



3 September 2009

THE SERVICES DIRECTIVE: THE MOMENT OF TRUTH

Every Member State must complete the legislative and administrative transposition of the Services Directive by 28 December 2009.

High quality, uniform and timely transposition is essential in realising the directive's full benefits for citizens and companies. For businesses, especially SMEs, the directive has the potential to remove many of the remaining barriers to the free movement of services and help develop cross-border trade. In addition, this directive should simplify existing legislative and administrative procedures and modernise the way public administrations operate and cooperate with each other. In these times of economic difficulties, reinvigoration of the Single Market is indispensable.

With the end of the transposition phase approaching, the business community is concerned to see that transposition is progressing at a different pace in the Member States and that the quality of transposition work also varies widely from country to country.

In particular, wide divergences are observed as regards progress made in the different Member States in adapting their legislation, in setting up the Points of Single Contact (PSCs), and in the use and interoperability of electronic procedures, which are elements of particular importance for SMEs.

From 2010, we will enter a new decisive phase where the direct effects of the Services Directive are expected to become visible. The mutual evaluation process programmed for 2010 will assess the quality of the transposition and identify gaps and areas for further improvement. Adequate and focused consultation of the private sector is of utmost importance for the success of this process as well as active involvement of all the Member States.

BUSINESSEUROPE urges relevant authorities at European, national and local level to provide the necessary financial and human resources not only to ensure a high quality and robust transposition by the deadline, but also to monitor the smooth functioning of the key elements of the directive, as stated above.

Last but not most definitely not least, the EU Commission and national governments should, in cooperation with the leading national business organisations, make particular efforts to communicate and inform companies, especially SMEs, about the advantages and opportunities that the directive will create if properly implemented.

Services Directive: implementation priorities

1. Points of Single Contact and the use of electronic procedures

The Directive says:

PSCs must be set up to provide information to domestic and foreign service providers and assist them in completing the necessary procedures and formalities concerning establishment and/or provision of services in a given Member State. This must be made possible at a distance and by electronic means.

The reality shows:

National governments are experiencing challenges with setting up the PSC, especially those with a decentralised territorial organisation, where particular attention must be paid to ensure that providers can easily find the right PSC. In some countries, work to set up a fully-fledged PSC is lagging behind and business fears that some PSC risk being no more than a collection of links to relevant authorities.

In addition, disparate national approaches for electronic tools (as regards the use of e-signatures, e-certificates or online authentication) could affect their interoperability and the use of PSCs by providers.¹

Regardless of the model of PSC selected, it is of vital importance to their usefulness and efficiency that PSCs respond to the needs of its users, namely companies and in particular SMEs. Before launch of the PSC and operation of e-tools, it is important that the various options are tested with the potential users via methods such as business panels and pilot projects.

A well-functioning PSC should:

- Be adequately financed and staffed, particularly as regards information technology equipment (ICT) and specific training of its personnel.
- Make information easily available including the contact details of national and foreign PSCs.
- In the case of several national PSCs, the mandate, tasks and responsibilities of the central and the regional points must be clearly established and it must be ensured that providers can easily find the right PSC.
- Use English in addition to national official languages. Languages of neighbouring countries and/or of those countries with which there are significant commercial relations should also be promoted.

¹ More information on PSCs and electronic procedures can be found in BUSINESSEUROPE's report on the transposition of the Services Directive "Ready, Steady, Service!" of November 2008. Available at: <http://212.3.246.117/Common/GetFile.asp?DocID=22197&logonname=guest&mfd=off>



- Provide the required services on the PSC free of charge or any additional services at reduced fees.
- Ensure good coordination between all relevant competent authorities at central, regional and local level having direct responsibilities in the functioning of the PSC.
- Be easily recognisable and well-known to service providers via the use of an EU brand or logo and information campaigns in cooperation with business organisations.
- Adopt a user-friendly and pragmatic approach to e-identification and authentication systems, security of transactions and language technologies to facilitate the interoperability of national and EU systems.
- Develop guidelines, step-by-step guides and seminars for service providers on the use of PSCs and available e-tools.

2. The 2010 mutual evaluation phase

The Directive says:

Member States must present to the Commission a report containing their screening results before the transposition deadline. The Commission will circulate all the reports to the Member States, which must submit their views on each of the reports within six months of receipt. Within the same time period, the Commission will consult interested parties on the reports. The Commission will analyse these observations and present a report no later than 28 December 2010 to the Council and the European Parliament, accompanied where appropriate by proposals for additional initiatives.

The reality shows:

The Services Directive does not provide for specific guidelines on how to conduct and organise the mutual evaluation process. Various difficulties exist, particularly dealing with the sheer volume of information provided in the national reports, multiplicity of languages, the limited time frame and the need to involve the interested parties to assist in the appraisal of the information provided by Member States.

For a useful and efficient mutual evaluation process, it is important to:

- Complete the national screening reports before the end of 2009² and make them publicly available.
- Make sure the Commission and Member States agree on a suitable common methodology to carry out the mutual evaluation exercise based on full transparency, effectiveness and pragmatism.

² More information on the screening process can be found in BUSINESSEUROPE's report on the transposition of the Services Directive "Ready, Steady, Service!" of November 2008. Available at: <http://212.3.246.117/Common/GetFile.asp?DocID=22197&logonname=guest&mfd=off>



- Set up a comprehensive and well-organised consultation seeking input from all relevant stakeholders. This should include:
 - Involvement of the leading national business federations as they represent companies of all sizes that are both providers and users of services.
 - Stakeholder consultation should be focused and pragmatic looking for remaining barriers and requirements that still need simplification.
- Ensure the evaluation is clearly prioritised and focused and that all Member States take an active role.

3. Information and communication: reaching out to SMEs

The Directive says:

The Directive highlights its particular importance for all enterprises but especially SMEs. However, it does not include specific provisions on informing and raising awareness about its effects and benefits.

The reality shows:

Most SMEs are unaware of or insufficiently informed about the Services Directive and the advantages and opportunities created for them. Not much progress is reported on how the Commission and more importantly national governments plan to provide guidance and information to raise awareness amongst the relevant stakeholders.

A well-targeted information and communication campaign is essential. Relevant authorities should:

- Use a wide range of media (TV, radio, newspapers, etc) targeting citizens and companies, particularly SMEs.
- Provide easy-to-understand guidance and information in the form of handbooks, brochures, etc.
- Set up websites and internet portals with all relevant information concerning national transposition of the Service Directive and links to the corresponding websites from other countries.
- Organise expert meetings, conferences and seminars on the implications of the Services Directive.
- Create an EU-wide public registry or website available in all EU languages with the relevant information on national transposition and ensure regular updates.

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