

Draft Regulation implementing Regulation (EU) 2024/573 on fluorinated greenhouse gases and strengthening the circular economy of hydrofluorocarbons

Impact assessment – extract from the draft bill (p. 20-33)

VII. Consequences of the legislation

In **particular**, this Regulation lays down rules to adapt the existing procedures and requirements for the acquisition **of the expertise required by Union law of persons and for the certification of enterprises** carrying out activities under the Regulation to the new minimum requirements for the certification and training programmes referred to in Article 10(8) of the F-gas Regulation (EU) 2024/573 and to establish mandatory regular refresher training courses.

The new minimum requirements impact various operators: Natural and legal persons carrying out activities that are subject to certification will require new certificates of expertise and company certificates. Refresher training courses are required for this purpose. These regulations primarily concern micro-enterprises. Chambers of Commerce, Chambers of Skilled Trades and Crafts, and Guilds that issue certificates of expertise to natural persons must adapt their procedures and adapt requirements for the issue of certificates of expertise. The competent authorities responsible for recognising bodies that issue certificates of expertise and company certificates to legal persons must also familiarise themselves with the new requirements and prepare for a large number of applications during the transitional period.

During the impact assessment, the following alternatives were examined with regard to the certification schemes:

1. New minimum requirements for issuing certificates of expertise

Under the new F-Gas Regulation (EU) 2024/573 and the certification implementing regulations, the requirement for certificates of expertise remains unchanged in that only a passed examination is required. It was therefore considered whether the additional requirement of successfully completing technical or vocational training should be waived in future. This would, however, lead to a decline in value for the dual training system. This additional requirement will therefore be retained, with exemptions granted as before to mitigate hardship in individual cases. However, it can be assumed that the establishments concerned have personnel with technical or craft vocational training, so that the requirement does not constitute an additional burden. In addition, for the professional qualifications recognised by the Chambers of Commerce, Chambers of Skilled Trades and Crafts, and Guilds, certificates of expertise may continue to be issued upon presentation of the certificate of completion.

2. Obligation to attend refresher training courses on a regular basis

Under Article 10(9), second sentence of the new F-gas Regulation, Member States are to ensure that certified persons are required to attend a refresher training course every seven years. In order to facilitate enforcement, it was considered that certificates of expertise should be limited in time in the future. As certificates of expertise are partly issued upon completion of several years of training, the possibility of a limitation period was rejected. Instead, participation in a refresher training course was formulated as a prerequisite for tasks requiring certification. At the same time, it was stipulated that the certificate of expertise must indicate the date by which participation in the next refresher training course must take place. The date on the certificate of expertise serves as a reminder and is intended to facilitate enforcement. Finally, holders of company certificates are required to ensure that only experts with refresher training courses carry out tasks requiring certification. In order to reduce the burden of refresher training courses for those who regularly carry out tasks requiring certification, the practical part may be replaced by a self-declaration.

3. Converting old certificates of expertise into new certificates

Under the new F-gas Regulation (EU) 2024/573 and the certification implementing regulations, all certified persons must have completed an initial refresher training course by 12 March 2029 and demonstrated that they possess the theoretical knowledge and practical skills required by the new minimum requirements. A one-time conversion is required for all certified individuals. To achieve these conversions, various options that comply with EU law were discussed, including the need to review the new minimum theoretical and practical requirements. Ultimately, in order to minimise the burden on those affected, a conversion via the refresher training course already required was included in the draft regulation.

4. Company certificates for sole proprietorships

At present, individual companies also require a company certificate in addition to the certificate of expertise for tasks involving stationary refrigeration equipment, air conditioning equipment, heat pumps and fire protection equipment. This will be eliminated in the future, as experts are required to attend refresher training courses every seven years and, before issuing company certificates, only the availability of the necessary tools is checked in addition to their expertise. The added value of officially testing the tools is not proportionate to the cost of official certification.

