

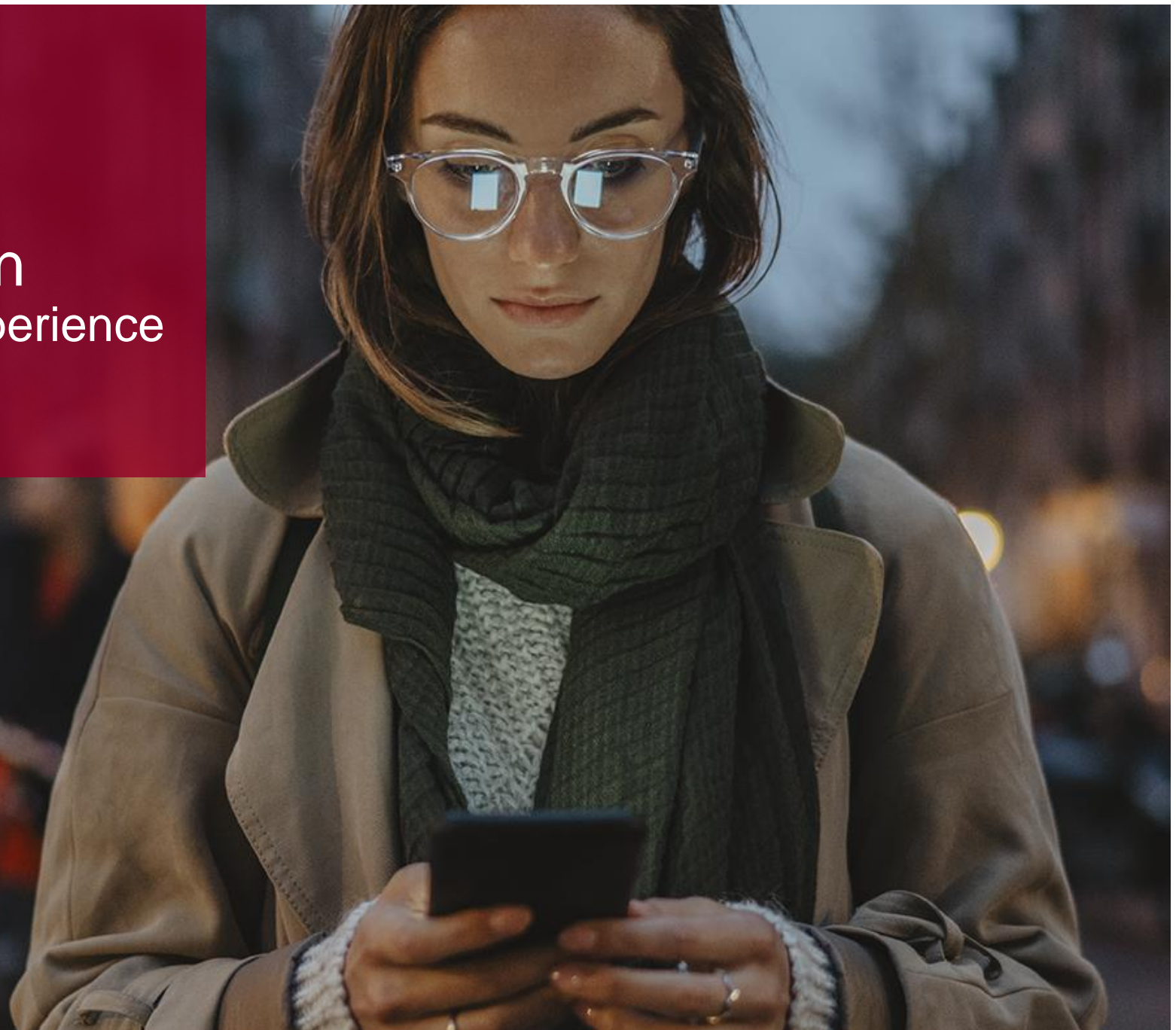


AGENCY FOR DIGITISATION
MINISTRY OF FINANCE

Digital-ready legislation

Lessons from the Danish experience

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Introduction

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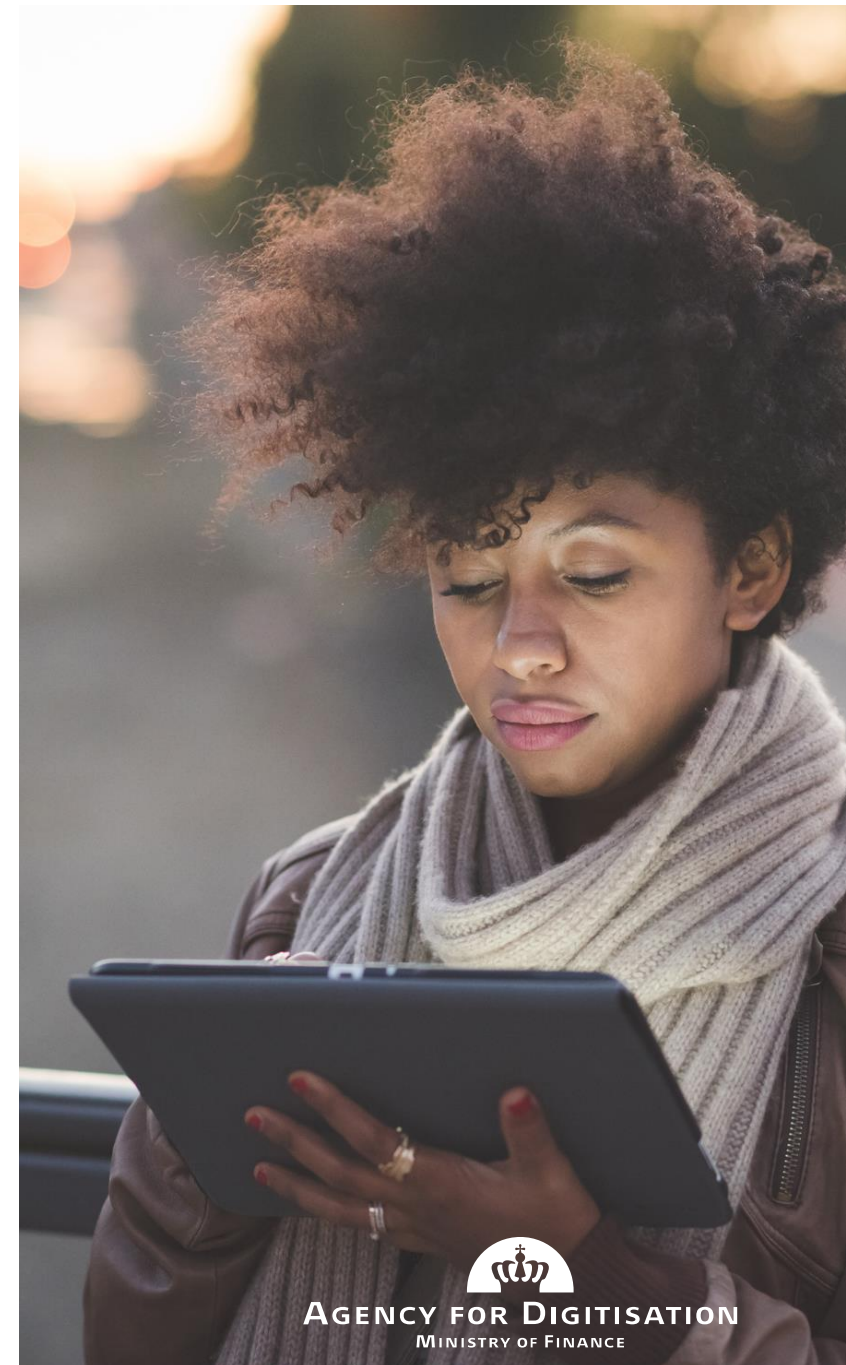
<https://en.digst.dk/policy-and-strategy/digital-ready-legislation/>



Kristoffer Nilaus Olsen

Agenda

1. Background for the Danish work on digital-ready legislation
2. How to make legislation digital-ready
3. The process put in place
4. Some examples of digital-ready legislation
5. Learning points after three years
6. International interest and perspectives moving forward
7. Questions and discussion





1. Background

Why should legislation be "digital-ready"?

