of case law and its direct relevance for employers, workers, and social partners.<sup>35</sup>

[High levels of awareness](#) were also observed for the Pay Transparency and the Work-life Balance Directives. Awareness of the [Pay Transparency Directive](#) is likely influenced by its recent adoption, expected (very) high regulatory burden and the extensive political and media attention accompanying ongoing debates about gender pay equality<sup>36</sup> and national transposition difficulties, causing implementation delays across several Member States.<sup>37</sup> Meanwhile, the [Work-life Balance Directive](#) has also benefited from strong policy visibility, having been closely linked to the European Pillar of Social Rights and developed through extensive public and social partner consultation addressing work-life reconciliation and changing working patterns.<sup>38</sup>

By contrast, awareness of more technical or sector-specific instruments, such as the Directives on [Electromagnetic Fields](#) and [Asbestos](#), was comparatively lower. Awareness of

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<sup>35</sup> The Working Time Directive was first adopted in 1993 and later codified in 2003, and is repeatedly described by the Commission and legal sources as a fundamental pillar of EU labour law.

<sup>36</sup> Council of the European Union (n.d.). Pay transparency in the EU. Available at: <https://www.consilium.europa.eu/en/policies/pay-transparency/#issues>

<sup>37</sup> McGuigan, D. et al. (2026). The EU Pay Transparency Directive's Progress Explained. National Law Review. Available at: <https://natlawreview.com/article/eu-pay-transparency-directives-progress-explained>

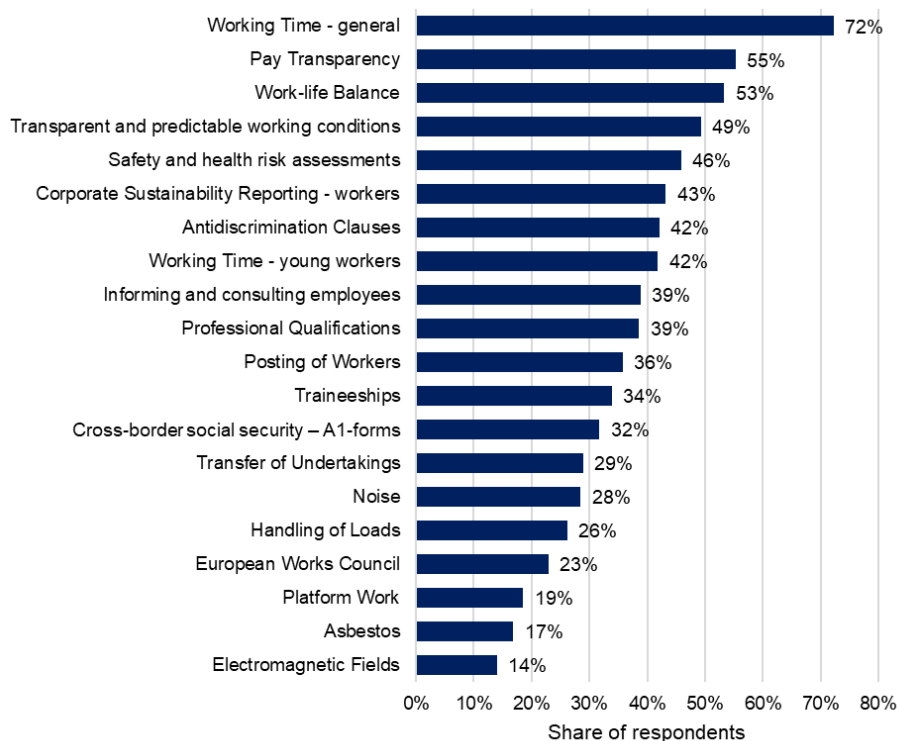
<sup>38</sup> European Commission (n.d.). Work-life balance. Available at: [https://employment-social-affairs.ec.europa.eu/policies-and-activities/rights-work/labour-law/working-conditions/work-life-balance\\_en](https://employment-social-affairs.ec.europa.eu/policies-and-activities/rights-work/labour-law/working-conditions/work-life-balance_en)

sector-specific instruments is naturally concentrated among employers in directly affected industries such as construction, healthcare, and manufacturing, and lower awareness among the broader sample does not imply a gap in knowledge among those to whom the rules apply.

Despite its policy relevance<sup>39</sup>, the [Platform Work Directive](#) is a recent instrument whose adoption followed prolonged political negotiations and faces enforcement challenges.<sup>40</sup> Hence, a similar pattern was observed for this directive, which may not be visible to all respondents, particularly not to those not directly operating within platform-based business models or exposed to its related regulatory obligations.

The full results are presented in Figure 3.1 below.

**Figure 3.1 Respondent awareness of EU social regulatory areas (N=523)**



## 3.2 Business perspective on regulatory burdens

One of the goals of this study was to identify which social regulations are perceived to cause the most burden for businesses. According to our findings, the reported regulatory burden is most often pronounced in regulatory areas associated with extensive reporting obligations, procedural requirements, or recurring compliance activities.

<sup>39</sup> Fredman, S. et al. (2025). Fair Work for Platform Workers: Lessons from the EU Directive and Beyond, *Industrial Law Journal*, Volume 54, Issue 3, September 2025, Pages 425-457. Available at: <https://doi.org/10.1093/indlaw/dwaf018>

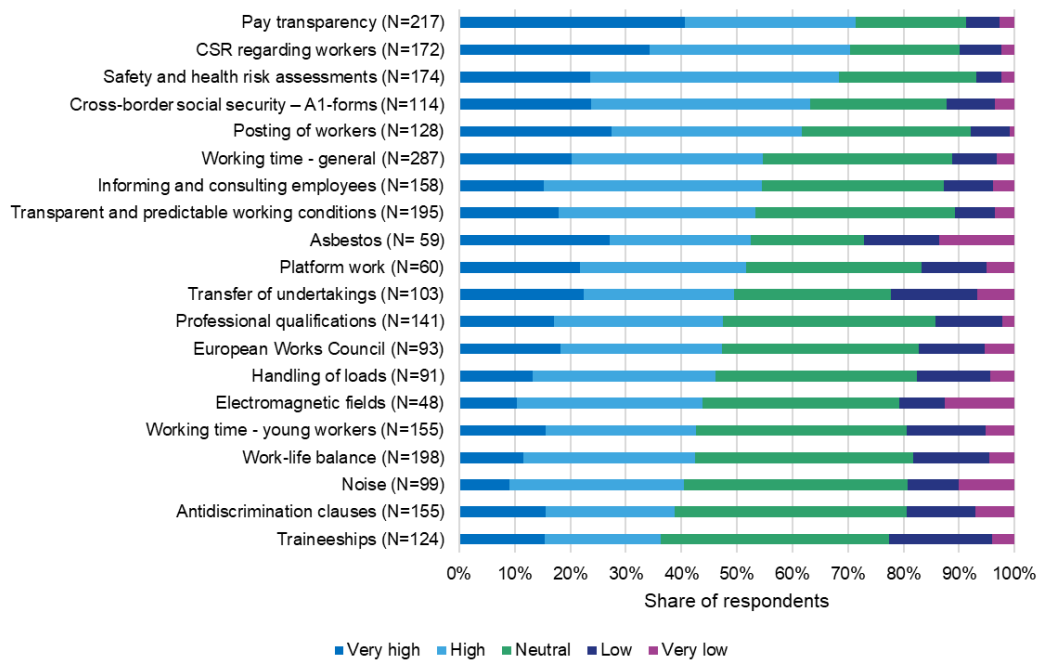
<sup>40</sup> Ebenhöf, M. et al. (2025). Implementing Article 20 of the EU Platform Work Directive: 'Communication channels'. *Global Workplace Law & Policy*. Available at: <https://legalblogs.wolterskluwer.com/global-workplace-law-and-policy/implementing-article-20-of-the-eu-platform-work-directive-communication-channels/>

In the survey<sup>41</sup>, the **Pay Transparency** and **CSR Directives** were most frequently rated as imposing a high or very high regulatory cost, with 71% and 70% of survey respondents, respectively, selecting these categories. Both areas typically entail new or expanded data collection, documentation, and internal reporting processes, which may explain their prominence among the highest-ranked regulatory burdens.<sup>42-43</sup>

A similarly high share of respondents (68%) pointed to **safety and health risk assessments** as generating significant costs, reflecting the ongoing nature of occupational health and safety compliance and the need for regular assessments, documentation, and preventive measures. The instruments on **Posting of Workers**, including **A1 forms**, were also frequently perceived as burdensome (63%), likely partly due to their cross-border nature and the administrative effort involved in ensuring compliance across different national systems.<sup>44</sup>

Finally, more than half of respondents (55%) rated the **Working Time Directive** as causing high or very high regulatory costs. While these rules are well-established, their application in practice, particularly in sectors with flexible or project-based working arrangements, may still require substantive monitoring and administrative effort. The survey results, broken down by regulatory area, are shown in Figure 3.2.

**Figure 3.2 Perceived burden across EU social regulatory areas (N=365)**



<sup>41</sup> "On a scale from 1 (very low) to 5 (very high), how would you rate the social regulations you are aware of in terms of causing regulatory cost for your business or members?"

<sup>42</sup> Jones Day (2025). EU Pay Transparency: What Employers Need to Know. Available at: <https://www.jonesday.com/en/insights/2025/11/eu-pay-transparency-what-employers-need-to-know>

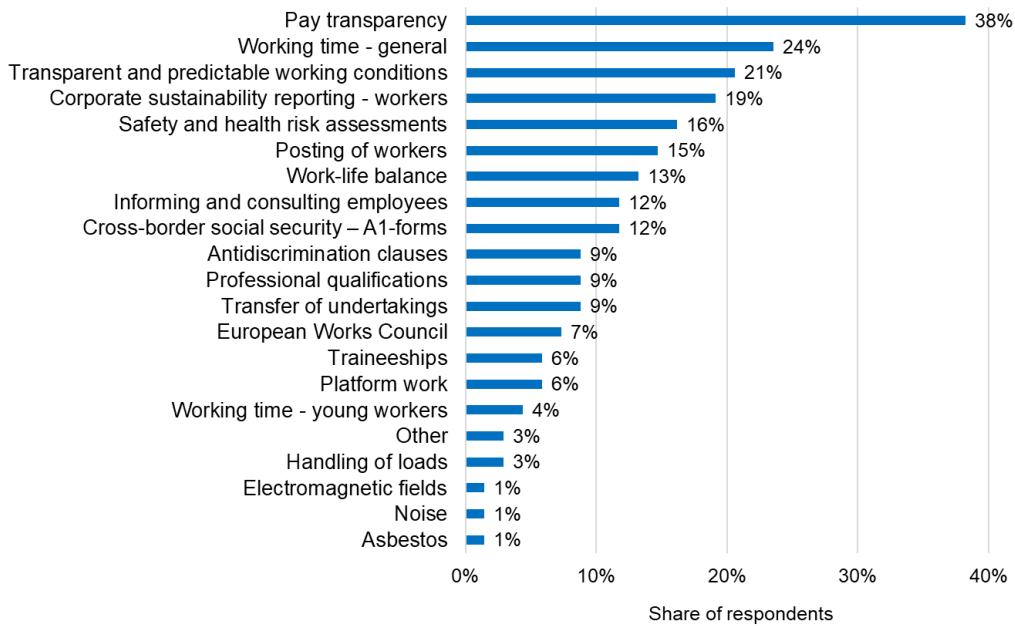
<sup>43</sup> Bracken, J. et al. (2024). The EU Corporate Sustainability Reporting Directive | Employment Law Implications. The Employer Report. Available at: <https://www.theemployerreport.com/2024/11/the-eu-corporate-sustainability-reporting-directive-employment-law-implications/>

<sup>44</sup> De Wispelaere, F., De Smedt, L. and Paolet, J. (2024). Posting of workers - Report on A1 Portable Documents. European Commission. Available at: <https://webgate.ec.europa.eu/circabc-ewpp/d/d/workspace/SpacesStore/f4cec8b6-e71b-4108-be4e-5fa8b21799cd/download>

When examining the perceived burden of EU social regulations on **SMEs and start-ups**, our results showed a pattern that broadly reflects the responses observed for larger businesses. This suggests that regulatory pressure is not fundamentally different for smaller businesses, although specific regulatory areas appear particularly challenging given SMEs’ more limited administrative capacity and resources.

In the survey, respondents from business associations and EU HQ were asked to identify EU social regulatory areas that may impose particular regulatory costs on SMEs and start-ups, for instance, by requiring the introduction of new administrative processes or the fulfilment of specific compliance requirements. **Pay Transparency**, **Working Time**, and **Transparent and Predictable Working Conditions** emerged as the three most burdensome regulatory areas for smaller businesses. These often involve obligations related to monitoring, documentation, or communication with workers, which may be particularly demanding for smaller businesses with lean management structures. They were followed by **CSR<sup>45</sup>** and **safety and health risk assessments** (Figure 3.3).

**Figure 3.3** Perceived burden across EU social regulatory areas for SMEs and start-ups (N=68)

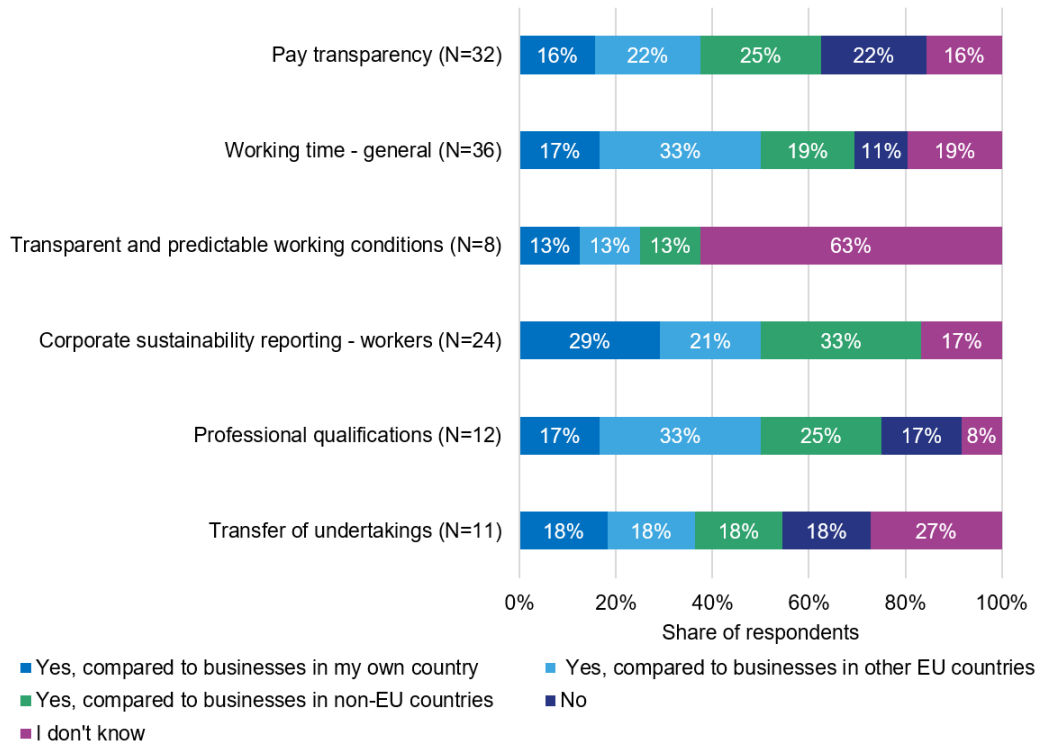


Businesses in the survey were asked whether they believe their business faces higher or lower burdens compared to businesses in their own Member State, in other EU Member States, or in non-EU countries for the given social regulatory areas. Results are presented in Figure 3.4 as the share of respondents for each response category by regulatory area.<sup>46</sup>

<sup>45</sup> It should be noted that the survey was conducted before the European Commission proposed to raise the employee threshold for mandatory EU corporate sustainability reporting from 250 to 1,000 employees. As a result, respondents’ perceptions may reflect expectations based on the regulatory framework applicable at the time of data collection.

<sup>46</sup> The graph focuses on the Directives that received a number of responses higher than 20 in order for the results to be meaningful.

**Figure 3.4 Perceived regulatory burden across regulatory areas in comparison to other domestic, EU or third-country businesses (N=164)**



Across most regulatory areas in the survey, the results indicate that a substantial proportion of respondents perceived their business to face higher regulatory burdens than other businesses, either within or outside the EU. Particularly in the case of the CSRD, a clear majority of respondents reported perceiving higher regulatory burdens compared to other businesses, mostly compared to other businesses outside the EU (33%) than within their own country (29%) or other EU countries (21% of respondents).

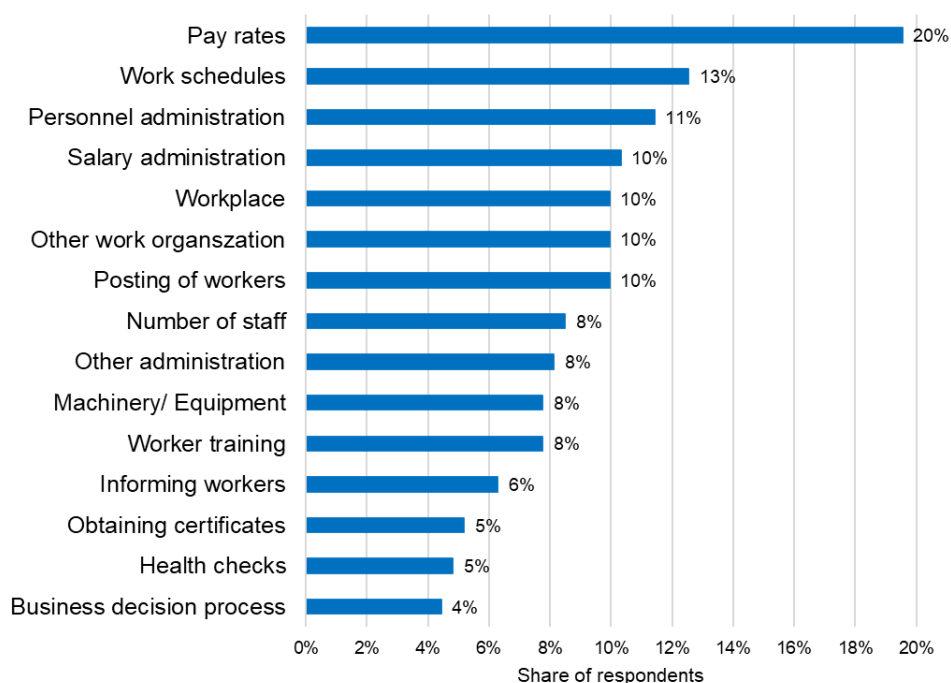
By contrast, responses for Pay Transparency are more evenly distributed across the different answer options. Similar shares of respondents report higher burdens in different geographic comparisons, while a comparable proportion considers the burden to be broadly the same across countries or indicates uncertainty. Notably, in the case of Transparent and Predictable Working Conditions and Transfer of Undertakings Directives, we register a high level of uncertainty, highlighting limited comparability or limited experience among respondents.

### 3.2.1 Typology of costs

To better understand the nature of regulatory costs and to identify specific cost drivers associated with EU social instruments, we also examined the **types of changes** that businesses had to make as a consequence of these social instruments in the survey.

The figure below presents the results regardless of which social regulatory area was selected.<sup>47</sup>

<sup>47</sup> The question in the survey asked participants to report on the changes incurred by businesses specific to the EU Directive that they selected to focus on, i.e., "Has your business changed one or more of the following categories as a consequence of social regulations about \*selected area\*?"

**Figure 3.5** Changes incurred by businesses due to EU social instruments (N=271)

The results presented indicate that **pay rates** are the most prominent cost category. Slightly more than half of the businesses that reported a change in pay rates as one of the top three changes reported this as a consequence of working time regulations or pay transparency requirements.<sup>48</sup> The link between working time legislation and pay rates is clarified in some interviews and depends on how Member States define overtime work and require overtime pay. For payment transparency requirements, the impact refers mostly to reduced flexibility to pay workers, for example, for extraordinary performance.

Respondents most frequently ranked pay-related adjustments among the costliest changes associated with the implementation of selected EU social instruments. This finding suggests that the perceived cost burden is not limited to compliance activities alone but extends to changes that directly affect core employment conditions and associated expenditure.

Beyond pay, the figure shows a concentration of relatively high-cost changes in categories related to ongoing **workforce management**, notably **work schedules**, and **personnel and salary administration**. This pattern indicates that respondents associate regulatory cost not only with immediate changes to remuneration, but also with the recurring effort required to manage working time arrangements, maintain employee-related records, and operate payroll and HR processes in line with regulatory requirements.

At the same time, the figure suggests that regulatory costs often reflect the combined effect of multiple, interrelated requirements. In particular, several categories cluster in a middle range of reported cost impacts, including **posting of workers**, **other work organisation**, and changes

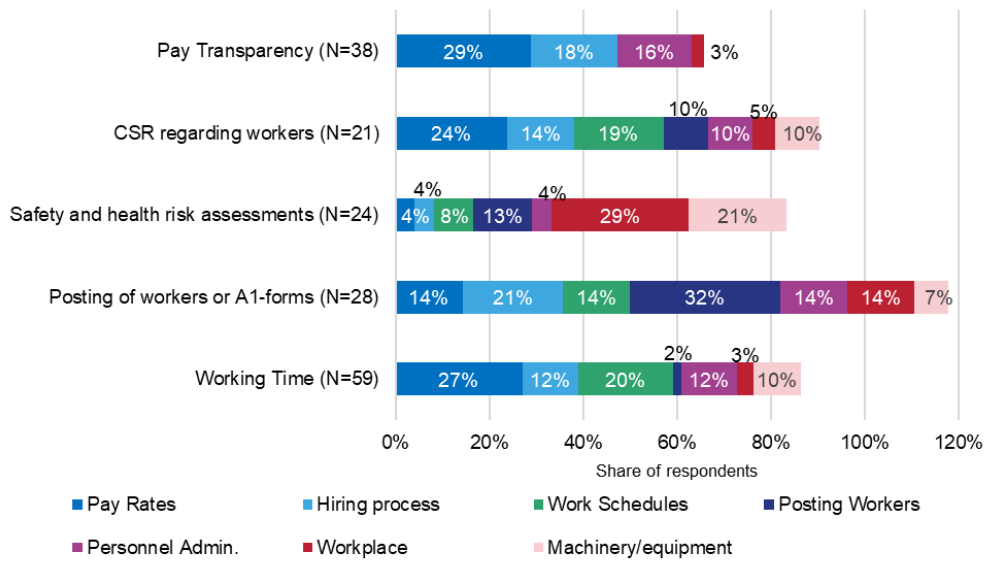
<sup>48</sup> For the top change, working time and pay transparency as causes of higher pay rates are more dominant, for the top-5 changes other regulations become more prevalent. Other types of regulations causing higher pay rates as one of the top 3 changes include those on work-life balance, posting of workers, corporate sustainability reporting, and professional qualifications, with 4 or 5 respondents each.

linked to the [workplace and staffing](#). This suggests that the costs associated with the posting of workers are not solely attributable to the enforcement of the Posting of Workers instruments but are also influenced by requirements stemming from working time regulations, CSR, and safety and health risk assessments.

