

Memo

November 3rd 2020
KAP/krnio
J.nr. 2020 - 611

Reducing administrative burdens with digital-ready legislation

This paper presents and summarises five recently enacted legislative acts passed by the Danish parliament in the 2019-20 session.

The common denominator of the five examples is that they demonstrate how the use of the principles for digital-ready legislation provides a pathway to achieving administrative efficiencies relative to legacy legislation.

The cases covered by this catalogue are as follows:

- Ministry of Trade and Industry: *The Control Package* ([legal text](#))
- Ministry of the Environment and Food: *Digital enforcement of environmental zone initiatives* ([legal text](#))
- Ministry of Taxation: *The arrears recovery authority's handling of claims with data problems, obsolescence, etc.* ([legal text](#))
- Ministry of Immigration and Integration: *Simplification of rules, including on the right of appeal to the Immigration Appeals Board and entry bans, etc.* ([legal text](#))
- Ministry of Employment: *Payment of a one-off subsidy to benefits recipients* ([legal text](#))

The summaries are presented in the below.

Ministry of Trade and Industry: The Control Package

Table 1

Ministry of Trade and Industry: The Control Package

Problem	The control package redoubles the efforts to fight the company registration and accounting fraud that a few companies commit by using incorrect or forged company registration and accounting information. The previously applicable company and accounting laws have been shown to provide insufficient remedies for the Danish Business Authority to be able to intervene quickly and effectively against fraud and ensure fair accounting and company information.
Solution	It is necessary that the authorities have sufficient means to intervene swiftly and efficiently in cases of financial fraud and misuse of funds. Among other measures, The Danish Business Authority will have the opportunity to carry out a digitally supported pre-check of all reports on accounting and company notifications. The control is performed as a "hard" control within selected areas, where what is objectively deemed to be an error will lead to a digital immediate decision to reject the submission of accounts. At the same time, the Danish Business Authority will have the opportunity to subsequently carry out a risk-based control, where companies' annual reports are compared with information and documentation from other authorities (e.g. from the Tax Administration).
How is it administratively smart?	Where a random check is based on random selection, the control package enables the Danish Business Authority to carry out a systematic digital check, which prevents offenses already based on accumulated accounting and company information. This pre-inspection frees up resources in the Danish Business Authority to select companies for further in-depth inspections.

Table 1
Ministry of Trade and Industry: The Control Package

What principles enable this?	The control package demonstrates how principle #7 on the prevention of errors and fraud enables digitization-ready legislation, where it is a priority that control can be supported digitally, e.g. through automated control and by providing the opportunity to check the accuracy of information using relevant public registers. It further follows from the principle that control and supervision take place at as early a stage as possible in the authorities' workflows, e.g. already when reporting accounting and company information, so that errors can be corrected before they have consequences rather than subsequently. This avoids long and costly processes for backward recovery, which is less administratively burdensome for the authorities and in the end also better service for the companies.
-------------------------------------	---

Ministry of the Environment and Food: Digital enforcement of environmental zone initiatives

Table 2
Ministry of the Environment and Food: Digital enforcement of environmental zone initiatives

Problem	<p>It is a political ambition in Denmark to achieve a green transport sector for the benefit of both the climate, the environment and the health of citizens. Air pollution, derived from, among other things, traffic, affects the health of many Danes every year. Therefore, it has long been an ambition from a political point of view to improve air quality in cities. One of the means of achieving this has been the introduction of so-called environmental zones in designated urban areas, where for example particulate filters are required on heavy diesel-powered traffic such as trucks, buses and vans.</p> <p>The law in question tightens the environmental regulations so that older diesel cars used for personal transport are also covered by the requirements. The question is, however, how compliance with the more extensive environmental requirements will be monitored and enforced in the future without incurring extensive administrative burdens?</p> <p>In addition to introducing stricter requirements for diesel-powered traffic, the law makes it possible to use a digital system in which vehicles driving within the environmental zone are automatically checked using automatic number-plate recognition technology.</p>
Solution	<p>This is made possible by introducing an objective responsibility on the part of the owner of a vehicle for its presence in an environmental zone.</p> <p>The automatic control then takes place via image recognition of number plates, which are subsequently compared with information in the vehicle register. Thus, authorities can systematically carry out automated control of which vehicles travel in the environmental zones, as well as whether they comply with the requirements for particulate filters.</p>
How is it administratively smart?	<p>By objectively placing the responsibility for the presence of a vehicle in an environmental zone with the owner of the vehicle, it becomes possible to combine image recognition technology with public license plate registers, so that the authorities can enforce control of the environmental zones in an automated way.</p> <p>The alternative to this solution would have been to enforce the control manually, i.e. through discretionary checks carried out by persons. Such a solution would not only create greater administrative costs, but would probably also increase the risk of errors and cheating associated with the restriction.</p>
What principles enable this?	<p>The law demonstrates compliance with principle #3 on automatic case processing, which emphasizes that new legislation must, in so far as possible, apply objective criteria when it makes sense and there is no need for professional judgment.</p> <p>The legislation establishes the basis for a control based on objective criteria, including in particular who is responsible for the presence of a vehicle in an environmental zone. It will thus be possible to obtain the information about the responsible citizen in the vehicle register and to send out fines automatically.</p>

Ministry of Taxation: The arrears recovery authority's handling of claims with data problems, obsolescence, etc.

Table 3

Ministry of Taxation: The arrears recovery authority's handling of claims with data problems, obsolescence, etc.

