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DG Internal Market and Services

Management Plan 2012

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PERSONAL MESSAGE FROM THE DIRECTOR-GENERAL

Boosting new sources of economic growth, restoring consumer confidence in financial services and continuing the work on creating a supervisory and regulatory framework in the financial sector: those will be our priorities for 2012. In the context of the current challenges facing Europe, these goals are quintessential.

Our first goal will be to deliver on the Single Market Act and the Europe 2020 agenda by unleashing new sources of growth. Particular focus will be placed on modernising the intellectual property rights framework and advancing the digital single market. For 2012, the DG will prepare proposals to facilitate the cross-border licensing of online music, table robust rules to counter the damaging effects of counterfeiting and online piracy and update the regulatory framework for EU trademarks. Following the good progress made by Member States on the implementation of the Services Directive, we will issue a communication which will list the necessary measures to allow the Services Directive to reach its full potential. But new growth needs to be sustainable as well. That is why we will roll out proposals setting common transparency standards for non-financial information obligations for companies, such as social aspects, environmental information, human rights and sustainable development. Furthermore, taking lessons from the financial crisis, we are set to launch an initiative on corporate governance to improve the internal functioning of listed companies – particularly on the responsibility of the board and shareholders' rights. We will also progressively implement an Action Plan in support of social businesses.

Growth strongly hinges on confidence, and consumer confidence in the financial sector has taken a severe hit since the financial crisis. Our regulatory agenda responds to this challenge. We will deliver an amendment to the Undertakings for Collective Investment in Transferable Securities (UCITS) Directive and a legislative instrument on pre-contractual disclosures (PRIPs). Our aim is to promote robust investor protection and to provide a level playing field for the originators and distributors of retail investment products. At the same time, we will continue our work on revising the Insurance Mediation Directive (IMD) in order to improve the functioning of the European insurance market, making sure that consumers are better informed of the risks, costs and features of insurance products.

Finally, in the context of completing the EU's commitments under the G20, we will continue building our supervisory and regulatory framework in the financial sector. We will propose measures for dealing effectively with future banking crises and start work on a framework for crisis management and resolution for non bank financial institutions. With the Communication on shadow banking we will provide a roadmap for the future regulation of the shadow banking system in the EU. In 2012, we will intensify our efforts in the fight against money laundering. Furthermore, the Directive on Institutions Occupational Retirement Provision will be reviewed to improve workers' mobility in the face of demographic ageing and escalating public debt.

At the same time, we will have to strive for the early adoption of our proposals still pending in co-decision and the effective implementation of proposals already agreed. We will also continue our proactive engagement with the international dimension of all our policies.

I count on the commitment of the staff of the DG to deliver our ambitious work programme for 2012. In a time of negative growth in human resources across the Commission, our staff will no doubt be under strain. Therefore, in order to be able to deliver on our policy priorities, it will be of great importance to use the skills and experience of all staff in the best and most efficient way. It will be my responsibility, as well as that of colleagues at all levels of management, to keep the motivation and satisfaction levels high in the DG.

Jonathan Faull
Director-General
DG Internal Market and Services

OUR MISSION

We aim to develop a dynamic single market in order to secure a prosperous economic future for everyone in the EU.

We do this by restoring confidence and stability in the financial sector and stimulating growth and creativity in our social market economy.

NOTRE MISSION

Nous visons au développement d'un marché unique dynamique afin d'assurer l'avenir économique de tous les citoyens dans l'Union.

Nous faisons cela en restaurant la confiance et la stabilité dans le secteur financier et en stimulant la croissance et la créativité dans une économie sociale de marché.

LONG-TERM OBJECTIVES OF THE DG

In order to meet the goals set out in the mission statement of the DG, a number of long-term objectives have been established by the senior management team. The intention is to keep these objectives stable over a number of years. We measure our progress towards meeting them through indicators that are designed to provide a picture of how the DG impacts the single market and society as a whole. These indicators give an overall picture of economic reality in the single market in areas under DG MARKT's responsibility. However, the DG cannot, of course, be held solely responsible for achieving results as measured against these indicators. A range of other factors outside the control of the DG also affect outcomes.

Our indicators currently paint a mixed picture of progress in the single market. Some indicators show a negative development over 2008 and 2009 (e.g. financial stability indicators) or only marginal improvement (integration of services). The financial stability indicators are still far off pre-crisis levels. On the other hand, some single market indicators that are directly linked to the DG's work show a more positive trend (e.g. convergence in financial regulation through the G20 and FSB processes). It is to be hoped this can be continued through 2012.

Objective 1: Create an effective regulatory framework, on the basis of sound evidence, in order to benefit consumers and business.

What is our target?	How do we measure our progress?	What is the current situation?
Increased performance of the services sector in the EU	Annual turnover of the services sector in absolute figures	Gross Value Added (GVA) is defined as output value at basic prices less intermediate consumption valued at purchasers' prices. GVA is calculated before consumption of fixed capital. - 2009: € 10 560 865 million; - 2010: € 10 954 308 million; - 2011 (Q1, Q2) : € 5 624 074 million. (Source: Eurostat)
Year on year increase in level of openly advertised public procurement in the Official Journal	Value of public procurement advertised in the Official Journal in absolute figures and as a % of GDP.	The value of public procurement advertised openly: - 2008: € 392 billion (i.e. 3.1% of GDP); - 2009: € 420 billion (i.e. 3.6% of GDP); - 2010: € 447 billion (i.e. 3.7% of GDP). (Source: DG MARKT C.4.)
Average transposition deficit of 1% for all Member States	Average transposition deficit ¹ .	For the first time since 2007, Member States have missed the 1% transposition deficit. Only 11 Member States reached the 1% and the average deficit was 1.2%. (Source: DG MARKT, B3; Internal Market Scoreboard, September 2011)
Reduce transposition delays	Level of reduction in average transposition delay	In November 2009, Member States took an extra 9 months on average to transpose EU directives after the transposition deadline had expired. In May 2011 the EU average transposition delay amounted to 5,5 months, which is equivalent to an overall reduction of almost 40% in 18 months. (Source: DG MARKT, B3; Internal Market Scoreboard, September 2011)

¹ The transposition deficit refers to the percentage of Internal Market directives not yet communicated to the Commission as having been transposed, over the total number of Internal Market directives that should have been transposed.

Objective 2: Improve the regulation and supervision of financial markets.

What is our target?	How do we measure our progress?	What is the current situation?
Financial indicators returning to pre-crisis reference values.	Cost of protection of financial institutions against default	Before the financial crisis started, the cost of protection of financial institutions against default had a ceiling of 10 basis points for senior financials and 15 basis points for subordinated financials. In early November 2011, the cost of protection of financial institutions against default risk was 284 basis points for senior financials and 504 basis points for subordinated financials. (Source: DG ECFIN)
	Interbank market spreads, measuring the scarcity of liquidity	Before the financial crisis started, the average spread for unsecured lending rates versus overnight indexed swap rates was less than 10 basis points. In early November 2011, the spread was 86 basis points. (Source: DG ECFIN)
A more effective supervisory structure promoting stability and efficiency	Robustness of supervisory structures in the EU	The three European Supervisory Authorities for banking, insurance and securities (EBA, EIOPA and ESMA), together with the European Systemic Risk Board, were created at the beginning of 2011 and have almost completed their first year of operation. They will be evaluated in depth in 2013.

Objective 3: Increase the EU's economic potential by opening up markets and improving their functioning.

What is our target?	How do we measure our progress?	What is the current situation?
Year on year increase in intensity of Foreign Direct Investment within the European Union	Foreign Direct Investment intensity ²	Intra-EU 27 Foreign Direct Investment flows: - 2007 = 3.8% of EU GDP; - 2008 = 2.2% of EU GDP; - 2009 = 2.1% of EU GDP. (Source: Eurostat)
Annual increase in intra-EU trade of services	Trade integration of services ³	Intra-EU 27 trade of services: - 2007 = 3.7% of EU GDP; - 2008 = 3.9% of EU GDP; - 2009 = 3.8% of EU GDP; - 2010 = 4% of EU GDP. (Source: Eurostat)

Objective 4: Set global standards through cooperation and agreement with international partners.

What is our target?	How do we measure our progress?	What is the current situation?
More equivalence and mutual recognition agreements, including with G20 countries.	Convergence with single market rules and adoption of EU endorsed international standards	G20/FSB process creating pressure for greater convergence in financial regulation. (Source: DG MARKT, B.4.)

² Foreign Direct Investment intensity is measured by the average of intra-EU inflows and outflows of FDI related to GDP. The indicator acts as a proxy of market integration and the subsequent pro-competitive effects driven by increased entry of new competitors in previously fragmented markets.

³ Trade integration of services is measured by the average of intra-EU imports and exports of services related to GDP. This indicator measures the intensity of cross-border trade penetration and subsequent pro-competitive effects driven by increased import competition.

