



## Meeting with Michel Barnier

European Commissioner for Internal Market and Services, 10 January 2012

### KEY MESSAGES

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- 1 BUSINESSSEUROPE is a strong supporter of the Single Market and believes the Single Market Act (SMA) is a solid basis to revitalise the Single Market.
  - Swift implementation of the key levers, particularly in the areas directly affecting growth and employment, is crucial and can contribute to getting Europe out of the crisis.
- 2 Correct application and enforcement of existing Single Market rules is fundamental to provide legal certainty for companies and fulfil the expectations of all actors in the Single Market.
  - This must be complemented by a renewed partnership with Member States, which should do more to ensure correct application of EU rules on the ground.
- 3 A dynamic digital single market is a fundamental component for reinvigorating the Single Market. Its full development can drive up productivity and innovation in many “traditional” sectors and greatly benefit society as a whole.
  - Europe needs to unleash the full potential of cross-border e-commerce by removing remaining barriers and reducing the fragmentation of legislation applicable to online trade of goods and services.
- 4 A fully integrated Single Market for services can enhance Europe’s competitiveness and create new jobs. Full implementation of the Services Directive could boost growth by raising EU GDP by up to 1.5%.
  - This includes putting in place well-functioning Points of Single Contact (PSCs) in all Member States, which in turn will result in more choice and better services to citizens and businesses.

### KEY FACTS AND FIGURES

Barriers to the four fundamental freedoms of movement of people, goods, services and capital still represent an untapped economic potential between 275 and 350 billion euro.



## WHAT DOES BUSINESSEUROPE AIM FOR?

There are many other areas that Commissioner Barnier is responsible for that are key for BUSINESSEUROPE. In particular:

- **Public Procurement**

In the area of public procurement, BUSINESSEUROPE believes that there is no pressing need to revise the current legislation. The main problems lie in poor enforcement of the rules at national level and a lack of training amongst contracting authorities over how to apply the rules correctly. In this context, BUSINESSEUROPE asks in particular for:

- Strong safeguards to ensure transparency, market openness and competitive tendering, which are vital to support growth, ensure quality and innovation;
- Simplification as long as it does not jeopardise competition or cause transparency problems;
- Better training and provision of assistance to contracting authorities in preparing and carrying out award procedures.
- The aim of the proposal on third country company access should be to restore a level playing field by triggering the opening of third-country procurement markets.

- **Audit**

With regard to the proposals on audit policy adopted by the Commission on 30 November, BUSINESSEUROPE supports ensuring that European companies have access to high quality audits and that auditors operate independently:

- However, some proposals may have undesirable consequences, such as an increase in the costs of audits and a lowering of the overall quality of audits.
- This is especially true for measures on mandatory rotation of audit firms and limits to the provision of non-audit services, as this would not improve audit quality since it will lead to a significant loss of knowledge of the audit.
- In practice, it has been proven that these skills also develop and improve when an audit firm also performs non-audit services to non-audit clients.

- **Corporate governance and Company law**

In time of crisis, confidence around those who manage and the way that companies are managed is needed. Good and efficient corporate governance is key to restore this confidence and streamline the relationship between companies and stakeholders. There is no one-size-fits-all solution in this area:



- Solutions based on 'hard law' should be kept to a minimum and only for those aspects where codes of corporate governance and other soft law instruments cannot provide satisfactory results. Europe should not fall in the trap of overregulation.
- Removing obstacles to cross-border business integration: reduction of administrative burdens through the elimination of obsolete and overlapping measures.
- Increasing companies mobility and forms that address the need of specific types of companies (Societas Europaeae, Societas Privata Europaeae, 14th company law Directive on transfer of registered seat) so they can better benefit from the Single Market.

- **Intellectual property**

In the current economic climate, innovation is key. Intellectual property is a key pillar for innovation. In this context, BUSINESSEUROPE calls for:

- adoption of a unitary patent system and related jurisdiction arrangements that meet the needs of all European businesses.
- proposals that will create a single market for copyright licensing (collective rights management) and that will improve access to content across the EU.
- proposals that will further harmonise laws, procedures and practices to the benefit of all companies in the area of trademarks.

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