Problem

Complex and imprecise “patchwork rules” can make it difficult to implement and administer regulation – also digitally

Reasons

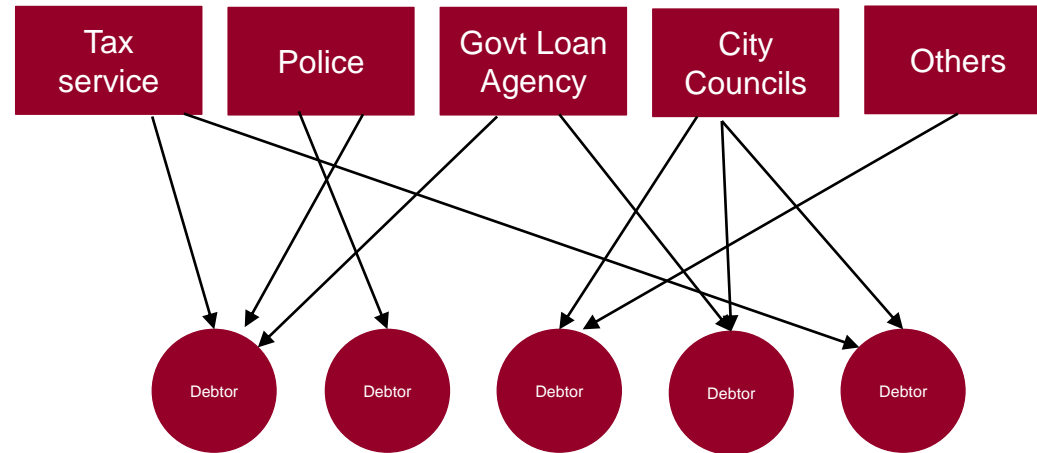
- Many exceptions and vague terms
- Unnecessary, manual decisions
- Inconsistent definitions of terms
- Complex and analogue procedural requirements

Example: Centralised debt collection – the idea

An attempt to centralise collection of debt owed to public authorities

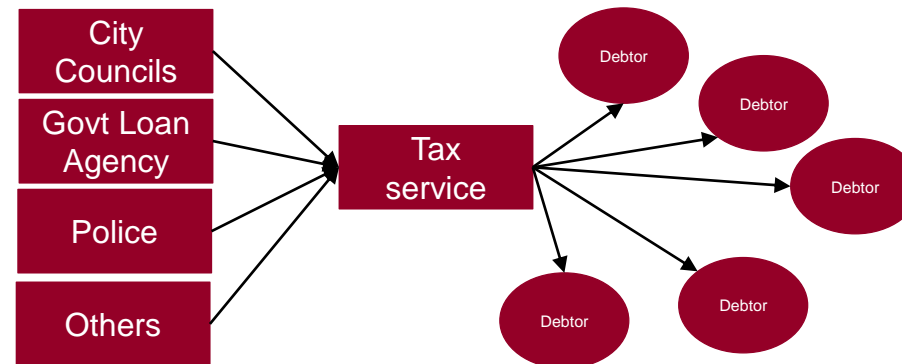
Before (2003)

In 2003 government debt collection was spread across 5 entities employing a total of 2,300 FTE's for this purpose.