DG MARKET'S POLICY FIELDS

SINGLE MARKET POLICY

The single market is one of Europe's signature achievements. It has allowed the EU to create a single market place across 27 nations through a process of agreeing on appropriate standards and regulations for products and services that enable them to be sold across the EU. The single market has brought growth and prosperity to Europe.

A well-functioning Single Market is central to Europe's efforts to boost growth and jobs in response to the current financial and economic crisis. Moreover, it plays a key role in delivering the 'Europe 2020' objectives. The Single Market Act with its 12 levers and 50 actions is the Commission's immediate response to this challenge. The adoption by the co-legislator of the 12 priority actions before end 2012 is the short-term priority both to boost growth, create jobs and to rebuild confidence in the Single Market among citizens.

Objective 1: Deliver on the Single Market Act and promote the development of social business

<i>What is our target?</i>	<i>How do we measure our progress?</i>	<i>Latest known result</i>
Delivery of Single Market Act (SMA) commitments, in particular the 12 key priorities for stimulating growth and boosting citizens' confidence	Delivery of initiatives set out in the SMA	Reporting to take place in the beginning of 2012.

Key activities

- Ensure progressive implementation of the Action Plan set out in the *Commission Communication on a social business initiative* and identify further actions to support social businesses.
- Following the adoption of the *Regulation on social investment funds*, meant to set up a European framework facilitating the development of social investment funds, pursue agreement at EU level through negotiations with the European Parliament and Council.

Objective 2: Promote choice and opportunity for business and individuals by providing them with information on how to exercise their single market rights

<i>What is our target?</i>	<i>How do we measure our progress?</i>	<i>Latest known result</i>
Increased use of the Your Europe website	Number of visits to the Your Europe website	1.874.766 visits were registered to the Your Europe website (Citizens' and Businesses' parts together) for the period 1 January - 31 October 2011.
Increased use of Your Europe Advice	Number of enquiries submitted to Your Europe Advice	More than 12.000 enquires were submitted in 2010.
Increased use of SOLVIT	Number of enquiries submitted to SOLVIT	1300 enquiries were submitted in 2011.
By the end of 2012, at least 10 Directorate Generals should cooperate and/or actively use Your Europe, SOLVIT and Your Europe Advice.	Number of Directorate Generals cooperating and/or actively using Your Europe, SOLVIT and Your Europe Advice.	Currently only two other Directorate Generals are actively using Your Europe.

Key activities

- As follow-up to the Single-Market Act, prepare a *Strategy Communication on SOLVIT* to define a series of actions to further reinforce the network and increase its visibility and effectiveness.
- Deliver a new *Commission Recommendation on the use and functioning of SOLVIT* to modernise SOLVIT's legal basis, set out its mandate and functioning.
- Prepare a *Charter of Single Market Rights – 'Your Single Market, Your Rights'* to increase citizens' and businesses' awareness of rights and opportunities in the single market.
- Based on work carried out in previous years, further develop the Your Europe Portal to convert it into an effective online tool ('one stop shop') that assists citizens with information on their EU rights.
- Make content from other websites (in particular national websites) directly available on the Your Europe portal and vice versa.

Objective 3: Promote the 'Smart Regulation' agenda by ensuring that single market policy proposals are based on sound economic and legal reasoning, and active stakeholder involvement

<i>What is our target?</i>	<i>How do we measure our progress?</i>	<i>Latest known result</i>
80% of Impact assessments cleared by the Impact Assessment Board (IAB) at first reading	Level of impact assessments cleared by the IAB at first reading	In the first 10 months of 2011, 63% of DG MARKET's impact assessments were cleared by the IAB at first reading (i.e. 12 out of 19).
Strengthen economic underpinnings of Single Market policies, in particular their contribution to growth in productivity and employment	Number of economic analyses of Single Market areas	In 2012 we plan to conduct 5 market level analyses. Reporting will take place in the end of 2012.

Key activities

- Assist in the preparation of high quality impact assessments to support and increase the quality of DG MARKET's initiatives and acceptance among stakeholders.
- Prepare evaluations of legislative instruments to enhance the evidence base for any future policy and provide data for external communication purposes.
- Deliver quantitative economic analyses of the Single Market to support the policy making process.

Objective 4: Ensure the rule of law and correct implementation of Single Market legislation in Member States

<i>What is our target?</i>	<i>How do we measure our progress?</i>	<i>Latest known result</i>
Maximum of 1% transposition deficit for all Member States	Average "transposition deficit" ⁴ for DG MARKET Directives	2010: 3,1% 2,9% by November 2011
90% of infringement cases respecting benchmarks for speed handling	Respect of Commission benchmarks for speed of handling infringement cases	80% by November 2011
On average, more than 12% of pending cases subject to Commission decision each month	Level of Commission decisions on formal infringement cases	On average, the Commission has given its decision on formal infringement cases in 12% of the pending cases per month.

⁴ The "transposition deficit" measures the percentage of single market directives not yet communicated to the Commission as having been transposed into national law, in relation to the total number of single market directives which should have been transposed.

Key activities

- Issue two *Internal Market Scoreboards* to examine how fast and how well Member States transpose single market-related directives into national law.
- Provide support related to effective enforcement of EU rules by organising workshops and ensuring follow-up on enforcement activities in all Member States.
- Coordinate the organisation of Single Market Forums in Member States to examine the state of the Single Market, the transposition and application of directives, and exchange best practices.
- Manage and coordinate the management of complaints for breach of single market rules within EU Pilot to improve the assistance given to citizens and business on the application of EU law.

Objective 5: Develop the full potential of the Internal Market Information system (IMI) to support improved implementation of single market legislation

<i>What is our target?</i>	<i>How do we measure our progress?</i>	<i>Latest known result</i>
IMI should be used on a regular basis by all Member States who have designated competent authorities to take care of requests for all new professional groups.	Number of Member states regularly using IMI for requests for all new professional groups	At the end of Q3 2011, IMI was used for 40 of the most mobile professions. The 50 most mobile professions will be covered by the end of 2011. Member States will be then expected to start using IMI for the newly introduced professions. Reporting will take place at the end of 2012.
10% increase in requests for information regarding professional qualifications by the end of 2012	Number of requests for information in the area of professional qualifications	In the first three quarters of 2011, the number of requests as regards professional qualifications increased by 10% compared to 2010.
100% increase in the number of active authorities for services by the end of 2012	Number of active authorities using IMI	In the first three quarters of 2011, the number of authorities using IMI increased to 280, i.e. 70% increase compared to 175 authorities using IMI at the end of 2010.
200% increase in requests for information regarding services by the end of 2012	Number of requests for information in the area of services	At the end of Q3 2011, 272 requests were sent in the area of services via IMI, i.e. 100% increase compared to 2010.
100% increase in number of active authorities for Posting of Workers	Number of active authorities using IMI	Posting of Workers is a pilot project running since May 2011. At the end of Q3 2011, 137 authorities used IMI for Posting of Workers.
100% increase in requests for information regarding Posting of Workers	Number of requests for information regarding Posting of Workers	32 requests regarding Posting of Workers were sent via IMI by the end of Q3 2011.
Prepare the extension of IMI to CIT (Cash in Transit) and Patients' rights by the end of 2012	Number of legal areas benefiting from IMI use	Currently, IMI covers the Professional Qualifications Directive, the Services Directive and the Posting of Workers Directive.

Key activities

- Following the adoption of the *Regulation on administrative cooperation through the internal market information system (IMI)* in 2011, meant to ensure a coherent regulatory approach on data protection, pursue agreement at EU level through negotiations with the European Parliament and the Council.
- Coordinate and prepare the extension of IMI to other legal areas.

PUBLIC PROCUREMENT

The public sector is the largest consumer in the economy. In 2009, public authorities in the EU spent over € 2'100 billion on supplies, works, and services – amounting to around 19% of EU GDP. It is therefore important that public contracts are tendered fairly and openly to ensure best value for money for taxpayers. Public procurement is also used as a tool to foster the demand for innovative, environmentally friendly or socially responsible products or services. Public purchasers can have a major impact in stimulating technological development, fighting climate change and reducing social exclusion. As a result, public procurement plays an important role in the 'Europe 2020' Strategy.

A key priority for the coming years will be the modernisation of the EU's public procurement legislative framework in order to ensure that it successfully responds to current challenges. Efforts to implement electronic procurement as a way of reducing costs in procurement procedures are also important.

Objective 6: Prepare a modern framework for public procurement giving better access to public contracts on an EU-wide basis

<i>What is our target?</i>	<i>How do we measure our progress?</i>	<i>Latest known result</i>
Sustained competition for advertised public procurement opportunities in the Official Journal	No of participants in procedures	In 2010, there were on average 5 bids for procedures published in OJ TED. About 39% of above threshold contracts are awarded to SMEs.
Increase cross-border bidding and success in above-threshold procedures	Level of cross-border contract awards	1.5% of total contract awards for suppliers established in another Member State (three-year moving average).
Increased use of e-procurement procedures (e.g. e-notices, e-submissions, e-ordering)	Percentage of procurement procedures (tender submission) completed online and number of e-procurement platforms operating in the EU	In 2010, EU 27 13% of enterprises used the Internet for submitting a proposal in a public electronic tender system to public authorities (11% in 2009).