Finally, categories such as [health checks](#), obtaining [certificates](#), and changes to [business decision processes](#) appeared less frequently. Overall, the results highlight that reported regulatory cost is strongly linked to employment-related adjustments and to operational changes in work organisation, rather than being confined to isolated administrative steps.

In order to meaningfully interpret the above results, we zoom in on the five social regulatory areas that were identified by respondents as the most costly (Pay Transparency, CSR, safety and health risk assessments, Posting of Workers and A1 forms, and Working Time). As respondents could indicate multiple types of changes for each regulatory area, the results reflect the diversity and cumulative nature of the adjustments required to comply with EU social instruments. These results are presented in Figure 3.6 below.

**Figure 3.6** Changes in businesses' operations: Top 5 most costly social regulatory areas (N=170)



Overall, the results show that [pay-related](#) and [human resources-related adjustments](#) were the most frequently reported cost drivers across several regulatory areas. In particular, pay rates emerged as a prominent category for Pay Transparency and Working Time, where 29% and 27% of respondents, respectively, reported impacts on pay rates as one of the top five changes incurred. These regulatory areas are also strongly associated with changes to the hiring process and work schedules, indicating that compliance often affects core employment practices rather than being limited to narrowly defined administrative tasks.

For [Pay Transparency](#), the Directive is expected to cause costs due to changes to [pay rates](#), [hiring processes](#), and [personnel administration](#), reflecting the central role of remuneration structures, recruitment procedures and related internal processes in meeting transparency requirements.

Similarly, **Working Time** instruments are predominantly linked to changes in **pay rates** and **work schedules**, while also affecting hiring and posting-related aspects to a lesser extent, pointing to the operational implications of managing working hours, overtime and staffing arrangements.

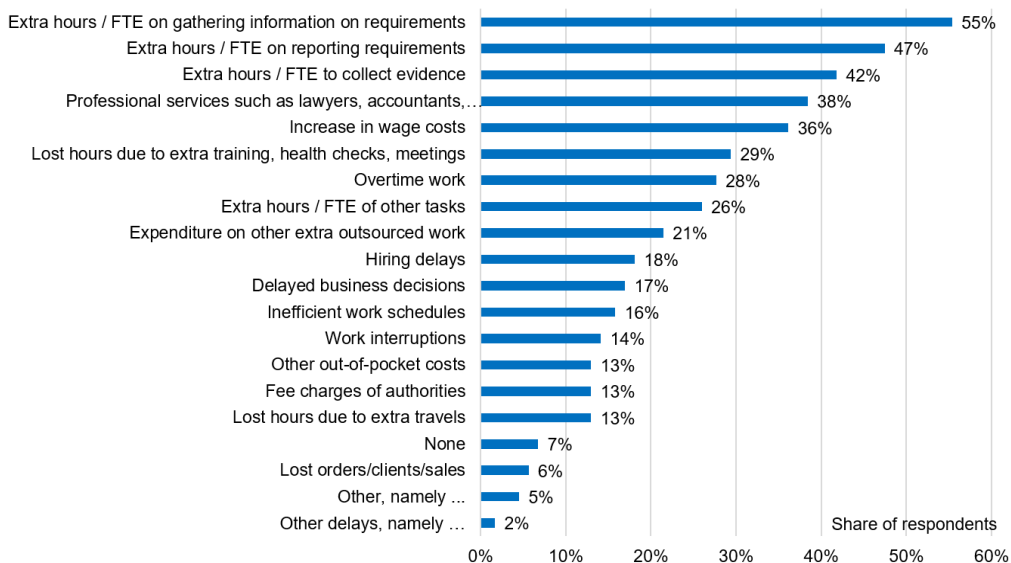
In the case of **CSR**, the results indicate a more dispersed pattern of impacts, with notable shares of respondents reporting changes related to **pay rates**, **work schedules** and **hiring processes**. This suggests that worker-related CSR requirements are reported to influence a broad set of employment conditions and internal processes, rather than a single dominant cost category.

A different profile emerges for **safety and health risk assessments**, where costs are primarily associated with **workplace changes** (29%) and **machinery or equipment** (21%). Stakeholders noted that an important source of costs related to these changes is the cost of workplace assessments.<sup>49</sup> This indicates that, unlike other regulatory areas, health and safety requirements are more strongly linked to physical or technical adaptations and investments.

Finally, the results also indicate that the costs associated with the **posting of workers** are shaped by the cumulative effect of several social instruments. This supports the above interpretation that costs in cross-border contexts, such as posting workers, can stem from the interaction of obligations across different regulatory areas.

Additional costs reported by businesses are presented in Figure 3.7. Among the most reported types of additional costs were those related to **understanding and complying with legal instruments**, closely followed by those related to the use of **external services** that can support compliance (e.g., lawyers, accountants, translators, consultants, etc.). 'Other costs' indicated by participants were those related to the **digitisation** of practices to facilitate implementation, and **loss of work efficiency** as a consequence of complying with the regulations' requirements.

**Figure 3.7** Types of additional costs caused by changes driven by EU social instruments (N=177)

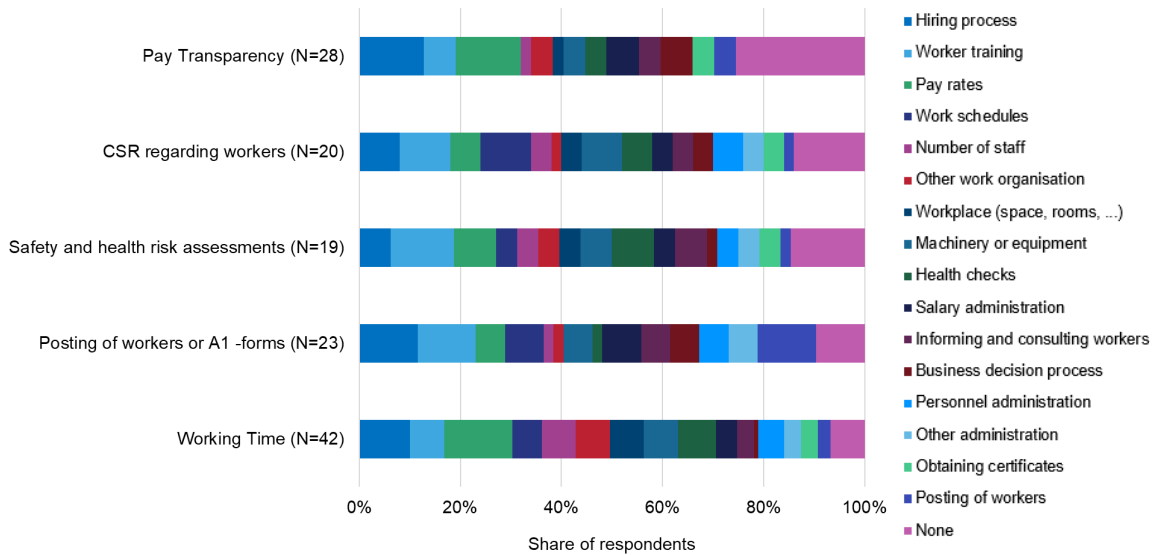


<sup>49</sup> While no extensive quantitative data has been found on the OSH regulations, a recent report from the Confederation of Danish Employers reports the cost of complying with workplace assessment requirements to amount to EUR 100 million per year (DKK 740 million). Report available [here](#).

Nonetheless, the types of costs respondents would still have incurred in the absence of the selected social instrument vary according to the regulatory area they selected. For instance, under Working Time, survey respondents indicated that they would have faced similar costs even without the Directive, mainly on aspects related to pay rates, hiring processes, and health checks. Meanwhile, related to Posting of Workers, respondents would have incurred similar costs related to worker training in the absence of the Directive.

Figure 3.8 presents an overview of the categories in which businesses would have incurred similar costs in the absence of EU social instruments for the five most costly regulatory areas, as indicated above.

**Figure 3.8** Categories in which businesses would have incurred similar costs in the absence of EU social instruments, per regulatory area



### 3.2.2 Cost estimates

Finally, through our survey, we gathered some insights about the level of costs that businesses and associations face due to the analysed regulatory areas. Participants provided information on the following regulatory areas:

- Posting of Workers
- Transparent and predictable Working Conditions
- Transfer of Undertakings
- Professional Qualifications
- Cross-border social security – A1-forms
- Work-life Balance
- CSR
- Safety and health risk assessments
- Pay Transparency
- Working Time

Based on reported data on additional full-time employees (FTEs) hired, lost workdays, and expenses incurred, we calculated the **total annual costs** faced by respondents per regulatory

area. In parallel, data were also collected on potential [one-off, preparatory costs](#). Annex III presents the method of calculating these costs.

The costs reported hereunder are based on estimates provided by the respondent, and the average costs are based on no more than nine observations for any regulatory area. Moreover, these costs depend on the business size, as shown further below. The presentation of estimated costs at the EU-level in Section 3.4 is based on the same limited number of respondents.

As presented in Figure 3.9 below, the highest average [annual costs per business](#) were related to Pay Transparency, which were significantly higher (EUR 685,000) than for other regulatory areas. The reported annual costs related to compliance with Work-life Balance, which ranked second, were EUR 288,000. The qualitative findings from interviews related to Corporate Pay Transparency's position at the top of the annual cost ranking. One large insurance group reported more than 2 FTEs and a 90-day implementation timeline foreseen. Similar efforts were estimated by a German respondent, who also indicated an estimate of EUR 130,000 dedicated to external legal and administrative costs. On the other end, the lowest annual average costs per business reported were related to safety and health risk assessments (EUR 38,000) and Transparent and Predictable Working Conditions (EUR 67,000).

[One-off costs](#)<sup>50</sup> were the highest for Working Time (EUR 673,000), closely followed by Pay Transparency (EUR 531,000). For Working Time, the one-off costs may be partially explained when considering the efforts to comply with the ECJ 2019 ruling (Case C-55/18), which mandated daily time-recording systems. Related to Pay Transparency, businesses mentioned the need to build new compliance infrastructure ahead of the Directive's implementation (job evaluation systems, HR and payroll software upgrades, pay classification systems). The lowest one-off costs reported were related to requirements in safety and health risk assessments and the posting of workers (EUR 50,000 each).

Aside from direct costs, interviewees emphasised wider economic and strategic implications of EU social instruments. Several respondents expressed concerns that [overregulation](#), mostly as a consequence of overlapping EU instruments, risks discouraging new business formation and driving businesses to relocate outside the EU to jurisdictions with lighter or more transparent compliance requirements. However, these costs were not quantifiable.

Others also noted that [frequent regulatory changes](#) and [overlapping obligations](#) create uncertainty that complicates long-term planning. "Gold-plating" at the national level and duplication of reporting obligations were cited as systemic issues that cause delays (such as in hiring processes and decision-making) and exacerbate these challenges.

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<sup>50</sup> No data was reported for Transparent and Predictable Working Conditions and Work-life Balance.

**Figure 3.9** Average reported annual and one-off costs per regulatory area (N = number of observations)

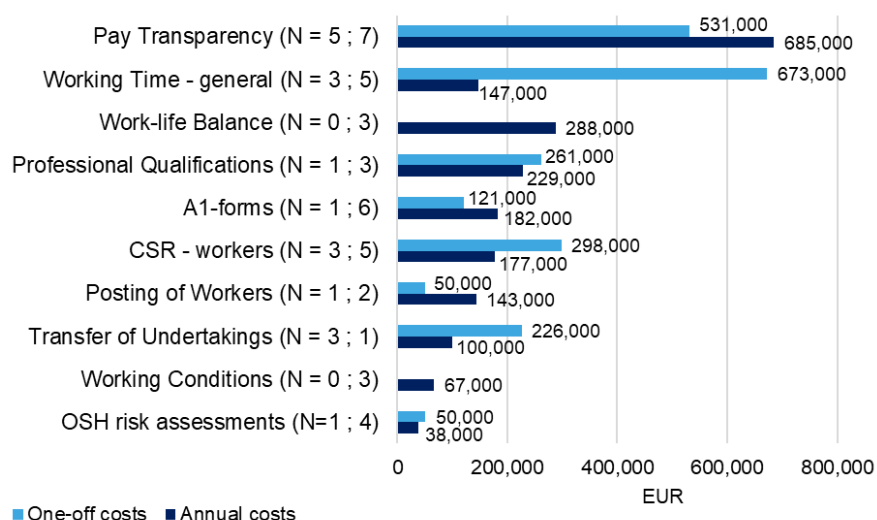


Table 3.1 presents the **spread of annual costs** and the size class of the business, i.e., the highest and lowest cost per regulatory area as reported by respondents. Reported regulatory costs vary significantly between businesses, even if they relate to the same regulatory area. However, regressions (results not shown) indicated that business size is the decisive factor in the regulatory cost faced by businesses and not the regulatory area or the country. This indicates that social regulatory costs increase with the number of workers in the business (see Table 3.1). In addition, some social instruments affect different proportions of workers, depending on the percentage of workers in the business that is posted or are trainees. In the cost calculations further below, we will therefore estimate costs per worker.

**Table 3.1** Highest and lowest self-reported annual costs per regulatory area

Regulatory area	Nr observations	Size class	Cost (EUR)
Transparent and predictable working conditions	3	250-999	93,772
		1,000+	7,968
Transfer of Undertakings	2	250-999	99,596
		50-149	8,333
Safety and health risk assessments	5	250-999	103,580
		20-49	747
Corporate Sustainability Reporting – workers	5	3,000+	260,721
		50-149	62,861
Professional Qualifications	3	250-999	391,183
		6-9	6,159
Work-life Balance	3	50-149	469,496
		250-999	577
Posting of Workers	3	50-149	353,890
		1,000+	19,531
Cross-border social security – A1-forms	7	3,000+	920,576
		20-49	4,585
Working Time – general	7	50-149	478,450

Regulatory area	Nr observations	Size class	Cost (EUR)
Pay Transparency	9	150-249	1,195
		1,000+	348,720
		50-149	9,539

Table 3.2 presents the same information for the **reported preparatory one-off costs**. Similarly, the costs vary between businesses of different sizes. For transfers of undertakings, a large part of the regulatory cost is a result of preserving pay conditions of workers from the business that was acquired, and thus depends on the size of the acquired business rather than the size of the acquiring business. For CSR, large businesses with 1,000 or more employees needed to prepare for compliance with the proposed Delegated Regulation 2023/2772/EU.<sup>51</sup> The Delegated Regulation of 2023 introduced many new disclosure requirements for large businesses, but various other EU instruments also require certain disclosures from smaller businesses.

**Table 3.2 Highest and lowest self-reported one-off costs per regulatory area**

Regulatory area	Nr observations	Size class	Cost (EUR)
Transfer of Undertakings	3	150-249	35,633
		1,000+	2,050
Professional Qualifications	1	150-249	10,949
Cross-border social security – A1-forms	1	50-149	71,636
Corporate Sustainability Reporting - workers	3	1,000+	614,912
		20-49	1,231
Pay Transparency	4	3,000+	1,267,106
		50-149	6,149
Working Time - general	4	3,000+	757,708
		20-49	3,076

**Methodological note:** The above results should be considered with caution, as the number of responses on annual costs (48 entries) and on one-off costs (16 entries) was particularly low and was only marginally supplemented by qualitative data collection tools. Costs for each regulatory area were calculated using a range of responses from one to nine per regulatory area. Consequently, reported costs cannot be interpreted based on location. For both tables, we therefore added info on the number of businesses that reported the cost in the second column and the highest and lowest costs reported in the last column.

### 3.3 Cross-country insights from the survey

While 80% of national legislation results from decisions adopted in Brussels, there are nevertheless many differences in implementation at the national level, with diverging

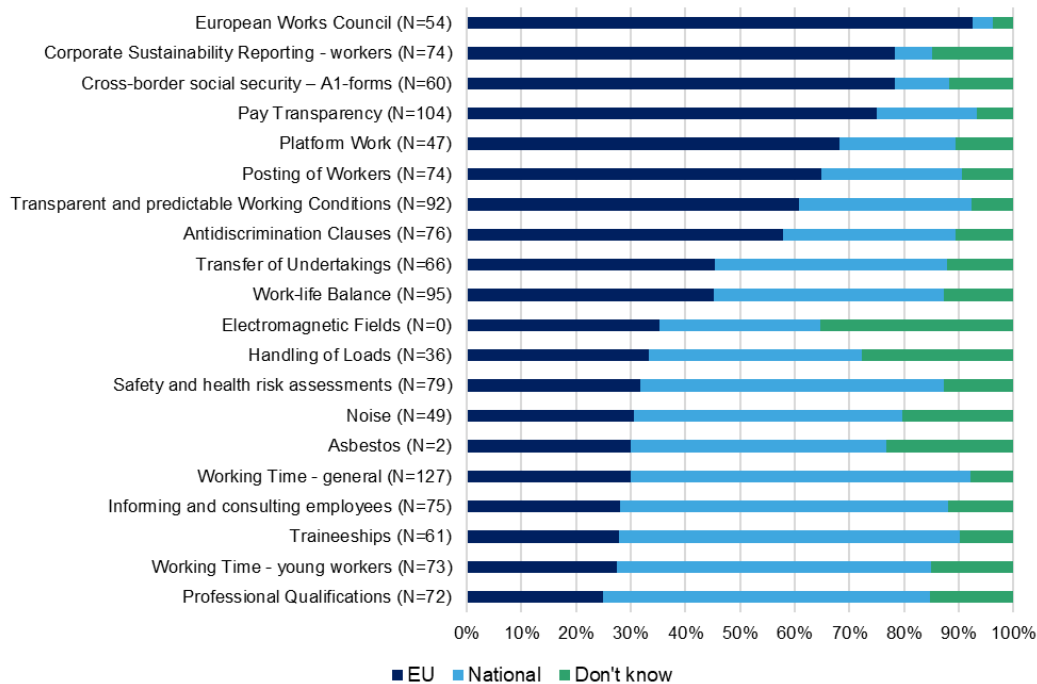
<sup>51</sup> The 2023 Regulation was amended by the “quick fix” regulation Delegated Regulation (EU) 2025/1416 of 11 July 2025 to postpone certain disclosure requirements that would have taken effect in 2026 (to disclose 2025 data). The Omnibus Directive 2026/470/EU raised the threshold for disclosing data to EUR 450 million net turnover and 1,000 employees during the financial year and was formally adopted on 24 February 2026.

enforcement practices and different administrative procedures.<sup>52</sup> Through our consultations, we therefore also focused on identifying patterns in individual Member States, highlighting the main differences and similarities, as well as examples of best practices. The following section summarises key outcomes and takeaways from the responses.

3.3.1 EU vs. national regulatory burden

Representatives of business associations and EU Headquarters of businesses were asked to differentiate between costs created by EU and national instruments in the given regulatory areas. The results suggest that, where differences are identified, respondents more often associate higher regulatory costs with EU instruments than with national requirements. As depicted in Figure 3.10, the three most costly regulatory areas at the EU level were related to the European Works Council (93% of total), CSR and A1 forms (78% of total), and Pay Transparency (75% of total). On the national level, Working Time and Traineeships (62% of total), Informing and Consulting Employees, and Professional Qualifications (60% of total) are ranked most costly.

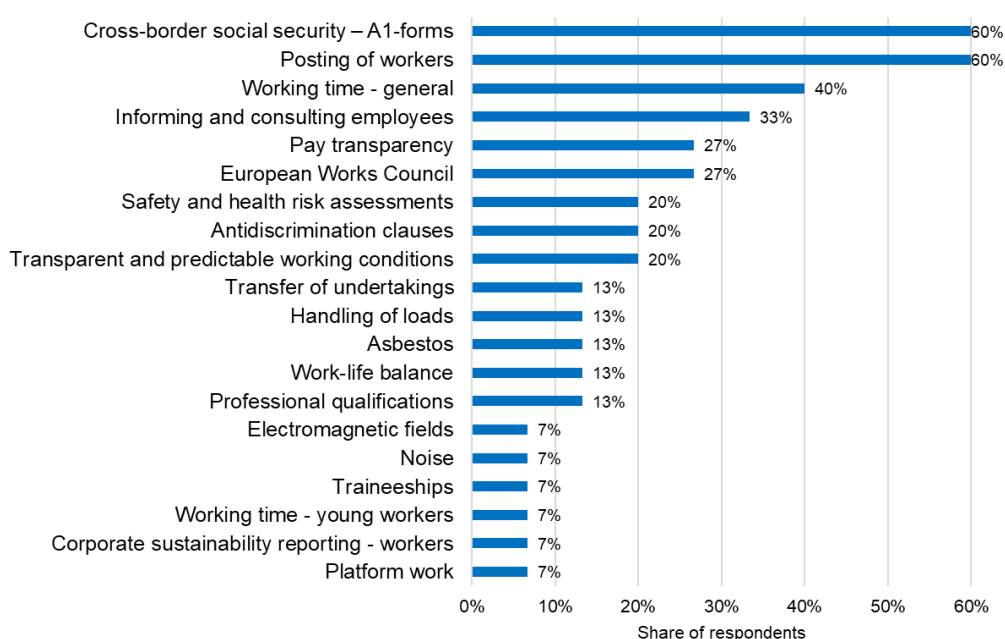
Figure 3.10 Regulatory costs caused by EU vs. national social instruments (N=155)



Where the costs of social regulatory areas were reported to vary between Member States, results showed that the application or enforcement of instruments that varied the most between Member States concerned the Posting of Workers and A1 forms, followed by Working Time (Figure 3.11).

<sup>52</sup> Letta, E., (2024), Much more than a market: Empowering the single market to deliver a sustainable future and prosperity for all EU citizens. Available at: <https://www.consilium.europa.eu/media/ny3j24sm/much-more-than-a-market-report-by-enrico-letta.pdf>

**Figure 3.11 Social regulatory areas for which costs were reported to vary between Member States (N=15)**



Across Member States, stakeholders overwhelmingly pointed to three main sources of high national regulatory burden:

1. **Complex or unclear administrative procedures**, particularly in cross-border contexts such as posting of workers and A1 certificates.
2. **“Gold-plating”** of EU social instruments during national transposition, creating obligations that exceed EU requirements.
3. **Duplicative and fragmented reporting** systems, which cause businesses to submit similar data multiple times to different authorities.

Additional cost drivers cited included **frequent legislative changes**, **conflicting rules** between the EU and national instruments, and highly **prescriptive requirements** in areas such as Working Time and occupational health. Conversely, a smaller number of respondents noted lower costs (notably from Denmark and Estonia) where national systems are digitalised, harmonised and pragmatic, with interoperable portals, acceptance of digital records, or clear guidance that reduces uncertainty and administrative effort.