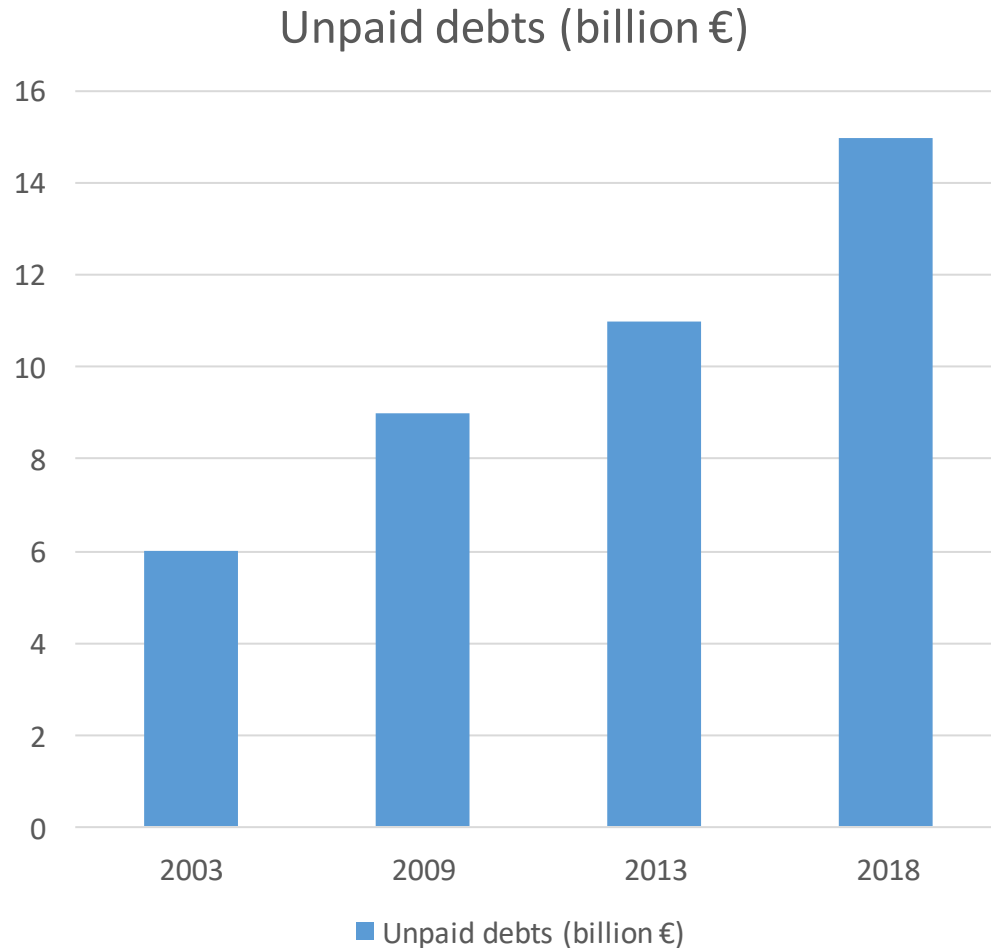


The vision (2007)

To centralise collection of unpaid debts utilising the tax service's ability to automatically deduct debt payments from debtors' salaries and reducing the need for costly, bailiff-based collection.



Example: Centralised debt collection – how it happened



How it went

- Implementation of digital solution started in 2005 and expected to be ready by 2007
- Delivery of solution was delayed until 2013 because of errors in implementation
- Stand still in debt collection from 2015 because errors in implementation led to potentially unlawful administration
- Solution was never successful and in 2017 it was decided to scrap it and start over with a prior focus on legislation

Example: Centralised debt collection – what went wrong?

