



Denmark

Indicators of Regulatory Policy and Governance 2021





Overview and recent developments

Regulatory reform has been an important feature of the Danish government agenda since the 1980s. Denmark has recently introduced significant institutional reforms to support the implementation of both the principles on agile (innovation-friendly) business legislation, aiming to support the ability for businesses to test, develop and apply new technologies and business models, as well as the principles on digital-ready legislation, aiming to ensure that legislation can be administered digitally. To ensure optimum results of the new institutional framework, role clarity and effective co-ordination between the distinct bodies will require attention.

The mandate of the Better Regulation Unit (former Team Effective Regulation) at the Danish Business Authority has been expanded. In addition to performing the quality control of RIAs of regulations creating significant burdens for businesses and providing guidance and training in the use of good regulatory management tools, this body is also in charge of overseeing compliance with the country's principles for agile (innovation-friendly) business regulation as well as the principles for implementation of business-oriented EU-regulation.

The Danish Business Regulation Forum (DBRF) was set up in 2019 by merging the Danish Business Forum for Better Regulation and the EU-Implementation Council. Served by a Secretariat in the Ministry of Industry, Business and Financial Affairs, it advises the government on the development and application of the methodology for RIA, and the principles of agile (innovation-friendly) business regulation. It also conducts in-depth

reviews of regulations in different policy areas. Finally, the DBRF focuses on identifying simplification options in areas where digitisation and new technological trends will challenge the regulation, as well as business-oriented digital solutions.

The Secretariat for digital-ready legislation was set up within the Ministry of Finance in 2018. It receives draft legislative proposals six weeks before their publication for public consultation and issues recommendations regarding compliance with the seven principles of digital-ready legislation as well as to improve implementation impact assessments. According to Danish authorities, government ministries incorporate at least some of the secretariat's recommendations in the final bills presented before parliament in about 75% of cases.

Denmark systematically engages with stakeholders in the later stage of the regulatory process. Full RIAs are required to be carried out for both primary and subordinate regulations above certain thresholds. The government periodically reviews existing regulation with significant impacts and the DBRF is involved in reviewing existing regulations.

Transparency could be further strengthened by informing the public in advance that a public consultation or a RIA is due to take place. The use of RIA could be further strengthened by the introduction of an oversight function that allows for returning proposed rules for which impact assessments are considered inadequate and which is not limited to regulations affecting business.

Indicators of Regulatory Policy and Governance (iREG): Denmark, 2021

● Methodology
 ● Systematic adoption
 ● Transparency
 ● Oversight and quality control
 ■ Country total, 2018
 — OECD average, 2021



Notes: The more regulatory practices as advocated in the [OECD Recommendation on Regulatory Policy and Governance](#) a country has implemented, the higher its iREG score. The indicators on stakeholder engagement and RIA for primary laws only cover those initiated by the executive (99% of all primary laws in Denmark).

Source: Indicators of Regulatory Policy and Governance Surveys 2017 and 2021, <http://oe.cd/ireg>.

Denmark: Transparency throughout the policy cycle



Inform the public in advance that:

A public consultation is planned to take place	Never
Regulatory impact assessment (RIA) is due to take place	No
Ex post evaluations are planned to take place	Some



Consult with stakeholders on:

Draft regulations	All
Evaluations of existing regulations	Some



Publish online:

Ongoing consultations*	All
Views of participants in the consultation process	Yes
RIAs	All
Evaluations of existing regulations	Yes



Policy makers use:

Interactive website(s) to consult with stakeholders	No
Website(s) for the public to make recommendations on existing regulations	Yes



Policy makers provide a public response to:

Consultation comments	Yes
Recommendations made in ex post evaluations	Sometimes

* Publish on a single central government website.

Note: The data reflects Denmark's practices regarding primary laws initiated by the executive.

Source: Indicators of Regulatory Policy and Governance Survey 2021, <http://oe.cd/ireg>.



THE OECD REGULATORY INDICATORS SURVEY AND THE IREG COMPOSITE INDICATORS

The data presented in the 2021 Regulatory Policy Outlook are the results of the 2014, 2017 and 2021 Indicators of Regulatory Policy and Governance (iREG) surveys.

The iREG survey investigates in detail three principles of the 2012 OECD Recommendation of the Council on Regulatory Policy and Governance: stakeholder engagement, regulatory impact assessment (RIA) and *ex post* evaluation. Three composite indicators were developed based on information collected through the surveys for these areas. Each composite indicator is composed of four equally weighted categories:

- **Systematic adoption** comprises formal requirements and how often these requirements are conducted in practice;
- **Methodology** presents information on the methods used in each area, e.g. the type of impacts assessed or how frequently different forms of consultation are used;
- **Oversight and quality control** reflects the role of oversight bodies and publicly available evaluations; and
- **Transparency** comprises information which relates to the principles of open government e.g. whether government decisions are made publicly available.

The data underlying the composite indicators reflect practices and requirements in place at the national level of government, as of 1 January 2021. The indicators for stakeholder engagement

and RIA relate to regulations initiated by the executive, while the indicator on *ex post* evaluation relates to all regulations. Whilst the indicators provide an overview of a country's regulatory policy system, they cannot fully capture the complex realities of its quality, use and impact. In-depth country reviews are therefore required to complement the indicators and to provide specific recommendations for reform. A full score on the composite indicators does not imply full implementation of the Recommendation. To ensure full transparency, the methodology for constructing the composite indicators and underlying data as well as the results of sensitivity analysis are available publicly on the OECD website (<http://oe.cd/ireg>).

Related links:

- [Regulatory Policy Outlook 2021](#)
- [Indicators and underlying data and methodology](#)
- [2012 Recommendation of the Council on Regulatory Policy and Governance](#)
- [OECD Measuring Regulatory Performance Programme](#)
- [OECD work on regulatory policy](#)

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