Key activities

- As part of the 'Europe 2020' flagship initiative Digital Agenda for Europe, deliver a *Communication outlining e-Procurement actions* to accelerate the conversion to e-procurement and support cross-border participation in online procurement procedures.
- Follow-up to the Commission proposals for modernisation of the EU's public procurement legislative framework and work in the European Parliament and in the Council in the context of the legislative process.
- Promote follow up measures to the European Code of Best Practices facilitating access to public procurement for SMEs by, inter alia, disseminating adequate information on best practices to Member States and provide early warning on unlawful practices.

Objective 7: Implement and enforce EU legislation to promote transparency and competition in public procurement markets (including defence procurement markets)

<i>What is our target?</i>	<i>How do we measure our progress?</i>	<i>Latest known result</i>
Maximum of 1% transposition deficit for all Member States	Average "transposition deficit" ⁵ for all relevant Directives	2010: 0.4% 2011: 7%
Increase in number of infringement cases closed, notably priority cases, year on year	Number of infringements cases closed	2010: 86 (out of which 31 were considered a priority) 01/01 – 15/11/2011: 47 (out of which 12 were considered priority)
Increase in number of cases solved using alternative redress mechanisms compared to 2010	Number of cases closed using alternative problem solving mechanisms (e.g. SOLVIT, EU PILOT, modification of draft laws)	SOLVIT - 0 cases closed (2010) - 0 cases closed (01/01 – 15/11/2011) EU PILOT: - 31 cases closed (2010) - 24 cases closed (01/01 – 15/11/2011)
Overcoming the national fragmentation of defence equipment markets	Level of defence equipment market integration and openness, to be measured via EU-wide publication rate (TED) and annual reports of the European Defence Agency over the coming years	Currently, 12% of public contracts related to Defence Procurement in the EU are published EU-wide via TED and only a small part (below 10%) of these purchases concern war-like material.

Key activities

- Provide assistance to Member States on national transposition measures for Directives in order to ensure correct transposition.
- Verify compliance with the provisions, regulations and decisions set out in the treaty on the Functioning of the European Union (TFEU).
- Manage complaints and inquires from citizens and handle infringement proceedings.
- Publish Vademecum on application of Article 30 exemptions from Utilities Directive to inform Member States and stakeholders about correct format of applications and procedures.
- Monitor anti-crisis measures introduced by Member States in the area of public procurement in response to the financial crisis so as to ensure public procurement rules are respected and implemented correctly.
- Ensure follow-up of the commitments in the Memoranda of Understanding with several Member States (Greece, Portugal, Latvia and Romania).
- Maintain and develop the e-CERTIS online database, ensure appropriate functioning of e-notification and review the Common Procurement Vocabulary (CPV).
- Maintain, develop and exploit the MAPPs database to monitor implementation and inform policy discussion on impact of EU Directives.
- Create an inter-service Taskforce to identify further measures to promote a European defence and security equipment market.
- Bring offset practices in defence procurement markets in the Member States in line with TFEU obligations.
- Operation of the interactive information service on the application of Community law to Services of General Economic Interest (SGEI).
- Co-operation with other DGs to ensure coherence of Commission policy between public procurement law and other EU 2020 related objectives.

⁵ The "transposition deficit" measures the percentage of single market directives not yet communicated to the Commission as having been transposed into national law, in relation to the total number of single market directives which should have been transposed.

INTELLECTUAL PROPERTY

An important body of EU acquis in the area of IPR exists, from copyright (8 directives), to the Community Trade Mark and the Community Design, to the enforcement of IPR rights. However, further efforts are required in a number of areas. The patent system is still fragmented. The resulting costs and complexity hampers access to the patent system for SMEs and creates a competitive disadvantage for European inventors. The legal offer of copyright protected goods and services across the EU, in particular online, would benefit from a stable framework for the collective management of rights enabling multi-territorial and pan-european licensing.

Work on both a unitary patent and a unified patent litigation system (creation of a European Patent Court) is progressing, but further efforts still need to be made in the coming years to bring both projects to fruition. Both the Community Trade Mark Regulation and the Trade Mark Directive harmonising the law on national trade marks are currently under review, with the aims of simplification and modernisation. On copyright, our priorities are to propose a Directive on collective rights management providing for greater transparency and for an EU-wide licensing structure for music and, through the adoption of the Commission proposal for "Orphan Works" (currently negotiated in the European Parliament and in the Council), to create a EU legal framework for the digitisation and online dissemination of works in the collection of public institutions the authors of which cannot be identified or located. Another of our priorities is to step up the fight against counterfeiting and piracy by providing the European Observatory on Counterfeiting and Piracy with a more substantial and permanent infrastructure, by fostering administrative cooperation within and between Member States and by reviewing the IPR Enforcement Directive.

Objective 8: Improve the quality and accessibility of protection of intellectual property rights and access to copyright protected works

<i>What is our target?</i>	<i>How do we measure our progress?</i>	<i>Latest known result</i>
Increase in number of European SMEs with access to IPR protection	Number of SMEs making use of industrial property rights	Fragmentation of the patent system identified by SMEs as one of the main reasons for insufficient use.
Increase in the offer of online audio and audiovisual services, both in terms of services available per Member State and services available across borders	Legal offer of audiovisual content online in the EU, including on a cross border basis	More than 500 video on demand services available in the EU in 2008 (€ 539 million turnover).
Increase in the offer of music services online, both in terms of services available per Member State and services available across borders	Legal offer of music in the EU, including on a cross border basis	Online music represents 19% of total recorded music sales in the EU (trade value - approximately € 700 million in 2010).
Increase in the number of public library digitalisation projects	Level of digitalisation and cross border availability in the EU of copyright protected material	Approximately 2 million digitised books in the EU libraries and cultural institutions (around 13% of the digitised books available on Europeana.eu).
Lift barriers to the free movement of goods and services originating from diverging private copying levy systems	Level of divergence between private copying levies applied across Member states	The levies collected in the EU in 2009 amounted approximately € 500 million. Disparate private copying levies exist in 22 Member States.

Key activities

- As indicated in the Commission Work Programme for 2012, propose:
 - *Directive on collective rights management*, which will provide for greater transparency and for an EU-wide licensing structure for music.
 - *Revision of the Community Trademark Regulation and of the Directive approximating national trade mark laws* in order to upgrade, streamline and modernise both the Regulation and the Directive.
- Organisation and follow-up of stakeholders' dialogues on private copy levies to ensure that schemes for fair compensation for private copy provide the revenue due to right-holders.

- Under the 'Innovation Union' flagship initiative, continue working towards the creation of unitary patent protection and the creation of a specialised Unified Patent Court.
- Follow-up to the Green Paper on the online distribution of audiovisual works to devise solutions for modernising the copyright regulatory framework applicable to the distribution of audiovisual content online
- Monitor the impact of the Memorandum of Understanding on “out of commerce” to facilitate digitisation and increase the availability of out-of commerce books and learned journals.
- Follow-up to the Commission proposal for a *Directive on certain permitted uses of orphan works* adopted in 2011 and work in the European Parliament and in the Council in the context of the legislative process.
- Follow-up to the Memorandum of Understanding on access to works by people with print disabilities to facilitate the publication and distribution across borders of works in special formats for people with print disabilities in full respect of copyright.
- Deliver a *Report on the Directive on the protection of biotechnological inventions* to monitor the development and implications of patent law in the field of biotechnology and genetic engineering.

Objective 9: Enhance the fight against counterfeiting and piracy in order to maintain competitiveness and jobs in Europe and to protect citizens' health and safety

<i>What is our target?</i>	<i>How do we measure our progress?</i>	<i>Latest known result</i>
Reduction in number of counterfeit goods and pirated copyright protected content in the EU	Number of counterfeit goods in the EU and pirated copyright protected content	Evidence on seizure suggests that counterfeiting and piracy are increasing within the EU.
Effective cross-border judicial redress against IP infringements	Number of civil cases taken successfully forward, particularly by SME right-holders	The report on the application of the IPR Enforcement Directive from December 2010 shows that the current harmonisation of judicial procedures is insufficient, and that right-holders, particularly SMEs are dissuaded from seeking legal redress for IP infringements.

Key activities

- As indicated in the Commission Work Programme for 2012, deliver a proposal for a *Review of the Directive on the enforcement of intellectual property rights* to make sure that intellectual property rights can be protected effectively and uniformly in the EU, in particular in a digital environment.
- Organisation and follow-up of a next round of stakeholders' dialogues on the sale of counterfeit products over the internet and on online copyright infringement.
- Evaluate the need for harmonisation within the EU of enforcement procedures in the domain of theft of trade secrets.

