



9 June 2015

Commission / EUGO Workshop

“Coordinated marketing initiative for Points of Single Contact (PSCs)”

Tuesday 9 June 2015

Speaking notes Jeroen Hardenbol – *How to reach us?* (09. 40 – 10.00 hrs)

Bestwestern Hotel Vilnius

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State of play

- Companies clearly indicate they want the Points of Single Contact (PSCs), or in a more developed form, online business portals. They need these portals to provide information and assistance, which saves time, costs and makes their life easier. Ultimately this will facilitate free movement in the single market, creating new jobs and growth.
- Companies tell us however that PSCs in a number of Member States are not yet living up to their full potential for a number of reasons.

While most PSCs have improved somewhat over the last 5 years, we still see that:

- In most cases, not all basic information for setting-up a business in another Member State or operating abroad is available through the PSCs.
- Often, important information (outside the scope of the 2006 Services Directive) on for example labour law, taxation issues, VAT rules and social security is still missing or is simply not detailed enough.
- Through a survey (at the end of 2011 and updated in 2014), BUSINESSSEUROPE asked companies what the greatest benefit is that PSCs can offer:
 - ➔ The vast majority indicated that it is **the possibility to complete administrative procedures entirely online** through the PSCs. It saves both time and costs for companies as well as for public authorities.
- Yet, on most PSC portals only a limited number of procedures are available for online completion and only for certain service sectors. If certain key procedures are still offline, entrepreneurs still need to travel often to another country.



- Furthermore, foreign companies report that language barriers (some PSCs only have Google translate, which is often not precise enough), lack of interoperability of e-signatures and impossibility to register as foreign company (need for national number) to use certain PSC services are the main obstacles for satisfactorily using a PSC of another Member State.
- Unfortunately, we also observe that the level of commitment from national governments to promote and further improve their PSCs differs substantially. Often, insufficient resources are allocated to the PSCs. Therefore, it is not easy for PSC managers and the responsible team to improve. Member States regularly show political commitment and dedication in Council Conclusions but this is often not translated into concrete action and improvement.
- BUSINESSEUROPE also welcomed the PSC Charter agreed in 2013 to be better able to measure PSC performance using quantitative indicators, but the additional performance criteria falling outside the scope of the Services Directive (which sets the basic PSC requirements) remain entirely voluntary.
- Despite the fact that PSCs can be a cornerstone of national e-governance policies and further modernisation of public administration, we see that most countries have had a policy to only comply with the basic requirements laid down by the Services Directive. These basic requirements are insufficient to meet business needs.
- Many countries did not take an ambitious approach, which is a pity especially seeing the potential of these online business portals for attracting investment, facilitating cross-border service provision and creating growth.

For the future – companies would like to see that:

Member States transform their existing Points of Single Contact into **true online business portals** for goods AND services (!)

- They should offer companies all the information and assistance they need to operate across borders and on the home market in multiple languages, including the possibility to complete procedures entirely online. Additional languages should be offered in English and / or the language(s) of neighbouring countries.

How?

- In terms of looking forward and creating a true online business portal for both goods and services a **new legislative instrument** (a Regulation) might be necessary to complement the text of the Services Directive and clearly indicate which minimum criteria for performance must apply to the PSCs.
- As the PSCs touch directly upon enterprises, the single market and are digital, any proposal should be prepared jointly by DG GROW and DG CONNECT, following stakeholder consultation and careful impact assessment. The proposal should build



on existing national e-government policies and contain the core elements of the in 2013 agreed PSC Charter. In particular it is key to focus on:

- Business needs, which requires consulting stakeholders (business community)
 - Further administrative simplification (share best practices between countries!)
 - Incorporating and fully exploiting digital tools, developing e-governance
 - That it leads to further modernisation of public administration in the Member States leading to cost reductions and efficiency gains
- Although it would require additional efforts and investment, national governments need to realise the high return on investment of a better used PSC portal, or as we would like to say: **online business portal**.
 - A well-functioning business portal can be a focal point for attracting investment and promoting establishment in your country. It will lead to growth and job creation.

Resources

- Member federations consider that about 30% of the PSCs lack the financial and / or human resources to carry out satisfactorily the day-to-day tasks envisaged by the Services Directive.
- The limited funds available to run, promote and improve the PSCs should be allocated as efficiently as possible by setting the right priorities. Therefore, it is regrettable to observe that in many cases the PSCs do not provide the services that companies expect of them.

What do companies want?

- Businesses consider the possibility to complete procedures entirely online as the most important benefit that PSCs can provide, because it saves time and money, and offers an easy way to fulfil necessary obligations.

