



## IMPLEMENTATION OF THE SERVICES DIRECTIVE

### KEY MESSAGES

- 1** The Services Directive has great potential to remove barriers to the free movement of services and foster cross-border services trade.
- 2** The transposition deadline of 28 December 2009 has already passed: wide divergences on the quality of national transposition are observed and some Member States are lagging behind.
- 3** Member States must step up their efforts to complete and consolidate implementation of the directive including informing SMEs on the advantages and opportunities of the directive.
- 4** Progress is not entirely satisfactory regarding the points of single contact and the use and interoperability of electronic procedures.
- 5** The 2010 mutual evaluation process will be the test to assess the quality of the regulatory and administrative simplification that Member States have carried out to adapt to the directive.
- 6** The Commission must continue to play a pivotal role in supervising national transposition and coordinating the mutual evaluation process with the involvement of stakeholders.

### BACKGROUND

The Services Directive, adopted in 2006, requires Member States to simplify existing legislative and administrative procedures to facilitate free movement of services and easier establishment of domestic and foreign service providers. It has been estimated that the potential economic gains from the implementation of the Services Directive range between € 60 billion and € 140 billion, which represents a growth potential of between 0.6 and 1.5% of EU GDP.

Businesses and citizens will benefit from the removal of obstacles to the free movement of services in the Single Market if the directive is properly implemented. Member States and regional and local authorities are responsible for high quality implementation.

Under the directive, Points of Single Contact (PSCs) must be set up to provide information to companies and assist them in completing the necessary procedures and formalities concerning establishment and/or provision of services in a given Member State. This should be also made possible at a distance and by electronic means.

The transposition deadline of the Services Directive expired on 28 December 2009. Early results indicate that there are wide divergences on the quality of transposition from country to country and some Member States are lagging behind.

Wide divergences and special difficulties are observed in the way Member States plan to establish and run the Points of Single Contact (PSCs), the use and interoperability of electronic instruments and of information and communication tools of the directive, which are elements of particular importance for SMEs.

From 2010, the direct effects of the Services Directive should become visible. In the course of the 2010, Member States and the Commission will assess the first results of the implementation process in the context of the mutual evaluation process established in the directive. By the end of the year, The Commission will submit a report on the results of the mutual evaluation process to the Council and the European Parliament.

## WHAT DOES BUSINESSEUROPE AIM FOR?

- Better information to companies and in particular SMEs to ensure they grasp the full benefits and opportunities created by the directive.
- Well-functioning Points of Single Contact (PSCs) which are adequately financed and staffed, easily accessible and well-known to service providers.
- PSCs offering their services in different EU languages and using pragmatic interoperable electronic procedures to serve domestic and foreign service providers at distance.
- A mutual evaluation process which takes into account the views of businesses to identify gaps and point to areas for improvement.