### 3.3.2 Implementation of EU social regulations across Member States

Respondents largely cited differences in **tax regulations** and **social security** as major differences across Member States, along with differences in the **implementation of EU instruments**, with some concerns related to **“gold-plating”**. Germany was listed among the countries where this phenomenon is more prevalent.<sup>53</sup>

The clearest variations appeared in Posting of Workers and A1 forms, Pay Transparency, Recognition of Professional Qualifications, and some safety and health risk assessment

<sup>53</sup> However, we note a potential bias in the results as a high share of respondents from Germany responded to this question.

obligations. Much of this stemmed from “gold-plating” and from divergent administrative procedures/enforcement at the national level.

Below are the main observations that emerged:

- **Posting of workers and A1 forms.** Respondents reported variations across Member States in how instruments related to these two regulatory areas are interpreted, administered and processed, as well as differences in registration requirements. These differences relate to which national body is responsible, the procedures and registration requirements in place, the level of guidance provided, and particularly the **time needed to obtain certificates**. Some countries apply the instruments more strictly (e.g., Austria and France), others apply them very narrowly (e.g., Portugal or Romania), and several reject certain provisions, such as Article 16 derogations. Broader structural differences were also flagged, including variations in national tax regimes, social security contributions, and labour market expectations as elements that affect both employers and workers and potentially create operational delays.
- **Occupational safety and health risk assessments.** Respondents highlighted substantial variations in how EU countries implement and interpret safety and health risk assessment instruments, despite the existence of a common EU framework. Several respondents pointed to Germany as an example of “gold-plating”, with more detailed or demanding national requirements compared to other Member States. More broadly, businesses noted that the EU’s general safety and health risk assessment framework leaves room for national discretion, resulting in divergent practices, including whether a formal certification is required to carry out risk assessments.
- **Professional qualifications.** Respondents indicated that recognition pathways for professional qualifications vary across Member States. Germany was cited as having dense, time-consuming recognition steps, while the Netherlands was described as more flexible (e.g., broader acceptance of bachelor’s degrees and some non-EU pedagogical qualifications).
- **Pay transparency.** Respondents emphasised that the administrative scope and reporting formats related to this regulatory area vary. Representatives from Denmark foresee extensive pay analyses, whereas in Germany, respondents pointed to robust information requirements. Respondents from Belgium anticipate “gold-plated” national add-ons, and representatives from Malta reported an immediate increase in compliance burden due to rushed implementation. However, it is important to note that these observations reflect perceptions and expectations rather than actual implementation experiences, as the related Directive has not yet been fully transposed at the national level. Respondents therefore commented on **anticipated burden** based on draft legislation, existing national practices, or early guidance, rather than on lived compliance practice.

### 3.4 Estimation and extrapolation of costs

As noted earlier, the number of workers in a business is a significant determinant of its social regulatory costs. For this reason, we attempted to explain **costs per worker instead of per**

**business.** We report on an estimate of aggregate annual costs only, because the number of observations on one-off investments was low for meaningful analysis.

Similar to the annual cost per business, the **cost per worker also varies between instruments and by business size.** For some instruments, the cost per worker decreases with size, such as for Working Time and Posting of Workers, likely due to efficiency gains. Some costs are incurred only above a certain size of business where an EU instrument starts to apply, as is the case for Pay Transparency, CSR and the European Works Council. The estimated cost per worker also increases with business size for Transparent and Predictable Working Conditions, potentially due to an increasing need to formalise the flexible work conditions. The cost of safety and health assessments also increases with business size, likely because these costs are higher for manufacturing businesses, which tend to be larger than average, or because an assessment is needed for each location. Table 3.3 gives an overview of estimated annual costs per worker. Where necessary, due to a lack of data, costs were assumed to be the same across multiple business sizes, as for Professional Qualifications, Transfer of Undertakings and Work-life Balance.

Following this exercise, costs per worker were found to be the highest for Work-life Balance. This concerns the obligation of employers to consider a request for flexible working hours by parents and informal carers. From a study for DG EMPL<sup>54</sup>, it can be inferred that about one million workers in the EU provide intense informal long-term care, defined as at least 40 hours per week for at least three months. Six out of ten respondents identified the hiring, training and wages of new workers as a key cost driver, estimating an average cost of around EUR 50,000 per new hire. When adjusted for the size of the business, this corresponds to an average cost of approximately EUR 2,000 per worker.

Another cost that should be noted is that related to **Professional Qualifications.** Member States may require minimum qualifications for regulated professions. Directive 2005/36/EC facilitates the recognition of professional qualifications from another EU Member State. Thus, the cost concerning professional qualifications should be interpreted as the cost of hiring people from other Member States into regulated professions, which would be even higher without Directive 2005/36/EC.

**Table 3.3 Cost per worker by business size, in EUR**

	1-49	50-99	100-249	250-999	1000+	Total
<b>Total of 9 instruments</b>	<b>187</b>	<b>539</b>	<b>230</b>	<b>455</b>	<b>506</b>	<b>339</b>
Transparent and predictable working conditions	28	35	35	124	60	<b>64</b>
Working time – general	100	391	33	12	6	<b>69</b>
Safety and health risk assessments	21	33	44	139	166	<b>78</b>
Pay transparency	11	33	65	133	155	<b>109</b>
Professional qualifications	616	616	616	616	616	<b>616</b>
Posting of workers	149	464	232	75	24	<b>169</b>
Corporate sustainability reporting - workers	---	---	---	---	81	<b>81</b>
Transfer of undertakings	---	---	---	83	83	<b>83</b>

<sup>54</sup> Ecorys (2021), [Study on exploring the incidence and costs of informal long-term care in the EU](#). The number of intense informal long-term care providers is 5.7 million in the EU, of which slightly less than half are below the retirement age, with an average employment rate of 35%.

	1-49	50-99	100-249	250-999	1000+	Total
Work-life balance	3,130	3,130	1,738	1,738	1,738	<b>2,198</b>

At the EU level, 197 million people are employed in the private or public sectors. However, not all instruments apply to all employers or workers. For example, only a small share of businesses reported having hired staff from another EU Member State, having posted a worker, or having been engaged in a transfer of undertakings. The percentage of workers to whom instruments related to Work-life Balance apply is based on the assumption that twice the number of 950,000 employed intense, informal long-term carers (providing care for more than 40 hours per week) request flexible working arrangements. The percentage of workers to whom instruments related to traineeships apply reflects the proportion of trainees in the workforce, as shown in Table 3.4. Regarding the Pay Transparency Directive, Art. 3-8 formally apply to all businesses, including those with only one employee. However, for those businesses, it is assumed that the worker's pay is accepted as the pay structure for the relevant category, and costs are absent.

**Table 3.4** Percentage of workers to whom instruments apply by business size

	1-49	50-99	100-249	250-999	1000+	Total
Transparent and predictable working conditions	100%	100%	100%	100%	100%	<b>100%</b>
Working time – general	100%	100%	100%	100%	100%	<b>100%</b>
Safety and health risk assessments	100%	100%	100%	100%	100%	<b>100%</b>
Pay transparency	80%	100%	100%	100%	100%	<b>95%</b>
Professional qualifications	1.0%	3.9%	3.9%	4.2%	3.1%	<b>3.2%</b>
Posting of workers	1.7%	5.7%	5.7%	5.3%	5.1%	<b>4.5%</b>
Corporate sustainability reporting – workers	0%	0%	0%	0%	100%	<b>8.4%</b>
Transfer of undertakings	0%	0%	0%	1.9%	1.7%	<b>0.7%</b>
Work-life balance	0.9%	0.9%	0.9%	0.9%	0.9%	<b>0.9%</b>
Traineeships	1.5%	1.5%	1.5%	1.5%	1.5%	<b>1.5%</b>

Applying the above percentages to the number of 197 million employees by business size in the EU gives the number of workers to whom the instruments apply (Table 3.5).<sup>55</sup>

**Table 3.5** Number of workers to whom instruments apply by business size (x 1,000)

	1-49	50-99	100-249	250-999	1000+	Total
Transparent and predictable working conditions	49,374	15,699	52,601	62,819	16,507	197,000
Working time – general	49,374	15,699	52,601	62,819	16,507	197,000
Safety and health risk assessments	49,374	15,699	52,601	62,819	16,507	197,000
Pay transparency	39,374	15,699	52,601	62,819	16,507	187,000
Professional qualifications	514	606	2,030	2,607	519	6,276
Posting of workers	815	895	3,000	3,344	846	8,900
Corporate sustainability reporting – workers	0	0	0	0	16,548	16,548
Transfer of undertakings	0	0	0	1,167	283	1,450
Work-life balance	465	148	495	592	155	1,855
Traineeships	752	239	801	957	251	3,000

<sup>55</sup> The calculations were done by 11 size classes, but only aggregates by five size classes are presented in this report.

Respondents were asked if they would incur similar costs without the social instrument, such as costs which are also necessary for running a business, or to provide more attractive working conditions. None of the respondents stated that they would have incurred similar costs for any of the three most significant changes caused by the European Works Council Directive. This led to the estimate that 100% of all businesses incur extra costs because of this Directive. Conversely, for transfers of undertakings, respondents indicated that they would have incurred similar costs for, on average, 48% of the three most significant business practice changes, even without the requirement to preserve the working conditions of workers from the acquired business. The percentages of businesses for which the regulatory area causes additional costs are assumed to be the same for all business sizes (Figure 3.12).

**Figure 3.12** The percentage of businesses that would incur lower costs without EU social instruments



Multiplying the average cost per worker (Table 3.3) by the number of workers to whom the instruments apply (Table 3.5) and the percentage of businesses that would incur lower costs without the social instruments, (Figure 3.12) gives an estimate of the total cost of the social instruments (Table 3.6). The four instruments with the highest costs are those that apply to all employers, therefore to the largest number of workers. They amount to regulatory costs of at least EUR 9 billion and apply to more than 100 million employees across the EU. Adding up the costs over the nine instruments for which respondents provided data on costs gives an estimated EUR 49 billion annual cost. While one-off investments may duplicate across measures – for example, time administration may support regulatory compliance on working time, transparent working conditions, pay, and posted workers – the types of annual costs are more likely to add up across legislative requirements.

**Table 3.6** EU aggregate annual costs of social instruments by business size (x EUR mln.)

	1-49	50-99	100-249	250-999	1000+	Total
<b>Total of 9 instruments</b>	<b>6,871</b>	<b>6,218</b>	<b>8,939</b>	<b>21,172</b>	<b>5,868</b>	<b>49,069</b>
Transparent and predictable working conditions	1,103	440	1,455	6,242	797	<b>10,036</b>

	1-49	50-99	100-249	250-999	1000+	Total
Working time – general	3,284	4,102	1,164	503	66	<b>9,120</b>
Safety and health risk assessments	657	320	1,448	5,427	1,706	<b>9,559</b>
Pay transparency	364	416	2,786	6,813	2,080	12,459
Professional qualifications	224	264	886	1,137	226	<b>2,738</b>
Posting of workers	91	311	522	188	15	<b>1,127</b>
Corporate sustainability reporting – workers	0	0	0	0	753	<b>753</b>
Transfer of undertakings	0	0	0	50	12	<b>62</b>
Work-life balance	1,147	365	679	811	213	<b>3,215</b>

## 4 Findings on the selected EU social Directives

As outlined in Chapter 3, respondents identified several emerging patterns and recurring social instruments that they found to be particularly burdensome, resulting in potential costs and challenges for European businesses. In this section, we present specific results categorised by key directives. These findings are compiled from survey responses, follow-up interviews, and FGDs, complemented by the outcomes of the analysis of national transpositions. Where outcomes are not verified or come from a small number of respondents, it is explicitly indicated in the text.

### 4.1 Pay Transparency Directive

The Pay Transparency Directive (Directive (EU) 2023/970), to be transposed into national law by June 2026, aims to strengthen the application of the [principle of equal pay for equal work or work of equal value between men and women](#), as enshrined in Article 157 of the TFEU, through enhanced transparency and enforcement mechanisms. It applies to employers in the public and private sectors, as well as to all workers who have an employment contract or employment relationship under national law.

The Directive establishes new rights for both job applicants and existing employees, such as:

- Employers must provide salary information or a salary range to candidates before the first interview and must also provide details of any applicable collective agreement that might define wages or pay scales.
- Employers are prohibited from asking candidates about their pay history in previous jobs.
- Employees who are already employed have the right to request, and receive in writing, information on their individual pay level and the average pay of colleagues performing the same work or work of equal value, broken down by sex.
- Employers must make pay-setting criteria and pay progression policies available to all workers, which must be objective and gender-neutral. Any contractual terms restricting workers from disclosing their pay are prohibited.

The reporting obligations of the Pay Transparency Directive are defined in Art. 9-10, but also in Art. 7. The need to categorise employees (Art. 4(3)) and to formulate a pay structure (Art. 4(4)) creates burdens for all employers regardless of the size of their business. Employers with 250 or more employees must report annually; those with between 100 and 249 employees must report every three years. For employers with fewer than 100 employees, the introduction of reporting obligations is left to the discretion of Member States, though Member States must allow such employers to submit reports voluntarily.

As for the Directive's enforcement mechanism, the burden of proof is shifted to the employer in pay discrimination proceedings: where a worker establishes facts from which discrimination may be presumed, it is up to the employer to prove that there has been no direct or indirect discrimination in relation to pay. Workers who have suffered pay discrimination are entitled to

full compensation, including back pay, related bonuses, and compensation for foregone opportunities.

#### *General perception of the upcoming implementation of the Directive*

Pay transparency has been consistently identified as one of the **most burdensome regulations** among all participants across the survey (see also Figure 3.12 above). It is often described as "overly prescriptive" and disproportionate, especially in Member States that already have established pay reporting systems or low pay gaps. For instance, in Belgium, which has a pay gap of only 0.7%<sup>56</sup>, businesses still need to prove gender-neutral pay systems. The requirement to categorise and report jobs by classification is seen as a significant new administrative challenge that goes well beyond existing national requirements. One respondent uses fixed pay rates by job category and views pay transparency as a heavy reporting requirement for a payment system that intrinsically generates gender neutral pay.

Respondents have highlighted how the burden is not just administrative; it also impacts operations. The Directive restricts a business's ability to use salary as a flexible tool to drive productivity and to award high performance, which imposes an indirect financial cost on business efficiency.

Furthermore, in line with the results outlined in Section 3.2 of this report, respondents have frequently pointed out the costs of outsourcing external expertise (legal and statistical) to correctly interpret the new regulation.

Beyond the direct costs of compliance, businesses raised concerns about the indirect burden created by the Directive's enforcement mechanisms, particularly the **risk of opportunistic litigation**. The Directive introduces new employee rights to request individual and comparative pay data and shifts the burden of proof in pay discrimination claims to the employer. While these provisions are designed to advance pay equity, participants in the focus group on pay transparency feared that workers would use these rights tactically as leverage in contract terminations, redundancy negotiations, or employment disputes. The risk is seen as particularly acute during the transitional period immediately following national transposition, when pay structures and job evaluation systems are newly formalised and therefore most exposed to challenge.

There are also financial **risks associated with collective agreements**. If the existing agreements lack the necessary detail to comply with the Directive's criteria, they may need to be formally declared void and entirely renegotiated, resulting in a costly and sensitive process.

There is also uncertainty surrounding the **role of trade unions** in the Joint Pay Assessment process<sup>57</sup>. Participants in one focus group questioned whether unions could compel a business to restart pay categorisation from scratch if they disagree with it, or if their role is limited to providing advice. The Directive does not provide clear guidance on this point, leaving businesses uncertain about the extent to which a contested assessment could trigger

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<sup>56</sup> Statbel, 06.03.2025. Gender pay gap in the European Union – 2023. After Luxembourg, Belgium is the European country with the lowest gender pay gap. See: <https://statbel.fgov.be/en/themes/work-training/wages-and-labourcost/gender-pay-gap>

<sup>57</sup> The mandatory remedial process triggered by the Directive when employers report a gender gap of 5% or more in any worker category that cannot be justified by objective, gender-neutral criteria, in compliance with Directive 2023/970 Article 10.

repeated submission cycles. This ambiguity is compounded by the fact that the Directive does not provide for collective agreements to adapt or deviate from its mandatory requirements, despite the encouragement of Article 13 to involve the social partners in measures to tackle pay discrimination and the Article 33 requirement to support implementation and enhance protection.

#### *Duplication and overlap with other existing legislation*

A recurring concern regarding the implementation of the Pay Transparency Directive is the duplication and overlap of information with existing regulations. For instance, the Delegated Regulation (EU) 2023/2772 setting CSR standards requires businesses to provide similar data (such as gender pay gap, headcount or full time employees (FTE) by type of employment contract by gender, share of workers covered by collective agreements by European Economic Area (EEA) country, gender distribution at top management level, number of workers below the national standard for adequate wages) in multiple formats and with varying levels of detail to meet two separate reporting requirements.

A specific example can be seen in France's Law n° 2018-771, which requires businesses with 50 or more employees to report a gender equality index with points for a low gender pay gap, promotion rates and pay raises by gender. Similarly, in Ireland, the Gender Pay Gap Information Act requires all employers above a certain size (250 employees in 2022, 50 employees in 2025) to report the gender pay gap. Businesses clarified that pay transparency data is also already required by national statistical offices and labour ministries. Such duplication of reporting requirements causes businesses to report the same data multiple times in different formats, which can be exacerbated by different format requirements (digital, paper, PDF).

#### *SME proportionality*

Based on our survey findings, the Pay Transparency Directive appears to be particularly burdensome for SMEs, which typically lack the internal legal, statistical, and HR infrastructure required. The Directive's complexity effectively causes SMEs to hire external expertise regardless of business size. Articles 3-8 apply to all employers regardless of the size of their business.<sup>58</sup> Especially Article 4 on pay structures is reported in the FGD to be burdensome for SMEs.

The Directive currently requires a formalised pay structure, whereas many SMEs manage pay informally based on individual performance. Building a rigid job evaluation system from scratch is seen by respondents as an administrative overreach that removes operational flexibility. Furthermore, the "work of equal value" comparison causes businesses to hire experts to develop a system to score skills, effort, and responsibility.

Businesses also highlighted that new employee rights to request pay data create a disproportionate administrative risk for small businesses. A single request can overwhelm a small HR function, and the shift in the burden of proof in legal disputes is particularly threatening for SMEs that cannot sustain lengthy legal proceedings.

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<sup>58</sup> However, Member States may exempt employers with fewer than 50 employees from the requirement to make criteria for pay progression accessible to all their workers.

While the Pay Transparency reporting threshold (100 employees) exempts smaller businesses, they are not exempt from the impact of the Directive due to the **trickle-down effect**: larger businesses subject to the Directive demand pay transparency and social data from their SME suppliers, effectively removing the SME exemption in practice. This trickle-down effect does not originate directly from the Pay Transparency Directive, but indirectly through the Social European Sustainability Reporting Standards – Regulation (EU) 2023/2772. This defines the “own workforce” (pillar 1) very broadly, including:

- a. Persons hired to perform work in a public area
- b. Persons working on-site at the workplace of a client (e.g. subcontractors in construction)
- c. Persons performing work additional to regular employees (e.g. cleaning staff)
- d. Persons employed by third parties who fill in temporarily absent employees (due to illness, holiday, parental leave, etc.)

Paragraph 98 of these CSR standards requires reporting the “gender pay gap” for the own workforce. While the CSR standards do not specify how this gap is to be reported, large businesses may demand SME suppliers falling under the scope of the CSR “own workforce” to report this gap in line with the Pay Transparency Directive.

Furthermore, while exempt from reporting obligations, provisions apply to all businesses, regardless of size, and can still impact even smaller SMEs due to pressure for increased transparency, legal exposure, and the need to formalise pay criteria and systems.



### Directive deep-dive – National transpositions

#### Sweden

Sweden, whilst more advanced than other Member States, has not yet fully enacted the final transposition of the Pay Transparency Directive, but has produced an advanced official legislative proposal through the Government’s Lagrådsremiss of 15 January 2026 titled *Genomförande av lönetransparensdirektivet*.<sup>59</sup> However, as of March 2026, Sweden has paused the implementation of the EU Pay Transparency Directive and is seeking to renegotiate it, arguing it conflicts with the Swedish collective bargaining model and imposes excessive administrative burdens without achieving the desired effect on the gender pay gap issue.<sup>60</sup> On the 11<sup>th</sup> March 2026, Sweden revised the proposal timeline to a proposed entry into force of January 1<sup>st</sup> 2027.<sup>61</sup> However, by 26<sup>th</sup> March 2026, Sweden went further and paused the process entirely. Hence, there is at present, no planned date for when Swedish legislation may be expected to enter into force.<sup>62</sup>

The major change in the Government’s Lagrådsremiss in January 2026, compared with the proposal put forward by the public inquiry in May 2024, was that the Government proposed that employers should, instead of using the concept of monthly salary, be required to use the concepts of “annual

<sup>59</sup> Swedish Government. Implementation of the Pay Transparency Directive 15<sup>th</sup> January 2026. [Available here](#)

<sup>60</sup> Svensk Näringsliv, 22.04.2026, The Swedish Government Calls for Renegotiation of the EU Pay Transparency Directive, see: [https://www.svensktnaringsliv.se/english/the-swedish-government-calls-for-renegotiation-of-the-eu-pay-tran\\_1253833.html](https://www.svensktnaringsliv.se/english/the-swedish-government-calls-for-renegotiation-of-the-eu-pay-tran_1253833.html)

<sup>61</sup> Schjodt. 11.03.2026. Proposed postponement of the Swedish implementation of the EU Pay Transparency Directive. See: <https://schjodt.com/news/proposed-postponement-of-the-swedish-implementation-of-the-eu-pay-transparency-directive>

<sup>62</sup> Ogletree Deakins. 13.04.2026. Sweden’s Plan to Integrate EU Pay Transparency Directive Into Discrimination Act Faces Uncertainty. See: <https://ogletree.com/insights-resources/blog-posts/swedens-plan-to-integrate-eu-pay-transparency-directive-into-discrimination-act-faces-uncertainty/>

pay” and “hourly pay” when informing employees on pay level, when carrying out pay audits, and when reporting to the Equality Ombudsman. This is in line with the wording of the Pay Transparency Directive.

The concept of “monthly salary” has been used since the 1990s in Sweden to compare female and male employees' pay. Other forms of compensation and benefits, such as bonuses, overtime compensation, and unsocial hours allowance, were always analysed separately. This proposed change would require employers to carry out analyses based on all types of remuneration paid during a year (annual pay), divided by the number of hours worked (hourly pay), instead of the monthly salary in a typical month. Since monthly salary has always been used as the metric of comparison, rather than annual or hourly pay, this could lead to additional work and difficulties in comparisons. Further, such a change in methodology would not necessarily directly contribute to obtaining any new information on the issue of gender equality.<sup>63</sup>

The legislative proposal published in January 2026 did not create a new standalone pay transparency law but mainly amended the Discrimination Act (Diskrimineringslagen). Stakeholders pointed out that the most significant change compared to the current framework is the introduction of legislative provisions on pay setting and pay progression, areas that have traditionally been regulated through collective agreements in Sweden. Another substantial change for many employers is the requirement to classify all employees into categories of workers in order to assess and compare pay levels. Previously, the concept of work of equal value has only been used for the purpose of conducting group-level analyses of pay differences between female-dominated occupations and occupations that are not female-dominated.

