

The Gold-plating: identification of problems in Slovakia and Lithuania and possible solutions for EU member states

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Introduction

One of the most pressing issues facing the European economies is the growing unemployment that has been at the forefront of social and political unrests sweeping through many of the formerly stable countries. The European Union has thus set as one of its key priorities a support of the economic growth and employment and the creation of a better business environment. In order to achieve this, the European Union has been predominantly interested in securing a unified set of business regulations that would be applicable across the economic area. This policy paper is focused on the problems connected with implementation of the EU legislation within national states and deals with a phenomenon of Gold-plating, which occurs in the process of the adoption of the European legislation in the EU member states. The term itself primarily refers to an increased level of regulatory burden that is adopted at the national level beyond the minimum requirements of the EU legislation.

This paper works with the definition of Gold-plating and presents approaches adopted by the United Kingdom and Sweden and brings in two case studies, in which it explains the struggles with this phenomenon currently ongoing in Slovakia and Lithuania. These countries were chosen as the examples of the new EU countries and in contrast to the examples set previously by 'old Europe'. Due to the increasing impact of the European decision-making the impact of the improper implementation can have a detrimental effect on the businesses and it is for this reason that the United Kingdom and Sweden have been active in identifying and tackling the main issues to provide a better framework that would minimise the impacts of Gold-plating. The Slovak and Lithuanian cases can provide a good insight into the main struggles happening in the region of Central and Eastern Europe.

Definition of Gold-plating

The implementation of the European legislation by the government bodies of the individual member states can be understood as a form of compliance with the commitments that are a part of the EU membership. However, the adoption of the rules is often associated with a process called “Gold-plating”, which is a term that describes a transposition of the EU legislation, going beyond the minimum required level and remains applicable only at the national level. Historically, the meaning of this term widened from this narrow definition to include various possible situations that may occur during the adoption of the European legislation at the country level.

The term itself has only been defined in two countries of the European Union, namely Sweden and the United Kingdom, defining this phenomenon in order to highlight and then tackle its negative effects, which became apparent in both of these countries as the cumulative effects of the added legislation at the national level was causing local business hard times compared with their competitors coming from a neighbouring country. As it is shown later in this policy paper, the effects of an active approach towards this phenomenon are key when creating a sustainable business environment that is compliant with the general requirements agreed at the national level.

In the theoretical framework it is possible to differentiate two types of Gold-plating, active and passive. This distinction is based on the source of added regulation at the national level. Active Gold-plating refers to the phenomenon, when the state is adding requirements, in terms of content or procedures, above the standard of the EU legislation at the time when it is being implemented at the national level. On the other hand, passive Gold-plating occurs if the member state already has more stringent requirements at the time of the adoption of the EU legislation and the member state will not lower the existing regulation accordingly. If the government is keeping the regulation willingly at the higher level, it is necessary to confront it with arguments in order to convince it to decrease it to the minimum required level.

The extent of Gold-plating

Overall, the concept of Gold-plating is relatively unknown among citizens of the EU member countries. However, the situation is not all that better at the level of the businesses. It is often the lack of insight into the processes of the adoption of the EU legislation that prevents businesses from identifying the extra regulations that the national governments could be confronted with. The fact that nearly one half of the new regulations is based on the EU legislation can be indicative of the effect that the Gold-plating can play in the today’s business environment. Over 50% of the administrative

costs of all the businesses between 2006 and 2010 are related to the legislation implemented as a result of the EU standards. Thus, to ensure simple and efficient measures applicable across the European continent, it is absolutely critical to have well-functioning national bodies that will participate in the preparation of the final legal documents regulating entrepreneurs in their countries.

The more stringent and often different regulations in each country result in the bureaucratic and financial burden for the companies that have to spend their resources on the compliance with the rules and not on their main business activity. In order to avoid this situation the rules must be comprehensible, easy to comply with and focusing on the objectives, they were enacted with. This is a key precondition that would lead to increased trade, productivity and employment that are all necessary for economic growth and development. Excessive rules, however, do not affect only the costs related to the compliance but also the competitiveness and the business environment for international investors that are the main drivers of economic growth in many developing countries. Thus, a small but efficient regulatory system can have overall macroeconomic effects and increase the country's competitiveness at the international level.