Objective 10: Ensure correct implementation and effective enforcement of EU rules on intellectual property

<i>What is our target?</i>	<i>How do we measure our progress?</i>	<i>Latest known result</i>
Maximum of 1% transposition deficit for all Member States	Average "transposition deficit" ⁶ for all relevant Directives	2011: 0%
Increase in number of infringement cases closed, notably priority cases, year on year	Number of infringements cases closed	01/01 – 15/11/2011: 0
Increase in number of cases solved using alternative redress mechanisms, year on year	Number of cases closed using alternative problem solving mechanisms (e.g. SOLVIT, EU PILOT, modification of draft laws)	SOLVIT - 0 cases closed (01/01 – 15/11/2011) EU PILOT - 0 cases closed (01/01 – 15/11/2011)

Key activities

- Verify national transposition measures for Directives and compliance with EU acquis.
- Verify compliance with the provisions, regulations and decisions set out in the Treaty on the Functioning of the European Union (TFEU).
- Manage complaints and inquiries from citizens and handle infringement proceedings.

⁶ The "transposition deficit" measures the percentage of single market directives not yet communicated to the Commission as having been transposed into national law, in relation to the total number of single market directives which should have been transposed.

INTERNAL MARKET FOR SERVICES

Services are crucial to the European Internal Market. They account for over 70% of economic activity in the EU and are the driving force behind job creation in Europe. However, despite progress in some specific service areas, the potential of this important sector of the European economy has not yet been fully exploited. Our efforts aim at removing remaining obstacles to the functioning of the Single Market for services and promoting the availability of high quality and innovative services, including postal services, throughout the EU.

Looking at services from a citizen's point of view reveals that there is need to focus both on the supply side (by creating an environment in which business can act for the benefit of citizens regardless of national frontiers) and on the demand side (by setting the right framework for sustainable employment and consumer demand).

Objective 11: Contribute to the Europe 2020 strategy by enhancing and consolidating the single market for services on the basis of the Services Directive

<i>What is our target?</i>	<i>How do we measure our progress?</i>	<i>Latest known result</i>
To further lift barriers to the functioning of the Internal Market for services by ensuring a full and ambitious implementation of the Services Directive and further targeted actions when required.	Removal of barriers, including legal uncertainty, in key services sectors	24 Member States have framework laws implementing the Services Directive in place to facilitate the establishment and the free movement of services.
Availability by the end of 2011 of operational Points of Single Contact (PSCs) in all Member States, providing information and allowing businesses to complete online procedures.	Number of Member States with operational PSCs in place	24 Member States have "first generation" operational PSCs in place. No PSC portal at all yet in Romania, Slovenia and Slovakia.
Eliminate business practices that discriminate consumers on the basis of their nationality or place of residence	Increase in the availability of cross-border services, in particular with regards to e-commerce, for recipients of services, in particular SMEs and consumers.	Only 12% of consumers shopping on-line buy from a website in another country, while 60% of cross-border internet shopping orders are refused because of the consumer's country of residence. (Source: The Consumer Scoreboard, 3 rd edition and DG SANCO's 2009 study by YouGovPsychonomics)

Key activities

- One of the priorities on the Commission Work Programme for 2012 is to deliver a *Communication on the follow-up to the Performance Check for services: Deepening the single market for services* to identify and propose actions to be taken to remove remaining obstacles to the functioning of the Single Market for Services.
- Adopt the *Guidelines on the non-discrimination of service recipients under art. 20 of the Services Directive* aimed at providing guidance on the application of the non-discrimination principle.
- Deliver a *Report on the state of play of implementation of key features of the Services Directive and its economic impact*.
- Encourage exchange of best practices and develop benchmarking as regards the use of PSCs and continue work to facilitate cross-border use of e-signatures and e-documents by means of PSCs.

- Assess the performance of the network of national bodies responsible for providing information to service recipients and develop further possible steps to consolidate the network.

Objective 12: Promote the innovative, online and safe supply of services in the single market

<i>What is our target?</i>	<i>How do we measure our progress?</i>	<i>Latest known result</i>
Double the share of EU business-to-consumers online retail and online business-to-business procurement markets by 2015.	Share of e-commerce in total retail	In 2007, 4 Member States recorded a share of internet sales higher than 2% of the whole retail market. In 2010, e-commerce in the EU accounted for 3,4% of total retailing.
Double the contribution of the internet economy to EU GDP by 2015	Contribution of the internet economy to EU GDP	In 2010, the internet economy contributed about 3% to EU GDP.
Reverse the proportion between legal and illegal offers	Level of licit online gambling activities	In some Member States 85% of the online gambling market is illegal in spite of bans on online gambling. Our objective is to help Member States to develop an attractive regulatory framework in order to increase legal offers and to fight the illegal market more efficiently.

Key activities

- Commission Work Programme 2012 initiatives:
 - As follow-up to the Green Paper on online gambling launched in 2011, deliver a *Communication on online gambling in the Internal Market* to provide an action plan and identify initiatives to be taken at national and EU level;
 - Deliver an *Initiative on notice-and-action procedures* to contribute to combating illegality on the internet and ensure the transparency, effectiveness, proportionality and compliance with fundamental rights of notice-and-action procedures.
- Set up a network of gambling regulators and take steps for adoption of a common framework for cooperation and a set of common standards to protect consumers.
- Assess the need for further action in the field of on-line pharmacies.
- Represent the EU in the Council of Europe Convention on conditional access for audio visual pay services (to increase level of protection for pay TV services) and consider steps to be taken to increase the level of cross border pay audiovisual services.
- Prepare a *European Retail Action Plan* to ensure a consistent and systematic approach to the treatment of problems identified as hampering the provision of efficient and fair retail services in Europe and propose measures addressing these problematic issues as needed.
- Based on the work carried out in 2011, deliver a *Communication on unfair commercial practices in business-to-business relations* focusing on the issue of unfair commercial dealings in the retail supply chain, including on the issue of enforcement mechanisms in place in Member States.
- Create a *High Level Forum for a Better Functioning Food Supply Chain* to facilitate the establishment of a code of conduct in the Food chain.
- Organise workshops with stakeholders and interested parties to assess if there is a need for sectoral standards.
- As follow-up to the *Communication on e-commerce*, which will be adopted in the beginning of 2012, ensure the implementation of the *Action Plan* included in the initiative and monitor the developments in the online environment.
- Ensure the follow-up of the *Postal User Forum* established in 2011 and prepare and organise the second meeting towards the end of 2012.
- Prepare a *Green Paper on cross-border parcel delivery* to address the problems experienced by business and consumers wishing to engage in cross-border e-commerce.

Objective 13: Facilitate free movement of qualified professionals inside the EU

<i>What is our target?</i>	<i>How do we measure our progress?</i>	<i>Latest known result</i>
Increase in the amount and acceleration of positive decisions on the recognition of professional qualifications requests.	Amount of positive decisions on recognition of qualifications as a percentage of the total number of recognition requests.	83% of recognition requests reached a successful outcome in 2010.

Key activities

- Update *Annex II* and *Annex V* of the *Professional Qualifications Directive* by adding new qualifications to facilitate migration of professionals in the framework of automatic recognition.
- Launch a study on *Annex IV activities of the Professional Qualifications Directive* (craft, trade, industry) to prepare implementing measures in 2013.
- Based on the work carried out in 2011, complete the study evaluating the *Lawyers Directives*, which could lead to a possible revision in 2013.
- Update the professional qualifications database to facilitate use for stakeholders to keep track of which professional qualifications are regulated by which competent authorities in different Member States.
- Work towards introduction of a *European professional card* to facilitate the free movement of professionals in the EU under a possible future modernisation of the *Professional Qualifications Directive*.

Objective 14: Ensure correct implementation and effective enforcement of EU rules on services and the free movement of qualified professionals

<i>What is our target?</i>	<i>How do we measure our progress?</i>	<i>Latest known result</i>
Maximum of 1% transposition deficit for all Member States	Average "transposition deficit" ⁷ for all relevant Directives	2011: 2%
Increase in number of infringement cases closed, notably priority cases, year on year	Number of infringements cases closed	01/01 - 15/11/2011: 43 (out of which 13 cases were considered a priority)
Increase in number of cases solved using alternative redress mechanisms compared to 2010	Number of cases closed using alternative problem solving mechanisms (e.g. SOLVIT, EU PILOT, modification of draft laws)	SOLVIT - 206 cases closed (01/01 – 15/11/2011) EU PILOT - 7 cases closed (01/01 – 15/11/2011)
Complete the single market for (postal delivery) services by ensuring implementation of the postal acquis in all Member States.	Number of countries that have implemented the postal acquis on time.	Most Member States had to implement the Postal Services Directive by 1 January 2011. Compliance checks are currently ongoing and some infringement procedures are in preparation. 10 Member States obtained a transitional period until the end of 2012.