This draft Regulation **also** stipulates that manufacturers and distributors **must take back HFCs free of charge after a transitional period**. The intention is to create incentives for returning HFCs for reclamation purposes. The transitional period is intended to give manufacturers and distributors an opportunity to adapt to the obligation to accept HFCs free of charge. It is conceivable, for example, that manufacturers and distributors would introduce a charging system that factored in the returning costs. The introduction of a mandatory deposit system for HFCs, or for equipment and installations containing HFCs, was considered but not pursued. This kind of measure could only be introduced for the supply of new substances and new appliances and installations. In the light of the faster phase-out of HFCs required by the new F-gas Regulation (EU) 2024/573, the bureaucratic burden associated with a mandatory deposit system does not seem justified, also due to the limited additional climate benefits expected.

1. Legal and administrative simplification

The new minimum requirements set out in EU law for issuing certificates of expertise, and the necessary conversion from old to new certificates, result in expenditure for businesses and administration. Regulations have been introduced to limit expenditure.

1. Recognition of bodies by the competent authorities

A new recognition process for training and further education institutions as well as companies for conducting examinations and issuing certificates of competence in accordance with the new implementing regulations is inevitable.

2. Issuance of certificates of expertise in accordance with the new minimum requirements

First of all, the Chambers of Commerce, the Chambers of Skilled Trades and Crafts, and the Guilds may, continue issuing certificates of expertise upon presentation of a certificate of completion of a technical or craft vocational training programme, provided that the theoretical knowledge and practical skills referred to in the implementing regulations of the European Commission are tested during the final examination. This eliminates the additional theoretical and practical examination in accordance with the minimum requirements of the respective implementing regulations of the European Commission. In addition, the training programmes and subsequent certificates of expertise can be tailored to activities at selected mobile facilities, enabling the scope of the programmes to be reduced as required.

3. Converting old certificates of expertise into new certificates

In order to convert from old certificates of expertise into new certificates, this Regulation only requires participation in a refresher training course in which, in accordance with Article 10(9), third sentence of the new F-gas Regulation (EU) 2024/573, all certified persons must attend by 12 March 2029.

4. Issuing company certificates

Just as all certified natural persons must obtain a new certificate of expertise in accordance with the new minimum requirements, all legal persons and associations of persons also require a new company certificate. In order to relieve the burden on the competent authorities, applicants shall be required to submit applications electronically where the competent authority provides for this possibility. In addition, legal persons and associations of persons are given the opportunity to continue their activities, provided that they have submitted the application for a new company certificate in good time. This gives the competent authorities more time to process the applications submitted. Since a company certificate will only be required by legal persons and associations of persons in the future and no longer by individual companies, a reduction in the cost of obtaining company certificates is to be expected.

2. Sustainability aspects

This Regulation contributes to sustainable development:

In order to perform certified tasks, this Regulation should continue to stipulate that a technical or craft vocational training programme must be successfully completed. This is intended to avoid a case where a certificate of expertise can be obtained for these tasks solely by means of an examination in accordance with the relevant implementing regulation. The existing incentive for professional qualifications has been retained (**SDG 4.1**: Training: Continuous improvement of education and qualifications). The new F-Gas Regulation (EU) 2024/573 and the new implementing regulation on the certification requirements for activities on electrical switchgear strengthen the minimum requirements and thus ensure a better qualification of the persons carrying out these activities. This Regulation transposes these new requirements into national law, thereby helping to reduce emissions from electrical switchgears and the climate impact of energy supply (**SDG 7.2**: Renewable energy: Expanding a future-proof energy supply). The new F-Gas Regulation will also require certification of activities at other facilities, such as mobile facilities, in the future. For this purpose, this Regulation establishes the framework and therefore additional employment opportunities in a future sector (**SDG 8.5**: Employment: increase employment levels). The new F-gas Regulation creates new minimum requirements for certification through implementing regulations for all sectors affected by it and extends the need for certification to relevant alternatives. This will provide those with expertise in handling F-gases with additional knowledge and skills in handling relevant alternatives to F-gases. This Regulation establishes the framework for these additional requirements (**SDG 9.1**: Innovation: Making the future sustainable with new solutions). Preferential treatment for registered EMAS sites in company certification increases the incentive to register with EMAS (**SDG 12.2**: Sustainable production: Continuously increasing the share of sustainable production). Overall, the certification of personnel required by the F-gas Regulation ensures that activities on facilities and products with F-gases will generate fewer emissions. This Regulation establishes the framework for certification and penalties for non-compliance with these requirements. It also increases the incentive for returning recovered HFCs (**SDG 13.1**: Climate mitigation: Reducing greenhouse gases).