The positive examples for the United Kingdom and Sweden

United Kingdom

In order to tackle the issue with Gold-plating, it is best to seek advice from the two countries that have identified the phenomenon and taken steps in order to tackle it. The first country to look into in this paper is the case of the United Kingdom, whose coalition government of Conservatives and Liberal Democrats has taken a number of steps to limit the impacts that the adoption of EU legislation could have on UK businesses. The basic principles and rules for the implementation of the European legal norms were finalised in June 2011. The analysis of the one and a half year period since the adoption of these principles shows that the government was successful in preventing the additional regulatory burden and there were only few moments when the government went beyond the minimum requirements. In the process of the implementation of the EU legislation the UK ministries are forced to show how they are using the five principles for the adoption of the EU law. This way the UK governing coalition made a clear statement that it will not push through more stringent regulation that could negatively affect the competitiveness of the UK companies.

One-in, One-out

The UK government has also introduced an approach entitled “One-in, One-out” (OIOO), which meant that no new primary or secondary legislation of the United Kingdom, which would create new expenses to businesses can be introduced without an identification of an existing regulation with an equivalent financial burden that could be removed. A key role is played by the Regulatory Policy, an independent control body, which is overseeing the implementation of the OIOO strategy and keeping the check on other government bodies. In addition to this, the government has introduced a 3-year moratorium for the newly founded businesses as well as microbusinesses, which were exempted from all of the new legislation that could increase their regulatory burden until May 2014.

With respect to Gold-plating, during the 18-month period (between 1st July 2011 and 31st December 2012) there is only one single case of the law, where the ministry suggested an added regulation on businesses. In this case the ministry went beyond the minimum requirements of the EU legislation. At the same time, there were only four cases, in which the EU legislation was adopted before the expiration of the timeframe allowed to the countries for the implementation of the rule. In all of these four cases, however, this was done to maintain good competitive environment for UK businesses. The transposition principles are therefore an effective tool how to ensure an appropriate control of the measures adopted as a result of the EU legislation. The crucial aspect is to have the individual departments uphold these rules and avoid adopting additional measures.

Red Tape Challenge

The UK government also launched a website titled “The Red Tape Challenge” for the citizens and business to be able to comment which regulations are working and which are not, which of them should be crossed out, simplified or which should remain intact. Since there is a presumption that the government should lower the regulatory burden, the ministries have to put forward valid reasons to keep the regulation in place. This initiative as well as the reversed burden of proof is an interesting way of aiding an open discussion about the means by which the objectives of the existing regulations can be achieved with a lower bureaucratic impact on businesses and ordinary people.

Sweden

The example of Sweden was chosen due to a different kind of positive example it can provide to other European countries. Unlike in the previous case of the United Kingdom, where the bulk of the initiative was orchestrated by the public sector, the case of Sweden can be a shining example of a proactive business community, which came forward with a set of recommendations that focused on the practice of adoption of the new EU legislation.

While the Swedish government made a proclamation that more than 50% of the administrative burden of the Swedish companies originates with the EU legislation, the European Commission countered by the estimate that nearly 32% of the administrative costs are caused by the insufficient implementation of the European laws rather than the content of the laws themselves. According to the Swedish business community in the times of economic stagnation and growing unemployment it is crucial to stand strong in the global market environment in terms of competitiveness towards the other great economic powerhouses. While European institutions play an important role in protecting companies from negative effects of the proposed legislation in the single European market, a great part of new laws is implemented on the national level. In order for the common European market to function properly it is necessary for a single set of rules to apply in the same manner in all the EU member states. The barriers to free trade and movement of goods can rise if national, regional or local governments choose the option of implementing a legislation that would differ greatly from other member states.