Key activities

- Assess Member States' compliance with the implementation and other enforcement related measures of the Services Directive.
- Verify compliance with the provisions, regulations and decisions set out in the Treaty on the Functioning of the European Union (TFEU).
- Manage complaints and inquiries from citizens and handle infringement proceedings.
- Provide assistance for the implementation of Memoranda of Understanding by Member States (Greece, Portugal, Ireland, Latvia and Romania) to facilitate structural reforms.
- Monitor the correct and timely implementation of the Postal Services Directive by Member States.

⁷ The "transposition deficit" measures the percentage of single market directives not yet communicated to the Commission as having been transposed into national law, in relation to the total number of single market directives which should have been transposed.

FREE MOVEMENT OF CAPITAL, COMPANY LAW AND CORPORATE GOVERNANCE

The financial crisis has underlined that the business environment across the EU should be improved by putting in place effective rules for investors, shareholders and companies providing high quality, reliable and transparent information on companies and adequate internal controls within companies themselves so as to ensure sustainable growth. Furthermore, activities planned in this area will help improve the business environment, especially for SMEs and thus contribute to the 'Europe 2020' objectives.

Objective 15: Contribute to the competitiveness of business, and in particular SMEs, by developing efficient EU company law and corporate governance rules

<i>What is our target?</i>	<i>How do we measure our progress?</i>	<i>Latest known result</i>
Reduction in administrative burdens in company law	Level of reduction in administrative burdens in the area of company law	32% reduction in company law administrative burden achieved when proposals were adopted by Council and EP in 2009 compared to 2008. Further reductions are anticipated once the Commission proposal on Business Registers, currently under negotiation with the European Parliament and the Council, is adopted.

Key activities

- As indicated in the Commission Work Programme 2012, propose a *Revision of the Third Anti Money Laundering Directive* to adapt EU rules to new threats and market developments.
- Following the adoption of the proposal for a *Regulation on a European Foundation*, meant to address cross-border problems that foundations and their donors face, pursue agreement at EU level through negotiations with the European Parliament and the Council.
- Work towards the *Review of the European Company Statute* to be delivered in 2013.
- In order to meet the objectives set in the 'Europe 2020' strategy:
 - Deliver *Initiative on EU Corporate Governance framework* to improve, in particular, the functioning of company boards.
 - Launch a Consultation on the Future of Company Law to create a long-term business environment for sustainable and responsible companies.
 - Launch initiatives following the consultation on the Future of Company Law.

Objective 16: Ensure comparability and transparency of company accounts throughout the EU

<i>What is our target?</i>	<i>How do we measure our progress?</i>	<i>Latest known result</i>
Increase in the number of EU companies using IFRS	Number of companies using International Financial Reporting Standards (IFRS) in the EU	In 2011 approximately 9000 EU companies use IFRS.
Increase in the number of countries using IFRS	Number of countries using IFRS	Currently approximately 120 countries use IFRS.

Key activities

- As indicated in the Commission's 2012 Work Programme, deliver an *Initiative on disclosure of non-financial information by companies* to further increase the number of European enterprises fully integrating sustainability and social and environmental responsibility into their core strategies and operations in a more transparent way.
- Adopt and promote the consistent implementation of IFRS throughout the EU.
- Pursue the reform of the International Accounting Standards Board (IASB) governance to promote the accountability of the IASB and ensure that it reflects all relevant public policy objectives.
- Work towards the reform of the EFRAG Governance to promote the accountability of EFRAG and ensure its efficient coordination with national standard setters.
- Following the adoption of the *Review of the Accounting Directives* in 2011, aimed at simplifying the regulatory environment and harmonising the financial reporting obligations of SMEs, continue negotiations on the proposal in the European Parliament and the Council to complete the codecision process.

Objective 17: Improve the audit market in the EU

<i>What is our target?</i>	<i>How do we measure our progress?</i>	<i>Latest known result</i>
Strengthen the independence of auditors	- Level of cross-border activities in the EU - Resources of the auditors' oversight bodies	Following the analysis of more than 700 responses received to the Green Paper on Audit Policy from 2009, a proposal for the revision of the Directive 2006/43/EC was deemed necessary, which will be adopted by the Commission before the end of 2011.
Improve a European market for statutory audit services		
Reinforce the supervision of auditors in the EU		
Promote convergence and high quality international standards for auditing in all Member States	Number of EU countries applying the International Auditing Standards (ISAs)	16 Member States have fully endorsed the Clarified ISAs

Key activities

- Following the adoption of the Commission's proposals, carry out the negotiations with the European Parliament and the Council for a timely adoption of the new legislative framework.

Objective 18: Ensure correct implementation and effective enforcement of EU's rules on company law, free movement of capital and statutory audit by all Member States

<i>What is our target?</i>	<i>How do we measure our progress?</i>	<i>Latest known result</i>
Maximum of 1% transposition deficit for all Member States	Average "transposition deficit" ⁸ for all relevant Directives	2010: 0,7% 2011: 1,9%
Increase in number of infringement cases closed, notably priority cases, year on year	Number of infringements cases closed	2010: 44 (out of which 36 were considered a priority) 01/01 – 15/01/2011: 23 (out of which 19 were considered a priority)
Increase in number of cases solved using alternative redress mechanisms compared to 2010	Number of cases closed using alternative problem solving mechanisms (e.g. SOLVIT, EU PILOT, modification of draft laws)	SOLVIT - 4 cases closed (2010) - 6 cases closed (01/01 – 15/11/2011) EU PILOT - 1 case was closed (2010) - 4 cases closed (01/01 – 15/11/2011)

Key activities

- Carry out an analysis of developments in the field of direct investment and mergers and acquisitions.
- Verify national transposition measures for Directives and compliance with EU acquis.
- Verify compliance with the provisions, regulations and decisions set out in the Treaty on the Functioning of the European Union (TFEU).
- Manage complaints and inquiries from citizens and handle infringement proceedings.

⁸ The "transposition deficit" measures the percentage of single market directives not yet communicated to the Commission as having been transposed into national law, in relation to the total number of single market directives which should have been transposed.

FINANCIAL SERVICES POLICY AND FINANCIAL MARKETS

The financial crisis has prompted a wide-ranging rethink of the way in which financial sector infrastructures and players operate, how they are managed and capitalised, and how they are supervised by national authorities. The three new Authorities for banking, insurance and securities set up in 2011 will have to ensure effective functioning of the new European surveillance and supervision apparatus by detecting problems early and acting in time – in a coordinated and efficient way. Together with the newly created European Systemic Risk Board, they will have to monitor the entire financial sector, to identify potential problems which might contribute to a crisis in the future.

Over the last few years the Commission has carried out an overhaul of the European regulatory framework for financial services and financial markets, but more must still be done to deepen economic coordination and integration. Ongoing work will focus on consolidating the new system of regulation for trading, post-trading and derivatives which needs to be completed as swiftly as possible. The majority of the key activities described below play a crucial role in the reform of the financial system and therefore contribute significantly to the achievement of 'Europe 2020' objectives.

Objective 19: Promote stability and integrity in financial markets through adequate supervision, robust market infrastructures and a high level of transparency

<i>What is our target?</i>	<i>How do we measure our progress?</i>	<i>Latest known result</i>
Annual increase in passported prospectuses throughout the EU	Number of prospectuses passported throughout the EU	Data collection from the European Securities and Markets Authority (ESMA) shows that for 2009 a number of 1330 prospectuses were sent, while for 2010 979 prospectuses were passported throughout the EU.
Authorisation of all Alternative Investment Fund Managers active in the EU	Number of authorisation applications granted/denied provided by the European Securities and Markets Authority (ESMA) and national supervisors.	Information will be available after the full transposition of the Alternative Investment Fund Managers (AIFM) Directive in the course of 2013.
Regulation of all Credit Rating Agencies (CRAs) in the EU with ESMA	Number of registrations and sanctions provided by ESMA	After effectively taking over mid July 2011, ESMA should be able to provide information in the course of 2012.
Central clearing of all standardised over-the-counter (OTC) derivative trades in the EU	Number of centrally cleared standardised OTC derivative trades compared to the total number of OTC derivative trades in the EU.	Obligation for central clearing will start after the entry into force of the legislation on OTC towards the end of 2011.

Key activities

- As indicated in the Commission Work Programme for 2012:
 - Deliver the *Securities Law Directive* to simplify legislation related to holding and cross-border transactions of securities.
 - Launch an *Initiative on close-out netting* to strengthen the legal certainty about netting and, in addition, to further reinforce crisis management.
 - Prepare a *Communication on shadow banking* which will clarify the definition of shadow banking and provide a roadmap for the future regulation of the shadow banking system in the EU, covering mainly money market funds, exchange traded funds, securitization, bank interaction with the shadow banking system and securities lending.
- Based on the work carried out in 2011, deliver the *Regulation on Central Securities Depositories (CSDs)* to further regulate central counterparties.
- Ensure active cooperation with the European Supervisory Authorities (ESAs) in order to enhance coordination between national supervisors and achieve better supervision

of cross-border institutions and risks.