3. Budgetary expenditure without compliance costs

The main purpose of this Regulation is to adapt the ChemKlimaschutzV to the new F-Gas Regulation and in particular to implement the regulatory mandates for issuing certificates of expertise, issuing company certificates and recognising bodies for conducting audits and

issuing certificates of expertise. This will not result in any additional expenditure for the federal government, the federal states or the municipalities.

4. Compliance costs

A 1:1 implementation was chosen for the conversion, so the burden of implementation is irrelevant with regard to the 'one in, one out' rule.

4.1 Compliance costs for individuals by requirement

There are no compliance costs for individuals.

4.2 Compliance costs for businesses by requirement

Below is a description of the compliance cost estimate for businesses by specification.

Some obligations currently regulated by federal law will cease to apply and will then apply directly under the new F-Gas Regulation (EU) 2024/573. This legal reorganisation will not reduce the actual workload for companies in practice. Specifically, these are the obligations set out in **Section 3(2)** to carry out **leak checks** (around EUR 380 000 per year) and to **record them** (around EUR 51 000 per year) and to **store** the records (around EUR 29 000 per year).

The new obligation to take back HFCs free of charge in **Section 5(1), second sentence**, may result in actual costs being redistributed between refrigeration system operators, refrigeration engineering companies and manufacturers and distributors; however there are no additional costs overall. As the aforementioned operators are classified as the intended target of the standard, the change in the law is not relevant for the presentation of compliance costs.

Section 14(2) of the draft Regulation provides for a new **labelling requirement**. Since the labelling requirement only applies if an exemption from the marketing prohibitions of the F-Gas Regulation (EU) 2024/573 is to be used for equipment and products, it can be assumed that there will be a relatively small number of cases where it will apply. The annual compliance costs associated with the labelling obligation are therefore negligible.

Implementation costs arise mainly from the implementation of the new certification requirements in **Sections 6 to 13**. This primarily affects micro-enterprises. This was taken into account in the preparation of the draft. Individual companies were exempted from the requirement for a company certificate. No other distinctions according to company size were provided for.

Table 1: Change in compliance costs for businesses

Requirement	Paragraph; Description of the specification; Type of specification	Annual compliance costs (in thousand EUR)	One-time compliance costs (in thousand EUR)
4.2.1	Section 6(1) in conjunction with Sections 8 and 9; Conversion into new certificates of expertise and regular refresher training courses; Further specifications	9 816	47 055
4.2.2	Section 6(1)(1) and (2) in conjunction with Section 7; Application for a certificate of expertise; Reporting obligation	508	3 182
4.2.3	Section 6(1)(1) and (2) in conjunction with Sections 7, 8 and 13; Processing applications for the issue of a certificate of expertise by chambers, guilds and recognised bodies; Reporting obligation	192	1 202
4.2.4	Section 10(1) to (3); Application for recognition as competent authority;	0	22

	Reporting obligation; (a*)		
4.2.5	Section 11(1) to (4); Application for a company certificate; Reporting obligation; (b*)	0	648
4.2.6	Section 11(5); Ensuring refresher training courses for employees; Reporting obligation	324	648
Total (in thousand EUR)		10 841	52 757
of which arising from reporting obligations (in thousand EUR)		1 024	

* Reference standards are uniformly marked in the column 'Paragraph; Description of the requirement'.