The Swedish government claims that over one half of the administrative costs for the companies stems directly from the effects of the EU legislation. The business community in Sweden has thus focused on trying to minimise this impact and the added burden for Swedish industries. The solution to this problem is of the utmost importance for the companies and it has become an ambition of the Swedish government to reduce the regulatory burden and strengthen the competitiveness of the Swedish and also European companies. As a result of this initiative The Council of Swedish Industry and the Swedish Better Regulation Council together with the representatives of nearly 300 000 Swedish companies identified a number of factors that should be avoided in the process of implementing of the EU legislation.

- Unnecessary expansion of the application of the law
- Not using the exemptions to the extent possible
- Holding on to the Swedish regulatory demands, which are more complex than the requirements of the new EU legislation (the national regulatory framework could be simplified by the implementation of the new EU legislation)
- Implementation of the demands before they are being required by the EU legislation
- Application of the more stringent sanctions or enforcement mechanism, which are more burdening than necessary for the correct implementation of the legislative rules

The Swedish community of entrepreneurs offers a definition of Gold-plating, which contains all of these aspects that increase the costs and cause unfair competition for the Swedish companies on the common European market. This way they are pressing the Swedish government to avoid the aforementioned aspects of Gold-plating. The continued fragmentation of the common European market is a crucial topic for Swedish companies operating in different member states as well as for the overall competitiveness of Europe as a whole. Until a Europe-wide consensus is achieved, however, it is a responsibility of each member state to ensure that the implementation of the EU legislation does not have a negative impact on the competition between them and their companies.

Case studies

S L O V A K I A

Familiarity with the Gold-plating phenomenon

These two examples bring the discussion back to the Slovak reality and what can be done in order to improve the situation of Slovak businesses as well as the overall quality of the regulatory system. Gold-plating is a serious problem for the businesses in Slovakia. Whether in the form of the unnecessary administrative demands, increased the frequency of reporting, demanding more information than defined in the EU regulations or other facets of Gold-plating, this phenomenon has been causing Slovak businesses administrative and financial difficulties.

The National Union of Employers (NUE), the biggest employers' organization in Slovakia that associates employers producing roughly 70% of Slovakia's GDP and 80% of the nation's export, has made a list of recommendations that could form a foundation or at least an important starting point for the reform of the Slovak approach towards the implementation of the European legislation. This chapter includes their key recommendations:

In the process of the evaluation of the effects of Gold-plating in Slovakia, a survey on the topic of Gold-plating was conducted among the Slovak entrepreneurs about their experience with this phenomenon. This survey sought to find out the familiarity of entrepreneurs with the transposition processes and their impact of businesses. The survey met with a positive response. Sixty-nine businesses replied to it out of 100 subjects approached, so the survey can be considered representative of the overall community. Ten basic questions were used to find out, how the business sector perceives the problem of Gold-plating.

The results of the survey were not very good from the point of view of the entrepreneurial assessment. Overall, the entrepreneurs are directly or indirectly familiar with the problem of Gold-plating. Up to the 64% of the questioned businesses and entrepreneur claims that, while they did not come across the term itself, they saw the impact of the transposition of EU regulations in the Slovak legislative system as highly negative. This means that they find the work of the Slovak bureaucrats to do extra work in the process of implementation in the form of stricter rules or earlier implementation of the directives.

The survey also makes it clear that up to 78% of the entrepreneurs is not informed and invited to the discussions about process of adoption of the EU directives into the national legislation and only 20 % thinks that they are repeatedly addressed in this process. In this point it is more obvious that the business sector is almost not at all included by the public authorities in the activities leading to the preparation of and the process of transposition of the EU regulations to the national legislation. The majority of

the problems with the legislation is created later on, once the business sector starts to realise the real scope of the legislation and its impact on the business processes. From this point of view, it is necessary for the situation to change, mainly from the side of the public authorities.

In any case the business sector would appreciate, if the public officials tried more in the process of defending the Slovak interests during the preparation of the EU directives, if it was more engaged in the consultations about this area and also in the area of the implementation of the legal system of the Slovak Republic.