Problem	<p>The work of ensuring that citizens pay their debts to the public sector in Denmark has been hampered by the fact that data on citizens' debts have been registered by various authorities in accordance with divergent and sometimes deficient practices.</p> <p>The potential for clearing up data on citizens' debts to the public sector with a view to being able to carry out legal recovery is estimated at DKK 18 billion. Thus, a major work is underway under the auspices of the Ministry of Taxation to carry out this clean-up for the benefit of both public finances and the citizens' legal awareness.</p> <p>However, the task is potentially administratively burdensome, as the data includes almost 24 million records on debts of varying data quality and with different expiration dates.</p>
Solution	<p>The Act authorizes the Ministry of Taxation to use certain harmonized assumptions as a basis for the recovery of claims in cases where there is justified doubt about the registered information in the arrears recovery authority's systems. At the same time, the deadline for expiration of these claims is postponed so that the authorities can continue to enforce the claim.</p>
How is it administratively smart?	<p>By having Parliament pass legislation that provides a clear framework for how data on debt items are to be used in cases of doubt, a clear legal basis is created for handling citizens' debts to the public sector. Among other things, this makes it possible to carry out more far-reaching recovery steps, including in particular automatic wage withholding, which is an administratively efficient way of carrying out recovery. The alternative to legislation would have been either to forfeit the claim on a considerable amount of the citizens' unpaid debts to the public to the detriment of the public's general trust in government or to use a disproportionate amount of administrative resources for a manual review of data on all 24 million debt records.</p>
What principles enable this?	<p>The law demonstrates how principle #4 on the coherent use of concepts and data enables a government entity to carry out efficient, data-driven administration with due consideration of citizens' rights and by harmonizing the use of ambiguous data due to differences in registration practice among authorities.</p>

Ministry of Immigration and Integration: Simplification of rules, including on the right of appeal to the Immigration Appeals Board and entry bans, etc.

Table 4

Ministry of Immigration and Integration: Simplification of rules, including on the right of appeal to the Immigration Appeals Board and entry bans, etc.

Problem	<p>In recent years, there have been frequent changes in Danish immigration law. For this reason, there is also a need to ensure that legislation is continuously kept as transparent, simple and predictable as possible, so that the individual citizen is guaranteed the greatest possible degree of legal certainty. In relation to this objective, it was the assessment of the Ministry of Immigration and Integration that a number of concepts, rules and procedures in current legislation could advantageously be further specified or harmonized.</p>
Solution	<p>The Act implements a number of simplifications in immigration law in order to create greater clarity and overview in a number of areas.</p> <p>For example, a linguistic and substantive clarification of the provisions on procedural stay and suspensive effect is made, so that the content more clearly reflects the actual legal effects of the provisions.</p> <p>Similarly, it follows from the law that in the service of the decision in which a person is deported and notified of an exit ban, guidance must also be given on the scope and legal effects of the entry ban. Previously, the two process steps were separate, and the guidance task was placed with the police, which both burdened the police administratively and made it more difficult for the convicted person to find out in time about the content and effects of the sentence.</p>

Table 4

Ministry of Immigration and Integration: Simplification of rules, including on the right of appeal to the Immigration Appeals Board and entry bans, etc.

How is it administratively smart?	<p>The elements of the act, which change the structure of the immigration rules on procedural residence and suspensive effect in the form of a linguistic and substantive clarification, mean that the provisions reflect their actual legal effects. In this way, the proposed changes contribute to creating simple and clear rules for the benefit of law enforcement and legal certainty.</p> <p>The element of the bill that decisions and decisions notifying a foreigner that he or she is not entitled to reside in this country must also include a travel ban is expected to lead to a considerable easing of the case process.</p>
What principles enable this?	<p>The law demonstrates how principle #1 that rules must be formulated clearly and simply, unambiguously and consistently enables digitization-ready legislation, where related rules and procedures are as far as possible harmonized and consolidated for the benefit of citizens and with administrative simplifications as a result.</p>

Ministry of Employment: Payment of a one-off subsidy to benefits recipients

Table 5

Ministry of Employment: Payment of a one-off subsidy to benefits recipients

Problem	<p>A majority in Parliament decided in August 2020, as part of the economic recovery in the wake of the Covid19 crisis, that the state should pay a one-off subsidy of DKK 1,000 to recipients of public benefits such as national pension, early retirement pension, unemployment benefits, cash benefits and SU.</p> <p>The Act gives the Ministry of Employment and ATP (the administrative body administering the legislation) the opportunity to draw on relevant public registers in order to establish a list of everyone who in April 2020 received one or more of the covered public benefits. The list makes it possible to make automatic payment of the amount to the covered citizens' personal account without further prior case processing.</p>
Solution	<p>The Act also authorizes ATP, upon prior application, to decide whether a person is in fact in the group of persons eligible for the one-off subsidy, even if the person has not received a payment automatically from ATP. This is relevant in those situations where there are errors in register data concerning the person, including that the person e.g. does not appear as a benefit recipient for the month of April. This also applies in situations where the person is eligible to receive a subsidy, but has not received the payment because he or she has still not registered his personal account with government in the so-called "NemKonto" register.</p>
How is it administratively smart?	<p>By arranging the identification of eligible persons and conducting the payment fully automatically without prior case processing, while preserving the possibility that citizens who have not initially received the subsidy can apply to have it paid out, the law ensures that a very extensive task of disbursing funds to an estimated 2.2 million recipients can be implemented quickly and with a minimum of administrative burdens without compromising citizens' rights.</p>
What principles enable this?	<p>The law demonstrates how principle #3 on the use of objective criteria enables legislation that makes it more flexible for government entities to carry out very extensive administrative tasks while retaining the legal rights enshrined by the rule of law.</p>