- Following the Commission adoption in the course of 2011 of several essential initiatives regulating the financial services and financial markets sectors (e.g. Markets in Financial Instruments Directive and Regulation, Market Abuse Directive and Regulation, Amendments to the Regulation on Credit Rating Agencies etc.) continue negotiations on the proposals in the Council and the European Parliament to complete the codecision process.
- Based on work carried out in 2011, prepare more detailed and technical ("level 2") measures in order to further strengthen the EU regulatory framework for shortselling, market manipulation and insider dealing, investment services and instruments, as well as central counterparties and venture capital funds.
- Work towards developing a coherent EU policy framework on clearing and settlement on the basis of discussions with the European Central Bank (ECB), the European Securities and Markets Authority (ESMA) and other stakeholders.

Objective 20: Ensure effective investor protection through strict conduct-of-business and disclosure rules

<i>What is our target?</i>	<i>How do we measure our progress?</i>	<i>Latest known result</i>
Reduction in the number of complaints from investors concerning infringements by Member States in the application of the Investor Compensation Schemes Directive (ICSD)	Number of complaints from investors	Over 50 complaints from investors were received in 2009. In 2011 only 3 complaints were received. Overall, 10 complaints are still pending, out of which 9 have already been pre-closed.

Key activities

- As indicated in the Commission Work Programme for 2012:
 - Prepare a legislative initiative on *Pre-Contractual Disclosures and Sales Rules for Packaged Retail Investment Products (PRIPs)* to set out clear requirements on the form and content of pre-contractual information disclosure on retail investment products.
 - Amend the Undertakings for Collective Investment in Transferable Securities (UCITS) Directive as regards depositaries, remuneration, sanctions, money market funds, exchange traded funds, and more generally a review of complex UCITS funds.

Objective 21: Ensure effective implementation and enforcement of EU rules on financial markets by all Member States

<i>What is our target?</i>	<i>How do we measure our progress?</i>	<i>Latest known result</i>
Maximum of 1% transposition deficit for all Member States	Average "transposition deficit" ⁹ for all relevant Directives	2010: 3.4% 2011: 7.4%
Increase in number of infringement cases closed, notably priority cases, year on year	Number of infringements cases closed	2010: 5 (out of which 1 was considered a priority) 2011: 34 (out of which 32 were considered a priority)

Key activities

- Verify national transposition measures for Directives, such as UCITS (level 1 and level 2), and compliance with EU acquis.
- Verify compliance with the provisions, regulations and decisions set out in the Treaty on the Functioning of the European Union (TFEU).
- Manage complaints and inquiries from citizens and handle infringement proceedings.

⁹ The "transposition deficit" measures the percentage of single market directives not yet communicated to the Commission as having been transposed into national law, in relation to the total number of single market directives which should have been transposed.

FINANCIAL INSTITUTIONS

Since the credit crisis unfolded in the summer of 2007, DG MARKT has prepared a number of legislative proposals to address flaws in the way in which banks and investment firms are regulated. Both in regulatory and financial terms huge efforts have been deployed to strengthen Europe's banks given their role in the stability and functioning of our economy. The EU has overhauled the way banks are supervised and has taken legislative measures to considerably improve the quality and quantity of their capital base. The work programme for 2012 will focus on ensuring swift EU adoption of prudential rules for banks and will put forward further measures to consolidate the regulatory mechanism for financial institutions and contribute to the implementation of the 'Europe 2020' Strategy and its objectives. All this requires the combined efforts of Member States, the newly created European Banking Authority (EBA) and the European Central Bank alongside the Commission.

Beyond the direct prudential regulation of banks efforts need to focus on boosting the levels of consumer protection and restoring consumer confidence in the retail financial services sector by allowing consumers to make informed choices and to fully grasp the benefits of competition in the retail banking sector. The current financial and economic crisis has also brought to light problems with the EU credit markets and has shown the need to ensure that lending decisions are based on sound criteria. We will therefore focus on reaching agreement on an EU set of business rules for market participants in this area to further contribute to financial stability throughout the single market.

Objective 22: Improve the capital requirements regimes of the banking, insurance and pensions sectors

<i>What is our target?</i>	<i>How do we measure our progress?</i>	<i>Latest known result</i>
Increase in the number of resilient credit institutions	Percentage of credit institutions passing the EU stress tests successfully	The July 2011 exercise showed that 84 credit institutions out of 91 (i.e. 92%) passed successfully the European Banking Authority's (EBA) stress test, while 16 others are considered to be in the danger zone.
Limit the impact of costs related to banks' capital position on bank lending standards (metric for 2012 equal or greater than for 2011)	Average impact (of four quarterly observations of diffusion index) of costs related to bank capital position on lending standards to enterprises	Based on the ECB's Bank Lending Survey, the average of four quarterly observations of diffusion index that measures impact of costs related to bank capital position on lending standards to enterprises during 2011 was 3.5.
Increase the number of resilient insurance and reinsurance undertakings	Percentage of insurance and reinsurance undertakings in the EU passing the EU stress tests successfully	The July 2011 exercise showed that 116 insurance and reinsurance undertakings out of 129 (i.e. 90%) passed successfully the stress tests organised by EIOPA (European Insurance and Occupational Pensions Authority), while the remaining 13 are considered to be in the danger zone.
Maintain or increase the insurance coverage in the EU	Ratio of gross premiums to GDP	The December 2010 CEIOPS Financial Stability Report reported 1.007G€ insurance gross premiums in 2009 in the EU. According to Eurostat, the total GDP in the EU was 11.770 G€ in 2009. The insurance coverage ratio in the EU was therefore at 8.55% in 2009.
Maintain or increase the role of insurers in the financing of the economy	Total investment assets	The December 2010 CEIOPS Financial Stability Report reported insurers in the EU held 6.379G€ total investment assets at end 2009.

Key activities

- As indicated in the Commission Work Programme for 2012:
 - Review the *Directive concerning Institutions for Occupational Retirement Provision (IORP)* to promote increased cross-border activity in this area and tackle

demographic ageing and public debt challenges.

- Work towards amending in 2013 the *Financial Conglomerates Directive (FICOD II)*, by delivering a Report in 2012 looking in particular at the scope of supplementary supervision and enforceable responsibilities of complex groups' parent entities.
- Prepare "level 2" implementing measures for the *Solvency II Directive* to ensure further integration of the EU insurance market and enhanced protection of policy holders and beneficiaries.
- After putting forward the Commission proposal on Amendments to the Capital Requirements Directives (CRD IV) in 2011, pursue a) EU level adoption by Council and European Parliament of the legislation addressing enhanced financial stability by improving the quality and amount of capital held by banks, considering the leverage ratio, liquidity, procyclicality buffers and counterparty risk, and b) development by EBA of the numerous technical standards required under CRD IV.

Objective 23: Develop a sound crisis management framework for the financial sector

What is our target?	How do we measure our progress?	Latest known result
Depositor and creditor protection in the event of bank failure	Percentage of deposits for which deposit guarantee scheme protection is ensured	In the pre-crisis period (end 2007), the amount of covered deposits was estimated to be around 61%. Evidence shows that at the end of 2010 this amount rose to approximately 72%.
Put in place insurance guarantee schemes in all 27 Member States	Number of EU countries having an insurance guarantee scheme in place	In 2011 a number of 12 countries had insurance guarantee schemes in place.

Key activities

- Work towards proposing a *Directive on Insurance Guarantee Schemes* to ensure that operational insurance guarantee schemes are put into place in all Member States.
- Based on the work carried out in 2011, deliver a *Legislative initiative for bank recovery and resolution* to foster cooperation and coordination among relevant authorities, to equip them with a consistent set of tools, and to introduce ex-ante bank resolution funds.
- Work towards *Framework for crisis management and resolution for financial institutions other than banks*, in particular concerning Central Counterparty Clearing Houses (CCPs) to ensure that non bank financial institutions can be effectively resolved without causing systemic impact.
- Follow-up to the Commission proposals for *Amendment to the Regulation on Credit Rating Agencies*, *Directive on Deposit Guarantee Schemes* and *Directive on Investor Compensation Schemes* and work in the European Parliament and in the Council in the context of the legislative process.

Objective 24: Improve consumer access to high-quality retail financial and payment services throughout the EU

What is our target?	How do we measure our progress?	Latest known result
Achievement of 'critical mass' in SEPA transactions	Level of SEPA Credit Transfers (SCT) within the EU	According to the Eurosystem's Euro area SCT indicator, in 2009 5.3% of all Euro area credit transfers were processed in the SCT format. In 2010 the level of SCT reached 9.3%, while in September 2011 this indicator rose to 21%.