At the same time the business sector views negatively the policy of the government in the area of Better Regulations and the influence together with the activities of the Ministry of Economy of the Slovak Republic, which has this agenda within its responsibility. Thus, it does not dedicate sufficient attention and priorities regardless of the fact that it is also responsible for the status of the business environment in Slovakia.

Recommendations of the Slovak entrepreneurial community towards the EU legislation

Sharing best practices

Firstly, the NUE recommends that the member states develop a framework for the exchange of best practices towards the transposition of the EU legislation. This exchange should not be limited to national experts in the area of better regulation, but should be expanded into the ranks of relevant ministers, sectorial and regional experts and those who specialise in drafting of the legislation. The European Commission should play a clear role and be involved in this exchange of best practices. It should not be just a middleman between the member states, but should consider creating a database, which could provide easily accessible information about the transposition of the European legislation. This database should enable the civil servants in all the countries, to find out how other states adopted a specific part of the European legislation, which could support the implementation of the least burdening amendments in the national legislation.

Inclusion of the stakeholders and the end users

A special attention should be also paid to the open and transparent procedure of the implementation of the EU legislation with a focus on the inclusion of the stakeholders and the perspective of the end users. This is also associated with the focus on the changing culture in the area of better regulation agenda at the level of the central government. The first question to ask in terms of assessing any regulation should be whether the new regulation is needed at all. If this is so, then a series of inquiries should begin before the regulation is put in place. These inquiries should come from those actors who will be most strongly affected by the given legislation and the legislation should be adopted in the form with the least amount of the negative effects on the stakeholders and the end users. The public consultation should thus include sufficient space for inputs from the stakeholders and end users should be encouraged to

comment on the practical effects of the proposals of the regulation.

Structured approach to the impact assessment

The NUE recommends that all the member states set up clear rules and procedures that would ensure that all the proposals for the transpositions of the EU legislation with potential burdensome effects on the entrepreneurs must be evaluated with regards to the impacts on the business environment. This impact evaluation should include the calculation of the administrative costs using the standard model and other regulatory costs including compliance costs. The objective of this impact evaluation is to present a picture for the interest groups, which have their say in this policy area with a clear image of the impacts of the proposed legislation on the businesses. This structured approach should also include a feedback mechanism from the end users that should address the questions regarding the impact assessment of the regulation based on the experience and the practical outcomes.

L I T H U A N I A

The basic concept

The very concept of Gold-plating has been used in the discussions of experts and state officials working in the field of better regulation and (or) EU law implementation over the past recent years in Lithuania. Gold-plating is defined as covering two main instances: 1) adding regulatory requirements beyond what is required by an EU directive (inappropriate action); and 2) retaining national regulatory requirements that are more comprehensive than is required by an EU directive (inappropriate inaction).¹

The Lithuanian business community identifies also other manifestations of Gold-plating (that are indicated and listed in international studies² as well) such as: 3) using implementation of a directive as a way to introduce national regulatory requirements that actually fall outside the aim of the directive; 4) implementing the requirements of a directive earlier than the date specified in the directive; 5) applying stricter sanctions or other enforcement mechanisms than are necessary to implement the legislation correctly; 6) extending the scope of a directive; and 7) not taking (full) advantage of any derogations.

The level of awareness and understanding of the problem

The question of Gold-plating – not necessarily under the current title of the phenomenon – has been raised in one or another form in Lithuania since Lithuania's accession to the EU in 2004:

- In 2006 a research study *Inappropriate transposition of EU legislation* was launched jointly by the Lithuanian Free Market Institute, the Lithuanian Bar Association, the

¹ See, e.g. the training material "*The assessment of soundness of the administrative burden on business caused by the transposition of European Union law to the national law*", organized by the European Law Department under the Ministry of Justice of Lithuania for civil servants and experts on 10-12 December 2014, Vilnius.

² See, e.g., the report "*Clarifying Gold-plating – Better Implementation of EU Legislation*" The Swedish Better Regulation Council / Board of Swedish Industry and Commerce for Better Regulation.