### Ireland

Since 2022, Ireland has had a domestic gender pay gap reporting regime applying to employers with 50 or more employees since 2025.<sup>64</sup> Employers need to separately report the gender pay gap for hourly pay rates and bonus pay, for all workers and separately for part-time workers, as well as the percentages of male and female workers receiving bonus pay and in-kind pay.

Ireland has, at the moment, only made amendments to comply with two aspects of Art. 5 of the Directive, regarding pay history ban and publication of the pay rate or range before pay negotiations, in the General Scheme of the Equality (Miscellaneous Provisions) Bill 2024.<sup>65</sup> Employers are now required to disclose the remuneration level or range for a position in the job advertisement, going for the first option of the Directive's Art. 5.<sup>66</sup>

<sup>63</sup> Azets. 28.04.2026. The Pay Transparency Directive – what applies today and how to prepare your organisation. See: <https://www.azets.com/en-se/resources/blog/the-pay-transparency-directive-what-applies-how-to-prepare>

<sup>64</sup> Irish Statute Book. Gender Pay Gap Information Act 2021. See <https://www.irishstatutebook.ie/eli/2021/act/20/enacted/en/print.html>

<sup>65</sup> Equality (Miscellaneous Provisions) Bill 2024 Government of Ireland. See: <https://assets.gov.ie/static/documents/general-scheme-of-the-equality-miscellaneous-provisions-bill-2024.pdf>

<sup>66</sup> GENIE. 31.03.2025. Proposed changes to equality legislation in Ireland. See: <https://knowledge.dlapiper.com/dlapiperknowledge/globalemployment/latestdevelopments/2025/proposed-changes-to-equality-legislation-in-ireland#:~:text=At%20a%20glance,the%20Directive%2C%20namely%20Article%205.>

There is no further Irish legislative proposal to comply with the Pay Transparency Directive. The latest information on the website of the responsible ministry on gender equality dates from 2025.<sup>67</sup> A blog<sup>68</sup> has speculated that the reason may be waiting for the analytical tools of the EIGE, which Art. 29(3)(b) of the Directive requires Member States to use, and which the EIGE has updated on 27 March 2026 to comply with the Directive.

## 4.2 Working Time Directive

The Working Time Directive (Directive 2003/88/EC) consolidates EU legislation on the organisation of working time, with origins tracing back to 1993. The Directive requires Member States to guarantee all workers a maximum average working week of 48 hours, calculated over a reference period of up to 4 months<sup>69</sup>; minimum daily and weekly rest periods; and rest breaks for shifts exceeding six hours. Workers are also entitled to at least four weeks of paid leave per year.

While these requirements apply across the EU, the Directive operates as a minimum standards instrument, leaving Member States considerable discretion in transposition. Member States are free to implement provisions that are more favourable to workers.<sup>70</sup> This flexibility has, in practice, produced a [fragmented regulatory landscape](#), with divergences in areas such as reference periods, opt-outs for special categories of workers, and, most consequentially for administrative burden, record-keeping obligations. Moreover, business representatives consulted for this study believe that it left too much room for interpretation by the European Court of Justice (ECJ), leading to rulings limiting the role of national authorities and social partners.

For example, the record-keeping obligations were substantially reshaped by the [ECJ's landmark 2019 ruling in CCOO v. Deutsche Bank \(Case C-55/18\)](#). The Court ruled that Member States must require employers to establish an objective, reliable, and accessible system for recording each employee's hours worked each day. Arguments that such a requirement would be unduly costly were rejected, with the Court holding that workers' health and safety take precedence over economic considerations. Responses varied considerably: some countries introduced retention requirements for time records, others built real-time digital reporting systems. The compliance costs have been substantial in some Member States. Denmark, where trust-based working time management had been deeply embedded in labour market culture, had to re-transpose its national rules to align with the ruling. This shift reportedly costs Danish businesses EUR 350 million annually in administrative and technical setup costs.<sup>71</sup>

<sup>67</sup> Government of Ireland. 28.07.2025. Equality. See <https://www.gov.ie/en/department-of-children-disability-and-equality/policy-information/equality-and-integration/#equality-and-gender-equality>

<sup>68</sup> Pelly, N. (6 March 2026), Ireland: It's Time for the Government to Be Transparent About the Pay Transparency Directive. See: <https://www.littler.com/news-analysis/asap/ireland-its-time-government-be-transparent-about-pay-transparency-directive>

<sup>69</sup> With exceptions up to 6 or 12 months for special categories of workers, or by way of collective agreement.

<sup>70</sup> Eurofound. 6.10.2025. Balancing the clock: How Europe works and rests. See <https://www.eurofound.europa.eu/en/publications/all/balancing-the-clock-how-europe-works-and-rests>

<sup>71</sup> DA's Policy Recommendations for Reduction of Administrative Burdens Stemming from the EU. August 2025. [Access here](#)

Another important ruling by the ECJ is [Case C-514/20](#) (Koch Personaldienstleistungen GmbH / DS), which effectively required paid leave to be counted as actual working time in the calculation of overtime work. The question relates to whether annual leave should reset the count of overtime work if a worker works overtime before and after the annual leave. The Court argued that a provision of not taking paid leave into account disincentivises workers from taking paid leave. This ruling is argued to contravene the derogations that the Working Time Directive allows to social partners.

Other costs relate to [overtime pay legislation](#) linked to the Part-time Work Directive (Directive 97/81/EC). The Part-time Work Directive is not within this study's scope, but respondents addressing the topic of Working Time attributed effects on pay rates to the interplay of both legislations. The Working Time Directive implicitly defines overtime as time beyond contractual working hours. However, most countries define overtime as time exceeding statutory normal weekly hours, which vary from 35 hours in France to 40 hours in most Eastern European countries.<sup>72</sup> Most EU countries mandate premium pay rates for overtime, with some exceptions (Germany, Ireland, the Netherlands, Romania and Spain). This can create a problem for employers because the Work-life Balance Directive grants workers with children up to at least 8 years of age and carers the right to request flexible working hours for caring purposes, that employers may only refuse when providing reasons, and because the Part-time Work Directive 97/81/EC requires equal treatment of part-time workers including wages and benefits proportional to their hours ("*pro rata temporis*"). When they work more than their reduced hours, this would entitle them to overtime pay even though they work less than their normal hours.

The Working Time Directive also grants workers the right to 11 consecutive rest hours per 24-hour period. This reduces the flexibility of workers to work at a time of their own choosing, which is pertinent to telework, for which registering work hours is particularly challenging.

#### *General perception of the Directive*

Working time regulations are among the most recognised social provisions of the EU. However, they are also perceived as among the most burdensome for businesses, affecting both SMEs and large corporations: 55% of respondents rated the regulatory burden as "high" or "very high."

A significant share of this burden stems from the costs related to the national implementation of the regulation (according to 62% of survey respondents), with substantial variation among Member States. Key contributing factors include "gold-plating", administrative procedures, and inconsistent enforcement practices, which together produce complex compliance requirements which may cause a competitive disadvantage, particularly against EU countries with different practices. In the survey, equal numbers of respondents (11 or 12 out of 36) mentioned a competitive disadvantage compared to other EU countries or no competitive disadvantage (the remainder of respondents mentioned a competitive disadvantage domestically or compared to non-EU countries in equal numbers – 6 or 7). For example, a Slovenian business reported that lunch time is working time in Slovenian law, but not in most other EU countries.

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<sup>72</sup> See Eurofound (2025): Overtime in Europe: Regulation and practice, See: <https://assets.eurofound.europa.eu/f/279033/a808a14bea/ef21025en.pdf>

Respondents also highlighted [tensions between the Directive's general rules and sector-specific legislation](#), for example, in retail. Article 17 derogations, while necessary to provide flexibility for autonomous workers, activities with irregular schedules, and extended reference periods, were seen as poorly adapted to current working arrangements. Remote workers, in particular, are not explicitly covered, creating legal uncertainty and inconsistent internal policies. Survey respondents and interviewees noted that it is nearly impossible for employers to enforce or control rest periods when employees work from home, yet the legal responsibility remains entirely with the employer. This may make employers hesitant to allow telework because flexible schedules can easily clash with the mandatory 11-hour daily rest period. This likely affects sectors with high levels of business travel, retail, industries with significant cross-border workforce, and markets where SMEs predominate.

#### *SME proportionality*

It was remarked that SMEs face particular difficulties. Unlike large corporations, SMEs typically lack dedicated compliance functions to verify whether employees' self-reported hours meet mandatory rest requirements, such as the 11 consecutive-hour daily rest rule, and they struggle with the costs of purchasing and maintaining digital time-registration tools.

#### *National transposition*

Respondents highlighted a differentiating interpretation of the EU rules on working time, particularly in grey areas such as travel time. Member States also vary in their interpretation of what constitutes "work" versus "rest" with regard to waiting time and on-call time, and in their requirements for time-recording systems. The ECJ provided rulings on this. The SiMAP ruling (Case C-303/98)<sup>73</sup> clarified that on-call at the workplace is working time regardless of activity, and the Matzak ruling (Case C-518/15) clarified that if the constraint to respond is severe (e.g., to arrive within 8 minutes), this counts as working time. The ECJ also ruled that for workers without a fixed workplace, commuting time is working time (Case C-266/14).

Examples of differences in national working time legislation concern for example:

- Lunchtime, which is counted as working time in Slovenia and in Spain, depending on the collective agreement or employment contract.
- Sunday is a statutory rest day, notably in Belgium and France, but also in other Member States.
- Countries going beyond EU minimum requirements, e.g. with regard to uninterrupted rest, hours of night work to qualify as a night worker, or the reference period for average working hours, or the duration of a break.

Several Member States have implemented requirements exceeding the Directive's minimums, further fragmenting the compliance landscape. Focus group participants cited several specific examples of "gold-plating":

- Romania's Labour Code is stricter than the Directive as it does not permit the individual to opt out of the 48-hour maximum weekly working time, leaving social partners with little room to reach flexible or workable alternatives.
- Luxembourg mandates 44 uninterrupted hours of weekly recovery time, exceeding the Directive's lower threshold of 24 hours plus the 11-hour daily rest.

<sup>73</sup> Judgment of the Court of 3 October 2000. *Sindicato de Médicos de Asistencia Pública (Simap) v Conselleria de Sanidad y Consumo de la Generalidad Valenciana*. Reference for a preliminary ruling: Tribunal Superior de Justicia de la Comunidad Valenciana - Spain. See <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:61998CJ0303>.

- Cyprus has adopted a digital reporting portal modelled on a similar Greek system (ERGANI) that requires daily entries for employee hours, salaries, and movements. Business representatives described this as a source of significant daily administrative burden, with concerns that the system may expand further to interconnect with social insurance and pension administration, increasing both the level of detail required and the resulting workload.



### Directive deep-dive: National transpositions

#### Denmark

Denmark implemented Directive 2003/88/EC through a hybrid legal model that combines statutory legislation with extensive implementation through collective agreements. Unlike many other Member States that have codified the working-time rights of the Directive in their labour code, Denmark separated the implementation across principal statutes as well as through collective agreements. The two principal statutes are the Act on the Implementation of Parts of the Working Time Directive (*Lov om gennemførelse af dele af arbejdstidsdirektivet*)<sup>74</sup> and the Working Environment Act (*Arbejdsmiljøloven*).<sup>75</sup> This created a more decentralised implementation structure and also reflects the importance of collective agreements in Denmark, which are an integral part of the regulation of employment and labour law. In 2024, Denmark updated its legal framework to incorporate recent Court of Justice case law requiring reliable working-time registration systems.<sup>76</sup>

In general, the Danish rules apply to employees in both the public and private sectors, although certain sectors are covered through sector-specific legislation or collective agreements. The Danish Working Time Act defines “employee” broadly and contains special provisions for night workers. Young workers are separately protected under the Working Environment Act. This broad functional scope means that most standard employment relationships fall within the system and benefit from these rights and protections.

One of the defining features of the Danish labour law and thus the transposition of the Directive is its heavy reliance on social partners and the importance of collective bargaining agreements. The Working Time Act expressly allows collective agreements concluded by representative labour-market organisations to replace statutory rules where workers receive equivalent protection. This represents a significant use of the flexibility built into Articles 17–19 of the Working Time Directive.

Denmark also introduced the Working Time Directive’s Article 22 (*miscellaneous provisions*) on individual opt-out. This means that, under the new rules, certain workers performing stand-by duties in critical functions may exceed the 48-hour weekly average, provided there is both permission by a collective agreement and individual consent. Further, the average weekly working hours under an opt-out agreement must not exceed 60 hours<sup>77</sup>.

Generally, Denmark closely follows the requirements of the Directive and ECJ case law. One area where Denmark can be considered as being stricter than the Directive is the 5-year retention of time

<sup>74</sup> Law No. 248 of 08/05/2002. See <https://www.retsinformation.dk/eli/ta/2002/248>

<sup>75</sup> Law No. 1084 of 19/09/2017. See <https://www.retsinformation.dk/eli/ta/2017/1084>

<sup>76</sup> The legal requirement of registration was adopted as a consequence of the ECJ decision on 14 May 2019. See : <https://www.bdo.dk/getmedia/bd07c755-b5ff-4255-b42c-68c59d4bce0f/The-legal-requirement-of-registration-of-working-time-has-now-been-adopted.pdf>

<sup>77</sup> Global Employment News, Insights and Events, Bill on the recording of working time (update), 9 February 2024, see: <https://knowledge.dlapiper.com/dlapiperknowledge/globalemploymentlatestdevelopments/2023/Bill-on-the-recording-of-working-time.html>

records. Overall, however, no substantive “gold-plating” is apparent within the Danish transposition. In contrast, it shows adherence to the Directive’s minimum requirements while also using strong collective bargaining agreements to allow for more flexible outcomes.

### Romania

Romania implemented Directive 2003/88/EC primarily through the Labour Code (Law No. 53/2003), particularly Title III, which regulates working time and rest periods<sup>78</sup>. Romania has a more traditional codified legislative model where most of the working time rights and obligations laid out in the Directive have been directly embedded into the Labour Code. The Romanian system is therefore less focused on social dialogue and more focused on traditional codified legislation. The enforcement of the legislation is primarily carried out by the Labour Inspectorate (Inspekția Muncii), which publishes explanatory guidance on working time and rest rights.<sup>79</sup>

The Labour Code contains specific provisions for categories such as young workers, night workers, and workers in sectors subject to special legislation (Art. 2). Some derogations are present, such as allowing the 48-hour weekly cap to be averaged over a reference period and allowing weekly rest to be accumulated in justified cases (Art. 137<sup>80</sup>). There are also derogations for mobile road transport.

Romania goes beyond the Directive minimum in several rest-period rules. Workers are entitled to 12 consecutive hours of daily rest between two working days (reduced to 8 hours between shifts in shift systems), whereas the Directive minimum is 11 hours. Weekly rest is generally 48 consecutive hours, usually Saturday and Sunday, whereas the Directive minimum is 24 hours plus the 11-hour daily rest. Further, Romania provides protection for night workers (Art. 125-128<sup>81</sup>) that go beyond some other Member States: a worker who works 30% of his time during nighttime is a night worker in Romania, compared to 50% in, for example, Ireland and Malta. A night worker has the benefit of a reduced workday by one hour on days of night work without reduced pay, or 25% extra pay. This compensation goes beyond the Directive and is therefore a clear example of national “gold-plating”.

Overall, it can be concluded that Romania’s implementation is a standard codified transposition with specific additional protection elements.

## 4.3 Corporate Sustainability Reporting Directive

The Corporate Sustainability Reporting Directive (CSRD) (Directive (EU) 2022/2464), and in particular Delegated Regulation (EU) 2023/2772, significantly expand the scope, depth and standardisation of corporate sustainability reporting in the EU. They require businesses to report detailed information on environmental, social and governance (ESG) matters, including workforce conditions, pay, health and safety, and workers in the value chain, in accordance with the European Sustainability Reporting Standards (ESRS).

<sup>78</sup> Law no 53/2003 of 24 January 2003. Labour Law Code, Official Gazette of Romania. See: <https://dialogsocial.gov.ro/wp-content/uploads/2020/09/Law-no-53-2003-Labor-Code.pdf>

<sup>79</sup> Romanian labour Code on working and rest time. See Guidance note: [988b2715-d51b-4bc0-ae71-9956947248de](https://dialogsocial.gov.ro/wp-content/uploads/2020/09/Law-no-53-2003-Labor-Code.pdf)

<sup>80</sup> See Romanian Labour Code Art.111 and Art. 137: <https://dialogsocial.gov.ro/wp-content/uploads/2020/09/Law-no-53-2003-Labor-Code.pdf>

<sup>81</sup> See Romanian Law Code: <https://dialogsocial.gov.ro/wp-content/uploads/2020/09/Law-no-53-2003-Labor-Code.pdf>

The CSRD was first published in the Official Journal of the European Union on 16 December 2022 and entered into force on 5 January 2023, to be implemented in phases:

1. **Wave 1:** undertakings already subject to the Non-Financial Reporting Directive (NFRD, Directive 2014/95/EU), listed businesses and financial institutions with over 500 employees, reporting in 2025 for the 2024 financial year.
2. **Wave 2:** large enterprises not yet subject to the NFRD, reporting in 2026 for the financial year 2025.
3. **Wave 3:** Listed SMEs. Reporting in 2027 for the financial year 2026.
4. **Wave 4:** Non-EU businesses with net turnover above EUR 150 million in the EU and specific large EU subsidiaries. Reporting in 2028 for the financial year 2029.

In February 2025, the EC presented the [Omnibus Simplification Package](#) (Omnibus I) to reduce the administrative burden on businesses and maintain Europe's competitiveness, which was adopted in February 2026. The package also includes some amendments to the CSRD, including:

- Scope limitation, meaning that mandatory reporting is now limited to larger undertakings with more than 1000 employees, resulting in approximately 80% fewer enterprises falling under the CSRD obligation. Listed SMEs are fully exempt.
- The adoption of a voluntary reporting standard (VSME) by the Commission for businesses with up to 1000 employees.
- Introduction of a "value-chain cap" to prohibit businesses subject to the CSRD from requesting information from other businesses in their value chain above a certain limit. That limit would be defined by the voluntary reporting standard mentioned above.
- European Sustainability Reporting Standards (ESRS) simplification. The ESRS are being revised and simplified through a reduction of mandatory datapoints, clarification and simplification of cross-cutting and topical standards, and increased guidance and interoperability.
- "Stop the Clock": for enterprises in Wave 2 and 3, the reporting obligation is postponed by two years, with many expected to start in 2027 or later.

### *General perception of the Directive*

The CSRD is consistently identified by respondents as one of the most burdensome directives. Rather than imposing a single process obligation, it requires businesses to build an entirely new reporting infrastructure spanning human resources, payroll, health and safety, governance, and external audit functions simultaneously.

Because of the breadth of the Directive, the core cost drivers are systems integration, data quality assurance, and external verification. Connecting HR, payroll, and health and safety data into a single coherent model, with the audit trail and internal governance required to support limited assurance, represents a substantial one-off investment. Recurring costs then arise from the annual cycle of data collection, review, and assurance engagement. The double materiality analysis obligation, which requires businesses to assess and document which sustainability topics are material to their business before they can even define their reporting scope, is itself a significant requirement: respondents describe it as time-consuming, legally uncertain, and heavily dependent on external consultancy, given the limited guidance in the Delegated Regulation.

The volume of ESRS data points compounds this: businesses report that the number of indicators and the lack of alignment between ESRS definitions and those used in existing national reporting frameworks cause them to maintain dual data-collection processes rather than repurposing data they already produce.

The external assurance opinion obligation in Article 13 of the CSRD adds a further recurring cost with no equivalent in most other social directives. Unlike administrative reporting, assurance engagements require businesses to have documentation systems that withstand external auditor scrutiny, a standard that drives significant investment in internal controls and data governance even before assurance fees are considered. Several interviewees note that even internal preparation for limited assurance has required dedicated staffing.

#### *SME proportionality*

Due to the adoption of the Omnibus package, the CSRD does not directly affect SMEs. However, indirectly, large businesses subject to CSRD regularly pass value-chain reporting obligations down to their SME suppliers, effectively extending compliance requirements to businesses that are formally below the reporting threshold. The consequence is that SMEs that are formally exempt from direct reporting still face systematic data requests from their larger customers, requiring them to invest in data collection systems, internal controls, and external advisory support comparable in nature, if not in scale, to those required for in-scope companies. This [trickle-down effect](#), which recurs across the EU Directives analysed in this analysis, is described by respondents as near universal and represents one of the most concrete ways in which the Directive's formal proportionality provisions fail to translate into real-world relief for smaller businesses.

#### *Future impact*

The Omnibus <sup>82</sup> Directive amendments are broadly welcomed by businesses as a potential source of relief and will probably reduce the burden as the scope shifts toward larger businesses, and investor pressure has eased. However, for the majority of Member States where transposition is still pending, this relief remains prospective.

Moreover, several respondents who invested early in full CSRD compliance highlight the [sunk-cost risk of regulatory uncertainty](#): the cost of compliance is incurred regardless of whether the regulatory goalposts subsequently move.

## 4.4 Posting of Workers Directive and A1 forms

The regulatory framework governing posted workers rests on two distinct but closely intertwined instruments.

The Enforcement of the [Posting of Workers Directive](#) (Directive 2014/67/EU) governs how Member States must ensure that workers temporarily posted in another Member State enjoy the mandatory working conditions of the host country, including remuneration, working time, and health and safety.

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<sup>82</sup> Directive (EU) 2026/470 of the European Parliament and of the Council of 24 February 2026 amending Directives 2006/43/EC, 2013/34/EU, (EU) 2022/2464 and (EU) 2024/1760 as regards certain corporate sustainability reporting requirements and certain corporate sustainability due diligence requirements (Text with EEA relevance).

The **A1 form** (also called A1-certificate or Portable Document A1) operates in a parallel but separate legal domain, social security rather than labour law. Governed by Regulation (EC) No 883/2004, it certifies that a posted worker remains subject to their home country's social security legislation during a temporary assignment abroad, preventing double payment of contributions in both the home and host country. Employers must provide detailed data that the home country requires to the home country's social security institution to obtain an A1 form in advance of the posting, specifying start and end dates, for a maximum period of 24 months. The A1 form can then be submitted to the host country's authorities to prove continued social security insurance in the home country.

Together, these two instruments create a layered compliance obligation for any employer sending workers across borders: they must simultaneously satisfy the host country's labour law requirements under the Directive and obtain and maintain the correct social security documentation under the A1 framework. While the EU-level rules are relatively clear in principle, both instruments leave significant room for national variation in how they are administered and enforced. Member States impose their own notification systems, documentation requirements, and language obligations on top of the EU baseline.