1. Highly complex legal basis with different sets of rules for different types of debt resulting in inconsistent definitions depending on the type of debt:

- Different interest rates
- Different term limits
- Different fees
- Different opportunities for appeal
- Different possibilities to withhold wages and tax returns

2. Incomplete and inconsistent data regarding the individual debt



The initiative

- Political agreement in January 2018 across party lines that provides a strong mandate and political awareness
- New legislation must be digital-ready from July 2018
- Mandatory focus on implementation of legislation
- Seven principles to guide the design of legislation
- Better digital services for citizens and more effective administration

2. How to make legislation digital-ready



#1 – Simple and clear rules



#2 – Digital communication



#3 – Possibility of automated case processing



#4 – Consistency through uniform concepts and reuse of data



#5 – Safe and secure data handling



#6 – Reuse of public infrastructure



#7 – Prevention of fraud and errors

Mandatory to incorporate a **description of digital implementation impacts** as part of new legislation, government decisions and political agreements.

It's not rocket science – just good practice!

3. The process put in place

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Recommendations from consultation response incorporated in 2/3 of cases

- Secretariat screens draft legislative programme in May and notifies ministries of relevant proposals
- Secretariat receives relevant draft proposals from ministries in pre-consultation six weeks prior to public consultation
- More elaborate early dialogue about selected proposals
- Roughly 100 consultation responses produced per cycle

4. Some examples of digital-ready legislation

Defining threshold for reporting obligation

Problem

It is mandatory for agricultural producers over a certain size to report their use of fertilizers.

Solution

Setting the threshold as a function of farmland in use as opposed to revenue from agricultural production.

How is this smart administration

Objective criterion can be determined by publicly available land registers and applications for farm subsidies.

What principles enable this

Principle #3 on objective criteria and principle #4 on data reuse



Digital enforcement of environmental zones

Problem

Access to urban areas is restricted to low-emission vehicles.

Solution

Legislatively defining responsibility for violation of access restriction to owner of vehicles.

How is this smart administration

Enables automatic administration through license plate scanners and lookup in central vehicle registers as an alternative to heavy-handed manual enforcement.

What principles enable this

Principle #3 on objective criteria and principle #4 on data reuse



Stimulus check to 2,2 mio. benefits recipients

Problem

A need to quickly determine eligibility to receive stimulus check of 150€

Solution

Objective rule defining types of benefits for which recipients are eligible and the date for which a list is generated.

Automatic payments to 2,2 million recipients without significant casework. Opportunity retained to apply to receive the check.

How is this smart administration

Enables fully automatic handling of payment while retaining the legal safeguards for claimants who may not have received the check automatically – fx in the case of flaws in data.

What principles enable this

Principle #3 on objective criteria and principle #4 on data reuse.



Automatic control of company accounts

Problem

A need to improve control with company accounts.

Solution

Legislatively enable business authority to conduct automated checks on digital company accounts in the process of them being filed.

The checks are based on objective criteria in order to spot errors and fraud before accounts are accepted for submission.

How is this smart administration

Enables fully automatic screening of company accounts to ensure a baseline level of quality in submissions while freeing up manual resources to conduct targeted audits of accounts with risk profiles.

What principles enable this

Principle #3 on objective criteria and principle #7 on preventing errors and fraud.



Establishing legal clarity on inadequate registrations of unpaid debt

Problem

A need to 'data wash' 24 million records on debt owed to the government registered with varying practices.