Association of Lithuanian Chambers of Commerce, Industry and Crafts, the Lithuanian Confederation of Industrialists and the leading business daily *Verslo žinios*. A total of 18 “bad” examples of transposition of EU law were reported then, and the following systemic mal-practices were identified: i) a hasty transposition of EU directives causes inaccuracies; ii) too much of EU legislation is transposed into the secondary, not primary national legislation; iii) a lack of transparency, the absence of consultations and an all-things-considered approach during the transposition process; iv) manipulations in the name of EU law when lobbying for unnecessary regulation; and v) the choice of overly rigorous alternatives.

- The implementation of EU legislation in particular sectors has been analysed in scholarly publications. E.g. academic research was launched to investigate the seven years of administrative practice after the transposition of Qualification Directive 2004/83/EC into the Lithuanian legislation.³ The research has revealed that Lithuanian administrative courts are rectifying wrong results of the transposition of the directive in question through broader explanations of national legislation.
- Sectorial business associations address the question of Gold-plating when they indicate that the transposition of EU law creates an excessive and disproportionate burden for their members. Two recent examples are presented below:
- Some infringement procedures and formal notices from the European Commission concern the transposition breaches that could be indicated as Gold-plating. E.g., an infringement procedure was started against Lithuania when in the final reading of the draft Law On Alcohol Control the parliament included legal provisions that set stricter sanctions and other enforcement mechanisms than required by the EU regulation.⁴ The formal procedure concerning the impossibility to register and use a motor vehicle with right hand drive in Lithuania is also in line with prevention of Gold-plating.

Nevertheless, the correlation between the numbers of infringements and formal notices⁵ from the EC and the number of instances of Gold-plating from Lithuania is indirect. Almost half of infringement procedures against Lithuania (11 out of 26 in 2014 and more than half in previous years) have been started due to the fact that the EU legislation has not been transposed in a timely manner (late transpositions). On the contrary, from the viewpoint that requires preventing Gold-plating, an earlier transposition of EU law (early transposition) is an undesired practice.

Drawing on the infringement procedures or formal notices that concern the content of EU and national legislation, one could observe that the European Commission first of all focuses on the aspect of non-discrimination of service providers from other EU

³ Jakulevičienė, L., Urbelis, M. “Qualification Directive 2004/83/EC: Lithuanian Experience after Seven Years from its Transposition into Lithuanian Legislation”, *Ethnicity Studies*, 2013/1.

⁴ It took two years for the Ministry of Economy of Lithuania to initiate the changes and to pave the way through the Parliament for the legislative amendments.

⁵ For the number of infringement procedures and formal notices against Lithuania see the ANNEX.

⁶ Here one could mention EC formal procedures that concern Lithuanian national legislation on Klaipėda sea seaport (Mobility and Transport: Maritime transport - Freedom to provide services - Klaipėda State Seaport, 2013, ongoing procedure), national legislation on membership in political parties (Justice, Fundamental Rights and Citizenship: The right of European Union citizens to become members of a political party or to form one in the Member State of residence, 2013); national legislation setting the restrictions placed on the supply of gambling services - national law obliged businesses providing online gambling services in Lithuania to establish a physical presence in the country and prescribed a specific legal form for them (2013), etc.

Example 1	Example 2
<p>The Lithuanian Plant Protection Association reports (March 2015) that the Rules on Plant Protection, adopted by the Minister of Environment, are to be considered as a Gold-plating example. This national secondary legislation is implementing Directive 2009/128/EC On the Sustainable Use of Pesticides (to have been transposed and implemented by 25 November 2011) and is supposed to be in conformity with Regulation (EC) No 1107/2009 Concerning the Placing of Plant Protection Products on the Market, and Regulation (EC) No 1185/2009 Concerning Statistics on Pesticides. National requirements for collection of statistical data go beyond the goal and purposes of EU legislation, and requirements on physical registration of transactions with pesticides create a disproportionate administrative burden for all parties involved and, furthermore, they are hardly feasible.</p>	<p>The Lithuanian Meat Processors Association reports (March 2015) such instances of Gold-plating: 1) Rules On Ritual Slaughter, Control, Accounting, Marking, and Realization, adopted by the Minister of Agriculture in 2014, exceed the minimal requirements set in Regulation (EU) No 1169/2011 On the Provision of Food Information to Consumers; 2) the terms „cured meat products“, „preserved meat products“ as specified in Regulation (EC) No 1333/2008 On Food Additives are translated wrongly and incorporated into a local act of Food and Veterinary Service of Lithuania in such a way that they acquire partly the opposite meaning and thus narrow the freedom of action for national producers; 3) Lithuanian Standard LST1919:2003 On Meat Products for 10 years included requirements that discriminated against Lithuanian meat producers as compared with those from other EU member states.</p>