Outcome BUSINESSEUROPE survey (updated in 2014) - Top 10 - Most important PSC features for companies

1. Possibility to complete procedures online
2. Accurate and complete information on cross-border service provision
3. Rapid response to requests (online and offline)
4. Relevant information on establishment abroad
5. Information on practical issues such as tax or labour law
6. A helpdesk or phone service to back the electronic portal → companies appreciate human touch / contact when needed.
7. Possibility to track progress of ongoing procedures online
8. Offering PSC services in multiple languages
9. Possibility and security of electronic signatures
10. Downloadable information such as flyers and brochures



PSC performance

- Over the last 5 years, BUSINESSEUROPE has observed that the information offered on most PSCs has improved in terms of detail and completeness, covering a wider range of service sectors and procedures than at the end of the transposition deadline in 2009, when the PSCs were supposed to be in place.
- In general, companies are also pleased to find more practical information that goes beyond the minimum requirements laid down by the Services Directive, such as information on labour law, taxation issues, VAT rules and social security. Such information is essential for doing business across borders.
- However, there is a wide gap between the quality of information provided in the national language(s) and the foreign language(s). Companies indeed experience that the main portal is English; however linked websites are often not translated. In addition, basic information is available English, but required forms are often only available in the national language(s).
- As regards online completion of administrative procedures, in most PSCs, only limited variety of procedures is available, in particular in foreign languages. In addition, procedures can often be initiated online but completion still requires offline approval of a competent authority either through e-mail, regular post or visit to a physical office.

Awareness and usage

- **Big challenge:** The current level of use and general awareness of the PSCs is still low. European and national business federations, as well as the European institutions have made efforts to promote the PSCs. Yet, it remains difficult to remain something amongst the business community that is not yet functioning well or is incomplete. If truly useful, advertising of the business portals will come naturally.
- In particular, start-ups and SMEs are still unaware of the advantages and opportunities created for them.
- For the moment the vast majority of PSC users are domestic companies, also illustrating that a lot of information and services are not yet offered in foreign languages.
- The European Commission, European Parliament, Member States and relevant stakeholders should better and more actively **promote the PSCs** to create more awareness amongst the business community of the possibility to make use of PSC services (*BUSINESSEUROPE and its members are already actively doing this*).
- There is a clear chicken and egg issue with the promotion, where many business federations and PSCs are not very keen to promote something that is not yet working well. Once an entrepreneur uses a PSC and is not satisfied, he or she will



not come back. Also news spreads fast, making promotion in these cases counterproductive.

- PSCs should be promoted at national level in all countries. PSCs should become as well-known as SOLVIT. It should be automatic that people know that there is a PSC in every Member State, just as a Chamber of Commerce. It should be a European brand with national characteristics and particularities. Maybe promotion just before the national 8 PM news is an idea?
- Social media tools could support to create awareness of the PSCs, but it should not take away human and financial resources in a way that it hampers its core tasks. Of course a social media dimension is good for the image of the business portals.

BUSINESSEUROPE's recommendations for improving the PSCs:

Member States must transform the existing Points of Single Contact into **fully-fledged online business portals (for goods and services!)** offering companies all the information and assistance they need to operate across borders and on the home market, including offering the possibility to complete procedures entirely online.

- 1) **Make more procedures and formalities available for online completion**, also in foreign languages, by ensuring better cooperation between the PSC management and the authorities responsible for final approval of these administrative procedures.
- 2) **Develop the language offer** in terms of quantity and quality to attract more foreign service providers.
- 3) **Close the gap between the quality of information provided in the national language(s) and the foreign language(s)** with the help of the relevant neighboring countries.
- 4) **Expand the scope of practical information** to not only include practical information on labour law, VAT rules or social security but also, for instance on insurance and providing services online. This can already be partly achieved by creating links with websites of other relevant authorities, public bodies and information sources.
- 5) **Make the PSCs more user-friendly**, for instance by including a comprehensive search engine on every PSC portal and offering entrepreneurs step-by-step guidance from information provision to completion of formalities online.
- 6) **Improve the interoperability:** Building on national e-governance policies, the business portals should offer their services in multiple languages to attract foreign companies and trigger investment. In addition, interoperability between the different national portals must be ensured by offering cross-border e-signatures and user-friendly e-identification.



- 7) **Make sure that the portals answer any request as rapidly as possible.** Automatic authorisation after a certain period could offer a solution in many cases.
- 8) **Invest more in the PSCs.** National governments need to realise the great potential of improving their PSC to attract foreign investment and cut costs by simplifying procedures and using e-government tools. Business needs and expectations must be taken better into account, when the budget for the PSCs is allocated.
- 9) **Promote the PSCs better,** in particular amongst start-ups and SMEs. National governments need to realise the high return on investment of a better used PSC portal and fully commit to organising effective national promotion campaigns.
- 10) **See the PSC portals as an international brand:** Intensify contacts between the different PSCs in Europe to better share solutions and encourage the creation of standards in terms of lay out, navigation, quality of service, and presentation of forms and information. They should be promoted as a Trustmark. Something that businesses recognise and link to quality services. Establishing common features and labelling is key here.

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