Solution

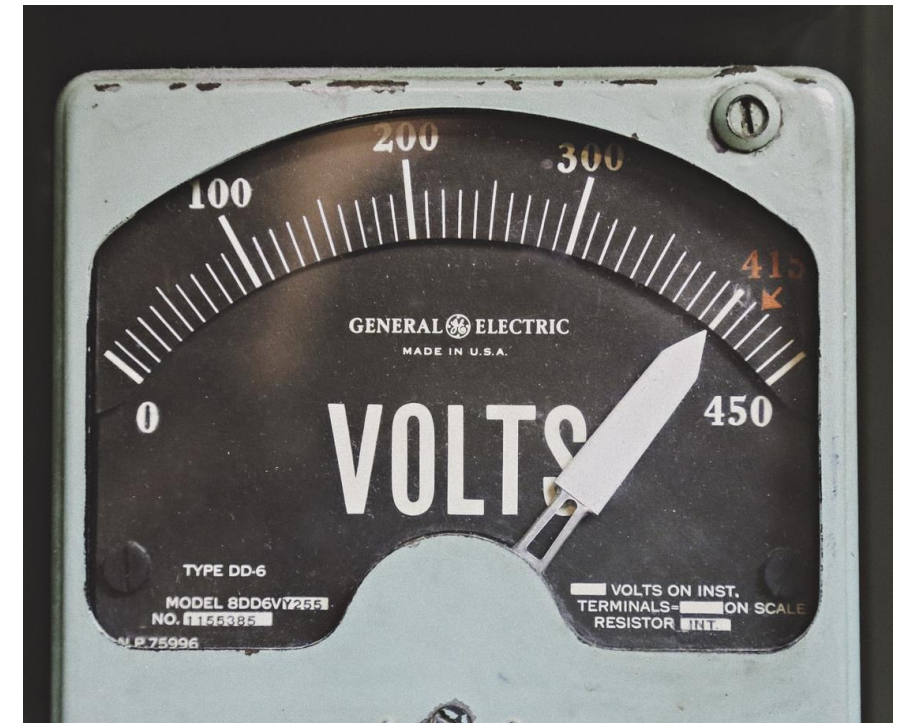
Establish common, clear rules on the premises that apply when data registered regarding debt owed to the government is potentially ambiguous.

How is this smart administration

Establishes clarity for debtors on their rights while freeing the authorities from the obligation to manually inspect 24 million data records covering unpaid debt to a value of 2 billion €.

What principles enable this

Principle #1 on simple and clear rules and principle #4 on consistency through uniform concepts and reuse of data.



5. Learning points after three years

- Strong mandate from political agreement gives process leverage
- Mandatory, light-weight screening and consultation process invaluable as a "daily reminder"
- Emphasis on providing value and being perceived as constructive and pragmatic partner
- Further work to be done on "legacy legislation", secondary legislation and political agreements

6. Perspectives going forward and international interest

- Dialogue with liked-minded peers in Austria, Netherlands, Germany, Canada, Norway, European Commission, OECD and many other places
- Improve the mechanism for revising legacy legislation
- Prioritise further involvement in formulation of early policy proposals

7. Questions?






Principle #1 Simple and clear rules

- Simple and clear legislation is easier to understand for citizens as well as businesses
- Makes it easier to administer and contributes to a more uniform administration and digital legislative support



Principle #2 Digital communication


- Legislation must enable digital communication with citizens and businesses
- Legislation should be worded so as to accommodate future technological development – technology-neutral



Principle #3 Possibility of automated case processing

- The legislation should support complete or partial digital administration of the legislation
- The automated parts of the decision must be able to be made according to strictly objective criteria
- Objective rules should only be applied when it makes sense and where professional discretion is not required.






Principle #4

Consistency across authorities – uniform concepts and reuse of data

- In order to create cohesion across the public sector, the specific ministry should consider whether it is possible to draw on data from existing public registers as a basis for administration of the legislation
- Concepts should be defined clearly, unambiguously and consistently



Principle #5 Safe and secure data handling

- A high degree of digitisation requires a high prioritisation of data security
- Citizens and businesses should have easy access to data on themselves held by an authority in order to create transparency and facilitate trust



Principle #6 Use of public infrastructure

- Public authorities should use existing public infrastructure to ensure the largest degree of reuse and facilitate cohesion across authorities
- NemID, Digital Post, NemKonto and eIndkomst



Principle #7 Prevention of fraud and errors

- The possibility of subsequent control and prevention of fraud and errors should be taken into account
- It should be determined whether legislation opens up new opportunities for fraud
- If personal data is processed for control purposes it must take place within the framework of the data protection legislation and with the necessary legal authority