member-states.⁶ The focus is not so detailed as the problem of Gold-plating requires.

- The phenomenon of gold-plating is going to be addressed directly in a pending document from the European Law Department under the Ministry of Justice of Lithuania (to be prepared in the first half of 2015). The document is likely to have a form of recommendations for civil servants working with transposing EU law and be approved by the Head of the Department, so it is going to be kind of a “soft law.”

Legal and organizational tools for preventing Gold-plating. Problems to be solved.

Lithuania has a continental legal system, i.e., the desired goals are more likely to be achieved if the policies, *inter alia* policy on preventing Gold-plating, are encapsulated into formal (primary or secondary) legislation. The discussions on the legislative provisions that would prevent Gold-plating were on the table in recent years, and in this context the Rules on the Coordination of European Union Affairs adopted by a Resolution of the Government of Lithuania of 09-01-2004 (with later amendments,) were discussed. Yet, no draft laws were proposed and no formal legislative procedures were adopted.

Ex-ante impact assessment (IA) and *ex-post* regulatory impact assessment (RIA) are primary tools for avoiding or fixing Gold-plating. Both mechanisms are used in Lithuania on the ministerial and governmental levels. While the drafters of national legislation pay attention to the quality of EU law transposition during the phase of *ex-ante*

IA (general attention, not focused specifically on the prevention of Gold-plating), there is no such practice during the *ex-post* RIA. Most of *ex-post* RIAs are initiated in order to evaluate the effectiveness of legislation per se. Sometimes *ex-post* RIAs are completed in order to justify the legislative changes that have already been planned. The notion that the control of the quality of EU law transposition falls within the competence of the European Commission still prevails.

Similar conclusions could be drawn concerning the mechanism of consultations with stakeholders. Stakeholders – business associations, businesses, experts, scholars, and think-tanks – are able to provide drafters and officials completing IA (RIA) with valuable insights on Gold-plating. The mechanism of consultations is used only fragmentally or occasionally for preventing Gold-plating.

The very policy on prevention of Gold-plating is similar to other policies and initiatives, such as deregulation, Better Regulation, reduction of the administrative and regulatory burden, simplifying the licencing regime, etc., launched in Lithuania. All of these have the same direction and similar goals. Some facts in this regard are listed below:

- *Simplifying the licencing regime.* Two campaigns or projects were completed. First, during the years 2006 through 2009 the national legislation on licencing was revised and simplified in order to implement Service Directive 2006/123/EC. A total of 2,000 legal acts were assessed, 300 acts were revised, 100 institutions were targeted, and 10 percent of licences were simplified or abolished. Second, under the 2011-2014 National Anti-corruption Programme adopted by the Parliament and a new Regulation on Fundamentals of Licencing adopted by the Government in 2012, twelve ministries and the Bank of Lithuania revised the licencing regimes one more time in order to remove unnecessary administrative burden, to create a more favourable business environment and to eliminate corruption preconditions. A total of 160 licences have been or are to be simplified (the process is still ongoing).
- *Reduction of the administrative burden and better regulation.* In 2006 the Ministry of Economy adopted methodological guidelines for the assessment of the administrative burden based on STC (*Standard Cost Model*). In 2010 these guidelines were incorporated into the Government Resolution on the Methodology for Impact Assessment. In 2008 the government of Lithuania adopted a Programme for Better Regulation. The project on the administrative burden was carried out in 2009 through 2011. It was aimed at the reduction of the administrative burden in seven main areas, including tax administration, labour, territory planning and construction, transport, environment, immovable property operations. The Law on the Reduction of the Administrative Burden was adopted on the 8th of November 2012, and a Special Commission for the Supervision of Better Regulation started its work in 2014. From 2009 through 2012 a special body, a Sunrise Commission along with the Government investigated disproportionate burdens on businesses and worked out deregulation proposals. The principles of better regulation were incorporated into the 2012 Law on Fundamentals of Law-making and into the Government-adopted 2012-2020 Program on the Improvement of Public Administration.

