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Showcasing Single Market problems – under existing EU legislation

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# **Points of Single Contact in the Single Market**

This paper concerns shortcomings in terms of access to information on Single Market rules and procedures, as multiple information sources and different contact points exist across EU legislation.

## CONTEXT

Companies intending to export goods and services often face difficulties trying to obtain information about which rules to comply with at national and EU level, which procedures to follow and which public authorities to contact in those Member States they wish to export to.

It is important to ensure a transparent and clear legal base for European companies. A too complex regulatory environment risks that SMEs will refrain from exporting and instead remain in their national markets where they are familiar with the respective rules. The existing complexity can be illustrated in all the different contact points that have been established in various EU regulations. They do not cover all business-related aspects nor information about the entire range of requirements that a company must comply with.

# LEGAL FRAMEWORK

Companies that export goods or services to other Member States must comply with all requirements on the market in question. According to existing Single Market legislation, Member States must make information available to companies through Points of Single Contact. The information obligations are imposed in at least eight different regulations<sup>1</sup>. Some non-exhaustive examples of rules and requirements that companies must comply with when accessing other markets are:

- Requirements regarding technical approval
- Requirements regarding registration of the company
- Documentation of the company's eligibility
- Requirements for permits, licences, authorisations
- Registration of posted workers and various documentation requirements concerning the posted workers/staff (qualifications, skills, health, etc.)
- Requirements on local safety certificates and other work environment issues
- Various VAT and tax issues, including registration of staff at local authorities

<sup>&</sup>lt;sup>1</sup> Services Directive (2006/123/EC), Mutual Recognition Regulation (764/2008), Recognition of Professional Qualifications Directive (2005/36/EC), Directive on the enforcement of Directive 96/71/EC concerning the posting of workers (2014/67/EU), Marketing of Construction Products Regulation (305/2011), Guidelines for trans-European Energy Infrastructure Regulation (347/2013), Directive on Electronic Commerce (2000/31/EC) and Regulation on a Framework for the free flow of non-personal data in the EU (COM(2017)495).

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In 2018, the European Parliament and Council adopted a <u>Regulation</u> establishing a Single Digital Gateway (SDG). The SDG serves as the online access point for EU citizens and business in need of information to become active in another EU country. The SDG will also facilitate access to procedures and assistance services such as Points of Single Contact (PSCs), which were established to improve cross-border service provision. Although the SDG will increase online access, multiple points of single contact will continue to exist depending on different EU legislation and procedures will remain not fully digitised. Insufficient implementation at national level and lack of coherence between the different points of single contact further pose obstacles to cross-border activities of business and citizens. Moreover, it remains to be seen which online procedures will be available under SDG by the end of 2023<sup>2</sup>.

## EXAMPLE

A manufacturing company and service provider is experiencing increased complexity in the procedures, registration and documentation requirements concerning posting of workers in some Member States. The company operates across the EU providing maintenance services on production equipment it has manufactured.

In some Member States, the company must consult several websites – at times only available in the local language or lacking a user-friendly application by using overly legal or technical language - to obtain an overview of the relevant requirements, such as posting of workers or relevant permits. Still, due to the fragmented information, the company does not feel certain that it has everything in order. Nonetheless, it has to fulfil its contractual obligation to provide the services. Considering that some Member States issue excessive fines for non-compliance, the lack of transparency puts this company in a very uncomfortable situation when fulfilling its service contracts.

## **HOW TO ACHIEVE BETTER RESULTS**

The best way to improve information access is to provide business with all procedures and necessary information in **one** "**Single Market access point**" accessible also through the SDG. The following actions are needed:

- 1. Availability of comprehensive information and e-procedures, regardless of whether the request originates from a national or foreign business.
- 2. Provision of **one single, coordinated answer** from a contact point in the Member State concerned, whenever an inquiry is submitted by a business.
- 3. Provision of information and **relevant documents in English** as default, on top of the official national languages and any other languages chosen by the Member State concerned, and in a **clear and user-centric way**.

# **CONTACT INFORMATION**

Michelle Marie Philipp, Adviser, Internal Market Department, <u>mm.philipp@businesseurope.eu</u>

<sup>&</sup>lt;sup>2</sup> In its 2023 Annual Single Market Report, the Commission announced to make available 21 online procedures in all EU countries by the end of 2023.