#### *General perception of the frameworks*

Survey results show that **cross-border requirements** are among the most burdensome social regulations for businesses, and specifically those showing the highest cost variability across EU countries.

Regulation 883/2004 requires that for a person working 25% of the total working time in the home state, the social security legislation of this state becomes applicable. In addition to requiring employers to closely monitor and document the distribution of working time across Member States, this rule can also influence how work is organised in practice, as companies may adjust postings around the defined threshold. As a Luxembourg business employing people who are residents in France and Germany, noted: *"[...] the affiliation to the social security system of the country of residence as soon as the employee carries out at least 25% of their activity there, creates paradoxical situations. For example, to prevent a French resident employee from exceeding the 25% threshold of activity in their country of residence, we send a German resident employee to perform assignments in France."*

Respondents reported significant **differences across Member States** in the design and content of national portals, procedural steps, and administrative interpretation. Across countries, businesses most frequently pointed to duplicated or fragmented reporting systems, which require submitting the same information through multiple channels or to different authorities, and to complex or unclear administrative procedures, especially for different declarations related to cross-border mobility. Respondents also highlighted uneven processing times, additional documentation requirements, and other examples of national "gold-plating", all of which contribute to higher and inconsistent compliance costs.

#### *EU-level framework vs national divergence*

Findings across the different consultation tools highlight a **dual perception of the cross-border requirements' net effect**. On the one hand, it is acknowledged as providing the necessary and valuable baseline, a consistent legal framework ensuring minimum standards for pay and

working conditions during cross-border assignments. On the other hand, the compliance burden in practice is driven far less by the EU-level rules themselves than by Member States that have implemented and administered them.

**National divergence** manifests across virtually every dimension of the compliance process: the scope of what counts as posting, the documentation required, the portals used to submit it, the languages accepted, the processing speed, and the penalties for errors. The result is not one compliance regime but 27 overlapping ones, each with its own logic.

This fragmentation is compounded by a structural tension at the EU level itself: the Posting Directive (governing labour law) and the A1 framework (governing social security) operate on different administrative channels, with the 12-month threshold under the Posting Directive not aligning with the 24-month maximum of the Regulation for A1 certificates, causing potential planning difficulties and uncertainty.

The **Commission has taken steps to address this fragmentation**. In 2024, the EU proposed a centralised e-declaration portal for posting notifications connected to the Internal Market Information System (IMI) and available for voluntary use by Member States. The Commission estimates this could reduce compliance costs by up to 25% for posting to participating countries<sup>83</sup>. A parallel initiative, the European Social Security Pass (ESSPASS), aims to digitalise A1 certificates and integrate them into the EU Digital Identity Wallets. In April 2026, the consultation period for the ESPASS closed, and the Commission's adoption is planned for late 2026.

Since the completion of the consultation phase of this study, on 22<sup>nd</sup> April 2026, the Council reached a provisional agreement with the European Parliament on the coordination of national social security systems, aiming at modernising and clarifying existing rules and their enforcement.<sup>84</sup> The revision introduces several changes directly responsive to the burden documented in this study, such as an exemption from A1 notification requirements for business trips and short-term postings of three days or less, or clearer rules on the law applicable to posted workers. A formal adoption by the European Parliament and Council is pending at the time of the study finalisation.

### **National implementation**

Some of the most significant burdens identified by stakeholders stem from national implementation that goes beyond what the Directive requires.

France and Luxembourg were consistently cited by respondents as the most demanding receiving jurisdictions. In Luxembourg, a separate posting declaration and social badge must be obtained for every posting, regardless of duration, a requirement that applies even to very short assignments and which respondents, particularly those operating near the border, described as generating significant administrative volume.

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<sup>83</sup> European Commission. 14.11.2024. A new digital platform for declaring posted workers. See: [https://commission.europa.eu/news-and-media/news/new-digital-platform-declaring-posted-workers-2024-11-14\\_en](https://commission.europa.eu/news-and-media/news/new-digital-platform-declaring-posted-workers-2024-11-14_en)

<sup>84</sup> Council and Parliament strike provisional deal on social security coordination. Press release, 22 April 2026. See: <https://www.consilium.europa.eu/en/press/press-releases/2026/04/22/council-and-parliament-strike-provisional-deal-on-social-security-coordination/>

A study on the posting of workers was conducted for DG EMPL<sup>85</sup> found that all Member States had a tool for the declaration of posted workers, that half of the Member States had an exemption for certain activities or sectors, and that most Member States have an electronic submission portal, with three Member States requiring a submission by email (Croatia, Greece and Ireland) and one Member State requiring a submission by post (Romania).

These observations are supported by anecdotal testimonies from some survey respondents. One French employer reported having stopped posting workers abroad altogether and switched to direct local hiring in each country to avoid compliance costs. As discussed earlier, a Luxembourgish respondent employing workers who are residents of France and Germany and posting them cross-border, mentioned routing work in France through a German employee to prevent the French employee from exceeding the 25% threshold under Regulation 883/2004.



### Directive deep-dive – National transpositions

#### France

France is one of the most active Member States in its approach to implementing the Posting of Workers Directive and its respective legislation. The Posting of Workers Directive 2014/67/EU was transposed mainly through amendments to the French Labour Code (*Code du travail*), specifically Articles L1261—L1264. The following decrees were implemented for the transposition of the Directive:<sup>86</sup>

- Law No 2014-790 of 10 July 2014 to combat unfair social competition
- Decree No 2015-364 of 30 March 2015 on combating fraud and posting of workers and combating illegal work
- Law No 2016-1088 of 8 August 2016 on work, modernising social dialogue and securing career paths (Article 108)
- Decree No 2023-185 of 17 March 2023 on the posting of workers and on the management board of the Employment Platforms Social Relations Authority (NOR: MTRT2236490D) published in JORF No 0066 of 18 March 2023
- Decree No 2024-112 of 15 February 2024 on the professional identification card for construction and public works employees

Art. 9 of the Enforcement Directive provides that Member States may impose several measures, including information requirements, document requirements, translation requirements, and a liaison located in the host country. France imposed all these optional measures. Article 12(6) allows Member States to introduce proportionate measures to tackle fraud and abuse through subcontracting in the construction sector. Under the French labour code (Art. L. 1262-4-3), the posting of workers subcontracting liability provision is introduced, which creates chain liability in the subcontracting context specific to posting. The liability extends to both direct and indirect subcontractors (chain liability), though local clients and general contractors can avoid liability if they immediately terminate the contract with the infringing employer.

<sup>85</sup> De Wispelaere et al, (2024), Collection of data from the prior declaration tools: reference year 2023. See here: <https://op.europa.eu/en/publication-detail/-/publication/385491e4-62be-11f0-bf4e-01aa75ed71a1/language-en>

<sup>86</sup> EUR-LEX National transposition measures communicated by the Member States concerning the Enforcement of Posting of Workers Directive 2014/67/EU, France. See: <https://eur-lex.europa.eu/legal-content/EN/NIM/?uri=celex:32014L0067>

Further, for construction specifically, Decree No. 2024-112 introduced the Carte BTP, which is a mandatory professional identification card for workers on construction and public works sites.<sup>87</sup> The contractor liability check remains another high burden for posting construction workers in France (in the insurance code).

To conclude, the French transposition of the Posting of Workers Directive can be seen as an example of an active maximalist enforcement transposition to monitor compliance and combat unfair competition. France, as one of the main European host countries for posted workers, has gradually established a highly developed legal and administrative framework to combat fraud and social dumping. This system, which is particularly complex in the construction sector, is, however, difficult for foreign companies to navigate.

### Malta

Malta implemented the Posting of Workers Directive 2014/67/EU through the Posting of Workers in Malta Regulations<sup>88</sup>, with subsequent amendments in both 2021<sup>89</sup> and 2023.<sup>90</sup> The competent authority responsible is the Department of Industrial and Employment Relations (DIER).

Malta follows a more moderate implementation approach to the optional measures of Articles 9 and 12(6). Malta requires a pre-notification of posted workers with all the information that may be required, but the notification may be on the day work starts. Documents must be available upon request, but may be translated into English instead of Maltese. Malta requires a liaison, but the liaison does not need to be in Malta. Missing information does not result in automatic fines unless it is not provided within a reasonable period of time. Malta strictly enforces joint and several liability for contractors and subcontractors of posted workers.

### Access to information

A distinct but related source of burden concerns the difficulty of identifying which host-country employment conditions apply, particularly in the context of collective agreements (CAs). Consulted business representatives noted that CAs are compulsory in some Member States but optional or non-existent in others, and that there is no centralised, accessible EU-level source of information to help foreign employers navigate the landscape. The practical consequence is that subcontractors often cannot calculate the correct applicable wage rate and working time regulation until after a contract has already been signed, exposing them to retroactive liability.

The absence of a 'remuneration calculator' that would allow employers to input a worker profile and the host country to receive the available pay rate makes it impossible for employers to know the exact pay rate (that would apply respectively before and after 12 or 18 months of the posting) before a contract is signed, creating a significant risk for errors.

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<sup>87</sup> ASD SPW. Posting of workers in France: construction worker ID card (BTP card). See: <https://soposting-worker.com/construction-worker-professional-card/>

<sup>88</sup> Posting of Workers in Malta Regulations, 2016 EMPLOYMENT AND INDUSTRIAL RELATIONS ACT (CAP. 452). See <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=NIM:238461>

<sup>89</sup> Posting of Workers in Malta (Amendment) Regulations, 2021 - EMPLOYMENT AND INDUSTRIAL RELATIONS ACT(CAP. 452). See: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=NIM:202103938>

<sup>90</sup> Posting of Workers in Malta (Amendment) Regulations, 2023. See: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=NIM:202305258>

### Administrative burdens

The A1 form emerges from the consultations as a burdensome tool for businesses. The core problem is the frequency because the A1 is required for every individual posting, creating a high cumulative workload for businesses with frequently travelling employees. To address this, the A1 form can be requested for a period of time instead of for one specific posting, for example, a whole year to cover multiple postings of the same worker. The A1 form can also be requested for multiple workers in the same posting. However, if workers are posted in multiple countries, or if the employee is not a resident of the country in which the employer is based, a so-called multistate A1 form can take a long time to obtain, according to one FGD participant.

Processing times can vary: France and Germany can handle standard cases (article 12 of Regulation 883/2004/EC) in as little as 5 minutes through fully digitalised systems, while other countries, such as Malta, have been reported to take longer.

In Sweden, the “personality” is attached to each application, meaning that A1 applications must be submitted both by the individual employee using their personal national ID and by the employer.<sup>91</sup> This is problematic in practice, as employees preparing for cross-border assignments generally have limited time to handle individual administrative filings. This approach differs from most other Member States, where the employer submits A1 applications on behalf of the employee.

The diversity of national portals causes additional avoidable errors. In Germany, the English-language version of the national portal differs from the local-language version, causing businesses following the translated instructions to make mistakes that require full resubmission. Sweden compounds this issue with a strict portal logic whereby any incorrect entry invalidates the entire application, and once an A1 application has been submitted and signed it cannot be amended, requiring a fully new submission.

A further consequence that cuts across jurisdictions is the cost of professional advice. Several businesses reported that hiring specialist labour law lawyers and consultants is not a discretionary expense but a structural necessity, which makes these advisory fees not a choice but an unavoidable burden cost arising directly from the risk of non-compliance, falling disproportionately on smaller businesses that lack in-house legal expertise.

#### Deep dive: Emergency postings

Emergency situations reveal a fundamental lack of compatibility between the Directive's administrative requirements and operational reality. In sectors such as machine construction, energy infrastructure, and aviation, the need to deploy a technician or crew member cross-border can arise with no warning; an out-of-order hospital MRI scanner, a power plant failure, or a grounded aircraft cannot wait for a portal login. In practice, respondents reported that businesses routinely notify retrospectively in such cases, accepting the administrative risk because the alternative, leaving a critical system unrepaired while completing pre-notification, is not a realistic option.

The rules as written and the rules as applied therefore diverge systematically in this area. France is identified as particularly inflexible: it does not apply the "initial assembly or first installation"

<sup>91</sup> Forsakringskassan Employee who will work abroad. See: <https://www.forsakringskassan.se/english/for-employers/employee-who-will-work-abroad>

exception and subjects even urgent internal technical visits to the full notification process, with no streamlined emergency track. Luxembourg's "every entry" rule creates the same problem at the border level: even an emergency cross-border repair technically requires a declaration for that specific crossing.

#### *Consequences for non-compliance*

The consequences for non-compliance with posting rules vary significantly across Member States, but consulted businesses and their representatives consistently described them as severe enough to represent a significant cost driver in their own right. In several countries, the most immediate consequences are operational rather than financial. In France and Luxembourg, the absence of correct documentation, such as an A1 form or posting declaration, results in work stoppages during on-site inspections, causing delays and disruptions.

France's most significant sanction is not a fine but the loss of posted worker status itself: businesses deemed to be conducting "habitual, stable and continuous" activity<sup>92</sup> can be required to register as French legal entities, subjecting them to the full scope of French corporate and labour law. In Germany, failure to complete portal submissions correctly or to pay at least the national minimum wage triggers high-intensity labour inspections.

In Poland, doubts about whether a third-country national may be posted to another EU country can lead to the refusal of work permits, visas, or residence permits, effectively preventing businesses from deploying a workforce of which third-country nationals often represent a significant share.

## 4.5 Occupational Safety and Health (OSH) Framework Directive (Directive 89/391/EEC)

The OSH Framework Directive (Directive 89/391/EEC) establishes general principles for the protection of workers' safety and health across the EU. It places the primary responsibility on employers to ensure safe and healthy working conditions through preventive measures, workplace risk assessments, worker information and training, and appropriate organisational arrangements.

The Directive operates as a framework instrument and is supplemented by a set of individual OSH Directives covering specific risks, activities or workplaces. It applies to all sectors of activity, both public and private, except for specific public services such as the armed forces, the police or certain civil protection services.

#### *National divergence as the primary burden driver: the case of occupational physicians and safety technicians*

There is significant variation in the requirements for occupational physicians and safety technicians across Member States. The Framework Directive does not define the specific

<sup>92</sup> Article L8221-3, French Labour Code (*Code du travail*). See: [https://www.legifrance.gouv.fr/codes/article\\_lc/LEGIARTI000044056622](https://www.legifrance.gouv.fr/codes/article_lc/LEGIARTI000044056622)

expertise needed for preventive and protective services, leaving this responsibility to each Member State. Consequently, the transposition of EU OSH Directives differs widely among Member States. As a result, compliance costs can vary significantly and cannot be easily separated from the more detailed national requirements.<sup>93</sup>

One survey respondent documented this precisely: occupational physician requirements begin at 1 employee in Spain, 50 in Greece, and are not required at all in Cyprus. External safety technicians are mandatory in Greece, but can be covered internally in Cyprus. Greece also operates a Safety Technician Instruction Book with no equivalent elsewhere. A German respondent noted that EU OSH provisions are implemented, enforced, and controlled very differently across Italy, France, Spain, and Poland, leading to competitive distortions.

One French respondent noted that safety requirements are subject to regulatory tightening over time. They noted that standards applied during inspections exceed those accepted at the time of plant construction, requiring constant modification and upgrades, sometimes for details that do not always translate into meaningful safety improvements.

Portugal's occupational health regime, while aligned with safety priorities, generates costs through prescriptive doctor-hour minima and frequent medical checks that scale into significant paid time-off and vendor fees across large retail networks. The same respondent noted that acceptance of equivalent certificates and digital scheduling could reduce duplication without weakening protections.



### Directive deep-dive – National transpositions

#### Work portal (ERGANI) - Greece

In 2013, Greece's Ministry of Labour and Social Security adopted the digital platform 'ERGANI' with the aim to (i) facilitate the operation of employers and businesses in the private sector by reducing bureaucratic procedures and unnecessary administrative burden, (ii) minimise undeclared work, and (iii) produce statistical data on the labour market. ERGANI also introduced a digital working card (*Ψηφιακή Κάρτα Εργασίας*), allowing for the monitoring of entry and exit times of employees in real time, through a digital application. In 2021, ERGANI was updated ([ERGANI II](#)) to allow for greater digital cooperation between different employment-related organisations, such as tax authorities and the unemployment agency.

Through ERGANI, employers are required to upload all documentation related to the start and termination of employment, changes in employment terms (i.e., full-time or part-time arrangements, temporary employment, resignations, retirement, etc.), working-time arrangements (i.e., working overtime, six-day employment, etc.), leave (i.e., annual, parental, etc.), and special employment schemes (i.e., construction employment, internships, etc.). Employees have access to this information by logging into their personal accounts.

Through that information, ERGANI publishes monthly and annual statistics on the balance of hiring and firing employees, forms of employment (full-time/part-time/rotational), and the distribution of employees by age, gender and geographical area and by sector.

<sup>93</sup> European Commission, Staff Working Document, Evaluation of the OSH Framework Directive and 23 related directives, SWD(2017) 10 final, 10 January 2017. See: <https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=SWD:2017:0007:FIN:EN:PDF>

Cyprus adopted the ERGANI software in 2018 and implemented it in 2021, and in 2025, followed the Greek modernisation regarding digital labour cards and real-time reporting.

### Spain

The results from the survey found that respondents had mentioned certain burdensome requirements for businesses on occupational physicians in Spain. The Spanish Occupational Risk Prevention Law<sup>94</sup>, specifically Art. 22, states that *"the employer shall guarantee workers in their service periodic health surveillance based on the risks inherent to the work."* These requirements go beyond the minimum of the Framework Directive 89/391/EEC, which provides in Article 14(2) only that *"each worker, if he so wishes, may receive health surveillance at regular intervals"*. In other countries, such as the Netherlands, employers must only offer periodic health checks to workers with identified health risks due to their work activities, such as noise, vibration, dangerous substances, etc. (Dutch safety and health decree). Article 22(6) provides that the periodic health checks and control measures must be carried out by certified healthcare staff, which is also a common requirement in other Member States, but compounds the cost if the employer must offer this to all workers.

### SME proportionality

OSH risk assessments, sustainability reporting, and pay transparency are claimed by some respondents to create disproportionate costs for SMEs and start-ups, specifically because they require data collection, documentation, and reporting systems and digital tools that smaller businesses lack and that are proportionally more expensive for them.

This is confirmed by the 2017 REFIT evaluation, which highlights that administrative compliance costs vary significantly across Member States and are presumed to be higher per employee in SMEs.<sup>95</sup>

Overall, the Framework Directive has been implemented inconsistently, which causes differences in the implementation burden. While a one-size-fits-all approach is not appropriate to the OSH regulations, due to the sector and risk specificities, some survey and interview respondents have called for convergence of the European guidelines on health and safety, so the core obligations are understood and applied more uniformly across Member States.

## 4.6 Transparent and Predictable Working Conditions (Directive (EU) 2019/1152)

The Transparent and Predictable Working Conditions Directive (Directive (EU) 2019/1152) aims to improve working conditions by promoting more transparent and predictable employment while enabling the necessary flexibility to operate effectively. It replaces the 1991 "Written Statement Directive" (91/533/EEC), establishing the employer's obligation to inform employees of the conditions applicable to the contract or employment relationship. The new

<sup>94</sup> The Spanish Occupational Risk Prevention Law. Law 31/1995, of November 8, on Occupational Risk Prevention. See: <https://www.boe.es/eli/es/l/1995/11/08/31/con>

<sup>95</sup> European Commission, Staff Working Document, Evaluation of the OSH Framework Directive and 23 related directives, SWD(2017) 10 final, 10 January 2017. See: <https://eurlex.europa.eu/LexUriServ/LexUriServ.do?uri=SWD:2017:0007:FIN:EN:PDF>

directive strengthens employers' obligations to provide timely and comprehensive written information on essential aspects of the employment relationship and introduces new minimum rights for workers, including limits on probationary periods, protection against exclusivity clauses, free mandatory training, and the right to request more predictable and secure working conditions.

With the transposition of the Directive, by 1 August 2022, employers doing business in EU jurisdictions needed to revisit their standard employment agreement templates, employee handbooks and onboarding processes to ensure that sufficient information is provided to employees. The Directive has been largely transposed across the EU, albeit with delays and varying degrees of completeness.<sup>96</sup>

### General perception of the Directive

The Transparent and Predictable Working Conditions Directive (TPWC) is not identified as a primary standalone burden driver by most respondents. However, it is considered a relevant part of the cumulative burden of employment documentation obligations. Below, we report some examples of burdens reported by respondents and directly associated with the implementation of this directive:

- The Directive is associated with an increase in documentation obligations, such as contracts to update, individual written statements to issue, and information requirements to fulfil, which respondents describe as generating recurring administrative costs.
- In some cases, the transition from informal to formal arrangements also caused a short-term administrative spike as employees engaged with newly documented terms, sometimes causing an increase in complaints and appeals. As is the case with multiple directives included in this report, this burden is particularly heavy on SMEs, which may not have qualified staff or the capacity to meet the requirements and often rely on outsourcing such expertise.
- Some respondents from countries with high collective bargaining coverage, notably Sweden, observe that this directive intervenes where collective bargaining and existing national frameworks already operate effectively, running the risk of overlapping regulation and “EU micro-managing”.
- Against this, one respondent reported that proactive implementation through standardised contracts and digital HR tools significantly reduced the risk of fines and complaints and saved time and costs in HR management. This may reduce the overall costs for larger businesses, but SMEs may lack the qualified staff to implement this and may incur additional costs to hire external expertise.



## Directive deep-dive – National transpositions

### The Netherlands

The Netherlands implemented Directive (EU) 2019/1152 through the *Wet implementatie EU-richtlijn transparante en voorspelbare arbeidsvoorwaarden*<sup>97</sup> (Act implementing the EU Directive on Transparent and Predictable Working Conditions), which entered into force on 1 August 2022. As the Netherlands already has a relatively modern and developed employment law framework, the

<sup>96</sup> Dentons. EU 2019/1152 - Directive on transparent and predictable working conditions tracker. See: <https://www.dentons.com/en/services-and-solutions/digital-solutions/all-knowledge-hubs/eu-2019-1152-directive-on-transparent-and-predictable-working-conditions>

<sup>97</sup> Eerste Kamer der Staten Generaal. Wet implementatie EU-richtlijn transparante en voorspelbare arbeidsvoorwaarden. See: [https://www.eerstekamer.nl/wetsvoorstel/35962\\_wet\\_implementatie\\_eu](https://www.eerstekamer.nl/wetsvoorstel/35962_wet_implementatie_eu)

transposition focused mainly on upgrading existing rules rather than creating an entirely new framework.

For example, the Netherlands expanded employers' duty to inform workers about essential employment conditions, meaning employers must now provide written or electronic information on matters such as remuneration, working hours, overtime, probation periods, training entitlements and applicable collective agreements, among others (Outlined in Art. 4-7 of the Directive (EU) 2019/1152 and transposed in Article 7:655 of the Dutch Civil Code).