Key activities

- As foreseen in the list of initiatives of the Commission Work Programme for 2012:
 - Prepare the *Revision of the Insurance Mediation Directive (IMD)* to facilitate cross-border provision of insurance mediation services and to simplify the application of the current IMD at national level.

- Start preparatory work on the Revision of the Payment Services Directive, the e-Money Directive and the Regulation on cross-border payments.
- Establish a coherent framework for card and internet or mobile payments, building on the *Green Paper concerning the integrated European market for card, internet and mobile payments* to be launched early 2012.
- Following the adoption of the Single Euro Payments Area (SEPA) in 2010, monitor the timely migration to SEPA products.
- Implement the Commission's Communication on E-invoicing and set up a forum in order to define a common framework for an interoperable e-invoicing system in the EU.
- Monitor actions taken by Member States as a follow up to the *Recommendation on Access to a basic Payment Account* adopted in 2010 and carry out preparatory work to improve bank fees transparency and comparability and customer mobility in relation to bank accounts across the EU.
- Pursue EU adoption of the Commission proposal on a *Directive on mortgage credit*, which is currently being negotiated in the Council and the European Parliament. The proposal aims at creating a single market for mortgage credit with a high level of consumer protection while at the same time promoting financial stability by ensuring responsible lending to consumers.

Objective 25: Ensure correct implementation and effective enforcement of EU rules on financial services by all Member States in order to allow citizens to benefit from innovative and competitive financial services

<i>What is our target?</i>	<i>How do we measure our progress?</i>	<i>Latest known result</i>
Maximum of 1% transposition deficit for all Member States	Average "transposition deficit" ¹⁰ for all relevant Directives	2010: 5.1% 2011: 1%
Increase in number of infringement cases closed, notably priority cases, year on year	Number of infringements cases closed	2010: 48 (out of which 32 were considered a priority) 2011: 74 (out of which 69 were considered a priority)
Increase in number of cases solved using alternative redress mechanisms compared to 2010	Number of cases closed using alternative problem solving mechanisms (e.g. SOLVIT, EU PILOT, modification of draft laws)	EU PILOT - 13 cases closed (2010) - 11 cases closed (01/01-15/11/2011)

Key activities

- Verify national transposition measures for Directives and compliance with EU acquis.
- Verify compliance with the provisions, regulations and decisions set out in the Treaty on the Functioning of the European Union (TFEU).
- Manage complaints and inquiries from citizens and handle infringement proceedings.

¹⁰ The "transposition deficit" measures the percentage of single market directives not yet communicated to the Commission as having been transposed into national law, in relation to the total number of single market directives which should have been transposed.

EXTERNAL DIMENSION OF THE SINGLE MARKET

The financial crisis has shown the necessity for better regulation, coordinated on a global scale. In the area of financial services, the G20 set clear directions and the Financial Stability Board is now the main international regulatory forum in which DG MARKT plays an active role. DG MARKT will continue to be active in promoting financial and broader regulatory reform in dialogues with third countries, in particular with the United States, Japan, China, India, Brazil, Switzerland and Russia. DG MARKT also needs to be proactive regarding policy development towards strategic partners and emerging economies.

A new generation of Free Trade Agreements (FTAs) is being negotiated. These agreements have provisions on services and establishment, investment, intellectual property rights, public procurement, and money laundering which require input from DG MARKT and close follow up to negotiations. The EU's immediate priority is to conclude those trade agreements which are underway. At the same time, enlargement negotiations have accelerated with Iceland and they may soon start with a number of new applicants (fYRoM, Montenegro, Albania). DG MARKT is also actively involved in the EU's relationship with the Neighbourhood countries. Relations with the latter imply further reflection on how to maintain the integrity of the Internal Market and looking at relevant mechanisms to ensure and monitor the alignment of domestic laws with single market rules.

In a global economy, our own rulemaking must be increasingly sensitive to the international context. The link between external trade opening and internal market reforms is often a two-way street. DG MARKT needs to be proactive in international fora to promote its approach and further engage in discussions on mutual recognition or equivalence.

Objective 26: Offer EU companies greater opportunities in the global economy by promoting EU interests in bilateral and multilateral negotiations and in regulatory dialogues

<i>What is our target?</i>	<i>How do we measure our progress?</i>	<i>Latest known result</i>
Reduction of non-tariff barriers	National treatment for EU companies and improved access to foreign markets	First Trade and Investment Barriers report on important barriers in the markets of six strategic economic partners published in March 2011. Important market access barriers persist in China, the EU has challenged a number of these measures and further discussion will be held in the High Level Economic and Trade Dialogue; EU and Japan have reviewed a number of non-tariff barriers through the work of the High Level Group (HLG) set up in 2010.
Implementation of FTAs effecting greater enhanced market access	Progress in FTAs negotiations	Successful conclusion of FTA negotiations with South-Korea, Peru, Colombia and Central America. Talks with the Gulf countries, India, Canada, Singapore and Malaysia are at an advanced stage. EU reopened important negotiations with the MERCOSUR region. EU-South Korea FTA was implemented in July 2011.
Effective policy towards strategic partners and sound external dimension of the Europe 2020 strategy	Coherence between internal and external dimension	Communication on trade, growth and world affairs (November 2010) sets out how trade and investment policy must contribute to the objectives of smart, inclusive and sustainable growth, and how partners must match our efforts for an open trade policy, in a spirit of reciprocity and mutual benefit.

Key activities

- Promote global convergence and equivalence with single market rules by contributing to:
 - The Transatlantic Economic Council with the US;
 - The EU-China High Level Economic and Trade Dialogue;
 - Regulatory dialogues with major trading partners (US, Japan, China, Russia, Brazil, India and Switzerland) on single market issues related to financial services, public procurement and IPR. Informal dialogue with Australia on financial services.
- Play an active and assertive role in promoting MARKET policy agenda in the G20 and other relevant global fora.
- Participate in negotiations on Free Trade Agreements (FTAs) to offer better access to EU providers of financial services, greater transparency of and access to public procurement and an improved climate for investment and foreign direct investment (FDI); ongoing FTA negotiations with selected ASEAN countries, Mercosur, India, Canada and the Gulf Cooperation Council; negotiations on the Partnership and Cooperation Agreement with China and New Agreement with Russia. The EU aims to conclude negotiations with India and Ukraine by the time of the next Summits; and negotiations with Canada, Singapore and Malaysia during 2012 at the latest.
- Promote cooperation with the African Union Commission.
- Support the establishment of an EU instrument to help secure and increase symmetry in access to public procurement markets in developed countries and large emerging market economies.
- Contribute to the Strategic Partnerships review to be released by end of 2012.
- Coordinate Member States' positions prior and during the Universal Postal Union (UPU) Congress in November 2012
- Continue negotiations in the context of the General Agreement on Trade in Services (GATS) and the Mutual Recognition Agreements with Switzerland, Mexico and Canada.
- Establish Financial Action Task Force against Money Laundering and Terrorist Financing (FATF) and MoneyVal Ad Hoc Membership Group to present and defend EU's position in discussions and 3rd country dialogues.

Objective 27: Promote single market rules in non-EU countries

<i>What is our target?</i>	<i>How do we measure our progress?</i>	<i>Latest known result</i>
Convergence with single market rules in Neighbourhood Policy countries and Western Balkans	Degree of implementation of agreements and action plans by the countries concerned	<p><i>Croatia:</i> Accession negotiations with Croatia were completed in June 2011, opening the way to membership in mid-2013.</p> <p><i>Turkey:</i> Slow progress. Two of the chapters under DG MARKET's responsibility are frozen for political reasons.</p> <p><i>Iceland:</i> Negotiations started in July 2010. Chapters under DG MARKET's responsibility: 2 chapters opened, 1 closed, the remaining 3 will be opened by June 2012.</p> <p><i>FYROM & Montenegro:</i> candidate status.</p> <p><i>Serbia:</i> Commission recommends granting candidate status.</p> <p><i>Albania, Kosovo, Bosnia and Herzegovina:</i> work started on issuing formal opinions on their membership applications. Varying degrees of progress in DG MARKET's fields.</p>
Convergence with single market rules and economic integration in a context of political association of Neighbourhood Policy countries while preserving the integrity of Internal Market	<p>Degree of implementation as reported in annual progress reports</p> <p>Progress in FTAs negotiations</p>	<p>FTA negotiations with Ukraine are almost finalised, including a specific mechanism to ensure internal market integrity.</p> <p>With respect to the Southern Mediterranean: the EU concentrated on FTAs and short-term initiatives.</p>
15 third countries to adopt independent oversight on auditors and audit firms in the medium term	Number of third countries which adopt independent oversight on auditors and audit firms	9 third countries have adopted EU rules in the area of audit

Key activities

- Contribute to the EU's enlargement policy by participating in negotiations with candidate countries on single market issues and providing input to progress reports; contribute to the Stabilisation and Association Agreements (SAAs) or Interim Agreements with Western Balkan countries.
- Provide input to the implementation of the Partnership and Cooperation Agreements (PCAs) and Association Agreements in the framework of the European Neighbourhood Policy. Assist in the negotiation of Deep and Comprehensive Free Trade Agreements within the respective frameworks of the Eastern Partnership and the Euro-Mediterranean Partnership, offering the prospect to countries in the region of participating in the internal market once the conditions are met.
- Contribute to the Commission examination on how to strengthen the mutual links between internal and external regulatory actions and how to improve coordination between the two. Develop strategic approach to preserve the integrity of the Single Market in ENP negotiations and relations with Micro-States.