The policy of Gold-plating, although reflected in the context of abovementioned initiatives, can be viewed as not clearly incorporated: 1) within the national regulatory policy or 2) within the framework of other existing instruments that ensure the quality of legislation (consultations, RIA, deregulation, Better Regulation, reducing the administrative burden).

Conclusion

This policy paper focused on the possible solutions towards a phenomenon called Gold-plating, which occurs in the process of the adoption of the European legislation in the EU member states. The term itself primarily refers to an increased level of regulatory burden that is adopted at the national level beyond the minimum requirements of the EU legislation. The definition of Gold-plating has expanded over time to include also other types of amendments to the European laws in the process of their national adoption. Due to the increasing scope of the European decision-making, the impact of the improper implementation can have a detrimental effect on the businesses.

This paper contains description of the case studies – Slovakia and Lithuania new EU countries - which examine the main struggles currently experienced by the business sector and propose some improvements based on the demands of the business communities. The Slovak business community came forward with a set of recommendations, which can form a foundation for the national discussion about this pressing issue. The Lithuanian chapter also looked mainly at the extent of the problem at hand and provided a set of legal and organisational tools for preventing the phenomenon of Gold-plating.

To deal with the Gold plating problem it is possible to use examples of the United Kingdom and Sweden. The principles they hold could be summarized as follows:

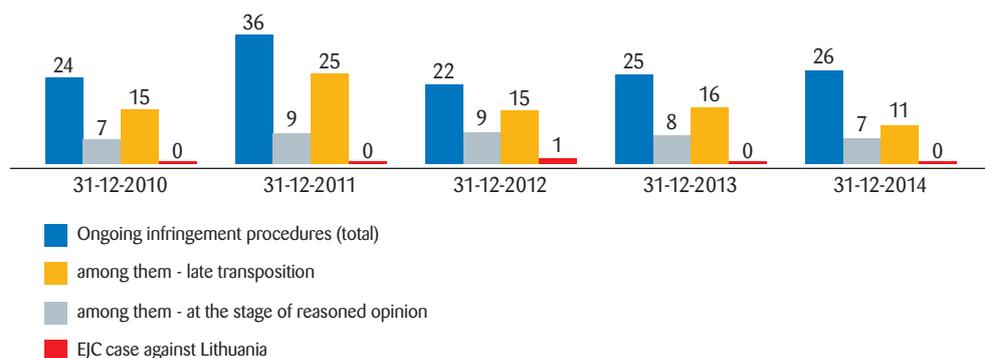
- The government should use copy-out for transposition of the legislation as much as possible (and where possible), except where doing so would negatively affect interests of national entrepreneurs compared with their European counterparts.
- The government should as much as possible ensure that national businesses are not put at a competitive disadvantage compared with their European counterparts
- The government should as much as possible seek to implement EU legislation through the use of alternatives to regulations
- The government should ensure that implementing of measures come into force on the latest possible deadline specified in a EU directive, unless there are meaningful reasons for earlier implementation such as advantage of the earlier implementation of directive for the national businesses
- The government should ensure a statutory duty for responsible bodies to review legislation every five years according to the Regulatory Impact Assessment principles.