Requirement 4.2.1 (further requirements): Conversion into new certificates of expertise and regular refresher training courses; Section 6(1) in conjunction with Sections 8 and 9

F-gases are used in various applications. Anyone who carries out activities related to F-gases must already demonstrate certain knowledge and skills and obtain a certificate of expertise for this purpose. In accordance with the new F-gas Regulation (EU) 2024/573 and the associated implementing regulations with minimum requirements for certification, the regulatory project envisages, inter alia, an extension of this certification obligation to additional facilities, additional F-gases and relevant alternatives. It is not assumed that new groups of people will be subject to certification as a result. The implementing regulations formulate new minimum requirements for certification, which in the future must be met by all those subject to certification. This will result in **one-off compliance costs** by 2029 due to the necessary conversion of existing certificates of expertise for the full exercise of activities at fixed facilities pursuant to Section 7(1) and for activities at mobile facilities pursuant to Section 7(2). In addition, there will be **annual compliance costs** from 2032 onwards, as for the first time there is a requirement for holders of certificates of competence in both fields of activity to attend a refresher training course every seven years. The new regulations will result in additional expenditure in the form of refresher training courses (see requirement 4.2.1) and for the submission (see requirement 4.2.2) and processing of applications for the issuance of certificates of expertise (see requirement 4.2.3).

One-off compliance costs

Number of cases	Time expenditure per case (in minutes)	Hourly pay (in EUR)	Material costs per case (in EUR)	Personnel costs (in thousand EUR)	Material costs (in thousand EUR)
54 000	240	44.20	250.00	9 547	13 500
56 250	240	44.20	250.00	9 945	14 063
Compliance costs (in thousand EUR)				47 055	

For the activities mentioned in **Section 7(1)** carried out primarily in **stationary facilities**, the Draft Regulation provides two options whereby natural persons who are already certified can obtain new certificates of expertise required for the future performance of these activities by 2029. On the one hand, they can complete a refresher training course (see Section 8(1)). On the other hand, the existing knowledge and skills of those who have successfully completed a technical or craft vocational training programme whose final examination adequately covers the relevant content for the performance of the activity (see Section 7(3)) are considered sufficient.

There are no official or non-official statistics on the number of individuals already working in the area of stationary facilities (Section 7(1)) as outlined above. Based on estimates by experts from the business community, a conservative figure of 80 000 is assumed, of whom 90 per cent (i.e. 72 000) will have to convert their certificates of expertise – the remainder will

not be required to do so as they are approaching retirement age. In addition, it can be assumed that around 25 percent of these employees (i.e. 18 000) fall under the provisions of Section 7(3) and are therefore not required to attend a course or take a separate examination. This results in a case number of 54 000 ($= (80\,000 * 0.9 * 0.75)$) for Section 7(1).

According to industry representatives, the time and costs involved in participating in a refresher training course in accordance with Section 9(1) can be estimated at around four hours and EUR 250 if existing practical skills can be demonstrated by means of a self-declaration, thereby eliminating the need for a practical course component. Since, not least for reasons of occupational safety and insurance considerations, employees of reputable companies generally already have the necessary theoretical knowledge and practical skills from their existing work with F-gases and relevant alternatives, it is assumed that all those required to take part in such short refresher training courses will do so online.

In total, participation in refresher training courses for converting certificates of expertise in line with the new certification requirements will cost, at an hourly rate of EUR 44.20 (see guidelines, Appendix 6, Economic Section C, average qualification level), a one-off expenditure of around EUR 23 million ($= 54\,000 * (4 * 44.20 + 250)$).

For the activities on mobile facilities mentioned in Section 7(2), the Draft Regulation provides two options for individuals who are already certified to obtain a new certificate of expertise. If the relevant conditions are met, the provisions of Section 7(3) also apply to this group of people; the others must take a refresher training course (see Section 8(1)).