POLICY STRATEGY AND COORDINATION FOR THE INTERNAL MARKET

One of the main objectives of the DG's reorganisation, which took place in April 2011, was to reinforce policy coordination across units and directorates. The two coordination Units, attached directly to the two Deputy Director Generals, help ensure coherence between policy projects originating in different units. We have a large post-crisis work programme in financial services where many issues go beyond unit borders; the same applies even more to the follow-up to the Single Market Act. We hence strive to use all the synergies that exist between our directorates.

On communication, we aim to maintain a high profile for the Internal Market and to promote DG MARKET's policies and their benefits among key target audiences, primarily by means of media relations, websites, social media, speeches and printed publications. We monitor media coverage on the Internal Market, as well as wider opinion among the general public and stakeholders. DG MARKET is constantly in the media, which represents an opportunity as well as a risk. We therefore seek to be clear and accurate in our media relations.

Objective 28: Build support for the Single Market by communicating effectively with all constituencies

<i>What is our target?</i>	<i>How do we measure our progress?</i>	<i>Latest known result</i>
Increase traffic on DG MARKET related website, year on year	Number of visits on the DG's websites	2010 : - average of 250.000 visits/month on DG MARKET website - average of 10.000 visits/month on Commissioner's Barnier website 2011: - average of 420.000 visits/month on DG MARKET website - average of 14.000 visits/month on Commissioner's Barnier website.
Obtain good volume and quality of media coverage	Tracking coverage on DG COMM's European Media Monitoring System (EMM) and analysing media contents	Coverage level keyword "Michel Barnier": daily average in EMM of 20 articles Peak: 20 October 2011 with 281 articles (MiFID, MAD, credit institutions stress tests)

Key activities

- Media and other communication actions along the lines of Commission decisions.
- Ensure media communication on entries into force of EU legislation in DG MARKET's policy fields.
- Improve stakeholder outreach through a more streamlined DG MARKET and Commissioner Barnier website, but also by targeting distribution of print publications.
- Produce high quality and attractive videos to reach the public.
- Concept and implementation of the "Generation 1992" communication campaign, oriented to the youngster born in 1992 in the framework of the actions to celebrate the 20th anniversary of the Single Market.
- Promote DG MARKET's policies in social media such as Twitter, Facebook, blogs, etc.

ADMINISTRATIVE SUPPORT

DG MARKT has traditionally enjoyed a reputation for quality, productivity and professionalism. In order to continuously improve and update the skills of its staff, the DG maintains its own learning and development programme. The DG places high value on internal communication and on fostering staff engagement, with a number of initiatives now in place designed to maintain motivation and the interest of staff across the DG's various policy areas (e.g. MARKTV – internal communication tool which provides video streaming on internal market issues).

DG MARKT's annual expenditure is geared towards providing support to policies, by funding assistance services for citizens (SOLVIT, the Your Europe portal and Your Europe Advice), networks between administrations (the Internal Market Information Network – IMI) and evaluations and studies (in particular to prepare impact assessments). Grant funding is made available to EFRAG, IASB and PIOB. As of 2011, DG MARKT is also responsible for co-funding the new financial supervisory agencies.

Objective 29: Deliver effective HR services and ensure strategic staff allocation in line with operational priorities

<i>What is our target?</i>	<i>How do we measure our progress?</i>	<i>Latest known result</i>
Less than 2% of permanent staff leaving the DG before two years of employment in the DG	Percentage of permanent staff leaving the DG before two years of employment in the DG	In 2011, 0,8% of permanent staff leaving the DG before two years of employment in the DG
25% of women in senior management and 30% in middle management positions	Percentage of women in senior and middle management positions	Latest data show that 42% of senior management positions and 24,5% of middle management positions are held by women (acting managers included).
On time completion of the appraisal and promotion exercise contributing to staff motivation and a good work environment	Timely completion of the appraisal and promotion exercise	100% on time completion and delivery of the appraisal and promotion exercise in 2011
Implementation of the actions in the framework of the Personnel Action Plan	Degree of implementation of the revised Personnel Action Plan	A number of actions have already been implemented including in 2011: re-launch of the short secondments scheme, report on Alternative Career Paths, new mentoring scheme, introduction of a system for the reallocation of resources, career development interviews with staff members, new Action Plan on Equal Opportunities. A number of actions are on-going. Most of the actions have a mid-term view (over 2-3 years).

Key activities

- Ensure smooth recruitment and mobility of staff and promote modern methods of work organisation, in line with operational priorities and managing zero growth in resources.
- Work on preparing DG MARKT's Management Plan to assist managers in planning their operational activities considering the best use of available resources.
- Constant monitoring of all planned initiatives for 2012 and beyond to provide DG MARKT's management with an accurate and reliable account of progress towards delivery.
- Prepare DG MARKT's contribution to the Commission's Work Programme and the DG's own work programme for 2013 by means of providing an overview of all initiatives planned for adoption in the course of 2013.
- Implement the Personnel Action Plan for DG MARKT.

- Implement the Equal opportunities Action Plan 2011 – 2014, which includes initiatives such as Equal Opportunities network, Coaching and Mentoring Programmes.
- Provide well-being and support activities for staff.

Objective 30: Ensure sound financial management of resources and the legality and regularity of operations

<i>What is our target?</i>	<i>How do we measure our progress?</i>	<i>Latest known result</i>
100% compliance with the Requirements of Internal Control Standards	Level of compliance with all Requirements of Internal Control Standards	95% compliance in 2009 97% compliance in 2010
95% budget execution (commitments and payments) on the operational budget line with respect to the annual and final budgets 95% of payment files executed within contractual time limits 95 % budget execution of the administrative budget lines	Execution rate of the budget and timelines of payments	99,98% budget execution for commitments in 2010 96,45% of payment files executed in 2010 99,86% budget execution for administrative budget lines in 2010
Develop a fraud detection and prevention strategy by the end of 2012 and communicate it to staff	Strategy published on the Intranet and workshop for staff organised	Reporting to take place in the beginning of 2013

Key activities

- Monitor and ensure compliance with the Internal Control Standards by, inter alia, providing training and raising awareness on the relevant rules and procedures governing the internal control standards.
- Raise awareness of staff on ethical issues by monitoring and implementing DG MARKT's Ethics guidelines
- Carry out the risk management exercise in the context of the preparation of DG MARKT's Management Plan to ensure higher management awareness of possible risks hindering smooth delivery of planned activities and consider mitigating actions.
- Conduct "effectiveness reviews" on selected Internal Control Standards to identify areas of further improvement in the DG's management and issue appropriate recommendations where necessary.
- Prepare the Annual Activity Report 2011 to provide an accurate and reliable account of the DG's performance, over policy and management terms alike, to all stakeholders.
- Ensure constant supervision and timely execution of budgetary commitments and payments.
- Manage and implement grant schemes financed by DG MARKT.
- Improve the monitoring of administrative budget lines.
- Deliver end of year review to check whether financial transactions carried out during the year have complied with the Financial Regulation.
- Organise a tailored workshop on fraud prevention and detection together with OLAF, DG MARKT IAC and DG MARKT Internal Control Coordinator in order to raise awareness of staff on the issue.

Objective 31: Ensure effective management of the DG's infrastructure (IT, Mail delivery, Security) and become an environmentally responsible organisation

<i>What is our target?</i>	<i>How do we measure our progress?</i>	<i>Latest known result</i>
75% or more satisfaction in annual ITC survey	Level of staff satisfaction with the ITC services provided	Level of staff satisfaction in 2009 - 80% Level of satisfaction in 2010 - 83%
75% or more satisfaction in annual document management (CAD) survey	Staff satisfaction with the CAD services provided	Level of staff satisfaction in 2009 - 83% Level of staff satisfaction in 2010 – 85%
10% increase in the use of videoconferencing compared to 2010	Use of videoconferencing	Videoconferencing was used 76 times in 2010 and 83 times in 2011 (Q1, Q2, Q3)
2% reduction of paper consumption compared to 2010	Paper consumption	1731 boxes of paper were used in 2010, while in 2011 (Q1, Q2, Q3) a number of 1384 were expended.

Key activities

- Ensure an efficient administration and application of the Commission's rules and procedures on document management within DG MARKT.
- Provide training and support for IT users.
- Maintain level of staff satisfaction with regards to ITC and document management (CAD) services provided.
- Ensure maintenance of a core service in the event of an interruption to normal activities.