Annex

Infringement procedures and formal notices from the European Commission towards Lithuania

Picture 1

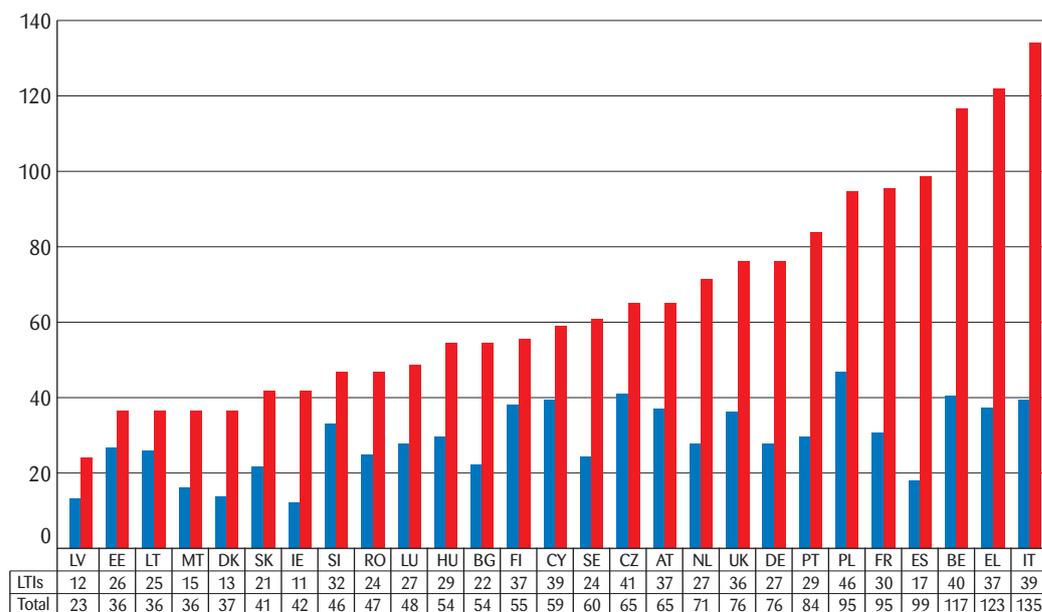
Infringement procedures, stage of reasoned opinion (LT)



Source: data from the European Law Department under the Ministry of Justice of Lithuania, 2015. Most of the ongoing infringement procedures (March 2015) fall within the areas of competence of the Ministry of Transport (7), the Ministry of Finance (6), and the Ministry of the Interior (5). Lithuania is among those EU member-states with the lowest number of infringement procedures.

Picture 2

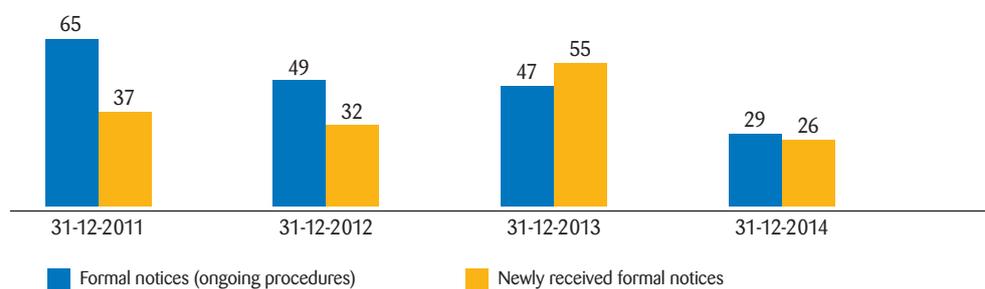
Number of infringements in the EU-27 (31 December 2011)



Source: 29th Annual Report on Monitoring the Application of EU Law (2011), Brussels, 30.11.2012, COM(2012) 714 final.

Picture 3

Formal notices from European Commission (LT)



Source: data from the European Law Department under the Ministry of Justice of Lithuania, 2015.
Most of the ongoing formal notice procedures (March 2015) fall within the areas of competence of the Ministry of Environment (12), the Ministry of the Interior (5), and the Ministry of Transport (3).



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