Based on information provided by experts, the number of people already working in the mobile facilities sector outlined above (Section 7(2)) is conservatively estimated at 10 000 in the refrigeration and air conditioning technology sector. In addition, based on a survey of motor vehicle repair shops and the assessment of an association, it is estimated that around 70 000 employees in the motor vehicle maintenance and repair sector hold a certificate of expertise. As described above, it is also assumed that 90 per cent will convert their certificates of expertise and that no individuals from the refrigeration and air conditioning sector and around 25 per cent from the automotive sector will fall under the provisions of Section 7(3). Based on these assumptions, it can be assumed that approximately 56 250 ($= (10\,000 + 70\,000 * 0.75) * 0.9$) people will participate in a refresher training course to convert their certificate of expertise.

The time and costs involved in attending a refresher training course for the purpose of converting certificates of expertise into the new certification requirements are also estimated at around four hours and EUR 250. Participation in refresher training courses for the purpose of converting certificates of expertise under the previous legal system will result in one-off costs of EUR 24 million ($= 56\,250 * (4 * 44.20 + 250)$) at an hourly wage rate of EUR 44.20.

The **total one-off expenditure** incurred in the years **up to 2029** amounts to approximately EUR 47 million.

Annual compliance costs

Number of cases	Time expenditure per case (in minutes)	Hourly pay (in EUR)	Material costs per case (in EUR)	Personnel costs (in thousand EUR)	Material costs (in thousand EUR)
11 500	240	44.20	250.00	2 033	2 875
11 500	240	44.20	250.00	2 033	2 875
Change in compliance costs (in thousand EUR)				9 816	

According to Section 6(1)(2), after the initial issuance of the certificate of expertise for the extended scope of Regulation (EU) 2024/573, certification must be renewed at least every seven years. This is done by attending a **refresher training course** in accordance with Section 9(1). Based on approximately 160 000 natural persons who will be working in the

areas mentioned in Section 7(1) and (2), an average of around 23 000 persons (11 500 for Section 7(1) and 11 500 for Section 7(2)) will attend a corresponding course each year. With a time expenditure of around four hours, material costs of EUR 250 for the course – here too, it is assumed that practical experience is generally available – and an hourly wage rate of EUR 44.20, the **annual compliance costs** amount to around EUR 10 million. This expenditure is expected to arise **at the earliest in 2032**, when the first cohorts take their first refresher training courses following the conversion of current certificates of expertise.

Requirement 4.2.2 (reporting obligation): Application for a certificate of expertise; Section 6(1)(1) and (2) in conjunction with Section 7; ID 2009061614003201

As was previously the case, natural persons must hold a certificate of expertise in order to carry out activities related to F-gases. While the expenditure involved in applying for a certificate of expertise for the first time remains unchanged under the proposed regulation, additional expenditure will arise because – if the activity is to continue in the future – all natural persons certified under the old legal system will have to convert their certificates of expertise by 2029 (**one-off compliance costs**) and renew them at least every seven years in the future (**annual compliance costs**).

Additional costs will arise for fees payable by the estimated 33 750 persons for issuing certificates of expertise in accordance with Section 7(3). By definition, these costs are not allocated to compliance costs but to other costs (see Section 5).

One-off compliance costs

Number of cases	Time expenditure per case (in minutes)	Hourly pay (in EUR)	Material costs per case (in EUR)	Personnel costs (in thousand EUR)	Material costs (in thousand EUR)
144 000	30	44.20	0	3 182	0
Compliance costs (in thousand EUR)				3 182	

For the entire cohort of individuals certified under the previous legal provisions who are **required to convert their existing certificates of expertise**, it is assumed that they will need to spend an average of around 30 minutes on the application process (see the StBA's online database of compliance costs (OnDEA), ID 2009061614003201).: In the cases referred to in Section 7(3), the application must be submitted to the issuing authorities together with the relevant documents. Assuming that, in the cases referred to in Section 8(1), the training providers automatically issue the certificate upon successful completion of a refresher training course, course registrations are made instead of application letters and self-declarations are completed. Assuming 144 000 (= 160 000 * 0.9) conversions of certificates of expertise under the previous legal situation (see Requirement 4.2.1) and an hourly wage rate of EUR 44.20, this will result in a one-off cost of around EUR 3.2 million. All one-off costs are spread across the **years up to 2029**.