Under Art.10 of the TPWC Directive, Member States must provide a minimum level of predictability of work. For workers with unpredictable schedules, the Netherlands has introduced stronger predictability protections stating that employers must specify the days and hours during which the worker may be required to work.<sup>98</sup> Such strong on-call protections were already in place, but now also provide compliance under the Directive. Further, under an amendment of the Dutch Flexible Working Act, workers may also request a more predictable form of employment, which can include a request for fixed working hours.<sup>99</sup>

One of the most visible changes in Dutch labour law as a result of the Directive concerns the new provision in the Labour Code that employment contract clauses cannot prohibit outside work or second jobs. A prohibition to perform side activities outside of the employee's contractual working hours with the employer is no longer permitted and is even void. The only exception is if there is an objective justification for such a restriction, for example, health and safety or confidentiality.<sup>100</sup>

Further, Art. 13 of the Directive requires mandatory training for workers to be free if it is necessary for the job. Any contractual clause requiring workers to repay such mandatory training costs is therefore void. This was a significant change for Dutch employers and led to some proceedings before the courts before the disputes on the new rules were solved.

In conclusion, the Dutch transposition of the TPWC Directive is generally a direct implementation, with some elements being slightly stronger than the minimum requirements set out in the Directive. These include elements such as a strong integration with pre-existing Dutch on-call worker protections, prohibition of payment by workers for mandatory training, and short response deadlines for employers. The Dutch transposition can therefore be described as pragmatic, focused on modernising existing labour law whilst also not creating new potentially burdensome compliance systems. Overall, the system remains flexible.

<sup>98</sup> VBK. 28.07.2022. Five most frequently asked questions about the Transparent and Predictable Employment Conditions Act. See: [https://www.vbk.nl/en/legalupdate/five-most-frequently-asked-questions-about-transparent-and-predictable-employment?utm\\_source=com](https://www.vbk.nl/en/legalupdate/five-most-frequently-asked-questions-about-transparent-and-predictable-employment?utm_source=com)

<sup>99</sup> Leiden International centre. 13.10.2022. The Transparent and Predictable Working Conditions Act: We Explain The Five Key Changes!. See: <https://www.leideninternationalcentre.nl/get-advice/blogs/the-transparent-and-predictable-working-conditions-act>

<sup>100</sup> Clifford Chance. 22.06.2022. Transparent and Predictable Working Conditions in the Netherlands. See: [https://www.cliffordchance.com/insights/resources/blogs/business-and-human-rights-insights/2022/06/transparent-and-predictable-working-conditions-in-the-netherlands.html?utm\\_source=com](https://www.cliffordchance.com/insights/resources/blogs/business-and-human-rights-insights/2022/06/transparent-and-predictable-working-conditions-in-the-netherlands.html?utm_source=com)

## Hungary

Hungary implemented Directive (EU) 2019/1152 primarily through amendments to the Labour Code (Act I of 2012 on the Labour Code), which entered into force on 1 January 2023. The transposition of the Directive is transposed in 49 different national acts and decrees.<sup>101</sup>

These amendments were therefore not part of a standalone transparency act transposition but part of a broader labour-law reform package that also implemented the Work-Life Balance Directive. Hungary's implementation can be described as a formal compliance model and uses the Directive transposition requirements to expand on employer information duties, strengthen procedural rights, regulate employment restrictions and improve predictability in working conditions. Hungary's legal transpositions and working conditions are less flexible than those of other Member States, and more emphasis is placed on procedural elements such as written information rights, legal certainty and litigation protections.

Under the requirements laid out in Art.4-7 of the Directive, employers are required to provide broader written information regarding the essential terms of employment. Hungary already required a written employment contract prior to the transposition, but expanded the elements deemed mandatory content for employers. These are reflected in Labour Code Sections 45-46.<sup>102</sup> Other transposition requirements that Hungary implemented relate to more predictable working condition requests (outlined under Art. 12 of the Directive) and probationary periods (outlined under Art. 8 of the Directive). Hungarian law already regulated probationary periods, but the amendments aligned more clearly with the Directive's proportionality principle.

Further, Hungary amended the Labour Code so that employers cannot automatically prohibit employees from taking additional jobs or parallel employment unless justified by a legitimate and objective reason. This is also required under Art. 9 of the Directive. Free mandatory training is also required under the Directive (Art. 13), which was also transposed. Hence, employers in Hungary could no longer rely on repayment clauses in contracts.

Finally, one of the more significant Hungarian reforms strengthened employee procedural protection. When an employee claims unfair treatment or abuse of rights, the burden of proof in any legal dispute will be on the employer. This change in the burden of proof puts employers in a more difficult position and means that employees are more likely to bring legal actions to challenge dismissals.<sup>103</sup>

Overall, Hungary's transposition of the Transparent and Predictable Working Conditions Directive is moderate, and there is no strong case of major "gold-plating". Some aspects may be argued to be stronger than the Directive's minimum requirements, such as broad information obligations, stronger procedural protections, and formal written response duties, but these are not highly burdensome. Overall, the Hungarian transposition imposes legal certainty and implements clearer rights, documentation requirements and dispute enforceability.

<sup>101</sup> Overview of national transposition in Hungary of Directive (EU) 2019/1152 of the European Parliament and of the Council of 20 June 2019 on transparent and predictable working conditions in the European Union, see: <https://eur-lex.europa.eu/legal-content/EN/NIM/?uri=CELEX:32019L1152>

<sup>102</sup> Bird&Bird. 17.01.2023. Amendments to the Hungarian Labour Code: Significant changes from 1 January 2023. See <https://www.twobirds.com/en/insights/2023/hungary/amendments-to-the-hungarian-labour-code>

<sup>103</sup> Noerr. 25.04.2023. Hungary: Significant Changes to the Labor Code From January 1, 2023. See: <https://www.noerr.com/en/insights/hu-labour-code-changes>

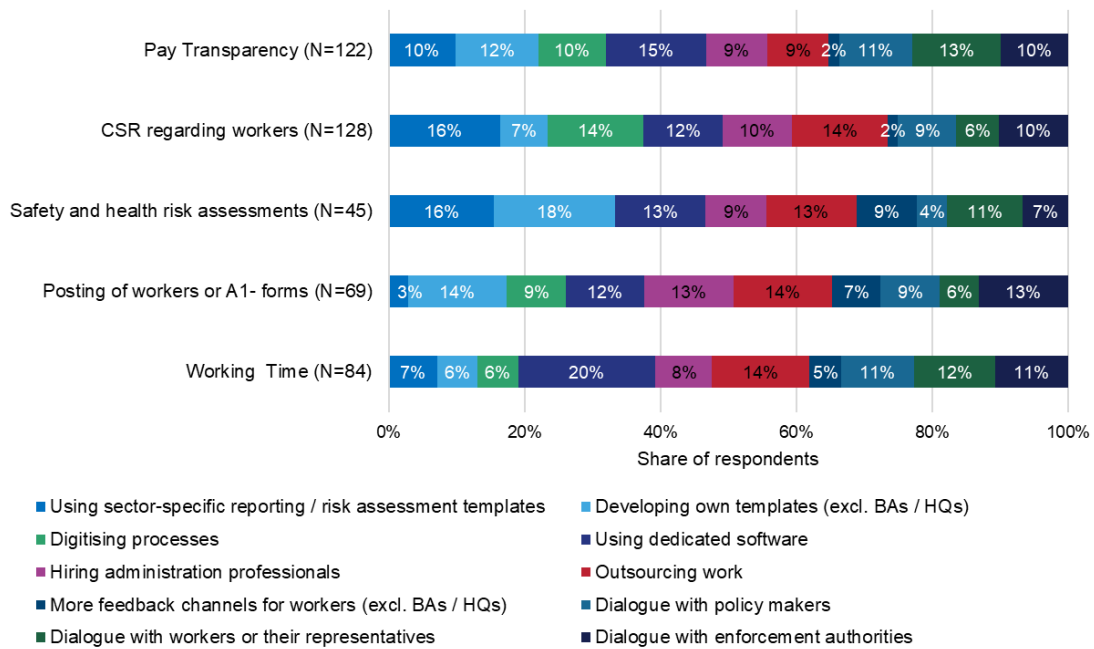
## 5 Smart approaches to regulatory burdens

Based on the results of our analysis, we have identified several key mitigation strategies that EU businesses are using to navigate the challenges posed by the legislation. This includes actions taken by businesses. Additionally, we have outlined essential compliance facilitation measures to be implemented at both the EU and national levels, as recommended by consulted businesses and business representatives, to ease the burden of implementing these regulations.

### 5.1 Mitigation strategies

Through our consultations (i.e., the survey, interviews and FGDs), we also explored how businesses seek to reduce regulatory costs and administrative work associated with EU social regulations. Figure 5.1 summarises the distribution of survey responses across different practices for the five perceived most burdensome regulatory areas.

**Figure 5.1 Business practices that help reduce regulatory costs or administrative work (N=56)**



Note: BAs = Business associations, HQs = Headquarters.

Overall, the results show that businesses rely on a range of coping practices, rather than a single dominant approach. For **Pay Transparency** and **CSR**, the pattern is relatively balanced. Several practices attract comparable levels of reporting, suggesting that businesses tend to combine different internal approaches to manage information requirements and reduce the workload associated with implementing obligations. A similar multi-practice approach is visible for **safety and health risk assessments** and **Posting of Workers/A1 forms**. **Working Time** stands out as the only area where one practice (using dedicated software) reaches around

one-fifth of respondents (20%), making it the clearest single “top” practice. Nonetheless, it is important to note that almost one third of survey respondents (30%) reported they **could not reduce the burden**.

The most common practice implemented by businesses to comply with social legislation is **outsourcing compliance work** to external lawyers, consultants, specialists, HR service providers and payroll agencies. For SMEs in particular, these fixed costs of external compliance support can represent a disproportionate share of turnover and cannot be scaled down without accepting legal risk.

Among businesses that have genuinely reduced their compliance costs, the most consistently effective strategy is **early and proactive alignment**. Businesses that had invested in pay structure transparency, internal job grading systems, or sustainability reporting infrastructure before the relevant directives came into force report substantially lower implementation costs, because they pre-empted the one-off cost of building systems from scratch. This finding recurs across Pay Transparency, CSRD, and Working Time contexts; the burden falls disproportionately on businesses that are reactive rather than those that maintain ongoing investment in HR and data governance infrastructure.

A related strategy is **process standardisation**: establishing internal reporting standards, uniform contract templates, and centralised data management across entities reduces recurring administrative burden, particularly for multi-country operations where the same underlying data must satisfy different national requirements.

At the company level, **digital investment** is the most widely cited tool for reducing day-to-day burden. Investment in HR information systems, automated payroll pipelines, electronic records, and internal analytics tools reduces manual effort and lowers the risk of errors and associated penalties. The use of internal data analytics tools for pay gap analysis, avoiding reliance on external statistical consultants for each reporting cycle, is one concrete example where company-level digitalisation translates into measurable cost reduction.

Nonetheless, the data is consistent that company-level digital investment cannot solve the structural problem: even the most digitally advanced business cannot achieve once-only reporting if the government authority it reports to cannot receive data via API, or if the same data must be submitted in incompatible formats to multiple authorities.

Businesses also highlighted the importance of **developing targeted training programs**, both in-house and cross-company, to enhance the skills of managers and HR personnel. This ensures alignment in HR and IT collaboration with the new regulations. Additionally, they mentioned the establishment of routine Occupational Safety and Health (OSH) programs for maintenance, cleaning, and incident logging. Some respondents indicated the need for **internal reorganisation** by creating dedicated roles or structures, when necessary, such as payroll experts, HR compliance leads, and safety and health committees.

## 5.2 Facilitating compliance

The consulted businesses and their representatives were also asked to provide recommendations on how authorities can reduce the regulatory costs of social legislation for businesses. Below, we present the findings based on survey responses received along key action areas and complemented by insights from interviews and FGDs.

**Simplification and regulatory burden reduction.** Respondents consistently called for a substantial reduction in regulatory complexity across EU social legislation. They emphasised the need to simplify regulatory requirements, reduce unnecessary detail, and move towards more principle-based frameworks rather than highly prescriptive rules that limit flexibility in implementation. Businesses and their representatives also highlighted the importance of periodic reviews of existing obligations, calling for the removal or consolidation of reporting requirements that do not demonstrate clear added value in practice. In addition, they frequently advocated for regulatory pauses or moratoria, noting that the continuous introduction of new or amended obligations creates uncertainty and requires repeated compliance adjustments, which are especially burdensome for SMEs and businesses operating across borders.

**Harmonisation across Member States.** Respondents also strongly emphasised the need for improved harmonisation across Member States in the design and implementation of EU social instruments at the national level. Consistent guidance from relevant authorities was considered essential to reduce uncertainty, avoid confusion and limit divergent national interpretations. Across responses, businesses called for greater EU-level consistency, including clearer and more precise EU minimum standards, as well as uniform definitions and standardised templates applicable across Member States. In addition, respondents highlighted the importance of coordinated implementation approaches that limit Member States' use of country-specific procedures and "gold-plating", going beyond the requirements of EU legislation.

**Digitalisation and modernisation of compliance processes.** Respondents also highlighted the importance of further digitalisation and modernisation of compliance processes to make them simpler and more transparent. Respondents emphasised the value of fully digital compliance workflows, including the development of one-stop portals, interoperable systems and standardised EU templates for reporting and notifications. The establishment of common EU platforms or "once-only data" hubs was frequently cited as a practical solution to reduce duplication, streamline compliance processes and facilitate cross-border activities. Promising initiatives include the European Business Wallets, eDeclaration (which would integrate A1 certificates into the EU Digital Identity Wallet), and ESPASS.



**Practical example:** France's Déclaration Sociale Nominative (DSN), a monthly payroll filing system that automatically populates social security and labour data and can calculate the majority of Pay Transparency indicators directly from payroll submissions, is consistently cited as the most advanced model of state-facilitated compliance. Germany's posting notification and A1 certificate systems, which process standard cases in minutes and offer API connectivity to corporate HR systems, similarly reduce the administrative burden at source by investing in interoperable public infrastructure. Where such systems exist, they eliminate the need for manual re-entry of data that businesses already hold, and they create a

genuine once-only effect rather than a simulation of it. Accessible portals with clear multilingual instructions and predictable processing timelines are also cited as important tools to reduce administrative burden on businesses, even without changes to the underlying rules.

In addition, businesses underlined the importance of enabling automation through functionalities such as bulk uploads and harmonised digital forms, allowing businesses to submit information in machine-readable formats and avoid repeated manual data entry. Finally, the introduction of interoperable systems using application programming interfaces (APIs) was repeatedly cited as a key enabler for efficient data exchange between EU-level and national portals, reducing duplication and administrative effort, particularly for businesses operating across borders.

**Proportionality and SME-specific solutions.** Respondents stressed the importance of proportionality in regulatory design, highlighting that obligations should adequately reflect differences in business size, administrative capacity and sectoral characteristics. In this context, respondents highlighted the need for SME-specific relief measures, including exemptions, lighter requirements, higher applicability thresholds or simplified compliance tracks. Extended timelines and staged implementation were also frequently cited as necessary to avoid operational disruptions and allow smaller businesses sufficient time to adapt. Across responses, respondents underlined that SMEs often lack the internal staff, technical expertise and financial resources required to meet high-frequency or highly detailed reporting obligations. Interviewees echoed these views, calling for proportionate and scalable requirements, simplified and adaptable templates, and greater support for automation to enable SMEs to comply effectively without incurring disproportionate costs.

**Early and meaningful consultation with social partners.** Respondents encouraged the use, when possible, of consultations with employer organisations and trade unions to ensure not only that rules are practical and aligned with real workflows but also to examine non-legislative means of achieving planned goals. This would help avoid “unworkable designs” by involving practitioners early, not only during the transposition of the adopted rules. Interviewees stressed the same point, arguing that early engagement prevents unrealistic requirements and reduces costly after-the-fact adjustments. Specifically, using national social dialogues could help bring about practical rules and offset the need for establishing new parallel systems and processes in businesses. Dialogue between employers and workers and their representatives is already largely used for areas that are typically handled through collective bargaining or national works councils, such as wages or working conditions. This suggests that local social dialogue is a viable mitigation strategy to propose practical solutions at the local level.



**Practical example:** In Denmark, Sweden, and Belgium, sectoral collective agreements have historically absorbed the complexity of EU requirements by translating them into industry-level frameworks, removing the burden of independent legal interpretation from individual businesses and providing a documented compliance structure that is both practically workable and recognisable to labour inspectors.

Respondents from countries with strong social dialogues highlighted **working time management** as an area where this model has proven particularly effective. Sectoral negotiations have historically resolved compliance questions that would otherwise require each employer to seek independent legal advice or invest in dedicated administrative

systems. The concern raised by several respondents is that recent EU Directives have imposed statutory frameworks on top of collectively agreed structures without accommodating the latter as a valid compliance vehicle. They criticise this one-size-fits-all approach not on substantive grounds but on procedural ones: it adds administrative obligations without improving outcomes in systems where social dialogue already delivers equivalent or better results. It also removes the flexibility that allows national labour market actors to adapt EU requirements to their specific sectoral and organisational realities, further burdening businesses.

Across multiple interviews and survey responses, the consistent recommendation is that the EU and Member States should invest more in [social partner involvement](#) both upstream, in the design of legislation, and downstream, by ensuring that collective agreements can be used as a vehicle for implementation at the national and sectoral levels. This may include concrete provisions or built-in flexibility in regulation.

[Once-only reporting and better impact assessment](#). Respondents stressed the urgent need to eliminate the duplication of reporting obligations by enabling authorities to reuse existing data already submitted through annual accounts, wage reports, social balance sheets, or statistical filings. Many ask for a “once-only data reporting” principle at the EU level, aiming for better coordination between EU-level and national authorities to avoid duplication and conflicting requirements. Respondents suggest, for example, i) reusing of annual accounts, wage reports, or statistical data (e.g. for Pay Transparency implementation), ii) pre-populating multiple obligations (e.g. CSRD, A1 forms), and iii) eliminating duplicate reporting at the national and EU level.

## 6 Future Outlook and Conclusions

### 6.1 Future Outlook

Looking ahead, businesses expect the regulatory burden associated with EU social legislation to continue evolving. Across the survey and interviews, representatives of business associations and businesses consistently pointed to a small number of upcoming or recently adopted initiatives as likely to shape future compliance costs either positively or negatively. These include the CSRD revision, Telework / Right to Disconnect, and the EU Omnibus package, which are among the most often cited. Figure 6.1 presents respondents' selection in the survey in more detail.

**Figure 6.1** New EU initiatives leading to significant changes in requirements and/or regulatory cost (N=254)



We identified a widespread concern about the introduction of new legislation across the board that could **increase the existing burden**. Businesses and their representatives highlighted several operational impacts where costs may arise. These included **reduced flexibility** and the implementation of new requirements that are **not aligned with operational realities**, and concerns about integrating additional regulations into their national systems, a process that can be lengthy and complex. Many businesses emphasised that each legislative change requires time to understand, implement, and monitor, which is especially burdensome for SMEs that lack specialised personnel. Several also highlighted the **fragmentation of EU rules**

at the national level, noting that inconsistent transposition and different implementation timelines add uncertainty and operational costs.

Respondents frequently mentioned the further evolution of the sustainability reporting requirements and the CSR Directive. Recent [changes introduced through the Omnibus I Simplification package are perceived positively](#). However, workforce-related reporting, assurance obligations and data-integration requirements remain a concern. While the narrowing of scope and the postponement of reporting deadlines are widely seen as relieving pressure on smaller businesses, the broader reporting ecosystem created around the CSRD is expected to have a trickle-down effect on SMEs.

Based on company estimates of the expected burden, the [national transposition of the Pay Transparency Directive is expected to generate substantial one-off and recurring costs](#). Looking ahead, these concerns are particularly pronounced in Member States where detailed national requirements are expected to go beyond existing practice or where implementation is taking place late, compressing preparation timelines. Importantly, however, one-off and recurring costs are also expected in countries where national transposition is based on the Directive's minimum requirements. Respondents explicitly mentioned the cost of building a defensible job evaluation architecture, preparing and cleaning legally required pay data, producing regular gender pay analyses, and handling employee information requests, among others. These structural costs are particularly demanding for companies that did not previously operate within formal pay scales or job classifications, and for SMEs more broadly, who often lack in-house expertise to conduct the analysis required to assess pay gaps.

Respondents highlighted potential consequences emerging from initiatives related to [new ways of working](#), notably telework and the right to disconnect. These developments are seen as potentially beneficial in terms of flexibility and cost savings at the company level, but also carry new compliance risks. Businesses expect additional requirements related to time recording for remote work, employer responsibility for rest periods, internal policy updates, and ergonomic assessments of home-working environments. The concern is that these rules could amplify current tension between rigid legal concepts and flexible work organisation.

Finally, opinions on the measures to [reduce the EU's administrative burden](#) are cautiously positive. Respondents largely hope for measures such as the once-only reporting principle and interoperable digital reporting tools to reduce administrative effort, particularly if implemented consistently at the EU and national levels. Current EC initiatives such as the European Social Security Pass (ESPASS) and the eDeclaration (which would integrate A1 certificates into the EU Digital Identity Wallet) align with what respondents identified as the most impactful changes needed for simplification and reduction of regulatory burdens.

## 6.2 Conclusions

This study provides an evidence-based assessment of how EU social legislation translates into regulatory burden for businesses across Member States. Drawing on survey data, interviews, focus group discussions and desk research, the findings highlight both the scale and the underlying drivers of these burdens.

Across the evidence base, businesses consistently associate regulatory burden with instruments that introduce [extensive reporting requirements, recurring documentation obligations, or complex compliance procedures](#). In this respect, Working Time, Pay Transparency, CSR, and Posting of Workers (including A1 forms) emerge as the most burdensome areas. These social legislations generate both recurring administrative obligations and substantial one-off adjustment costs, necessitating new or expanded reporting processes or expanded HR functions.

Importantly, the study also shows that [regulatory cost is not limited to administrative compliance](#). In several regulatory areas, businesses report impacts on core employment practices, including pay structures, work organisation, staffing decisions, investment planning and the viability of cross-border service provision. This broadens the understanding of regulatory burden beyond paperwork and highlights its structural dimension and financial consequences.

These costs are cumulative and interlinked, often arising from overlapping obligations across multiple directives. As a result, regulatory burden is best understood not as the effect of individual measures, but as the combined impact of multiple interacting requirements on core business operations. Therefore, one of the key lessons of this study is that [regulatory burden arises from the cumulative and interacting effects of multiple EU social instruments](#).

Our findings show that regulatory burden arises from [both EU-level obligations and national implementation practices](#), with neither acting in isolation. EU legislation establishes the baseline requirements, while national transposition, administrative procedures and enforcement practices play a decisive role in shaping how these obligations are experienced in practice. In several areas, businesses associate higher costs directly with EU requirements, particularly where new reporting frameworks or data obligations are introduced. At the same time, national implementation acts as a key multiplier of burden, notably through:

- additional requirements beyond EU minimum standards (“gold-plating”) linked to country-specific objectives of enforcement,
- fragmented or duplicative reporting systems, and
- inconsistent administrative procedures and interpretation.

