

Brussels, 4 April 2006

Services Directive: Commission puts forward amended proposal

The European Commission has adopted an amended proposal for a Directive on services in the EU single market. This is the next stage in the legislative process after the European Parliament's vote at first reading in February 2006. The amended proposal builds on the Parliament's work, and on discussions in the Council to date. It will help to create more growth and jobs in the EU by freeing up cross-border trade and investment in services. Businesses will find it easier to establish anywhere in the EU, saving time and money. They will also find it easier to provide services across borders – Member States will be obliged to remove unjustified obstacles. Consumers will have more choice, information and protection. And services providers will be properly supervised under enhanced provisions for cooperation between national authorities. The Council will now debate and vote on the amended proposal.

Internal Market and Services Commissioner Charlie McCreevy said: *"This is a realistic, practical and workable solution. It has the potential to make a real economic difference at a critical time for Europe. It sets in motion a process that will lead to greater integration of the market for services, with greater legal certainty for those selling and buying services. Business will be able to set up and to offer services free from measures designed to shut them out. Consumers will enjoy more choice, greater competition and lower prices. Standards in the workplace will not be undermined. I now look forward to working with the Council and I hope that it will be possible to reach a final agreement by the end of the year."*

The amended proposal is part of a comprehensive series of measures aimed at ensuring a fully working Internal Market for Services. The Commission is also publishing guidance to Member States on the operation of the Directive covering the posting of workers from one Member State to another. It will come forward with a separate initiative in the area of health, covering issues such as patient mobility, and will publish Communications on social services and on services of general interest.

The amended proposal aims to reduce regulatory fragmentation and to encourage and facilitate growth in cross-border service provision. It will remove barriers and enhance consumer confidence. Its main features include:

Establishing a business anywhere in the EU: businesses will be able to complete all formalities online and through a single point of contact. Authorisation schemes will be clearer and more transparent, while "economic needs" tests (expensive procedures requiring businesses to prove to the authorities that they will not "destabilise" local competition) will no longer be allowed. This will speed up authorisation and reduce costs for businesses.

Providing services across borders: the freedom to provide services anywhere in the EU will be underpinned. Member States must respect service providers' rights to provide a service in a Member State other than that in which they are established. They must **receive free access to and enjoy free exercise of a service activity** in any territory. However, Member States will be able to apply measures that are non-discriminatory, proportionate and necessary for reasons if these are necessary to protect public policy, public security, public health and the protection of the environment.

Better consumer protection: businesses will be under an obligation to make key information available to consumers and will not be allowed to discriminate against a consumer on grounds of residence or nationality.

Better supervision of businesses: Member States will have to step up administrative cooperation between them to ensure improved and effective supervision of businesses. This will be backed up at a practical level by an electronic information system enabling authorities to exchange information directly and efficiently.

Scope

In line with the European Parliament's amendments, the amended proposal does not affect labour law or deal with the posting of workers. The following are excluded from the scope of the Directive: financial services, telecommunications, transport services, port services, healthcare, social services relating to social housing, childcare and support of families and persons in need, activities connected with the exercise of official authority, temporary work agencies, private security services, gambling and audiovisual services.

http://europa.eu.int/comm/internal_market/services/services-dir/index_en.htm