Annual compliance costs

Number of cases	Time expenditure per case (in minutes)	Hourly pay (in EUR)	Material costs per case (in EUR)	Personnel costs (in thousand EUR)	Material costs (in thousand EUR)
23 000	30	44.20	0	508	0
Change in compliance costs (in thousand EUR)				508	

The requirement to attend a refresher training course at least every seven years results in an average of around 23 000 (= 160 000 / 7) applications per year (see Requirement 4.2.1). This is expected to result in annual expenditure of around EUR 508 000. This expenditure is expected to arise **at the earliest in 2032**, when the first cohorts take their first refresher training courses following the conversion of current certificates of expertise.

Requirement 4.2.3 (reporting obligation): Processing applications for issuing certificates of competence by chambers, guilds and recognised bodies; Section 6(1) points 1 and 2 in conjunction with Sections 7 and 12

Certificates of expertise are issued by competent or recognised bodies (including companies, chambers of commerce and educational and training institutions) (see Sections 7 and 12).

The compliance costs may be passed on to the chambers and guilds in the form of fees and to the recognised bodies in the form of remuneration paid to the natural persons for whom the certificates of expertise are issued.

One-off compliance costs:

Number of cases	Time expenditure per case (in minutes)	Hourly pay (in EUR)	Material costs per case (in EUR)	Personnel costs (in thousand EUR)	Material costs (in thousand EUR)
144 000	15	33.40	0	1 202	0
Compliance costs (in thousand EUR)				1 202	

Assuming an average processing time of 15 minutes (see Guidelines, Appendix 8 (due to the administrative nature of the work), standard activities 3, 4, 11 and 14 with simple complexity), a wage rate of around EUR 33.40 per hour (see Guidelines, Appendix 6, average for economic sectors P and S, average qualification level) and a case load of 144 000 (see reference standard 4.2.2), this results in a **one-off expenditure of EUR 1.2 million**. The one-off cost is again spread over the **years up to 2029**.

Annual compliance costs:

Number of cases	Time expenditure per case (in minutes)	Hourly pay (in EUR)	Material costs per case (in EUR)	Personnel costs (in thousand EUR)	Material costs (in thousand EUR)
23 000	15	33.40	0	192	0
Change in compliance costs (in thousand EUR)				192	

Based on the assumptions for the one-off compliance costs and 23 000 cases (see reference standard 4.2.2), this results in **annual costs of EUR 192 000** for the **years from 2032 onwards**.

Requirement 4.2.4 (reporting obligation): Application for recognition as a competent body; Section 10(1) to (3); ID 2009061614003202

One-off compliance costs: EUR 22 000

If training and further education institutions and companies wish to issue certificates of expertise or conduct examinations, training programmes and refresher training courses, they must be recognised by the competent authority (see Section 10(1) to (3)). Since regulations on recognition already exist, the proposed regulation will only result in additional compliance costs for the submission of applications for recognition for the implementation of the new elements for the examinations, the training programmes and the refresher training courses, as well as for the processing of these applications by the competent authorities (see reference standards 4.3.1).

According to estimates by industry and government representatives, it can be assumed that around 200 institutions and companies will apply for recognition once the legal changes come into force. It can be assumed that only these institutions will be recognised for the provision of refresher training courses. According to OnDEA (see ID 2009061614003202), it takes around three hours to submit an application; this includes compiling and submitting documentation on personnel and equipment. At an hourly wage of EUR 36.40 (see

Guidelines, Appendix 6, Economic Section P, average qualification level), the one-off costs amount to EUR 22 000.

The compliance costs may be passed on via the fees charged to the natural persons who are issued a certificate of expertise or who are certified as having participated in a refresher training course.