[Differences in national implementations](#) can be examples of “gold-plating”, such as with longer rest periods than required by the Working Time Directive. In other cases, they have to do with how Member States enforce the rules, such as the requirements in both the host and sending States for A-1 certificates. It is also important to refer to differences in the bureaucratic procedures followed in the Member States, such as the proceedings with the A-1 certificates.

Challenges are particularly pronounced in the [context of cross-border activity](#). Instruments governing the posting of workers and social security coordination, but also working time registration, pay transparency reporting, and occupational health obligations, illustrate how differences in national procedures, enforcement practices, documentation and language requirements, and digital systems can significantly amplify administrative burden. As a result, businesses operating in more than one Member State do not face a single regulatory regime, but a set of national systems, which significantly increases compliance complexity and cost. In response, some businesses indicate adjustments to their business models, such as limiting cross-border activity or shifting towards local hiring, highlighting the broader implications of

regulatory burden for the functioning of the single market. This lack of alignment creates additional costs and delays.

Besides cross-country variations, we also observed differences in the level of burden based on the size of businesses. Although regulatory burdens affect businesses of all sizes, the findings point to [disproportionate effects on SMEs and start-ups](#). Fixed compliance costs, such as legal interpretation, IT systems adaptation, scale poorly, representing a far larger share of turnover for smaller employers, which also typically lack dedicated legal, HR and compliance functions and therefore rely more heavily on external advisors. Several Directives further assume organisational infrastructure that SMEs often do not have, such as a formalised pay scale or structured job classifications, effectively requiring them to build new compliance architecture from scratch. Even where EU legislation includes formal SME exemptions or thresholds, these are often offset in practice by “trickle-down” effects, whereby larger businesses pass reporting and data-collection requirements down their supply chains.

Despite these challenges, the study identifies a set of practices and conditions that can help reduce regulatory burden without altering the underlying objectives of EU social legislation. At the company level, businesses mitigate costs through:

- digitalisation of HR, payroll and reporting processes,
- standardisation of internal procedures and templates, and
- the outsourcing of specialised tasks.

At the system level, the findings point to several priorities for facilitating compliance:

- [Simplifying regulatory requirements](#) and avoiding unnecessary detail or duplication, as well as improving alignment across Member States, particularly in implementation and enforcement.
- [Ensuring proportionality](#), especially in relation to SME to adjust the burden in relation to capacity and resources.
- [Social dialogue and collective bargaining](#) as mechanisms for managing complexity. Sector-level agreements and established consultation structures can translate EU requirements into practical, workable arrangements and reduce the need for individual businesses to interpret and operationalise complex legal provisions independently.
- [Advancing interoperable digital systems](#) and enabling once-only data reporting can reduce regulatory burden without altering the underlying policy objectives. Where interoperable, well-designed digital systems exist, such as integrated payroll reporting or fully digital posting and social security procedures, the administrative effort required from businesses is substantially reduced. Conversely, digitalisation that results in additional data entry, parallel systems or rigid real-time reporting requirements can increase burdens.

Taken together, the findings underline that [regulatory burden is shaped by the content of EU social instruments and is exacerbated by how obligations accumulate, interact with existing national legislation and collective agreements, and are interpreted and implemented in practice at the national level](#). While business initiatives and upcoming EU actions, as outlined in this report, aimed at simplification and burden reduction are recognised by the consulted businesses and business associations, their effects largely depend on implementation at the national level and on the extent to which they address duplication, interoperability and proportionality in practice.

## Annex I: Acronyms

Acronym	Full term
A1	Portable Document A1 (social security certificate)
BA	Business Association
CAP	Common Agricultural Policy
CA	Collective Agreement
CB	Cross-border
CSR	Corporate Sustainability Reporting
CSRD	Corporate Sustainability Reporting Directive
EC	European Commission
ECJ	European Court of Justice
EEA	European Economic Area
EEC	European Economic Community
ESG	Environmental, Social, and Governance
EU	European Union
FGD	Focus Group Discussion
FTE	Full-Time Equivalent
GDPR	General Data Protection Regulation
HR	Human Resources
HQ	Headquarters
MS	Member States
ICT	Information and Communication Technology
IT	Information Technology

OSH	Occupational Safety and Health
SME	Small and Medium-sized Enterprise
TFEU	Treaty on the Functioning of the European Union
TPWC	Transparent and Predictable Working Conditions
TEU	Treaty on the Functioning of the European Union

## Annex II: List of organisations consulted

Country	Type of organisation	Name	Main sector
Austria	Business association	Federation of Austrian Industries	Industrial manufacturing
Belgium	Business association	Svenskt Näringsliv	Employment/HR
Belgium	Business association	FEVIA	Food industry
Belgium	Domestic business	Decospan	Manufacturing: other
Belgium	EU HQ / multinational business	UCB	Pharmaceutical
Belgium	EU HQ / multinational business	Willemen Group	Construction
Belgium	Business association	VBO-FEB	Cross-sector employer federation
Belgium	Business association	Fedustria	Manufacturing – textiles, wood & furniture
Belgium	Domestic business	Proximus	Telecommunications
Belgium	EU HQ / multinational business	BASF	Chemicals and manufacturing
Bulgaria	Business association	BIA-BG	Manufacturing
Cyprus	Domestic business	Montessori Training Centre	Employment/HR
Cyprus	Domestic business	ctc group	Professional services
Cyprus	Domestic business	cycert.org	Cybersecurity
Cyprus	Domestic business	Otonet	IT/Software
Cyprus	Domestic business	KPMG	Employment/HR
Cyprus	Business association	OEB (Cyprus Employers & Industrialists Federation)	Employment
Denmark	Domestic business	Dagrofa	Retail
Denmark	Business association	DA (Confederation of Danish Employers)	Employment
Denmark	Domestic business	Connected Wind Services	Renewable energy services – wind turbine installation & maintenance

Country	Type of organisation	Name	Main sector
Denmark	Domestic business	Zampell (Zampell A/S)	Construction / industrial services – refractory engineering
Denmark	Business association	DI (Confederation of Danish Industry)	Cross-sector employer federation
Estonia	Business association	EMPLOYERS	Employment
France	Business association	UIMM (French Metal Industry Employers' Association)	Manufacturing – metal & engineering industries
France	Business association	MEDEF	Cross-sector employer confederation
Germany	Business association	VDMNW	Printing and media
Germany	EU HQ / multinational business	BMW	Manufacturing
Germany	Domestic business	Hamburg Commercial Bank	Banking
Germany	Domestic business	Weinig Group	Manufacturing
Germany	EU HQ / multinational business	Siemens	Industrial manufacturing, energy, mobility, digital industries
Germany	Business association	Employers Federation Gesamtmetall	Manufacturing – metal & electrical industry
Greece	Business association	SEV (Hellenic Federation of Enterprises)	Cross-sector employer federation
Hungary	Business association	Munkaadók és Gyáriparosok Országos Szövetsége (MGYOSZ)	Cross-sector employer federation (industry, manufacturing, services)
Ireland	Business association	IBEC	Cross-sector employer federation
Luxembourg	Domestic business	Raiffeisen	Banking
Luxembourg	EU HQ / multinational business	Goodyear	Manufacturing – tyres, automotive, R&D
Luxembourg	Business association	FEDIL (Luxembourg Employers' Federation)	Cross-sector employer federation
Malta	Business association	JOBMATCHINGPARTNER	Employment/HR
Malta	Domestic business	Aeroates	Aviation / aerospace services
Poland	Business association / institute	ELMI (Labour Institute)	Labour market research, employment policy, social dialogue
Portugal	Domestic business	SonaeMC	Retail trade

Country	Type of organisation	Name	Main sector
Portugal	Domestic business	Jeronimo Martins	Retail
Romania	Business association	CPBR	Manufacturing
Romania	Domestic business	Groupama	Finance, insurance
Romania	Domestic business	Petrom	Energy
Romania	Business association	CPBR (Romanian Banking Employers' Council)	Banking
Sweden	Domestic business	Essity	Retail
Sweden	Domestic business	Sandvik	Industrial manufacturing
Sweden	EU HQ / multinational business	SAS	Aviation
Sweden	Business association	Teknikföretagen	Manufacturing – engineering & technology industries

## Annex III: Cost calculation method

Regulations may cause many different types of costs, some of which are costs that occur:

- once only, for example setting up an administrative system,
- rarely – for example the transfer of an undertaking or the removal of asbestos
- occasionally – for example requests for flexible leave, traineeships or posting of workers
- regularly – for example working time records or informing and consulting employees

As the examples illustrate, the most relevant type of cost may vary depending on the regulation that the business reports costs on. The most relevant type of cost may also vary between businesses. Some regulations vary depending on the size of the business, and some businesses may post workers regularly or rarely instead of occasionally. Therefore, businesses were offered flexibility in how they wanted to report costs:

- Average cost per year
- Costs per occurrence that happens multiple times per year
- Costs per occurrence that happens very few years
- Cost of preparing for compliance

Not all costs are direct financial costs, and hence businesses were asked to provide:

- Additional FTE required (for example for administration)
- Lost work days (for example for health checks or additional travel)
- Expenses (for example to hire a lawyer, accountant or translator, or for additional wage costs per worker)

Businesses were also asked to explain costs qualitatively, because not all costs are quantifiable. We reported on those costs qualitatively throughout the report, but no attempt was made to quantify non-quantifiable costs.

The annual costs and once-only costs are calculated separately. Businesses did not have to report both annual and once-only costs, but some were so kind to report both types of costs. The costs were then calculated using the following formula:

$$\text{Cost} = \text{Frequency} \times ( \text{Self-reported FTE} \times 2,000 \times \text{EU Hourly labour cost} + \\ \text{Self-reported lost work days} \times 8 \times \text{EU Hourly labour cost} + \\ \text{Self-reported expenses} / \text{Euro parity} )$$

The frequency is:

- 1 for annual or once-only costs
- 1/x for costs that are reported to occur once every “x” years
- x for costs that are reported to occur “x” times per year

Since the survey started mid-2025, an estimated EU average cost of 2024 is calculated using the most recent Eurostat Structural Earnings Survey data (from 2022) on hourly gross earnings in purchasing power corrected euros, for each Member State. Estimated employer social security contributions using National Accounts data were then added to the gross earnings for each Member State. The result was multiplied with the ratio of price indexes of

2024 and 2022 for each Member State. The EU average labour cost was then calculated as the weighted average of national hourly labour costs, with the number of employees in each Member State as the weight factor. This results in an estimated EU hourly labour cost of EUR 24.90 per hour. This monetises the extra hours of work in a way that make the monetised costs comparable between countries.

The Euro parity is a factor that takes into account the exchange rate and the purchasing power of one euro in different Member States. For example, one euro buys less of a certain good or service in Luxembourg or Ireland than in Portugal or Croatia. Eurostat publishes various purchasing power parities, including for GDP. The Euro parity varies between 0.7 for Croatia to 1.3 in Luxembourg for the euro countries, and from 1.2 for Bulgaria (due to a low purchasing power despite an exchange rate of about 2 lev for one euro in 2024 and 2025) to about 3.0 in Romania and Poland, 9.8 in Denmark, 13.5 in Sweden, 20.3 in Czechia and 280.3 in Hungary.

## Annex IV: Quick scan of 17 social Directives

**Table A.1** Transfer of undertakings Directive 2001/23/EC, provisions likely impacting regulatory costs

Aspect	Provisions
Start	17 July 2001 (latest required transposition date)
Employers covered	This Directive applies to any transfer of an undertaking, business, or part of an undertaking or business to another employer as a result of a legal transfer or merger. (Art. 1). Applies for both private and public undertakings.
Workers covered	All employees protected under national employment law (Art.2(1)(d))
Derogations	Yes. MS may limit the requirements to inform and consult employee representatives to undertakings meeting the conditions for electing or nominating a collegiate body representing the employees (Art. 7(5)). MS may limit the application of collective agreement to employment conditions of employees of the target undertaking ("transferor") in time but not to less than one year (Art. 3(3))."
Consultation by MS	No
Cross-border	No
Certification	No
Training	No
Equipment	No
Health check	No
Consulting works council or workers	Yes. Art. 7 outlines consultation requirements for both the target firm ("transferor") and the acquirer firm ("transferee")
Approval by works council	No
Equality / protection	Yes. Art. 3(1): rights and obligations of the target firm ("transferor") to employees are transferred to the acquirer firm ("transferee") with the exception of various pensions (Art. 3(4)), including the rights and obligations under a collective agreement applying to the target firm, until that collective agreement expires (Art. 3(3)).
Reporting/information requirements	Four data points (Art.7): date of transfer; reasons for transfer; implications for employees; measures affecting employees
Evidentiary requirements (supporting docs)	0
Permit or work suspension	No
Deadline for employers	Yes, before transfer (for the target firm, "transferor"), before the work and employment conditions of the employees formerly from the target firm are affected (for the acquirer firm, "transferee")
Frequency	1Y. MS may limit the application of collective agreement to employment conditions of employees of the target undertaking ("transferor") in time but not to less than one year (Art. 3(3)).
Duration	None

**Table A.2 Professional qualifications Directive 2005/36/EC, provisions likely impacting regulatory costs**

Aspect	Provisions
Start	27 October 2007 (latest required transposition date)
Employers covered	Service providers moving cross-border to provide temporary and occasional services ( <u>CB service providers</u> for short, Art. 5); employers who wish to employ a worker from another MS in a regulated profession (Art. 2(1))
Workers covered	Workers who wish to work in another MS that regulates their profession ( <u>CB workers</u> for short, Art. 2(1))
Derogations	MS; For both CB service providers and CB workers: host MS may test the service provider's knowledge of its professional rules (Art. 3(1)(h)); For CB workers: host MS may stipulate either an adaptation period or an aptitude test (Art. 14(1))
Consultation by MS	No
Cross-border	Y - For CB service providers: host MS may <u>not</u> require professional membership of service provider or registration with public social security body in host MS (Art. 6); For CB workers, MS shall recognise sufficiently long pursuit of a profession in another MS as proof of general, commercial and professional knowledge and aptitude for professions listed in Annex IV – professions that are not regulated in most MS (Art. 16-19); language knowledge (Art. 53)
Certification	No - the Directive does not require certificates, it provides that if Member States require professional qualifications, they shall recognise equivalent qualifications (Art. 13) or work experience (Art. 23)
Training	No. Minimum training requirements exist for various medical professions, pharmacists and architects (Art. 22-49), but only for automatic recognition of qualifications to start work (Art. 50)
Equipment	No, Art. 28-30 only require training in equipment use for doctors and nurses
Health check	No
Consulting the works council or workers	No
Approval by the works council	No
Equality / protection	No - rules about recognition of qualifications apply to Member States (Art. 5(3) for CB service providers and Art. 12-13 for CB workers)
Reporting/information requirements	For CB service providers: duration, frequency, regularity and continuity of services (Art. 5(2)); professional liability insurance cover; to each recipient of the service (5 data points): commercial registration, home MS supervisory authority, professional membership, professional title or qualification, professional liability insurance (Art 9)
Evidentiary requirements (supporting docs)	For CB service providers: nationality; legal establishment; non-exclusion; professional qualifications or work history (Art. 7(2)). For CB workers: nationality; qualification or work history; non-exclusion; health; financial standing; professional liability insurance (Art. 50; Annex VII)
Permit or work suspension	For CB service providers: host MS may check qualifications before permitting the services (Art. 7(4)); For CB workers: host MS may require authorisation (Art. 50)
Deadline for employers	For CB service providers: declaration in advance (Art. 7(1)), for MS to CB service providers: 1 month with a possible extension of 1 month and with tacit approval if host MS does not react before the deadline (Art. 7(4)). For MS to CB workers: receipt of application within 1 month and must complete an examination for professional authorisation within 3 months, with a possible extension of 1 month (Art. 51)
Frequency	For CB service providers: 1Y for proof of professional liability insurance cover (Art. 7(1))
Duration	Art. 50: documents proving non-exclusion, health, financial standing and professional liability insurance shall not be older than 3 months

**Table A.3 Asbestos Directive 2009/148/EC, provisions likely impacting regulatory costs**

Aspect	Provisions
Start	31 December 2012 (latest required transposition date)
Employers covered	all work and any workplace where workers may be exposed to asbestos (Art.3)
Workers covered	Art.3 all workers who have a risk of being exposed to asbestos.
Derogations	No
Consultation by MS	Y -social partner consultation needed to lay down practical guidelines for the determination of sporadic and low intensity exposure (Art. 3(4), and 3(5))
Cross-border	No
Certification	Y - businesses must obtain a permit and certification of workers individual training certificate (Art. 15).
Training	Y - employers must provide training for all workers who are, or are likely, to be exposed to asbestos (Art. 14). Annex Ia of the consolidated version provides minimum requirements for training
Equipment	Y – safe equipment shall be ensured (Art. 6 bb)- work processes shall be designed so as not to produce asbestos dust and workers shall be subject to an appropriate decontamination procedure. (Art.6). Art 7 (4) labs equipped for fibre counting.
Health check	Free Health checks (Art. 18(2))
Consulting works council or workers	Y - mentioned in Art. 3(5), Art. 7(3), Art. 17(1), Art. 18(4)
Approval by works council	Y - 3(5) provides that the asbestos exposure risk assessment shall be revised "where there is reason to believe that it is incorrect"
Equality / protection	No
Reporting/information requirements	"Y - businesses must notify authorities if asbestos related activities start (Art.4(2) and (5)), demolition plan (Art. 13) and must prove protection measures (Art. 15). 14 data points: Six under Art. 4(3): location, type and amount of asbestos, activities involved, number of workers involved, start and end of work period, measures and equipment Eight under Art. 6: dust suppression, suction of asbestos, continuous sedimentation, decontamination procedure, protection of work in confinement, regular cleaning and maintenance, suitable transport and storage packing, timely waste removal Two extra under Art. 13 for demolition: handling of asbestos and protection of other persons at or near the site"
Evidentiary requirements (supporting docs)	Y, Art 15 on demolition and asbestos removal: proof of compliance with Art. 6 on protection measures and training certificates referred to in Annex 1a. Annex 1(3): records of a worker's medical and occupational history
Permit or work suspension	Y - Art. 8(1): No worker exposed to airborne asbestos above a certain limit and Art. 10(1): " <i>Work may not be continued</i> [...]" Art. 15: authorization needed for demolition work or asbestos removal
Deadline for employers	Art. 10: asbestos concentration measures shall start immediately if asbestos exposure risk is above the limit
Frequency	3Y for health checks (Art. 18(2)). Further, every time working conditions cause an increase in exposure to asbestos, a new notification must be submitted to authorities (Art.4(5)). And authorization for every demolition or asbestos removal work
Duration	40Y employee medical records shall be kept at least for 40 years following the end of exposure (Art.19 (3)).

**Table A.4** CSR Directive (EU) 2022/2464, provisions likely impacting regulatory costs

Aspect	Provisions
Start	1 January 2024 to 1 January 2026 (requirements for undertakings)
Employers covered	Undertakings with $\geq$ 250 workers, public-interest undertakings with 10-249 workers (Article 19a). Omnibus proposal of Feb. 2025: employers with $\geq$ 1000 workers
Workers covered	The Directive does not concern workers
Derogations	Yes but only for SMEs, to reduce sustainability reporting requirements for SMEs (Art. 19a(6)) or to fully exempt them from the management report (Directive 2013-34 EC, Art. 19(4))
Consultation by MS	No
Cross-border	Directive 2006/43/EC Art. 19a(9): Conditionally on a consolidated management report, subsidiary undertakings shall be exempted from the sustainability reporting requirements
Certification	No. Directive 2006/43/EC, Art. 6 and 8(3): only educational examination requirements for auditors
Training	No. Directive 2006/43/EC, Art. 13: only continuous training for auditors
Equipment	No
Health check	No
Consulting works council or workers	(Directive 2013-34 EC, Art. 19a) Management should inform workers' representatives at the appropriate level and discuss with them relevant information and the means of obtaining and verifying sustainability information.
Approval by works council	No
Equality / protection	No
Reporting/information requirements	Only reporting requirements regarding employees are in scope. Directive 2013-34 EC, Art. 29b: 6 data points on equal treatment and 12 data points on working conditions; Regulation (EU) 2023/2772: hundreds of data points
Evidentiary requirements (supporting docs)	Directive 2013-34 EC Art. 32: audit report
Permit or work suspension	No
Deadline for employers	Directive 2013-34/EC Art. 29d, 40d: publication within 12 months
Frequency	1Y (report)
Duration	None

**Table A.5 Noise Directive 2003/10/EC, provisions likely impacting regulatory costs**

Aspect	Provisions
Start	15/02/2006 (latest required transposition date)
Employers covered	Directive 89/391/EEC Art. 2: public and private sector employers except army, police and security services
Workers covered	Workers who are or are likely to be exposed to risks from noise as a result of their work. (Art. 1)
Derogations	Y, Art. 11: in case of greater health and safety risks from individual hearing protectors, Member States may derogate from Art. 6(1)(a) and (b) on availability and use of those protectors and Art. 7 on action to reduce noise and assessment of overexposure
Consultation by MS	Yes, before granting the derogation on individual hearing protectors (Art. 11(2))
Cross-border	No
Certification	No
Training	Y, Worker. Employees exposed to noise at work shall receive training and information (Art.8)
Equipment	Y, Workers: individual hearing protectors (Art.6); Firm: Employers must eliminate risks arising from exposure to noise to a minimum (Art. 5).
Health check	Art. 10; Directive 89/391/EEC Art. 14(2): regular health checks on request of worker. In addition, after overexposure to noise (Art. 10(1) and 10(2))
Consulting works council or workers	Y, with workers or their representatives (Art. 9) in line with Directive 89/391/EEC Art. 11
Approval by works council	No, but workers have the right to make proposals (Directive 89/391/EEC Art. 11)
Equality / protection	Directive 89/391/EEC Art. 11: workers with specific responsibility for safety and health may not be placed at a disadvantage
Reporting/information requirements	Yes, 10 data points in noise risk assessment (Art. 4(6))
Evidentiary requirements (supporting docs)	Yes, risk assessment (Art. 4(7)), individual health records after overexposure to noise (Art. 10(3))
Permit or work suspension	No
Deadline for employers	Yes - immediate action to reduce noise to below the exposure limit (Art. 7(2)(a))
Frequency	No
Duration	No

**Table A.6** Manual handling of loads Directive 90/269/EEC, provisions likely impacting regulatory costs

Aspect	Provisions
Start	31 December 1992 (latest required transposition date)
Employers covered	Directive 89/391/EEC Art. 2: public and private sector employers except army, police and security services
Workers covered	Art. 2: Workers transporting or supporting a load
Derogations	No
Consultation by MS	No
Cross-border	No
Certification	No
Training	Y Workers should receive proper training and information on how to handle loads correctly (Art.6)
Equipment	Y, mechanical equipment (Art.3), safe and health organisation of workstations for each worker (Art.4)
Health check	Art. 5; Directive 89/391/EEC Art. 14(2): regular health checks on request of worker
Consulting works council or workers	Y, with workers or their representatives (Art. 7) in line with Directive 89/391/EEC Art. 11
Approval by works council	No, but workers have the right to make proposals (Directive 89/391/EEC Art. 11)
Equality / protection	Directive 89/391/EEC Art. 11: workers with specific responsibility for safety and health may not be placed at a disadvantage
Reporting/information requirements	Yes, in general of all measures (Art. 6(1)). 2 data points for each handling: weight of load, centre of gravity of load (Art. 6(1)), four data points for firm-level assessment: characteristics of the load, physical effort required, characteristics of the working environment, requirements of the activity (Annex I)
Evidentiary requirements (supporting docs)	No
Permit or work suspension	No
Deadline for employers	No
Frequency	No
Duration	None

**Table A.7** Transparent and predictable working conditions Directive 2019/1152/EU, provisions likely impacting regulatory costs

Aspect	Provisions
Start	1st August 2022 (latest required transposition date)
Employers covered	No limitation to types of employers. However, Member State may derogate from working conditions requirements for public sector employers (Art. 1(6))
Workers covered	every worker that has an employment contract or employment relationship (Art. 1(2))
Derogations	Y, MS and SP. MS need not apply Directive to workers who have an employment working is equal to or less than 3 hours per week (Art.1(3) unless amount of pay is not predetermined (Art. 1(4)). Also need not apply Directive to various public sector employers (Art.1(6)). Longer maximum probation period (Art. 8(3)), modalities for predictability of work (Art. 10(4)). MS may allow social partners to derogate from working conditions provisions (Art. 14) or whole Directive (Art. 21(5)) while respecting overall protection of workers
Consultation by MS	No - but Commission must consult MS and EU-level social partners about the impact of the Directive (Art. 23)
Cross-border	Y - when a worker is required to work in another MS or third country, the employer shall provide the documents stated in Art. (5(1) before the workers departure. The document includes 4 data points. (Art.7).
Certification	No
Training	No. Only that employers provide training that is mandatory by law for free (Art.13)
Equipment	No
Health check	No
Consulting works council or workers	Y - employers must provide a written reply to requests for more predictable and secure working conditions (Art. 12(1)) and about grounds for dismissal (Art. 18(2)).
Approval by works council	No
Equality / protection	Y - against adverse treatment of workers who complain about working conditions (Art. 17)
Reporting/information requirements	15 Data points -The employers shall provide each worker with the information required pursuant to this Directive in writing. (Art.3). Obligation to provide information under Art. 4, covering 15 data points. Modification of the employment relationship under Art 6 also requires business to provide updated information to their employees. Additional information must be sent to cross border workers (4 more data points)
Evidentiary requirements (supporting docs)	No
Standstill of work	No
Deadline for employers	Art. 5(1): information within 7 days. Art. 7(1): information before posting of worker. Art. 10(1): reasonable notice of assignments and deadline for cancellation of assignments. Art 12(2): reply to request for more predictable and secure working conditions within 1 month
Frequency	MS may limit the number of requests for more predictable and secure working conditions (Art. 12(1))
Duration	6M Maximum duration of any probationary period is 6 months (Art.8).

