



# **Services Directive: state of play in national transposition**

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# Importance of services

- In Europe: 70% GDP, 68% employment, 96% new jobs and 30% exports
- In Iceland: 68.5% GDP, 76% employment
- In US: 79% GDP, 78% employment



# Not yet a real single market

- Services: only 20% intra-EU trade
- Why? Too many barriers
  - ✓ divergent national, regional and local laws
  - ✓ administrative obstacles: quantitative restrictions, registration requirements, aptitude/economic tests
  - ✓ lack of confidence between Member States and protectionist tendencies
- SMEs prevented from taking advantage of the Single Market



# Services Directive

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- Adopted on 27 December 2006
- Transposition deadline: 28 December 2009
- Internal Market instrument intended to remove barriers to establishment and cross-border provision of services
- Horizontal approach as opposed to sector-by-sector harmonisation



# Expected benefits of the Directive

- Simpler and more common rules:
  - ✓ revision of national rules and procedures
  - ✓ notification on national requirements
- Less red tape and bureaucracy:
  - ✓ point(s) of single contact, better information and easier formalities
  - ✓ electronic procedures
- Administrative cooperation:
  - ✓ trust and assistance between authorities



# Ready, Steady, Service!

Report on transposition of the Services Directive

November 2008



# BUSINESSEUROPE report

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- Based on information from BUSINESSEUROPE national federations
- Covers all EU Member States, excluding Romania and Latvia, plus Iceland and Norway (EEA countries)
- Replies weighted by gross value added by national services sectors
- Facts may change as national transposition continues



# National Screening

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## Member States:

- to review and simplify existing rules and procedures relating to services covered
- to report on existing service requirements on establishment and free movement of services
- to remove unjustified restrictions and keep requirements only if non-discriminatory, proportionate and justified by overriding reasons of public interest





# BUSINESSEUROPE key findings

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- All countries have started screening but progress is often slow and fragmented
- Lack of information and adequate stakeholder consultation from national authorities
- Less administrative burden expected in 17 countries (54% of services market)
- In 8 countries (26%) no substantial changes are expected



# Point(s) of single contact

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- Member States to set up a single contact where service providers and recipients can:
  - ✓ obtain relevant information
  - ✓ complete necessary formalities
- Point(s) must be also accessible to providers and recipients from other Member States
- Member States free to decide who carries out tasks of point(s) of single contact
- Bureaucracy, time and costs should be reduced



# BUSINESSEUROPE key findings

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- No one-size-fits-all model of point of single contact, various models under consideration
- 19 countries (60% of services market) plan combination of electronic and physical points
- 10 countries (29%) envisage more than one point of single contact
- In 23 countries (86%), points will fulfil the two tasks (in Ireland, only for information)



# Electronic procedures

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- Access to information and completion of formalities must be possible at distance, by electronic means
- Smooth operation and compatibility of electronic procedures must be possible at national and EU level
- Development of e-government, cross-border and national interoperability of electronic tools and procedures play paramount role:
  - ✓ for facilitation of establishment
  - ✓ for provision of services



# BUSINESSEUROPE key findings

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- In 14 countries (45% of services market) governments' efforts on e-procedures are insufficient
- Disparate national approaches for e-signatures, e-certificates and authentication
- General concerns about difficulties of ensuring interoperability of e-procedures
- 15 countries (38%) to use English in addition to official national language(s)



# Freedom to provide services

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- Legal certainty and removal of obstacles to cross-border provision of services at heart of directive
- Member States are able to impose national requirements on foreign service providers if certain strict conditions are met
- By 28 December 2009, Member States to report to Commission on national requirements applicable to foreign service providers with justifications



# BUSINESSEUROPE key findings

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- 22 countries (85% of services market) to transpose via new horizontal law with amendments to relevant sectoral laws
- All federations believe notification obligations by national governments are important or very important for legal certainty
- Many federations believe too much room for interpretation of article 16 is left to Member States and expect frequent recourse to ECJ



# Better regulation

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- Key for competitiveness and confidence in Single Market
- Legislation must be simple, clear and cost-effective, and reduce administrative burden
- It means:
  - ✓ meeting transposition deadlines
  - ✓ impact assessment
  - ✓ consultation of representative stakeholders
  - ✓ use of adequate and accurate evidence/data





# BUSINESSEUROPE key findings

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- Dialogue with private sector generally satisfactory except in Greece, Norway, Portugal, Slovakia and Slovenia
- 17 countries (65% of services market) are expected to meet transposition deadline
- In 9 countries (33%), risk of partial delays in:
  - ✓ implementation of electronic procedures
  - ✓ point(s) of single contact
  - ✓ cooperation between public authorities



# Priorities for action by Member States

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1. Increase efforts to accomplish high quality, uniform and timely transposition
2. National screenings to be speeded up and lead to simplification and modernisation of existing national rules



## Priorities for action

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3. Point(s) of single contact to be equipped and staffed to fulfil provision of relevant information and completion of formalities
  
4. Electronic procedures and interoperability to be developed:
  - Use of foreign languages, particularly English to be promoted



## Priorities for action

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5. EU-wide public registry to be created with information on national transposition
  - E.g. website in all EU languages
  
6. Consultation with representative stakeholders, including leading national business federations to be strengthened



# Priorities for action

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7. National governments to organise broad communication campaign with assistance of Commission to explain opportunities created by directive



# **BUSINESSEUROPE message**

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Thank you for your attention!

Information on the Services Directive is available at: [www.businessseurope.eu](http://www.businessseurope.eu)