Requirement 4.2.5 (reporting obligation): Application for a company certificate; Section 11(1) to (4); ID 2009061614003203

One-off compliance costs: EUR 648 000

As was previously the case, legal entities and associations of persons will also have to obtain certification in the future if they carry out the activities related to F-gases addressed in the Draft Regulation (see Section 11). The new regulations stipulate that **all company certificates must also be renewed** due to the new requirements for certificates of expertise. In addition, the competent authorities are now expressly granted the option of attaching additional provisions to company certificates, thereby, inter alia, limiting their validity in terms of time (see reference standard 4.3.2). If an economic entity is a **sole proprietorship, no company certification is required**, as the certificate of expertise held by the natural person is sufficient.

No central statistics on the number of companies affected are available. Based on information from one federal state on company certificates already issued there and expected to be issued in the future, the **number of companies operating nationwide** (legal entities, sole proprietorships and associations of persons) can be conservatively estimated at around 21 000. This figure is subject to considerable uncertainty and, based on current knowledge, represents a cautious estimate at the lower end of the range of companies that may be affected. According to expert estimates, **sole proprietorships account for around 20 per cent** of all businesses, meaning that only the remaining businesses are expected to submit a one-off total of around 17 000 applications for the purpose of converting their certifications. Based on information from the business community and data from the Federal Statistical Office of Germany (OnDEA, ID 2009061614003203), the time required for each case can be estimated at 30 minutes. At an hourly wage of EUR 76.20 (see Guidelines, Annex 6, Economic Section C, high level of qualification), this results in **one-off costs** of around EUR 648 000. All one-off costs are spread across the **years up to 2029**.

It is assumed that company certificates will **rarely be limited in time**, so that the resulting annual compliance costs are negligible.

Furthermore, companies incur costs for certification, as they have to pay fees for administrative processing. By definition, these costs are not allocated to compliance costs but to other costs (see Section 5).

Requirement 4.2.6 (reporting obligation): Ensuring refresher training courses for employees; Section 11(5)

In the future, companies will have to ensure that their **employees attend refresher training courses every seven years** (see Section 11(5)). Apart from sole proprietorships, which will no longer require a company certificate in future, the remaining 17 000 or so companies (see Requirement 4.2.5) will incur costs as a result of this requirement.

One-off compliance costs:

Number of cases	Time expenditure per case (in minutes)	Hourly pay (in EUR)	Material costs per case (in EUR)	Personnel costs (in thousand EUR)	Material costs (in thousand EUR)
17 000	30	76.20	0	648	0
Compliance costs (in thousand EUR)				648	

It is estimated that each company will incur a **one-off time expenditure** of around 30 minutes. They will need to familiarise themselves with the requirements and implement a suitable controlling tool; a simple Excel spreadsheet should suffice. Overall, one-off costs of around EUR 648 000 can be expected for this reporting obligation.

Annual compliance costs:

Number of cases	Time expenditure per case (in minutes)	Hourly pay (in EUR)	Material costs per case (in EUR)	Personnel costs (in thousand EUR)	Material costs (in thousand EUR)
17 000	15	76.20	0	324	0
Change in compliance costs (in thousand EUR)				324	

It is estimated that each company will incur an annual **time expenditure of around 15 minutes**. There will be ongoing costs for maintaining the controlling system and providing internal documentary evidence of updated certificates of expertise. Overall, the annual costs of this reporting obligation can be estimated at around EUR 324 000.

4.3 Compliance costs for government agencies by specification

Below is a description of the compliance cost estimate for government agencies for each specification.