**Table A.8 Working time Directive 2003/88/EC, provisions likely impacting regulatory costs**

Aspect	Provisions
Start	01 August 2003 (latest required transposition date)
Employers covered	all sectors covered, both public and private (Art. 1(3))
Workers covered	All workers in both private and public sector. However, Art. 20 and 21 state that Art 3,4,5 on minimum rest periods and Art. 8 on night work periods shall not apply to mobile workers and workers on fishing vessels.
Derogations	MS + SP - However MS may derogate from Art. 3-6,8, and 16 on reference periods for rest periods, in case of autonomous work, to ensure continued work, managing peak workloads and to organise shift work (Art. 17) and social partners may agree to these derogations for work in general (Art. 18), with provisions about compensatory rest period (Art. 17(2)). Limitations to derogations on reference periods for rest periods are laid out in Art. 19
Consultation by MS	Y - on night work (Art. 2(4)(b)(i)), reference periods for rest periods (Art. 16(c), Art. 20(2)), Art. 21(5)(a))
Cross-border	No
Certification	No
Training	No
Equipment	Y - night and shift workers should have safety and health protection appropriate to the nature of their work, This includes protection and prevention services or facilities with regard to the safety and health of night workers. (Art.12)
Health check	Y - Free health assessments for night workers (Art. 9(1)(a))
Consulting works council or workers	Y - for more than 48 hours of work in a 7-day period (Art. 22(1)(a))
Approval by works council	N - only during a transition period (Art. 17(5))
Equality / protection	No
Reporting/information requirements	Notification of regular use of night work (Art. 11). Nine data points (Art. 3-8, 16): daily rest, breaks, weekly rest, weekly working time, annual leave, length of night work, reference periods for rest periods,
Evidentiary requirements (supporting docs)	Y - record keeping for workers working more than 48 hours over a 7day period (Art.22).
Permit or work suspension	No
Deadline for employers	No
Frequency	Regular intervals for health checks – Art. 9(1)(a)
Duration	None

**Table A.9** Young workers Directive 94/33/EC, provisions likely impacting regulatory costs

Aspect	Provisions
Start	22 June 1996 (latest required transposition date)
Employers covered	All sectors, both public and private; Art. 1 provides no limitation
Workers covered	All persons under 18 years that has an employment contract or an employment relationship (Art.2) and all persons under 15 years (Art. 4(1))
Derogations	Y - MS. Art. 2 on occasional and short-term work in private households and family undertakings, Art. 4 on child work for cultural and similar activities under conditions of Art.5, work/training schemes and light work for children aged 14-15 and Art. 7(3) for persons aged 16-17. Further derogations for rest periods under Art. 10 (4) for various work performed (6 types of work), and (art13) work by adolescents in the event of force majeure.
Consultation by MS	No
Cross-border	No
Certification	No
Training	Yes, Art. 6(2), special attention to training and instructions for persons under 18
Equipment	Firm: assessment of hazards to persons aged below 18 (Art. 6).
Health check	Free health checks for persons under 18 years (Art. 6(2))
Consulting works council or workers	Y - the employer must inform young people as well as their legal representatives of possible risks and of measures adopted concerning their health and safety (Art. 6(3))
Approval by works council	No
Equality / protection	No
Reporting/information requirements	Y - Art. 5 employers in cultural and similar activities need authorization to employ persons under age 18. Fifteen data points: workplace, exposure, work equipment, organization of work, training and instructions (Art. 6(2)), 4 on working time, 2 on night time work, 2 on rest periods, annual rests, breaks,
Evidentiary requirements (supporting docs)	No
Permit or work suspension	Y - authorization needed to employ children aged 13 or 14 in cultural and similar activities (Art. 5(1))
Deadline for employers	No
Frequency	No
Duration	None

**Table A.10 European Works Council Directive 2009/38/EC, provisions likely impacting regulatory costs**

Aspect	Provisions
Start	1st January 2007 (latest required transposition date of the original Directive)
Employers covered	Employers in Undertakings with at least 1 000 employees within the Member States and at least 150 employees in each of at least two Member States; (Art.2)
Workers covered	All employees in Community-scale undertakings and Community-scale groups of undertakings. (Art.1(1)).
Derogations	Y, MS derogation for merchant navy crews (Art. 1(7)), limitation of works council expenses (Art. 5(6))
Consultation by MS	No
Cross-border	Yes, Art. 5(2)(b): members in proportion to the employees in each Member State
Certification	No
Training	Y, for workers in works council or special negotiation body to set up the works council, without loss of wages (Art. 10 (4))
Equipment	No
Health check	No
Consulting works council or workers	Y the purpose of this directive is to improve the right to consultation of employees. A procedure for consulting employees in every community scale undertaking and every community scale group shall be established (Art.1(2)). Consultation of employees must occur at the relevant level of management.
Approval by works council	No
Equality / protection	Y, equal protection and guarantees for workers in work council (Art. 10(3)); Art. 6(2)(b): taking into account where possible the need for balanced representation of employees with regard to their activities, category and gender, and the term of office COM(2024) 14 final, Art. 5(2)(b): additional requirement to strive to achieve gender-balanced representation
Reporting/information requirements	Y, Report to be drawn up by central management once a year on the progress of the business. (Annex I). Information and consultation meeting shall take place on the basis of the report.
Evidentiary requirements (supporting docs)	Report Annex I
Permit or work suspension	No
Deadline for employers	No
Frequency	1Y, The European Works Council shall have the right to meet with the central management once a year, (Annex 1), further mentioned in Annex 1(F) and Art. 1(2), Art 5(5), Art 7(1)
Duration	None

**Table A.11 Work-life balance Directive 2019/1158/EU, provisions likely impacting regulatory costs**

Aspect	Provisions
Start	2nd August 2022 (latest required transposition date)
Employers covered	all sectors (Art.2)
Workers covered	all workers who have an employment contract in a Member State (Art.2).
Derogations	Y - MS and SP, paternity leave before or after birth (Art. 4), minimum tenure up to one year before eligibility for paternity leave and flexibility modalities (Art. 5), limitation force majeure rights to a certain amount of time per year or per case (Art. 7), paid parental leave subject to tenure up to six months before expected birth (Art. 8), minimum tenure up to six months for flexible work arrangements (Art. 9).  Derogation to social partners possible after joint request (Art. 20(8)), social partners may define payment during parental leave (Art. 8(3))
Consultation by MS	Y Social partners may jointly request to implement the Directive (Art. 20(8)).
Cross-border	N/A
Certification	No. Member States are encouraged to establish voluntary certification, systems however this is not mandatory (preambles 50 and 51)
Training	No, (only MS are encouraged to provide awareness trainings (preamble 50)
Equipment	No
Health check	
Consulting works council or workers	Consideration of request for early return (Art.9(3))
Approval by works council	No
Equality / protection	Worker: return to equivalent post (Art. 10(2). Prohibition of discrimination on MS level (Art.11). Prohibition on dismissal on grounds of parental or care leave taking (Art. 12). This Directive lays down minimum requirements designed to achieve equality between men and women with regard to labour market opportunities and treatment at work (Art.1) The right to paternity leave shall be granted irrespective of the worker's marital or family status, as defined by national law. (Art.4)
Reporting/information requirements	No or only conditionally. On request of worker, reason for dismissal in writing (Art.12(2)). Only obligation for MS to report a study on leave and flexibility arrangements before 2017 (Art. 18)
Evidentiary requirements (supporting docs)	No
Permit or work suspension	No
Deadline for employers	Art. 5(3): reasonable notice period for workers to announce parental leave plans, Art. 5(5): employers may postpone the leave granting to avoid work disruption.
Frequency	For every request of parental or care leave
Duration	4M, Workers can take 4 months of parental leave before the child turns 8 years old (Art. 5(1)). See derogation for various rights limitations

**Table A.12 Enforcement of Posting of Workers Directive 2014/67/EU, provisions likely impacting regulatory costs**

Aspect	Provisions
Start	18 June 2016 (latest required transposition date)
Employers covered	Directive 96/71/EC Art. 1(1): undertakings established in a Member State which, in the framework of the transnational provision of services, post workers, to the territory of a Member State
Workers covered	Directive 96/71/EC Art. 2(1): workers who, for a limited period, carry out their work in the territory of a Member State
Derogations	Y - MS: exclusion of insignificant work (Directive 96/71/EC Art. 3(5)), MS and SP: exclusion of temporary employment agencies for work less than 1 month (Directive 96/71/EC Art. 3(3-4)), MS and SP: minimum pay conditions of host MS for temporary employment agencies (Directive 96/71/EC Art. 3(9)); anti-fraud & abuse measures in a direct subcontracting relationship (Art. 12(6))
Consultation by MS	Y - for exception for temporary work agencies (Directive 96/71/EC Art. 3(3)), and to take additional measures to hold subcontractors liable for minimum pay and contributions (Art. 12(1)).
Cross-border	Y - the entire directive applies to cross border postings
Certification	No
Training	No – although Commission shall promote training of officials and of EU-level social partners (Art. 8(2))
Equipment	No
Health check	No
Consulting works council or workers	User undertaking shall inform temporary employment undertaking in home MS of the terms and conditions of the posting (Art. 3(1b))
Approval by works council	No
Equality / protection	Y, between posted workers and workers in host countries if the posting exceeds 12 months (Art. 3(8)), health and safety framework conditions from Directive 89/391/EE and social security entitlements from Regulation 883/2004/EC shall apply provided that "the latter" are equally applicable to undertakings in the host MS (Art. 9(3)). No unfavourable treatment of posted workers bringing proceedings (Art. 11(5)), MS cannot be discriminatory with regard more stringent subcontractor liability rules (Art.12 (4))
Reporting or information requirements	28 data points. 8 at firm-level: place of registration, place of recruitment of posted workers, place from where workers are posted, law applicable to workers, law applicable to clients, place of substantial business activity, place of administrative staff, number of contracts or size of turnover (Art. 4(2)); 10 at worker-level to home MS: duration of posting, start and end date of posting, host MS, return to home MS, nature of activities of posted workers, travel, board and lodging or accommodation, method of provision or reimbursement, any previous periods of posting for the same post (Art. 4(3)), 10 at worker level to host MS: identify of service provider, number and identifications of posted workers, liaison and contact person, duration, begin and end date of posting, address(es) of workplace, nature of posted services (Art. 9(1)(a))

Evidentiary requirements (supporting docs)	Art. 9(1)(b): 4 types of docs: copies of employment contract, pay slips, time sheets, proof of payment
Permit or work suspension	No
Deadline for employers	User firm shall inform temporary employment undertaking of the posting in due time before commencement (Art. 1(3))
Frequency	No
Duration	None

**Table A.13 Informing and consulting employees Directive 2002/14/EC, provisions likely impacting regulatory costs**

Aspect	Provisions
Start	23 March 2005 (latest required transposition date)
Employers covered	Depending on choice of MS: undertakings with at least 50 employees or establishments with at least 20 employees (Art. 3(1)).
Workers covered	Workers protected as employees under national law or in accordance with national practices
Derogations	MS: Choice of employee threshold (Art. 3(1)); particular provisions for NGO's and similar organizations and seafaring (Art. 3(2-3)), MS+SP: negotiated and already existing arrangements between undertakings and workers (Art. 5)
Consultation by MS	No, only EU-level social partner consultation by Commission (Art. 12)
Cross-border	No, Art. 2(a-b) even limit the scope to undertakings and establishments within a Member State
Certification	No
Training	No
Equipment	No
Health check	No
Consulting works council or workers	Y (Art. 4)
Approval by works council	No
Equality / protection	No
Reporting or information requirements	6 data points at firm level: recent and probable developments of activities and economic situation, employment structures and measures, changes in work organisation or in contractual relations incl. collective redundancies and transfers of undertakings (Art. 4(2))
Evidentiary requirements (supporting docs)	No
Permit or work suspension	No
Deadline for employers	No
Frequency	At appropriate times (Art. 4(3-4))
Duration	None

**Table A.14 Electromagnetic fields Directive 2013/35/EU, provisions likely impacting regulatory costs**

Aspect	Provisions
Start	1 July 2016 (latest required transposition date)
Employers covered	Directive 89/391/EEC Art. 2: public and private sector employers except army, police and security services
Workers covered	All employees exposed or at the risk of being exposed to electromagnetic fields (Art. 1(1))
Derogations	Art. 10: MS may make exceptions for MRI scans and temporary exposure limits provided state-of-the-art protection measures are applied and health and safety risks are within internationally accepted norms.
Consultation by MS	No
Cross-border	No
Certification	No
Training	Y, Workers receive any necessary information and training relating to measures, exposure limit values, indirect effects, risk assessment, detecting and reporting health effects, transient symptoms, health surveillance, safe working practices, types of workers at particular risk (Art.6(2))
Equipment	Y, Art. 5(2): equipment with less intense fields, measures to reduce the emission, personal protection equipment, other workplace measures and procedures
Health check	Art. 8(1): Directive 89/391/EEC Art. 14(2): regular health checks on request of worker. In addition, after unexpected health effects or overexposure (Art. 8(2)).
Consulting works council or workers	Y (Art. 7) consultation and right of proposals in accordance with Art. 11 of Directive 89/391/EEC
Approval by works council	No, but workers have the right to make proposals (Directive 89/391/EEC Art. 11)
Equality / protection	Directive 89/391/EEC Art. 11: workers with specific responsibility for safety and health may not be placed at a disadvantage
Reporting or information requirements	Y, 14 data points (Art. 4(5)): health effects, frequency, level, duration and type of exposure, direct effects, effects on workers with particular risk, indirect effects, replacement equipment, results of health surveillance, information from manufacturer, other health and safety information, multiple sources of exposure, simultaneous exposure, 9 data points from training; 9 data points for training (see above).
Evidentiary requirements (supporting docs)	Assessment of risks (Art. 4(7)), action plan (Art. 5(3)), records of overexposure (Art. 5(8)), amended protection and prevention measures (Art. 5(8)), health records (Art. 8(1))
Permit or work suspension	No
Deadline for employers	Yes, immediate action after overexposure (Art. 3(2) and Art. 5(8))
Frequency	Regular updates of risk assessment (Art. 4(7))
Duration	None

**Table A.15 Platform work Directive (EU) 2024/2831, provisions likely impacting regulatory costs**

Aspect	Provisions
Start	2 December 2026 (latest required transposition date)
Employers covered	digital labour platforms organising platform work performed in the Union (Art. 2) and intermediaries who have a contractual relationship with platform workers (Art. 3)
Workers covered	platform workers - who performs platform work and has or is deemed to have an employment contract [with the platform or intermediary, ed.] (Art. 1(1)(d))
Derogations	MS: MS may require digital labour platforms that are SMEs to update platform work data every year instead of 6 months (Art. 17(4)), more specific rules on data protection (Art. 28). MS + SP on health and safety and information and consultation (Art. 28)
Consultation by MS	No - only EU-level social partners by the Commission before its review (Art. 30)
Cross-border	Yes, the Directive applies to digital labour platforms "irrespective of their place of establishment or of the law otherwise applicable" (Art. 1(3))
Certification	No
Training	Yes, for oversight of automated monitoring or decision-making systems (Art. 10(2)) and for contact persons for authorities (Art. 11(1))
Equipment	No, only preventive and protective measures in general (Art. 12(1)(c))
Health check	No
Consulting works council or workers	Yes, with works council on safety and health (Art. 12(2)), on major developments and changes of employment conditions (Art. 13(1)), on major changes in automated monitoring or decision-making systems (Art. 13(2))
Approval by works council	No
Equality / protection	Yes, to modify or discontinue discriminatory monitoring or decision-making systems or systems that support discriminatory individual decisions (Art. 10(3))
Reporting or information requirements	16 to works council level but directly to workers in the absence of a works council (Art. 14): use of automated monitoring, categories of data, aim and implementation of monitoring, recipients of personal data, use of automated decisions, data used for decisions and their weights, use of personal and behaviour data and how they influence decisions, grounds for account restrictions, suspensions, or terminations, grounds for refused payments, grounds for contractual changes, categories of decisions (Art. 9(1)), 8 to authorities: number of platform workers, also by activity, also by contractual or employment status, general terms and conditions, average duration of activity, average hours of work, average income, intermediaries with which the platform has a contractual relationship (Art. 17(1)), work and employment status of individual platform workers
Evidentiary requirements (supporting docs)	platform information (Art. 9(2))
Permit or work suspension	No
Deadline for employers	To provide additional information requested by authorities without undue delay
Frequency	6M for platform info (MS may provide 1Y for SMEs), each time general terms and conditions are changed in substance; 2Y for evaluation of decisions
Duration	None

**Table A.16 Pay transparency Directive (EU) 2023/970, provisions likely impacting regulatory costs**

Aspect	Provisions
Start	Latest required transposition date 07 June 2026, however reporting requirements for employers with $\geq 100$ workers only from 2031 (from 7 June 2031 if 100-149 workers, and from 7 June 2027 if $\geq 150$ workers) - Art. 9
Employers covered	employers in public and private sectors (Art. 2), however reporting requirements only for employers with at least 100 workers (Art. 9)
Workers covered	all workers who have an employment contract or employment relationship (Art. 2)
Derogations	No
Consultation by MS	consultation with equality bodies to take the necessary measures to ensure that tools and made available and are accessible to support and assess criteria set out in this Art. (Art. 4). Further requirements laid out in Art. 13
Cross-border	No
Certification	No
Training	None for employers. MS shall provide training to employers with fewer than 250 workers to facilitate compliance obligations (Art. 11)
Equipment	No
Health check	"Yes.
Consulting works council or workers	Requirement to consult working representatives in Art. 9(6)."
Approval by works council	No
Equality / protection	Yes, whole Directive lays out equal treatment by gender
Reporting or information requirements	Y - 11 data points: seven under Art. 9(1): gender pay gap; gender pay gap in complementary or variable components; median gender pay gap; gender pay gap in complementary or variable components; proportion of female and male workers receiving complementary or variable components; proportion of female and male workers in each quartile pay band; gender pay gap between workers by categories of workers broken down by ordinary basic wage or salary and complementary or variable components four under Art. 10(2): reasons for gender pay gaps; improvement after parental or carers' leave; measures; evaluation"
Evidentiary requirements (supporting docs)	"No.
Permit or work suspension	No
Deadline for employers	No
Frequency	1Y ( $\geq 250$ workers); 3Y (100-249 workers)
Duration	None

**Table A.17 Proposal for Traineeship Directive COM (2024) 132 final, provisions likely impacting regulatory costs**

Aspect	Provisions
Start	2 years after the date of entry into force (currently still a proposal)
Employers covered	Implicitly all employers
Workers covered	workers undertaking a traineeship (Art. 2(b))
Derogations	SP (Art. 12(5))
Consultation by MS	No
Cross-border	No
Certification	No
Training	Art. 2(a) Significant learning and training component
Equipment	No
Health check	No
Consulting works council or workers	No
Approval by works council	No
Equality / protection	Non-discrimination of working conditions including pay to the extent they do equal work (Art. 3)
Reporting or information requirements	11 data points: number of traineeships and regular employment relationships, duration of traineeships, pay, tasks and responsibilities of trainees and regular employees, description of learning and training component, vacancy notices for traineeships (Art. 5(2)), 4 data points: expected tasks, working conditions incl. pay and social protection, learning and training elements in vacancy notices and advertisements for traineeships (Art. 5(3)(b))
Evidentiary requirements (supporting docs)	No
Permit or work suspension	No
Deadline for employers	No
Frequency	No
Duration	MS-defined limit for duration of traineeship (Art. 5(3)(a)), preamble 29 suggests 6M but that longer durations reasonable in case of mandatory requirements to access a specific profession, integration of disadvantaged persons, and formal education or vocational education and training requirements



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