Table 2: Change in compliance costs for the authorities

Requirement	Paragraph; Designation of the requirement; Administration level	Annual compliance costs (in thousand EUR)	One-off compliance costs (in thousand EUR)
4.3.1	Section 10(1) to (3); Processing applications for recognition as a competent authority; Country; (a*)	0	26
4.3.2	Section 11(1) to (4); Processing applications for company certificates; Country; (b*)	0	2 203
4.3.3	Section 17(2) in conjunction with Section 6(1)(2); Conducting administrative offence proceedings; Country	4	0
Total (in thousand EUR)		4	2 229
of which incurred at the federal level (in thousand EUR)		0	0
of which on the Land level (in thousand EUR)		4	2 229

* Reference standards are uniformly marked in the column 'Paragraph; Description of the requirement'.

Requirement 4.3.1: Processing applications for recognition as a competent body; Section 10(1) to (3)

One-off compliance costs of the federal states: EUR 26 000

The competent authorities have to process applications for new recognition as the competent body for conducting examinations and refresher training courses, as well as for issuing certificates of expertise and certificates of attendance at refresher training courses. A **one-off figure total of 200 applications** are expected (see reference standard 4.2.4).

Based on information provided by a federal state and the time value table for administration (see Guidelines, Appendix 7), the time required to process an application is estimated at around three hours in the higher civil service with an hourly wage of EUR 43.20 (see Guidelines, Appendix 8). Consequently, the one-off costs are estimated at EUR 26 000.

Requirement 4.3.2: Processing applications for company certificates; Section 11(1) to (4)

One-off compliance costs of the federal states: EUR 2 203 000

The one-off processing of the 17 000 applications for company certificates (see reference standard 4.2.5) will cost the competent authorities around EUR 2.2 million, based on an hourly wage of EUR 43.20 and an estimated time expenditure of approximately three hours per case (estimate by one federal state).

It is assumed that company certificates will rarely be limited in time, so that the resulting annual compliance costs are negligible.

Requirement 4.3.3: Conducting administrative offence proceedings; Section 17(2) in conjunction with Section 6(1)(2)

Annual compliance costs of the federal states: EUR 4 000

Performing activities without meeting the personal requirements already constitutes an administrative offence (see Section 17(2) in conjunction with Section 6(1)). The new obligation to **regularly attend refresher training courses** (see Section 6(1)(2)) extends the scope of administrative offences, meaning that additional procedures are to be expected.

No useful information is currently available from previous administrative practices. It is therefore assumed that companies and employees will generally comply with the regulations. In addition, it can be assumed that the competent authorities will not impose fines for minor omissions in particular, in accordance with their discretionary powers (see Section 47 OWiG). In total, the **number of additional procedures is therefore estimated at 100**.

For the administrative offence proceedings, it can be assumed that all proceedings initially involve **an average case-related expenditure of around 50 minutes** (see Guidelines, Annex 7, Standard activities 1, 5, 11, 13 and 14, simple complexity). In cases where fines are imposed and enforced in addition to the written hearing, the case-related effort is increased by a further 25 minutes (see Standard activities 6, 7 and 12, simple to medium complexity), to a total of 75 minutes per proceeding. Material costs are to be taken into account at two euro per letter.

Assuming **90 simple and 10 more complex procedures**, this results in an annual expenditure of around EUR 4 000 at an hourly wage rate of EUR 43.20.

5. Other costs

Due to the legal changes, it is estimated (see Requirements 4.2.1 and 4.2.2) that a one-time total of 33 750 (18 000 pursuant to Section 7(1) and 15,750 pursuant to Section 7(2)) additional applications for issuing a certificate of expertise pursuant to Section 7(3) will be submitted. Chamber of Skilled Trades and Crafts, Chambers of Commerce and Guilds will charge fees for this, which, according to information from an association, can be set at EUR 50. This means that **one-off charges of EUR 1.7 million** will be incurred.

Companies must pay fees for the issuance of **17 000 one-off company certificates** (see Requirement 4.2.5). These vary between federal states and can range from EUR 150 to EUR 1 000. Assuming average charges of EUR 500, this will result in additional **one-off costs of EUR 8.5 million** for the affected industry.

6. Further regulatory consequences

The Regulation has no impact on consumers, gender equality policy or demographics. As a federal regulation, it ensures that living conditions remain equivalent.